

JOINT LEGISLATIVE FISCAL COMMITTEE

Legislative Office Building, Rooms 210-211

Concord, NH

Friday, June 23, 2023

MEMBERS PRESENT:

Rep. Kenneth Weyler, Chair

Rep. Maureen Mooney (Alt.)

Rep. Jess Edwards

Rep. Mary Heath

Rep. Peter Leishman

Rep. Gerald Griffin (Alt.)

Sen. James Gray

Sen. Jeb Bradley

Sen. Regina Birdsall

Sen. Lou D'Allesandro

Sen. Cindy Rosenwald

CONSENT CALENDAR

KENNETH WEYLER, State Representative, Rockingham County, District #14 and Chairman: To Tab three. And I will mention that there is a Consent Calendar for sections 3, 4, 5, and 6. We can vote them all on one motion, except for the following, which have been removed at the request of some members. Under Tab 3, 23-180, under Tab 5, 23-185, and under Tab 6, 23-200. With those exceptions the rest of the --

****** JAMES GRAY, State Senator, Senate District #06: Move the Consent Calendars.

CHAIRMAN WEYLER: The rest is on the Consent Calendar. Senator Gray moves to accept the Consent Calendar. Who was the second? Senator Bradley?

JEB BRADLEY, State Senator, Senate District #03: Yep.

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CHAIRMAN WEYLER: Further -- further questions or any other ones they want -- anybody wants removed? Seeing none. You ready for the question? All in favor say aye? Opposed no? Consent Calendar's adopted with that -- for those following exceptions.

*** {MOTION ADOPTED}

(3) RSA 9:16-a, I Transfers Authorized:

CHAIRMAN WEYLER: First we'll move on Tab 3 to 23-180. And Representative Leishman had a question.

PETER LEISHMAN, State Representative, Hillsborough County, District #33: I guess, Mr. Chairman, more of a thank you very much, because I noticed that there was a savings from refinancing through the Treasury Department of \$700,000, and I think it's important to point that out that oftentimes these kind of gloss over what you -- the positive things that have done with refinancing; but that caught my attention. Just a thank you.

DANIELLE CHANDONNET, Director of Finance, Department of Transportation: Oh, thank you very much.

REP. LEISHMAN: Sure.

CHAIRMAN WEYLER: Introduce yourself, please.

MS. CHANDONNET: My name is Danielle Chandonnet. I'm the Director of Finance for the Department of Transportation.

CHAIRMAN WEYLER: And she's answered the question.

** SEN. GRAY: I move 23-180.

SEN. BRADLEY: Second.

CHAIRMAN WEYLER: Motion to accept 23-180. Is there a second?

SEN. GRAY: Bradley.

CINDY ROSENWALD, State Senator, Senate District #13:
{Inaudible}.

CHAIRMAN WEYLER: Senator Rosenwald. All right. Further discussion? Seeing none, you ready for the question? All in favor say aye? The motion is adopted. Any opposed? Thank you.

*** {MOTION ADOPTED}

(5) **RSA 14:30-a, VI Fiscal Committee Approval Required For Acceptance and Expenditure of Funds Over \$100,000 From any Non-State Source:**

CHAIRMAN WEYLER: Moving on to Tab 5, item number 23-185. And I guess there's a couple of people have questions on that. Senator Rosenwald.

SEN. ROSENWALD: Thank you, Mr. Chairman. Um -- my question is really not exactly related to this item; but -- um -- you had -- you had told us a couple months ago that Hampstead was out of compliance with a contract. They weren't staffing to required levels. So my question is are they back in compliance and what is the census?

MORISSA HENN, Associate Commissioner, Department of Health and Human Services: Right. Good afternoon. For the record, Morissa Henn, Associate Commissioner at DHHS and thanks, Senator Rosenwald, for the question.

Um -- so staffing remains a challenge at Hampstead, to the extent that not only did we issue the letter of compliance, but we now have calls once a week with the leadership team that's there, as well as at least once a

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month with the Executive leadership of WellPath Recovery Solutions, the clinical contractor, to talk about staffing. In fact, we just had one yesterday where they briefed me on all of their recruitment and retention strategies.

I think what I can say so current, today, there are approximately 33 youth in the inpatient census and five in our PRTF. What has been positive has been the fact that we have been able to build out the -- the array of services across the continuum.

I spoke this morning with several of you at HHS Oversight about the importance of the establishment of that PRTF; but we continue to hold the contractor, you know, we continue to -- to closely supervise their work to -- to recruit, to retain. They're actually completing a market analysis on salaries to ensure that what they are offering is market -- market competitive; but we want to see more of those beds open.

Currently, approximately 50 or 25 beds could be opened if we had more staff. So I think we're seeing the Waitlist lower. We continue to be committed to getting -- getting it down to zero; but, in the meantime, it's a tough staffing environment.

CHAIRMAN WEYLER: Further question.

SEN. ROSENWALD: Thank you. Quick follow-up. What steps can the Department take to ensure compliance so that we get back at least to the level of kids that were in there when we bought the place?

MS. HENN: Yeah. Well, actually, the level of kids that are at the facility now is -- is pretty close to what it was when we bought the facility. It hasn't -- we haven't fallen below that threshold. And, in fact, we have had weeks where, depending on the acuity of the milieu, we do rise over 40.

So we have seen things certainly stable, I would say; but I think it's really about enforcing the contract, about making sure that they are doing all of the quantitative and qualitative analysis, that they're engaging the recruitment resources; not just that they have on-site at the facility, but also that this national company offers and really holding them to an expectation, as well as pulling in all of their expertise to especially see if they can lure people six miles over the border to join us from Massachusetts, I think, has been another key advantage that they -- that Hampstead can sometimes offer.

So we're taking it very seriously, and at the same time we don't -- we want to make sure that we're maintaining a safe environment, especially for the highly acute population who is there.

SEN. ROSENWALD: We're going back out to bid on the contract; right?

MS. HENN: Yeah.

SEN. ROSENWALD: Are we hoping for other vendors?

MS. HENN: So the RFP was released just about two weeks ago. We had a vendor conference, as well as tours. And we look forward, we hope, to -- to attract a -- a variety of proposals and -- and WellPath Recovery Solutions is invited to submit a proposal as well. And as anyone will see, we -- we also did a Request for Information, a RFI, to ensure that stakeholders, providers, community members were able to weigh in on what they feel is most important, whether that is staffing, whether it's aspects of the system of care, whether it's family orientation and community linkages. So -- so, yes, this contract was always designed as two years so that we could enforce it closely, provide critical oversight, and then make a decision on what's best for kids moving forward.

CHAIRMAN WEYLER: Further questions. Senator Birdsell.

REGINA BIRDSELL, State Senator, Senate District #19:
Senator D'Allesandro.

CHAIRMAN WEYLER: Oh, Senator D'Allesandro.

LOU D'ALLESANDRO, State Senator, Senate District #20:
Thank you. Do you have questions? I -- I'll defer to
Senator Birdsell, then I'll ask.

SEN. BIRDSELL: Thank you for taking my question.
Regarding the shortage {No audio}.

MS. HENN: Sorry. A PRTF, a Psychiatric Residential
Treatment Facility which is actually separate from the
in-patient hospital but it is co-located. So, in essence,
it is -- does sort of appear as a new wing even though it's
accredited and operated separately.

SEN. BIRDSELL: So the -- are you having trouble
staffing that as well? Is that added into the numbers that
you're having trouble staffing?

MS. HENN: Um -- we certainly do have some positions
that we need to fill there; but, in part, because of the
innovative therapeutic model that that offers, it has
attracted certain staff who want to work in that
environment. And we've also had -- we basically just had an
ability to attract based on people who are more in the
residential care world than they are in the hospital world.

So -- so we're doing okay there; but we definitely
have positions, particularly some counselor and nursing
positions that we need to fill, in order to increase that
census from the current of about five or six up to a full
capacity of 12.

SEN. BIRDSELL: Thank you.

CHAIRMAN WEYLER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman. Thank you for coming. When we had -- when we had the young people at New Hampshire Hospital, we had how many in residence there? Was it about 40?

