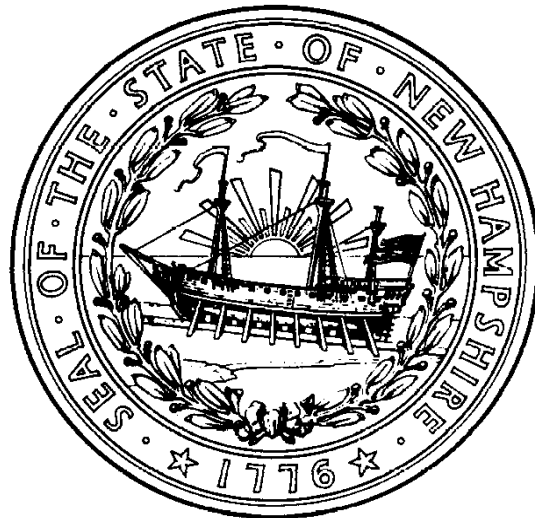


FISCAL COMMITTEE



**Meeting of May 20, 2016
10:00 a.m.
Room 210-211, LOB**



MICHAEL W. KANE, MPA
Legislative Budget Assistant
(603) 271-3161

CHRISTOPHER M. SHEA, MPA
Deputy Legislative Budget Assistant
(603) 271-3161

State of New Hampshire

OFFICE OF LEGISLATIVE BUDGET ASSISTANT
State House, Room 102
Concord, New Hampshire 03301

STEPHEN C. SMITH, CPA
Director, Audit Division
(603) 271-2785

May 12, 2016

To the Members of the Fiscal Committee
of the General Court

The Chairman of the Fiscal Committee of the General Court, as established by RSA 14:30-a, of which you are a member, has requested that you be notified that the Fiscal Committee will hold a regular business meeting on Friday, May 20, 2016, at 10:00 a.m. in Room 210-211 of the Legislative Office Building.

Please find attached information to be discussed at that meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael W. Kane".

Michael W. Kane
Legislative Budget Assistant

MWK/pe
Attachments

FISCAL COMMITTEE
AGENDA

Friday, May 20, 2016 in Room 210-211 of the Legislative Office Building

10:00 a.m.

- (1) Acceptance of Minutes of the April 15, 2016 meeting

NOTE: ALL ITEMS LISTED ON THE AGENDA UNDER CONSENT CALENDAR ARE IN BOLD.

- (2) Old Business:

FIS 15-229 Department of Health and Human Services – authorization to implement the actions contained in the Cost Savings Plan to support the dual purposes within the Sununu Youth Services Center of providing both secure youth detention and psychiatric residential treatment. (FIS 15-229 Additional Information – Letter from Representative Kurk, dated November 18, 2015, containing two separate provisions relative to the funding of the Sununu Youth Services Center) **Tabled 12/18/15**

FIS 16-060 Letter from Senator John Reagan, Chairman of the Legislative Performance Audit and Oversight Committee relative to the recommendation of the following new performance audit topics: 1) Office of Professional Licensure and Certification, Naturopathic Examiners, Efficient and Effective Operations, and 2) Office of Professional Licensure and Certification, Real Estate Brokers and Salespersons, Efficient and Effective Program Operations. **Tabled 04/15/16**

FIS 16-070 Department of Administrative Services – authorization to transfer \$140,000 in general funds in and among accounting units through June 30, 2016. **Tabled 04/15/16**

CONSENT CALENDAR

- (3) **RSA 9:16-a Transfers Authorized:**

FIS 16-083 Department of Information Technology – authorization to transfer \$835,000 in other funds through June 30, 2016

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

FIS 16-078 Department of Health and Human Services – authorization to accept and expend \$10,010,000 in federal funds and further accept and expend \$10,000,000 in agency income revenues through June 30, 2016

FIS 16-079 Department of Resources and Economic Development – authorization to budget and expend \$215,000 in other funds through June 30, 2016

FIS 16-082 New Hampshire Liquor Commission – authorization to accept and expend \$249,270 in other funds through September 30, 2016

FIS 16-084 Department of Environmental Services – authorization to accept and expend \$285,000 in other funds through June 30, 2017