MS. HENN: It was before my time. So I'm looking to see -- below 40 is what I'm being told. They were moved -- the move from New Hampshire Hospital to Hampstead was in 2019.

SEN. D'ALLESANDRO: And when we moved -- and when we moved to New Hampshire Hospital, we moved all of the children to New Hampshire -- to Hampstead Hospital; correct?

MS. HENN: That's correct.

SEN. D'ALLESANDRO: And what is the -- what is the capacity of Hampstead Hospital?

MS. HENN: Yeah. So we believe the capacity is 70. If you look at the official licensure it says 110. A hundred ten would never be realistic, and I think when several of you visited we talked about that. In theory, if you filled every bed and every one had three roommates, I suppose you could get 110 patients in there; but that's not realistic given the evidence-based treatment guidelines of today.

So 70 would be the max that we conceive of right now. One unit is closed because of some renovations that are being completed, some furniture that's being moved in. I think we pointed that one out to you on the tour, but 70 is what we are hoping to get to.

SEN. D'ALLESANDRO: Okay. And further question?

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CHAIRMAN WEYLER: Follow-up.

SEN. D'ALLESANDRO: And what's our waiting list today?

MS. HENN: Yeah, the waiting list today is eight youth, I believe. And on the adult side it is 17.

SEN. D'ALLESANDRO: So 17 adults and they're being taken care of at New Hampshire Hospital.

MS. HENN: So those are 17 adults with IEAs, with involuntary, you know --

SEN. D'ALLESANDRO: Right.

MS. HENN: -- emergency admission paperwork who are awaiting a bed for placement who are currently in emergency departments.

SEN. D'ALLESANDRO: Okay. And just one further. And in reaction to the Court order, we have to get them out of the Emergency Departments ASAP; correct?

MS. HENN: That's correct.

SEN. D'ALLESANDRO: Okay.

MS. HENN: Yeah, and the Department, as I spoke at the last Fiscal, I believe, we are -- we're working on that. We're working on the mission zero effort. So we're fully committed.

SEN. D'ALLESANDRO: Okay. Thank you. Thank you very much.

CHAIRMAN WEYLER: Representative Leishman for a question.

REP. LEISHMAN: Thank you, Mr. Chairman, and thanks for taking my question. In the body of the letter that we're looking at it said that General Funds may be requested if Other Funds unavailable. Do you see the likelihood of needing a further request for General Funds?

MS. HENN: I'm going to let our CFO, Nathan White, take that one.

NATHAN WHITE, Chief Financial Officer, Department of Health and Human Services: Good afternoon. Nathan White, Chief Financial Officer. Um -- the original budget for State Fiscal Year 23 included the -- the ARPA funds, as well as the -- the -- the revenue that -- that the Other Funds.

In the State Fiscal Year 24-25 budget, we do have a little over \$9 million of General Funds currently budgeted. So in -- in '24 and '25 we do potentially expect to utilize General Funds, in addition to our -- in addition to our patient revenues.

We discussed this during the budget process with Division III members, as well as with Senate Finance, that right now we are still building the history of what that -- what that revenue mix looks like. So if you look at New Hampshire Hospital, it's closer to 50/50, patient revenues to General Funds.

Right now at Hampstead Hospital the patient revenues are coming in higher than what we had originally anticipated, which I think is good news. The -- the big wrinkle in this, of course, is we are going back out to bid for a contract to be effective next July 2024. Any time you go back out to bid, you do potentially face increased costs. I don't necessarily know what that will look like and how that will play out; but from my perspective, on the financial side, I do just see that as something we'll -- we'll keep an eye on, as well as for the 26-27

budget. And I know that sounds like eons away, but I'm sure it will be here before we know it.

We are going to be keeping a close eye on what the General Fund need will look like for the next biennium. And right now it does appear, right now, that -- that that -- the mix could be less General Funds than we originally anticipated for this biennium; but we're going to wait and see how that plays out.

Right now we don't even yet have a full year of revenue because we do have some delays with the patient revenue payments that we do receive. But that's something that we're keeping a close eye on, and we'll provide more information on that as we go forward.

REP. LEISHMAN: Thank you. Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Representative Edwards for a question.

JESS EDWARDS, State Representative, Rockingham County, District #31: Yes, sir. It's pretty simple for Mr. White, I'm sure, and that is this Item 185 is opening up \$150,000 to help pay for wages that were higher than anticipated, and because we were able to hire people faster than we thought. Okay. So -- so that's -- I guess that's fine news. But what it makes me curious about is in the next budget has this line item been properly funded so that this is an exception because of a start-up issue or on an ongoing basis is this budgeted properly?

MR. WHITE: Sure. So the budget -- in the State Fiscal Year 23 budget we put this together, the former CFO and the New Hampshire Hospital CFO, as well as collaborate -- collaboration with the existing Hampton Outlook staff at the time. They put together that budget, the current budget for '23, and they made certain assumptions about what we would hire the six executive team

members at, the six unclassified positions. At the time they were non-classified. And there were assumptions that it would probably come where -- the positions would be higher, potentially in the range of Step 3 or 4 or 5.

In order to compete with the private sector, we did have to make a number of offers that were higher than that. And so for our budget the next go-round those have been budgeted accordingly at their current salaries.

So I don't foresee an issue here. We do have some positions that are not at that max step or at that higher step. And if there's turnover and we hire at a higher rate, I mean, we certainly have that potential likelihood or maybe not potential likelihood, but we have that potential scenario. But long story short, yes, we are all set for the next budget.

CHAIRMAN WEYLER: Senator Bradley for a question.

SEN. BRADLEY: Thank you, Mr. Chair. This really just to thank you to the Department for the resolution on the payment in lieu of taxes letter and a thank you to Mr. Kane. You guys worked together and solved that little problem. So thank you very much.

REP. EDWARDS: So --

CHAIRMAN WEYLER: Representative Edwards.

REP. EDWARDS: Thank -- thank you, sir. Senator Bradley's comment just made me realize I had a question around that. And that is are we -- I talked to you on the phone a week ago and you -- you gave me a very nice update on the status of our payments to Hampstead. And -- and at the time there was a hang-up on being able to -- to make the next set of payments to Hampstead. I forget exactly how you phrased it. I wrote it in my head as there's a paperwork problem is all, but you've got the money in the

budget. But what -- what are we telling Hampstead these days about when we can write their next check?

MR. WHITE: Sure. So just for context for everyone's awareness. So during State Fiscal Year 23, the Department made two payments to the Town of Hampstead for a total -- with G&C approval, they were unencumbered payment requests -- for a total of approximately 177,800 and change. And in the bi -- during the legislative process during the Senate phase we discussed this. We discussed the notion of \$178,000 payment to be made to the town.

I've already prepped that G&C letter ready to go. It should be at the July 19th meeting. So once we have that authorization from G&C, we will go ahead and make that \$178,000 payment for State Fiscal Year 24. And then we look forward to working with members of the Legislature on -- on a future solution there.

CHAIRMAN WEYLER: Did you say July 19th?

MR. WHITE: I did. Am I -- am I getting that wrong? I may be getting it wrong.

CHAIRMAN WEYLER: We don't plan to meet in July.

MR. WHITE: Oh, I'm --

CHAIRMAN WEYLER: August 5th.

MR. WHITE: It's actually a G & C item. It's -- it's not a Fiscal item.

CHAIRMAN WEYLER: We don't need to worry about it. Thank you.

MR. WHITE: No, sir.

CHAIRMAN WEYLER: Is there a motion for the item?

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** SEN. GRAY: So move.

CHAIRMAN WEYLER: All right.

{Inaudible}

CHAIRMAN WEYLER: All right. Motion -- you hear who made it? Senator Gray, second by Senator Rosenwald to adopt Item 23-185. Any further discussion? Seeing none. All in favor say aye? Opposed no? The item 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:**

CHAIRMAN WEYLER: Moving on to 23-200. Is it Senator Rosenwald had a question?

SEN. ROSENWALD: I think my question is -- well, I have a couple questions. One -- Commissioner, nice to see you.

TAYLOR CASWELL, Commissioner, Department of Business and Economic Affairs: Nice to see you, too.