FIS 16-087 Department of Health and Human Services – authorization to accept and expend \$8,298,168 in federal funds effective July 1, 2016 through December 31, 2016

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

FIS 16-080 Department of Resources and Economic Development – authorization to retroactively amend FIS 15-181, approved August 26, 2015, and subsequently amended by FIS 15-253, December 18, 2015, by; 1) extending the end date from May 31, 2016 to September 30, 2016 and reallocating \$4,609 in federal funds, and 2) contingent upon approval of #1, authorization to extend the end date from May 31, 2016 to September 30, 2016 for a class 046 consultant position, with no increase in funding

FIS 16-081 Department of Justice – authorization to budget and expend \$100,000 in prior year carry forward other funds through June 30, 2017, and contingent upon approval of #1, authorization to establish a class 046 consultant position through June 30, 2017

(6) **RSA 176:16, V, Funds:**

FIS 16-088 New Hampshire Liquor Commission – authorization to transfer \$2,006,000 among accounting units to reallocate appropriations and cover projected shortfalls through June 30, 2016

(7) **Chapter 276:143, Laws of 2015, Department of Health and Human Services; Transfer Among Accounts:**

FIS 16-086 Department of Health and Human Services – authorization to transfer \$122,397 in general and federal funds through June 30, 2016

(8) **Chapter 276:198, Laws of 2015, Department of Safety; Transfer Among Accounts:**

FIS 16-077 Department of Safety – authorization to transfer \$190,000 in general, highway and turnpike funds through June 30, 2016

(9) **Miscellaneous:**

(10) **Informational Materials:**

LBAO Report on Additional Revenues for the Biennium Ending June 30, 2017 – Fiscal Committee Approvals through April 15, 2016 (RSA 14:30-a, VI)

Letter from Michael W. Kane, Legislative Budget Assistant relative to a hiring, promotion or step increases granted to LBAO employees

Joint Legislative Facilities Committee
Legislative Branch
Detail of Balance of Funds Available
Fiscal Year 2016
As of 04/30/16

FIS 16-074 New Hampshire Lottery Commission – RSA 284:21-h, VII – Quarterly report on the status of the incentive employee recognition program for the sale of instant tickets for the third quarter of FY 2016

FIS 16-075 Department of Revenue Administration – RSA 21-J:45 – Quarterly Refund Report for the months of January through March 2016

FIS 16-076 State Treasury – RSA 6-B:2, VII – Quarterly report of the New Hampshire State Treasury for the period ended March 31, 2016

FIS 16-085 Department of Administrative Services – Chapter 319:32, Laws of 2003 – State Employee Health Insurance - report regarding the self-funded health benefits program from July 1, 2015 through April 30, 2016

(11) Date of Next Meeting and Adjournment

FISCAL COMMITTEE OF THE GENERAL COURT

MINUTES

April 15, 2016

The Fiscal Committee of the General Court met on Friday, April 15, 2016 at 10:00 a.m. in Room 210-211 of the Legislative Office Building.

Members in attendance were as follows:

Representative Neal Kurk, Chairman
Representative Ken Weyler
Representative Lynne Ober
Representative Mary Jane Wallner
Representative Daniel Eaton
Senator Jeanie Forrester
Senate President Chuck Morse
Senator Gerald Little
Senator Andy Sanborn
Senator Lou D'Allesandro

Chairman Kurk opened the meeting at 10:08 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Senator D'Allesandro, seconded by Representative Weyler, that the minutes of the March 18, 2016 meeting be accepted as written. MOTION ADOPTED. (9-Yes, 1-Abstain)

OLD BUSINESS:

FIS 15-229 Department of Health and Human Services – authorization to implement the actions contained in the Cost Savings Plan to support the dual purposes within the Sununu Youth Services Center of providing both secure youth detention and psychiatric residential treatment. (FIS 15-229 Additional Information – Letter from Representative Kurk, dated November 18, 2015, containing two separate provisions relative to the funding of the Sununu Youth Services Center). Tabled 12/18/15. No Action Taken.

FIS 16-053 New Hampshire Fish and Game Department – On a motion by Representative Ober, seconded by Senator D'Allesandro, that the item be removed from the table. MOTION ADOPTED.

Glenn Normandeau, Executive Director, New Hampshire Fish and Game Department presented the request and responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Representative Ober, that the Committee approve the request of the New Hampshire Fish and Game Department to; 1) accept and expend \$170,170 in federal funds through June 30, 2017, and subject to approval of #1

authorization to, 2) establish a class 046 consultant position through June 30, 2017. MOTION ADOPTED.

FIS 16-057 Department of Health and Human Services – On a motion by Representative Eaton, seconded by Senator D’Allesandro, that the item be removed from the table. MOTION ADOPTED.

Jeffrey Meyers, Commissioner, and Sheri Rockburn, Chief Financial Officer, Department of Health and Human Services responded to questions of the Committee.

The Committee recessed at 11:06 a.m. and reconvened at 11:22 a.m.

On a motion by Senator Morse, seconded by Representative Eaton, that the Committee approve the request of the Department of Health and Human Services to; 1) accept and expend federal funds in the amount of \$7,460,754 for SFY 2016 and \$14,921,509 for SFY 2017 retroactive to January 5, 2016 through June 30, 2017, and subject to approval of #1 authorization to, 2) transfer general and agency funds in the amounts of \$6,628,814 and \$831,940 respectively for a combined total of \$7,460,754 in SFY 2016 and \$13,257,629 and \$1,663,880 respectively for a combined total of \$14,921,509 in SFY 2017, and subject to approval of #1 and #2 authorization to, 3) accept and expend \$7,460,754 for SFY 2016 and \$14,921,509 for SFY 2017 in federal funds retroactive to January 5, 2016 through June 30, 2017.

A roll call was taken and the results were as follows:

Representative Kurk – No
Representative Eaton – Yes
Representative Ober – No
Representative Wallner – Yes
Representative Weyler – No
Senator Forrester – Yes
Senator Little – Yes
Senate President Morse – Yes
Senator Sanborn – No
Senator D’Allesandro – Yes (6-Yes; 4-No)
MOTION ADOPTED.

LATE INFORMATIONAL ITEM:

FIS 16-073 Department of Health and Human Services – Jeffrey Meyers, Commissioner, and Sheri Rockburn, Chief Financial Officer, Department of Health and Human Services, responded to questions of the Committee regarding the March 31, 2016 Operating Statistics Dashboard.

NEW BUSINESS:

RSA 14:30-a, III AUDIT TOPIC RECOMMENDATION BY LEGISLATIVE PERFORMANCE
AUDIT AND OVERSIGHT COMMITTEE:

FIS 16-060 Letter from Senator John Reagan, Chairman of the Legislative Performance Audit and Oversight Committee – On a motion by Representative Eaton, seconded by Representative Ober, that the Committee table the request of the Legislative Performance Audit and Oversight Committee relative to the recommendation of the following new performance audit topics: 1) Office of Professional Licensure and Certification, Naturopathic Examiners, Efficient and Effective Operations; and 2) Office of Professional Licensure and Certification, Real Estate Brokers and Salespersons, Efficient and Effective Program Operations **with the exception of recommendation 3) Department of Corrections, Sex Offender Treatment Program.** MOTION ADOPTED. (5-Yes, 3-No)

On a motion by Representative Eaton, seconded by Representative Ober, that the Committee approve the recommendation of the Legislative Performance Audit and Oversight Committee of the following new performance audit topic; 3) Department of Corrections, Sex Offender Treatment Program. MOTION ADOPTED.

RSA 9:16-a TRANSFERS AUTHORIZED:

CONSENT CALENDAR

At the request of The Chair, FIS 16-061 Department of Resources and Economic Development was removed from the consent calendar.

FIS 16-061 Department of Resources and Economic Development – Christopher Marino, Administrator, and Victoria Cimino, Director of Travel and Tourism, Department of Resources and Economic Development, responded to questions of the Committee.

On a motion by Senator D’Allesandro, seconded by Representative Eaton, that the Committee approve the request of the Department of Resources and Economic Development to transfer \$150,000 in general funds through June 30, 2016. MOTION ADOPTED.