SEN. ROSENWALD: So all told today you're, I think, asking us to approve \$12 million in ARPA funds.

MR. CASWELL: Okay.

SEN. ROSENWALD: And I'm recalling that when you came to Senate Finance in April, you said there were no more ARPA funds available for us to do anything with. So I'm wondering about that discrepancy.

MR. CASWELL: So at that point those -- the programs that you're seeing today were already in the pipeline. We just hadn't gotten them to the point of ready to be brought to Fiscal. So what you're seeing today really is at the very end of the actual items that are going to be allocated under this original amount for the State Fiscal Recovery Funds.

SEN. ROSENWALD: Great. And I had questions for the Judicial Branch, if they're here.

MR. CASWELL: Yes, they're here.

CHAIRMAN WEYLER: The Chief Justice is here if you have a question for --

SEN. ROSENWALD: Oh, and Judge Guptill.

CHAIRMAN WEYLER: -- Judicial Branch.

MR. CASWELL: Got some serious help today, so.

CHAIRMAN WEYLER: Welcome, Chief Justice.

HON. GORDON MACDONALD, Chief Justice, New Hampshire Supreme Court: Good morning, Miss -- good afternoon, Mr. Chairman, Members of the Committee. For the record, Gordon MacDonald, Chief Justice. With me is Judge Ryan Guptill who leads our mental health docket in the Circuit Court.

SEN. ROSENWALD: Thank you. So my understanding is that -- um -- all of our Designated Receiving Facilities are now again doing video conference IEA hearings. I hope that includes the new one at Dartmouth-Hitchcock; but is that correct?

ATTORNEY GENERAL GORDON: I'll let Judge Guptill correct me, but all DRFs are conducting video hearings. Dartmouth has not established its DRF yet.

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SEN. ROSENWALD: Okay. And if I could follow-up. So the hospitals are not doing video conference IEA hearings in the Emergency Department. But I'm wondering what happens if someone needs a sign language interpreter for their IEA hearing? Is that being done by telephone or how is that being handled?

HON. RYAN GUPTILL, Associate Justice, New Hampshire Superior Court: So that's a great question, Senator Rosenwald. Thank you for that. We've actually had several of those types of hearings, and we have been able to make special arrangements with the hospitals to -- in those particular cases. It's a lot of video screens because you need at least two ASL interpreters per hearing. In some cases I think we've had three because we've had one person on screen and two people in the facility; but we have been able to arrange video for that. No, we're not -- we're not doing sign language interpretation over the phone. And that's, if I can just add a little bit, that's -- the fact that we were able to do that when the hospitals knew that was the only way the hearing was going to happen is one of the reasons we reached out again to ask can we pilot with you to get video on a more regular basis than we are. We have about four facilities that are in conversation with us now to potentially start piloting those in the ED which is where we want to go.

****** SEN. ROSENWALD: Well, I -- I congratulate the Judicial Branch for getting us away from telephones. I think it's -- justice may be blind, but in this case we don't really want it to be. Thank you. And I would move the item.

SEN. GRAY: Second.

CHAIRMAN WEYLER: Motion and second to adopt 23-200. Motion by Senator Gray, second by Senator Rosenwald. All in

favor say aye? Opposed no? The item is adopted. Thank you for coming.

ATTORNEY GENERAL GORDON: Thank you very -- very much, Mr. Chairman.

*** {MOTION ADOPTED}

REGULAR CALENDAR

(7) RSA 9:16-a, I, Transfers Authorized, and RSA 9:17-a, III. Limitations:

CHAIRMAN WEYLER: Moving on to Tab 7 in the Regular Calendar. Item is 23-182. Is there any discussion on the item?

** SEN. GRAY: Move the item.

CHAIRMAN WEYLER: Senator Gray moves to adopt 23-182, Senator Rosenwald seconds. Is there any further discussion?

REP. EDWARDS: May we have a little discussion on this? I was a little slow. I -- I --

CHAIRMAN WEYLER: Okay. Representative Edwards has a question. Wait for somebody to come to answer it.

REP. EDWARDS: Thank you, Mr. Chair. I think I was just a little challenged with my reading comprehension. I -- could -- could you just verbally explain what this explanation says it says?

TRISH TILLEY, Director of Public Health, Department of Health and Human Services: Good afternoon. This is Trish Tilley. I am the Director of Public Health.

So, in general, we are working out a budgeting issue at the end of the year. Typically, we use a couple of

sources of funds to pay for overtime, both revenue that comes in from licensing fees. We are restricted in the amount of revenue that we can use from licensing fees. And then we supplement that additionally with General Funds.

So these -- I'm just checking with my friend Nathan here. So in here we -- we do not have enough -- although we have budgeted licensing fees, there isn't enough actually in that account and so we need to move some General Funds in.

MR. WHITE: That -- that -- that -- that is correct. There is a statute that limits our ability to collect the licensing fee revenue beyond \$300,000 each year. In the current biennium there was an error in the original budgeted amount. It was \$3,000 higher than it should have been.

What this request does is we're transferring unused funds from one account, from -- from the Public Health Laboratories Account. We're moving that over to this account. And then we're going to be writing down the revenue that we can't technically earn within this account.

In the current -- in the budget that was just approved and signed into law, this issue has been rectified so it will no longer be an issue going forward. But this is a technical correction to address that issue that was identified.

REP. EDWARDS: Yeah. Thank you, Mr. White and Miss Tilley. These two paragraphs didn't say that to me, and I -- again, it was probably my problem with reading; but thank you for the explanation.

CHAIRMAN WEYLER: Any further discussion on the item? We already have a motion and a second. Further discussion? Seeing none. Are you all ready for the question? All in favor say aye? Opposed no? That item is adopted.

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*** {MOTION ADOPTED}

- (8) RSA 14:30-a, VI, Fiscal Committee Approval Required For Acceptance and Expenditure of Funds Over \$100,000 From any Non-State Source, RSA 124:15 Positions Authorized, and RSA 21-I:42, VI, (e) Division of Personnel:

CHAIRMAN WEYLER: Moving on to Tab 8, item number 23-186. There any questions on the item?

SEN. BRADLEY: Second.

CHAIRMAN WEYLER: Representative Leishman moves the item. Excuse me. Senator Bradley seconds to adopt item 23-186. Any further discussion? Seeing none. Are you ready for the question? All in favor say aye? Opposed no? That item is adopted.

*** {MOTION ADOPTED}

- (9) RSA 21-I:42, VI, Division of Personnel:

CHAIRMAN WEYLER: Moving on to Tab 9, Item 23-187.

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

SEN. GRAY: Second.

CHAIRMAN WEYLER: Senator Bradley moves to adopt the item. Senator Gray seconds Item 23-187. Further discussion? Seeing none, are you ready for the question? All in favor say aye? Opposed no? That item is adopted.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Moving on to 23-197.

** SEN. ROSENWALD: Move the item.

SEN. GRAY: Second.

CHAIRMAN WEYLER: Senator Rosenwald moves the item. Senator Gray seconds to adopt 23-197. Further discussion? Seeing none, are you ready for the question? All in favor say aye? Opposed no? That item is adopted.

*** {MOTION ADOPTED}

(10) RSA 216-A:3-g Fees for Park System:

CHAIRMAN WEYLER: Moving on to Tab 10. I'm sorry. Did you have a question?

SEN. ROSENWALD: On 10. On this next item.

CHAIRMAN WEYLER: This next item. Okay. Item 23-199, Department of Natural and Cultural Resources. We have a question for whoever is present for that Department. Please introduce yourself.

JOHN DEVIVO, General Manager, Franconia Mountain State Park and Cannon Mountain Ski Area: Good afternoon, Mr. Chair, Members of the Committee. I'm John DeVivo, General Manager at Franconia Mountain State Park and Cannon Mountain Ski Area.

CHAIRMAN WEYLER: Senator Rosenwald is recognized for a question.

SEN. ROSENWALD: Thank you, Mr. Chairman. I remember last year there was a line for the cost for State Employees. I don't see it this year, and I'm wondering if that got dropped from the Collective Bargaining Agreement or what? Do State Employees --

MR. DEVIVO: No, I don't --

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SEN. ROSENWALD: -- no longer get --

MR. DEVIVO: I don't believe so. I don't recall specifically having that line item in there. It may have done so at the request of the Committee. Typically, that would be a part of our Winter Special Use Policy where it's -- it's not really an off product, but it's something that's non-mainstream. That does come before you annually, the Winter Special Use Policy, and this year we'll be doing that in the fall, along with the rest of our fee package.

SEN. ROSENWALD: Okay. Thank you.

MR. DEVIVO: Thank you.

CHAIRMAN WEYLER: Further discussion.

SEN. ROSENWALD: Second.

CHAIRMAN WEYLER: Senator Blaisdell moves to adopt 23-199. Did I say something wrong?

SEN. GRAY: Birdsell.

CHAIRMAN WEYLER: Birdsell.

SEN. ROSENWALD: Blaisdell, that takes you back.

CHAIRMAN WEYLER: Only known her for 20 years. Senator Birdsell moves the item. Senator Gray seconds it. Sorry about that, Regina.

SEN. BIRDSELL: That's okay.

CHAIRMAN WEYLER: Further discussion? Seeing none, all in favor say aye? Opposed no? That item is adopted.

***** {MOTION ADOPTED}**

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(11) Chapter 90, Laws of 2021, Agency Footnote, and
RSA 9:16-a, Transfers Authorized:

CHAIRMAN WEYLER: Moving on to Tab 11, Item 23-188, Department of Corrections. Any questions on the item? Representative Leishman has a question for Director Hanks.

HELEN HANKS, Commissioner, Department of Corrections: Good afternoon. For the record, Helen Hanks, Commissioner of the Department of Corrections, and to my right is Ben Carbone, our Pharmacist-in-Charge of the Department.

CHAIRMAN WEYLER: Senator Leishman for a question.

REP. LEISHMAN: I'll take Senator. That's --

CHAIRMAN WEYLER: Representative Leishman for a question. Once I start to go bad.

REP. LEISHMAN: Good afternoon, Commissioner. So I had a question on the Page 9 of 10 where there's a listing of all the transfers from full-time employees special payments. And you've taken all the money out of that line throughout the different sections of your budget. What was that for?

MS. HANKS: Representative Leishman, that's a great question 'cause I asked it myself.

What happened was with the Teamsters specifically they bargained a special overtime premium payment. And when that was forecasted in our budget, the amount they received was over what we anticipated spending. So we did have an opportunity in this budget to use it for this purpose and, hence, why it's before you today. It's an atypical line item for us.

REP. LEISHMAN: Okay.

MS. HANKS: Thank you.

REP. LEISHMAN: Thank you. Thank you, Mr. Chairman.

MS. HANKS: Very welcome.

CHAIRMAN WEYLER: Senator Rosenwald for a question.

SEN. ROSENWALD: Thank you. Um -- Commissioner, have we budgeted enough in the 24-25 budget to cover this level of prescription drug spending?

MS. HANKS: Senator Rosenwald, that's a wonderful question. I'm concerned we may not have. These increases started occurring right at the end of the budget finalization process. The cost increases that are referenced in the letter that Pharmacist Carbone has identified keep going up every time I look. So I've stopped looking. That's a bad joke.

With that stated, they have aggressively started looking at potential contracts with specific pharmaceutical providers to try to reduce those costs. We're taking very emergent interventions.

In addition to the Inflation Reduction Act that was signed last August of 2022 that President Biden and the federal government is specifically trying to target reduction of state -- United States pharmaceutical costs, they're staying quite abreast with those opportunities because, as you know, we take those costs very seriously and we're trying to -- we're trying to slow that inflationary trend as quickly as we're seeing it happen.

SEN. ROSENWALD: Thank you.

MS. HANKS: You're welcome.

** REP. LEISHMAN: Move the item.

SEN. D'ALLESANDRO: Second.

CHAIRMAN WEYLER: Representative Leishman moves, Senator D'Allesandro seconds to adopt Item 23-188. Further discussion? Seeing none, all in favor say aye? Opposed no? The item is adopted.

*** {MOTION ADOPTED}

(12) Chapter 91:70, Laws of 2021, Department of Corrections; Transfer Authority:

CHAIRMAN WEYLER: Moving on to Tab 12, Item 23-189, more of the Department of Corrections. Are there any questions?

SEN. D'ALLESANDRO: If I might?

CHAIRMAN WEYLER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman. Commissioner, are we having any luck recruiting so that we don't have to spend this overtime money and we actually take the pressure off those who have to work the overtime over and over and over again? How are we doing in terms of recruitment and retention?

MS. HANKS: Thank you for that question, Senator D'Allesandro. You'll see in the packet on the very last page it shows that the average longevity of our Department employees is hovering almost to ten years, and on the security specific trending chart you'll see the large retirement spike we saw post-COVID has started to normalize itself this year. So those are two good healthy signs.

In addition, we've been and continue to run a Southern Based Recruitment and Retention Committee with a

multi-disciplinary approach and a Northern Recruitment and Retention Committee, and those are producing more full-time candidates.

I want to thank the Legislature for their support in shifting the wages and support of the agency. That has made a difference. Your vote to continue that \$10,000 incentive will continue to make a difference to set our Department aside from other law enforcement. But as we're graduating eight new certified law enforcement corrections officers today, we already have 14 in the queue, sir. So that's also a good sign.

So right now I have very positive news. And we've started a per diem non-benefit -- non-benefited relief opportunity that we're hoping will also produce new full-time employees. So we've even -- and I thank the National Guard -- recruited a National Guard service member onto our team. So we're making great strides.

SEN. D'ALLESANDRO: Great. So is our -- is our vacancy rate still 259?

MS. HANKS: It's shifting. It is not as bad as the 51 percent. So it's headed in the right direction.

SEN. D'ALLESANDRO: Okay. Great. Thank you. Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Further questions from the Committee Members? Seeing none.

SEN. D'ALLESANDRO: Second.

CHAIRMAN WEYLER: Who made the motion?

SEN. D'ALLESANDRO: Senator Birdsell.

CHAIRMAN WEYLER: Senator Birdsell moves, Senator D'Allesandro seconds to adopt 23-189. Further discussion? Seeing none. Are you ready for question? All in favor say aye? Opposed no? The item is adopted.

***** {MOTION ADOPTED}**

(13) Chapter 91:121, Laws of 2021, New Hampshire Veterans' Home; Transfer Among Accounts and Classes:

CHAIRMAN WEYLER: Tab 13, 23-198, Veterans' Home. Any questions from the Committee Members?

****** SEN. BIRDSELL: Move the item.

SEN. D'ALLESANDRO: Second.

CHAIRMAN WEYLER: Senator Birdsell moves the item, Senator D'Allesandro seconds to adopt 23-198. Further discussion? Seeing none. Are you ready for the question? All in favor say aye? Opposed no.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: We have a late item, 23-204, from the Department of Education dealing with Crotched Mountain. Any questions from the Committee Members? Representative Heath has a question.

MARY HEATH, State Representative, Hillsborough County, District #41: Thank you, Mr. Chair.

FRANK EDELBLUT, Commissioner, Department of Education: For the record, Frank Edelblut, Commissioner of Education.

TAMMY VAILLANCOURT, Chief Financial Officer, Department of Education: Tammy Vaillancourt, CFO for Education.

REP. HEATH: Thank you, Mr. Commissioner, for taking my question. Um -- this item is calling for \$7 million to go toward renovations at Crotched Mountain. Now, I'm fairly familiar with Crotched Mountain over the years dealing with it in various different ways. My understanding was that it went out of business and now it must be back in business again. Why are we transferring \$7 million to Crotched Mountain? Your explanation didn't answer my question very well.

MR. EDELBLUT: Yeah, no problem. So let me just give you a little bit of background. So the facility itself did not ever go out of business. Working with Health and Human Services at a certain point they were prepared to shut down the current operator of that business because they were not meeting their required specifications for the operation of that facility.