RSA 14:30-a, VI FISCAL COMMITTEE APPROVAL REQUIRED FOR ACCEPTANCE AND
EXPENDITURE OF FUNDS OVER \$100,000 FROM ANY NON-STATE SOURCE:

CONSENT CALENDAR

On a motion by Senator D’Allesandro, seconded by Representative Ober, that the Committee approve the request under this section as submitted. MOTION ADOPTED. [FIS 16-062 Department of Transportation – authorization to accept and expend \$200,000,000 in federal funds through June 30, 2017]

RSA 124:15 POSITIONS AUTHORIZED:

CONSENT CALENDAR

On a motion by Representative Eaton, seconded by Senator Little, that the Committee approve the request under this section as submitted. MOTION ADOPTED. [FIS 16-063 Department of Safety – authorization to establish one (1) temporary part-time Program Assistant II (LG 15) position through September 30, 2016]

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

FIS 16-064 New Hampshire Fish and Game Department – Glenn Normandeau, Executive Director, New Hampshire Fish and Game Department responded to questions of the Committee.

On a motion by Senator D’Allesandro, seconded by Senator Sanborn, that the Committee approve the request of the New Hampshire Fish and Game Department to transfer \$78,000 from the NH Fish and Game Fund Reserve to the Fish and Game FY 2016 Operating Budget through June 30, 2016. MOTION ADOPTED.

RSA 604-A:1-b ADDITIONAL FUNDING:

FIS 16-065 Judicial Council – On a motion by Representative Eaton, seconded by Senator Sanborn, that the Committee approve the request of the Judicial Council to receive an additional appropriation from funds not otherwise appropriated in the amount of \$40,000 in general funds through June 30, 2016. MOTION ADOPTED.

FIS 16-066 Judicial Council – Nina Gardner, Chairman, NH Judicial Council, responded to questions of the Committee.

On a motion by Senator Sanborn, seconded by Representative Eaton, that the Committee approve the request of the Judicial Council to receive an additional appropriation from funds not otherwise appropriated in the amount of \$70,000 in general funds through June 30, 2016. MOTION ADOPTED.

CHAPTER 276:4, LAWS OF 2015, DEPARTMENT OF ADMINISTRATIVE SERVICES;
TRANSFER AMONG ACCOUNTS AND CLASSES:

FIS 16-070 Department of Administrative Services – Vicki Quiram, Commissioner, and Joseph Bouchard, Assistant Commissioner, Department of Administrative Services, responded to questions of the Committee.

On a motion by Representative Eaton, seconded by Representative Ober, that the Committee table the request of the Department of Administrative Services to transfer \$140,000 in general funds in and among accounting units through June 30, 2016. MOTION ADOPTED.

The Committee requested that representatives from; the Judicial Branch, Sheriff's Department, and the Department of Corrections attend the next meeting to respond to questions of the Committee.

CHAPTER 276:29, LAWS OF 2015, DEPARTMENT OF TRANSPORTATION; TRANSFER OF FUNDS:

FIS 16-067 Department of Transportation – On a motion by Senator D'Allesandro, seconded by Representative Ober, that the Committee approve the request of the Department of Transportation to transfer \$265,000 between Highway Fund accounts and classes through June 30, 2016. MOTION ADOPTED.

CHAPTER 276:143, LAWS OF 2015, DEPARTMENT OF HEALTH AND HUMAN SERVICES; TRANSFER AMONG ACCOUNTS:

FIS 16-072 Department of Health and Human Services – Jeffrey Meyers, Commissioner, and Sheri Rockburn, Chief Financial Officer, Department of Health and Human Services responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Senator Little, that the Committee approve the request of the Department of Health and Human Services to transfer \$18,968,333 in general funds, decrease federal revenues in the amount of \$1,393,110, and decrease related other revenues in the amount of \$26,941 through June 30, 2016. MOTION ADOPTED.

CHAPTER 276:219, LAWS OF 2015, DEPARTMENT OF CORRECTIONS; TRANSFERS:

FIS 16-068 Department of Corrections – William Wrenn, Commissioner, and Doreen Wittenberg, Director of Administration, Department of Corrections, responded to questions of the Committee.