When that operator was notified of that, they announced an intention to shut down the operation, which would have been disruptive both to our DD communities, as well as our disabled communities in the student population. So we sought individuals outside of that community who may be interested in operating that facility.

We did locate an organization called Seven Hills which is a Massachusetts entity. It happened to have as its president an individual who ran Crotched Mountain many years ago. They agreed to come in and operate that particular facility, and so they did. They stepped in at an emergency basis. As a result of that, we did not have, you know, as many as 50 students being sent back into residential settings which would have been inappropriate for them.

As they began to get -- and so they kind of did this in an emergency type of a basis. They negotiated with the former owner to acquire the facilities. They -- so once they got their hands around the facility, they began to do

an assessment of the infrastructure associated with it, and they discovered some deficiencies. And so my understanding is they sought from GOFERR funding to be able to make some of those capital improvements to be able to both operate the facility, but really put it at its capacity.

Right now they're not able to service all of the needs, and so they're not able to operate at their capacity for their licensure because of some of the deficiencies in the facility. So they sought that funding from the -- from GOFERR through the ARP funds. They were awarded those. Those funds are being -- are going to be transferred and managed through the Department of Education. I think the choice of the Department of Education was because we have a building aid process that we can manage this type of a construction process through so that's where we will manage it. And so that's really -- I know I'm not answering your question, why did they get \$7 million and someone else didn't, other than that was the award that we got from ARPA.

REP. HEATH: Is it a not-for-profit or for-profit?

MR. EDELBLUT: It is a not-for-profit.

REP. HEATH: And this will go through the Department of Ed. Why not Health and Human Services?

MR. EDELBLUT: So I think the reason -- again, it could have probably gone through either one of the agencies. I think the reason why the Department of Education was selected is because we already have processes set up for managing construction projects like this just in our School Building Aid processes. And so we're just going to run this through as if it were kind of a School Building Aid project.

REP. HEATH: All right. Thank you.

CHAIRMAN WEYLER: Senator Rosenwald for a question.

SEN. ROSENWALD: Thank you, Mr. Chairman. So is this going to be just for day students or is the Department of Education going to be setting up and renovating a licensed residential care facility?

MR. EDELBLUT: So this includes a combination. So, remember, it includes multiple aspects. From an education standpoint we have residential students. So these are students with a disability that requires them to be in a 24/7 residential setting. And we also accommodate day students at this facility.

From the education programming side they're licensed to -- for up to 105 students. Presently they have 22 residential students. They have about 15 to 20 day students that are participating in those programs. So they, obviously, they're not able to fully utilize their license, and so it includes a combination.

Now, the facility itself also includes, you know, developmental disability population that would be, you know, Health and Human Services, you know, clients are on that same facility. The work that we're doing is primarily focused around the educational aspects, the educational facilities, although clearly the facility improvements are going to improve things like the administration offices require some infrastructure improvements as well, and that would benefit both of those programs, whether it's an education program or a Health and Human Services Program.

SEN. ROSENWALD: Follow-up, if I could?

CHAIRMAN WEYLER: Further question.

SEN. ROSENWALD: Just -- um -- are New Hampshire children going to be served in priority versus children from other states?

MR. EDELBLUT: They absolutely are. I've received personal assurances, 'cause I got that question from you all, that was the intent. It is a New Hampshire facility. I spoke with the president of Seven Hills, and he gave me his assurances relative to that process that the New Hampshire resident students would be given priority for the slots that are available, both on the residential programming, as well as the day programming.

SEN. ROSENWALD: Thank you.

CHAIRMAN WEYLER: Representative Leishman for a question.

REP. LEISHMAN: Thank you, Mr. Chairman. Thanks for taking my question. So according to like local press, not that the press is always correct, but there were articles that ran in the local paper that covers this area. It said people were laid off. The place was shutting down. You said it's really never shutdown; is that correct?

MR. EDELBLUT: That's correct.

REP. LEISHMAN: And one further question, Mr. Chairman. So the problem with late items is sometimes it doesn't give us a lot of time to do research. So what do you know about Seven Hills? Do they operate similar facilities? If they do, how many, where, that type of thing?

MR. EDELBLUT: Yeah. So when we were in search of some type of an operator for this facility, we first approached all of our other New Hampshire operators that operate similar facilities to see if they would be interested, and then we basically looked at where, because oftentimes New Hampshire students are placed in residential facilities outside of New Hampshire. So my second tier was I went to the facilities that were outside of New Hampshire and that's where we first came up with Seven Hills. That's

where we sourced that, and then I literally just reached out to all of those places where we had, you know, students placed. And I said is there an interest in this. And then, you know, the funnel narrowed until Seven Hills was the individual entity who was open to doing that.

Seven Hills operates very similar facilities in Massachusetts that already house today, both as residential or day students New Hampshire students. Although I don't know if Massachusetts has any day students, but they have residential students. So they're -- they're already in the business in terms of these types of facilities, which provides us some degree of assurance that they will be able to, you know, effectively manage that facility. And I do think, you know, an important aspect is the fact that the president of Seven Hills was the CEO of Crotched Mountain, you know, like back in the '90s, at that point in time, and so was familiar with, you know, the operation, the geography, you know, the communities around there that they're serving, and I think that that was helpful for us as well.

REP. LEISHMAN: Thank you. Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Representative Edwards.

REP. EDWARDS: Thank you, Mr. Chair. Good seeing you again, Mr. Commissioner. So -- so my questions really kind of relate to the business assurances that go along with this money. It says that there's a \$15 million need for renovation. This is 7 million of it. Where is the other 8 million coming from? I'm assuming it's coming from Seven Hills. Do we have a guarantee on that? And if we spend this money and we do the renovations, do we have any assurances about how long they will commit to operating if they -- we spend the money, it's federal money. So it's supposed to be wasted, I guess; but -- uh -- that's a joke. But -- but I just want to make sure if we invest in

renovations that we have good assurances this is going to be an ongoing operation.

MR. EDELBLUT: Yeah. So, and again, keeping in mind that a lot of this is kind of deferred maintenance type of stuff. So the assurances that we have received is relative to the projects and this is probably why we're pushing it through our Building Aid process that we will -- this -- these funds will be used to do renovation projects that will be able to be completed and put in service. All right.

So my concern was that we would, you know, do half of a building and say like, okay, well, we got part of it done, but you can't use the facility because you haven't finished the work. The only assurance I can give you is that, you know, the work that we're doing we're going to make sure that they complete the facilities that they are working on of the 7 million to the point of them being accessible to New Hampshire students for service.

In terms of the other -- the rest of the facilities, you know, my understanding is that Seven Hills is, you know, they may have a commitment already or they're in the process of seeking an external commitment from, you know, a financial institution to be able to complete those. And I have spoken with one banker about that already that was connected to me relative to the financing just to understand what that project looks like.

REP. EDWARDS: Thank you. And then -- and then what about any commitments they make to operating in the future should we go forward with this project?

REP. EDELBLUT: Yeah. So, I mean, the only commitment we can have, again, if they face some type of insolvency they wouldn't do it. But they have told us that they are committed to it, but we don't have -- we don't have some type of a written assurance from them, and I'm not sure

what that would be worth if they face an insolvency circumstance.

We're probably in a better circumstance to just recognize that this is an institution that's already in that business and has had some success in that business. You're probably referring to the fact that Crotched Mountain just in my own tenure as Commissioner has changed hands several times. So we do hope that this one sticks is a good way of describing it, but I don't know beyond that if I can provide that assurance to you.

CHAIRMAN WEYLER: Representative Heath for a question.

****** REP. HEATH: Thank you. Mr. Chair, I am very uncomfortable with moving forward with this item. I really think we -- I think the Commissioner's done a good job of trying to assure us, but there are so many unanswered questions. Um -- if the Chair would be willing, could we move to table this item?

CHAIRMAN WEYLER: That's a legitimate motion. You could make that motion and see if it passes.

REP. HEATH: I would like to make that motion, Mr. Chair.

CHAIRMAN WEYLER: Motion to table. Is there a second? Representative Heath moves to table. Senator Rosenwald seconds.

MR. EDELBLUT: If it's possible for me to comment, but there's no discussion on a tabling item, so.

CHAIRMAN WEYLER: Discussion. There should be no discussion to table. It's just a straight vote. We'll do it by show of hands. All in favor of tabling raise your hand? Four. All opposed? Six. Motion does not carry. Is there a further motion?

** SEN. GRAY: Move to approve.

SEN. D'ALLESANDRO: Question.

CHAIRMAN WEYLER: Senator Gray moves to approve. Senator Bradley seconds to approve the item. Further discussion?

SEN D'ALLESANDRO: I have a question.

CHAIRMAN WEYLER: Senator Rosen -- Senator D'Allesandro.

SEN. D'ALLESANDRO: Just a couple of quickies. I'm -- I'm fairly familiar with Crotched Mountain and, A, what's still operating at Crotched Mountain? You know, there was a school. There was the brain injury situation. There was some kind of extended care.

Now, some of that has -- has moved in another direction, but what's -- what's left in operating? You said in this -- in this little presentation there were 31 buildings on the campus. Well, how many of those buildings are still functioning, and what are we actually doing at Crotched Mountain as we speak?

REP. EDELBLUT: Yep. So, I mean, I can speak to that directly relative to the education programming today. They have a license for 105 students. They're serving 22 residential students. They're serving I believe it's somewhere between 12 and 21. I'm not sure if somebody transposed the number of day students, but they're serving day students every day all summer.

Um -- you know, failure to move forward with this would require us to find placement for these students in New Hampshire. We don't have capacity in our New Hampshire, you know, service providers at this point in time, which

would be difficult. You know, some of those residential students may end up in, you know, out-of-state in New York or in California or someplace else.

From a Health and Human Services standpoint, I believe they continue to provide services there as well; but I'm not completely familiar with all of the Health and Human Services operations on that facility. But I do believe they continue to have the brain injury facility. They continue to provide, again, you know, residential and other services to developmental disabilities community.

SEN. D'ALLESANDRO: One further question. When -- when we were in Finance Committee with the Senate we were told that there wasn't any more money. Now all of a sudden there's \$7 million available for this project. Where did this \$7 million come from?

MR. EDELBLUT: So the funds were passed to the Department of Education from GOFERR, right, from that facility. So we don't manage that facility but that was -- this grant was provided to us for the purpose of, you know, doing these renovations.

SEN. D'ALLESANDRO: So -- so the origin of the funds from -- from GOFERR, it was unappropriated. Was it re -- was it recalculated? Was it re -- was it reapportioned?

REP. EDELBLUT: So, again, I don't --

SEN. D'ALLESANDRO: Where did 7 million come from? All of a sudden when we heard there wasn't any money, seven million appears.

MR. EDELBLUT: So I don't manage that grant, so I don't know how that money came into existence. I think Taylor's here and he may be able to respond to them.

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

TAYLOR CASWELL, Commissioner, Department of Business and Economic Affairs, and GOFERR: Taylor Caswell, Commissioner. I am here for GOFERR. So as I had mentioned to Senator Rosenwald earlier, this was a project that we've had in the pipeline now for several months working with them, working with the Seven Hills operation to understand what their needs were going to be. Where they -- were the funds that they were requesting eligible under ARPA? What are the expenditure categories that they would fit under? Those sorts of questions.

We had to go through a process to -- to move those funds to the point of getting them to you here today. So it is within the category that I had mentioned to Senator Rosenwald that when I spoke really at the last two meetings about how we were done with the obligations or allocations under -- under the Fiscal Recovery Funds. That's true. We still had -- we still had a couple of these items left in the pipeline to bring to you and those are the ones you're seeing today.

SEN. D'ALLESANDRO: Thank you.

CHAIRMAN WEYLER: Senator Rosenwald for a question.

SEN. ROSENWALD: Um -- when I look at the website for Seven Hills, it looks like they deal with clinical cases and behavioral health. So could you please tell us why the grant is going to the Department of Education and not to Health and Human Services?

MR. CASWELL: Yes, Ma'am. As you can imagine that was some subject of discussion. I think in the end, as Commissioner Edelblut mentioned, because these requests are all infrastructure based and renovation based, not programmatic in nature. I think we felt that, you know, given the management capabilities at Department of

Education along projects like this that that was a -- that was a relevant and jurisdictional fit for these funds.

MR. EDELBLUT: And toward that end, I mean, I know we'll go through our building aid process, Amy Clark, who I believe you've met in the past. So she's an engineer and she's managing these school building aid projects already. So I think that, you know, that was the understanding that we would manage it like a construction project at a school.

CHAIRMAN WEYLER: Representative Edwards for a question.

REP. EDWARDS: Uh -- thank -- thank you, Mr. Chair. Earlier today in HHS Oversight it was -- we were reminded that in HB 49 with the Sununu Center we allocated in that legislation 21.6 million in ARPA money, and we said only ARPA money could be spent on the Sununu Center. And so as I'm looking at this \$7 million and I'm worrying about cost overruns and the like, I really want to see that Sununu Center built.

The Department in testimony said that they think they've got a good estimate, that they're going to come under it; but I'm just still interested in your perspective on contingency reallocation of funding. Because in terms of higher priorities, I would still put the Sununu Center above this project. And I don't want to -- I don't want to short something.

MR. CASWELL: Right. Neither do we, Representative. So I think as -- as, you know, we've been through the last couple of months now, particularly as it relates to, and I guess it was -- I think it was at the May meeting where we extended the spending deadlines under ARPA expenditures that you've approved through the next Fiscal Year, but only until June 30th of 2024.

The reason for that is because we have an obligation deadline at the end of 2024, December 31st of 2024. So, effectively, that will give us an opportunity to see and give agencies and others the next year to burn through those expenditures at a rate that are going to be able to get us to a full expenditure, down -- as close down to zero as we can get it by that December 30th, '24. So having a deadline of a year from now gives us that opportunity to get a check in on how that's going.

Now, I don't mean we're waiting for a year to see how everyone's doing. We're working with all agencies on a very regular basis, and the Dashboard on our website gives that number updated on a quarterly basis, which correlates with the federal requirements that we have for reporting.

So I guess what I'm saying is that we have left room at the end of this to have a firm idea as to how those funds are going to be spent over the last six months of the obligation period a year from now. And it'll be at that point that we'll see, you know, how -- what are the priorities, what are we going to have get done during that time period. Because even if you -- and I don't mean to confuse the matter, but even if you get beyond that 2024 deadline, we still have until 2026 to spend everything. So the obligation deadline I'm referring to is the end of December 2024.

CHAIRMAN WEYLER: Further questions on 23-204?
Representative Leishman.

REP. LEISHMAN: Thank you, Mr. Chairman. And thanks for taking, I hope, my last question. You said that based on your letter and your testimony that about \$15 million needed to address a number of things from parking lots, to housing, heating, water treatment; but there's no guarantee that Seven Hills is going to come up with that other \$8 million, is there?

MR. EDELBLUT: So which is why we've tried to structure the work such that the -- this money as it's invested will be an asset so that they can be put into service. So they may need to, you know, redo some other things, but that's deferred maintenance.

You know, even just earlier today I was at a University System of New Hampshire Board meeting and we've got, you know, a large deferred maintenance number there as well. Doesn't mean that those, you know, facilities are not functioning, but it's deferred maintenance. And so what we've done is we've prioritized the things that are going to benefit the educational programming.

REP. LEISHMAN: Thanks. Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Seeing no further discussion, I'm looking for a motion to approve.

SEN. GRAY: We already have one.

CHAIRMAN WEYLER: Twenty-three two --

SEN. GRAY: Me and Bradley.

CHAIRMAN WEYLER: Senator Gray moves, Senator Bradley seconds to adopt FIS 23-204. Are you ready for the question? All in favor say aye? Opposed no? Can I see a show of hands? All in favor hold your hand up. Six. All opposed? Four. Thank you. The motion is adopted.

***** {MOTION ADOPTED}**

(No audio 56:22 to 57:10.)

(14) Miscellaneous:

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Sure. Thank you very much,

JOINT LEGISLATIVE FISCAL COMMITTEE

June 23, 2023

Chairman Weyler. Item 23-203, consistent with the provisions in House Bill 2, which allows the appointing authority of the Legislative Branch employees to grant the pay raise which was granted to the State Employees, as well as the legislative employees this morning of 10% effective July 14th, 2023, 2% effective July 12th, 2024.

(No audio 57:34 to 57:48.)

MR. KANE: Thank you.

(No audio 57:50 to 58:32.)

(15) Informational Materials:

KATJA FOX, Director, Division for Behavioral Health, Department of Health and Human Services: So good afternoon, Mr. Chair, and Members of the Committee. I'm Katja Fox. I'm the Director of the Division for Behavioral Health. And, yes, we have seen the letter. We were sent a copy at the same time you were. Um -- and what is stated in that letter is correct. We have been working over the last several months, and this has come before this Committee before. This issue was raised and we have our data analytics team working with the Association and their data analytics team, and we continue to reconcile the numbers.

What I believe they've referenced is the fact that, of course, they've served individuals. Our Dashboard shows zeroes for the last several months, and that's because we've been taking this time to make sure that we're providing in a very transparent way the information about how many are being served. I did receive a prototype of the information that will be forthcoming in future dashboards. And we'll be sharing that with you, hopefully, as early as your next meeting, which I'm not sure when it is. I think I heard August.

CHAIRMAN WEYLER: How big was the discrepancy in numbers?

MS. FOX: So I -- I don't have that in front of me today. Um -- but I think what has been of concern by the Centers and our concern as well, it wasn't reflecting the increase in the numbers of individuals being served. So I don't have the exact number of what the discrepancy was; but we are showing an increased trend line knowing, of course, that we've added a number of services, but they also have been constrained by workforce. And we're hoping with the Medicaid rate increases and other measures that are being taken that we'll be able to support everybody who has a need.

CHAIRMAN WEYLER: So did I understand you to say you've taken steps to get this more accurate in the future?

MS. FOX: Absolutely, absolutely. We want to be able to do that. And we want to make sure that we talk about the limitations of the data and the data that the Centers have versus what the Department has. And we want to be able to present all of that so that you have a better understanding of what's happening out in your communities.

CHAIRMAN WEYLER: Thank you for addressing this concern. I guess we are ready to move on to the audit. Oh, wait a minute.

SEN. ROSENWALD: About the Dashboard but about --

CHAIRMAN WEYLER: Senator Rosenwald for a question.

SEN. ROSENWALD: Not about this piece, about the DCYF piece. It's so weird not to see Joe Ribsom. Thank you. When I look at Table 4, it shows that in April the DCYF referrals fell by about two-thirds, and I'm just wondering what happened. I mean, that's a giant decrease.

MARIE NOONAN, Interim Director, Division for Children, Youth and Families, Department of Health and Human Services: Good afternoon. My name is Marie Noonan. I'm the Interim Director for DCYF. And so I'm not sure exactly the point in time that the data was pulled. It could be that it wasn't the full complete month in April. It -- it also could, in fact, be that March was a higher number. Because if you look at March it was a thousand, and then the 937 is more in line with the other months. So it could just be that in -- in the month of March we saw an increase in call volume and assessments to the agency.

SEN. ROSENWALD: Well, if I look at --

CHAIRMAN WEYLER: Follow-up.

SEN. ROSENWALD: Thank you. If I go back really for about seven or eight months, it was over 2,000 referrals.

MS. NOONAN: I see to the referrals. I see that. Yes. Um --

SEN. ROSENWALD: Could you get back to us?

MS. NOONAN: I absolutely can do that.

SEN. ROSENWALD: Thank you.

MS. NOONAN: Sure can.

CHAIRMAN WEYLER: Further questions for HHS? Seeing none. Now I think we're ready for the audit.

Audits:

STEPHEN SMITH, Director, Audit Division, Office of Legislative Budget Assistant: Good afternoon, Mr. Chairman, Members of the Committee. For the record, Steve Smith, Director of Audits for the LBA. And joining me from my

office is Christine Young. She's the Senior Audit Manager on this audit. She'll be presenting. And, also, we have Commissioner Stepp from DRA joining us as well. So, with that, I'll turn it over to Christine.

CHRISTINE YOUNG, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant: Good afternoon, Mr. Chairman. Good afternoon, Mr. Chairman, and Members of the Committee. For the record, my name is Christine Young, and I will be presenting the report on our financial audit of the Department of Revenue Administration for the Fiscal Year ended June 30, 2022.

This report is presented in two sections. The first section is the Management Letter section prepared by the auditors, and it contains our report on Internal Control and Compliance, along with five audit Observations.

The second section, the financial section, contains our Independent Auditor's Report, followed by the Department prepared financial statement and notes.

The focus of my presentation will be on the Observations and Recommendations. However, we'd be happy to answer any questions that you may have regarding any part of this report.

If you turn to the Table of Contents, this report includes five Internal Control Comments, none of which are material weaknesses, and none of which require legislative action. The Department concurs fully with the findings.

The discussion of the Observations and Recommendations begins on Page 3.

Observation No. 1 discusses risk assessment, which is one of the five recognized components of internal control. We recommended the Department adhere to the requirements established in their risk management plan and formally

document and retain meeting notes and reviews to evidence performance of risk assessment procedures.

Observation No. 2 on Page 4 reports the Department's monthly reconciliation of revenues recorded in its Revenue Information Management System to the NHFirst State Accounting System was incomplete and lacked a formal review and approval.

We recommended the Department review reconciliations for completeness, implement a formal review and approval control procedure, and document the preparer and approver's completion of their respective roles in the process.

Observation No. 3 on Page 6 notes that the Department did not adequately review and approve significant year-end tax accounts receivable information provided to the Department of Administrative Services for inclusion in the State's Annual Comprehensive Financial Report.

In addition, Administrative Services inadvertently omitted from the State's Annual Report some corrections totaling \$21.8 million that the Department made to their original submission. The Department's financial statement in this report includes the corrected information.

We recommended the Department implement a formal review and approval control procedure for year-end reporting to Administrative Services and work with Administrative Services to develop a more formal reporting process for communicating information.

Observation No. 4 on Page 8 reports that policies and procedures supporting Department operations have not been kept current.

We recommended the Department review and revise policies and procedures to reduce the risk of disruption and operations due to the departure of key employees and

implement a monitoring control to help ensure policies and procedures remain up-to-date and reflect current practices.

The last Observation is Observation No. 5 on Page 9. Here we note the Department does not consistently record expenditures in the correct accounting period.

We recommended the Department establish controls to improve the financial reporting process for accounts payable and require vendors with significant contracts to remit invoices timely, especially prior to the State's Fiscal Year end.

Behind the tab is the current status of audit findings from our 2014 financial audit of the Department. Of the eight findings included in that report, six findings are currently resolved, one finding related to risk assessment is in the process of being remediated, and one finding related to accounts payable is currently unresolved.

The financial section of the report follows with our auditor's opinion, which was modified, as a complete set of financial statements was not presented. The statement of revenues and expenditures is on Page 7, followed by the notes to the financial statement.

We also included a one-page letter with a report. This is a required communication to governance to inform you that a material adjustment to the accounting records was proposed and recorded as a result of our audit.

That concludes my presentation. I'd like to thank Commissioner Stepp and her staff for their cooperation and assistance during the audit. They were wonderful to work with. Thank you.

CHAIRMAN WEYLER: Comments from the Agency?

LINDSEY STEPP, Commissioner, Department of Revenue Administration: Thank you, Mr. Chair. Good afternoon, Mr. Chair, Members of the Committee. Lindsey Stepp, Commissioner of the New Hampshire Department of Revenue Administration. Behind me today is Assistant Commissioner Ora Lemere, Business Administrator Shelley Gerlarneau, and Senior Financial Analyst Lauren O'Sullivan, who worked very hard with the LBA during this process.

It was an enjoyable process for the agency that typically is the one doing the auditing. We appreciate at times being the -- for one being the auditor, we appreciate being the auditee. It's interesting to sit on the other side of the table. We thank the LBA very much for their time, effort, and energy during this audit. And I'm happy to answer any questions about any of the Observations.

CHAIRMAN WEYLER: I don't believe most of that staff was there five years ago when the previous audit was done. Is that so?

MS. STEPP: That is correct. We've had quite a bit of turnover over the past few years. So they definitely got their feet wet as part --

CHAIRMAN WEYLER: So you read the previous audit and knew what to expect.

MS. STEPP: Right.

CHAIRMAN WEYLER: Very good. Thank you. Questions from the Committee Members? Senator Gray.

SEN. GRAY: Just wanted to get you to comment on the prior year item number five, and apparently it relates back to the finding five this year. Just trying to give you a chance to comment.

MS. STEPP: Sure. So item number five from this year, which is also noted as being unresolved from the prior audit, so the -- and that also relates to the letter that you have as well with the \$519,000 entry. That is the result of two invoices. One invoice we did miss putting a double asterisk on that invoice when we were paying it in order to bring it into the prior year. That invoice was immaterial. It was around \$40,000.

The second invoice was more significant. That invoice was received from a vendor past the 60-day period that the Department of Administrative Services allows us to note that it should have been paid in the prior year. So we did not have the option to essentially note it for the prior year.

So there's two things that are going to happen going forward. One, we're going to contact our vendors as the year is ending to make sure that we receive the invoices in a timely manner. And, two, I believe the Department of Administrative Services is going to extend that 60-day window to 90 days. So if that -- if the window was 90 days, then we would have been able to reflect that payment appropriately; but, unfortunately, it was not an option to do that because the invoice had been received late.

SEN. GRAY: I didn't see the Commissioner shaking his head that he was going to 90 days but he is now. All right. Thank you.

CHAIRMAN WEYLER: Further from Committee Members? Representative Edwards.

REP. EDWARDS: Thank you, Mr. Chair. I want to talk about the way on Page 12 item five is written up. The first sentence, review with the DAS the appropriate accounts payable policies and procedures that should be employed to report accounts payable at the end of the Fiscal Year.

As I read that sentence, it suggests that there's a -- a training shortfall. That employees are not being trained properly on -- on the policies and procedures of accounts payable. But then as I listen to your two examples, that sounds like understandable mistakes in a very busy system. And so -- so I'm just curious if that first sentence is really reflective of the kind of corrective procedure that is appropriate.

MS. STEPP: So I believe, and I'll let you correct me if I'm wrong, I believe this is an overview of the findings from our 2014 audit and whether or not they are resolved. So that language is from 2014.

The issue that happened in this audit is different as I just explained; but the LBA has decided that it is similar enough to this finding, this previous finding that they're -- they're treating them essentially the same.

REP. EDWARDS: May I? Okay. So what you said just actually makes me a little bit more nervous. That -- that -- that there's no -- that this is still an unresolved issue even though it came in 2014, and this is as basic as reviewing the procedures with the people who are supposed to implement them and that's just hard to imagine.

MS. STEPP: I guess the issue in 2014 was reviewing the procedures. We have, obviously, since done that. However, during this audit there was the one 40,000 -- roughly \$40,000 invoice that was missed, and so it is deemed that it is still not resolved.

REP. EDWARDS: Okay. I -- I guess I'd want to give you at least one dot then.

MS. STEPP: I appreciate that.

REP. EDWARDS: The remediation in process.

MS. STEPP: I appreciate that.

REP. EDWARDS: All right. All right. Thank you.

CHAIRMAN WEYLER: Further discussion? Representative Leishman.

REP. LEISHMAN: Thanks, Mr. Chairman. And seeing that the Department often audits and forgives interest and penalties, I think they've done a pretty good job, so they don't need any interest and penalties from us, so.

CHAIRMAN WEYLER: Senator Rosenwald.

SEN. ROSENWALD: Thank you. Is it correct that Mr. Smith is retiring? And, if so, could we thank him for his service to the state?

REP. SMITH: Yes, I am retiring next month, so.

SEN. ROSENWALD: Thank you.

REP. SMITH: And if I may, if I can say a few public thank yous.

Uh -- first, I'd like to thank Sherri Rockburn and Tom Martin, who was the Comptroller back then, for giving me the opportunity to join state ranks and begin my state career with Administrative Services back in 2001. I also want to thank all the financial accounting colleagues around the state who I had the pleasure of working with and who assisted and were integral in the preparation of the 13 annual comprehensive financial reports that I was involved with during my years at DAS.

Next, thanks to Mike Kane for his strong support these last almost nine years. Thank you, Mike, and to Jeff

Pattison for reaching out and recruiting me to this position. It's been a privilege to work with you.

To the Audit Division, not only has it been a privilege but a joy to work with such a fine group of talented professionals, past and present, over these last several years.

And, lastly, to the Fiscal Committee, for your continued support to the Audit Division and the work we do. It's been an honor to come before you and co-present our work product. Thank you very much. And best wishes to you all. And in honor of Commissioner -- excuse me -- Senator D'Allesandro, I plan to string together a long series of great, great American days.

CHAIRMAN WEYLER: Express our acclamations for these many years {Inaudible}.

(Applause.)

CHAIRMAN WEYLER: Thank you very much. You've done an excellent job. We appreciate all your fine work.

MR. SMITH: Thank you very much.

SEN. D'ALLESANDRO: Thank you.

CHAIRMAN WEYLER: Now we will proceed with this last letter. Representative Mooney.

****** MAUREEN MOONEY, State Representative, Hillsborough County, District #12: Thank you, Mr. Chair. I move that we accept, place on file, and release to the public in the usual manner the Department of Revenue Administration Financial Audit Report as heard today. Thank you.

SEN. BRADLEY: Second.

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CHAIRMAN WEYLER: Motion and a second. Further discussion? Seeing none. All in favor say aye? Opposed no? That motion is adopted.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: Thank you again, Mr. Smith. Wish you well in your future.

All right. So the next item would be the next meeting.

MR. KANE: Yes.

CHAIRMAN WEYLER: Mr. Kane and I've decided we don't need to meet in July. Anybody object to that?

REP. EDWARDS: Did I mention I'll be in Greece?

CHAIRMAN WEYLER: So we might move the August meeting a little closer to the beginning of the month than the third Friday. So 8/11. Is that a problem, August 11th?

REP. EDWARDS: I won't be here. I have a conference. So I don't know if other people will be at that conference.

CHAIRMAN WEYLER: All right. You will be absent.

SEN. BIRDSELL: It's in the morning I have -- {Inaudible}.

CHAIRMAN WEYLER: You'll be available in the afternoon but not in the morning? How many other people are affected by such thing? You have alternates at -- uh -- in the Senate.

SEN. BRADLEY: Yes, we do.

CHAIRMAN WEYLER: So if we met Friday morning at ten we'd be missing one. I'm always excited about how faithful all our alternates are. They show up every meeting. So I don't think we'll have a problem. Ten o'clock.

SEN. GRAY: Senator Birdsell said she had a conflict in the morning. Is the afternoon acceptable to the rest of the --

CHAIRMAN WEYLER: It's hard to anticipate, but if the afternoon will work for -- if there's any problem to the Friday afternoon the 11th? One o'clock will work? All right. We'll do it again at one on August 11th. And then from then on for the rest of the year we will likely meet on the third Friday. So if that's going to be a problem, let me know. Otherwise, we'll plan for that from September through December. Thank you very much. Is there a motion to adjourn?

** SEN. D'ALLESANDRO: So move.

SEN. BIRDSELL: Second.

CHAIRMAN WEYLER: Motion to adjourn and a second. All in favor say aye? Opposed no? Thank you all for coming. It was -- we went through it pretty quickly. Appreciate all the work. Thank you. Thank you, Mr. Kane.

MR. KANE: Thank you all. We'll see you in August.

(The meeting adjourned.)

C E R T I F I C A T E

I, Cecelia A. Trask, a Licensed Court Reporter, do hereby certify that the foregoing transcript of the June 23, 2023, Joint Fiscal Committee meeting is a correct transcription from the YouTube recording of the proceeding in the above-entitled matter to the best of my professional skill and ability.

Cecelia A. Trask, RMR, RPR
NH-LCR#00047

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