On a motion by Senator D'Allesandro, seconded by Senator Sanborn, that the Committee approve the request of the Department of Corrections to transfer \$2,114,300 in general funds through June 30, 2016. MOTION ADOPTED.

CHAPTER 276:233, LAWS OF 2015, DEPARTMENT OF EDUCATION; TRANSFER AMONG ACCOUNTS:

FIS 16-071 Department of Education – On a motion by Senator D'Allesandro, seconded by Senator Sanborn, that the Committee approve the request of the Department of Education to transfer \$130,428 in federal funds through June 30, 2016. MOTION ADOPTED.

INFORMATIONAL MATERIALS:

The informational items were accepted and placed on file.

DATE OF NEXT MEETING:

The next regular meeting of the Fiscal Committee was set for Friday, May 20, 2016 at 10:00 a.m.

10:30 a.m.

AUDITS:

On a motion by Representative Weyler, seconded by Senator Forrester, that the Committee accept the six (6) audits on the agenda, place on file, and release in the usual manner. MOTION ADOPTED.

State of New Hampshire, Single Audit of Federal Financial Assistance Programs, For The Year Ended June 30, 2015 and State of New Hampshire, Management Letter, Year Ended June 30, 2015 – Stephen Smith, Director of Audits, Audit Division, Office of Legislative Budget Assistant, and Marie Zimmerman, Audit Partner, and Karen Farrell, Senior Manager, KPMG, presented the report and responded to questions of the Committee. Vicki Quiram, Commissioner, and Gerard Murphy, Comptroller, Department of Administrative Services, were present to respond to questions of the Committee.

State of New Hampshire, Turnpike System, Management Letter, For the Fiscal Year Ended June 30, 2015 – Stephen Smith, Director of Audits, Audit Division, Office of Legislative Budget Assistant, and Karen Farrell, Senior Manager, KPMG, presented the report and responded to questions of the Committee. Marie Mullen, Director of Finance, Department of Transportation, was present to respond to questions of the Committee.

State of New Hampshire, Liquor Commission, Management Letter, For the Fiscal Year Ended June 30, 2015 – Stephen Smith, Director of Audits, and Jean Mitchell, Audit Supervisor, Audit Division, Office of Legislative Budget Assistant presented the report and responded to questions of the Committee. Joseph Mollica, Chairman, and Tina Demers, Chief Financial Officer, New Hampshire Liquor Commission, were present to respond to questions of the Committee.

State of New Hampshire, Department of Administrative Services, Back Office Consolidation, Performance Audit Report, April 2016 – Stephen Smith, Director of Audits, and John Clinch, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant presented the report and responded to questions of the Committee. Vicki Quiram, Commissioner, and Gerard Murphy, Comptroller, Department of Administrative Services, were present to respond to questions of the Committee.

State of New Hampshire, Resources and Economic Development, Office of Workforce Opportunity, WorkReadyNH, Performance Audit Report, April 2016 – Stephen Smith, Director of Audits, and Vilay Sihabouth, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant presented the report and responded to questions of the Committee. Carmen Lorentz, Director, Division of Economic Development, and Jackie Heuser, Director, Office of Workforce Opportunity, Department of Resources and Economic Development, and Charlotte Williams, WorkReadyNH Statewide Liaison, Community College System of New Hampshire, were present to respond to questions of the Committee.

DATE OF THE NEXT MEETING AND ADJOURNMENT:

On a motion by Representative Weyler, seconded by Representative Eaton that the meeting adjourn. The Chair declared the meeting adjourned and reminded Members that the next meeting of the Fiscal Committee was set for Friday, May 20, 2016 at 10:00 a.m. (Whereupon the meeting adjourned at 2:16 p.m.)

Representative Ken Weyler, Clerk



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF HUMAN SERVICES

129 PLEASANT STREET, CONCORD, NH 03301
 603-271-9404 1-800-852-3345 Ext. 9404

Fax: 603-271-4232 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Nicholas A. Toumpas
 Commissioner

Mary Ann Cooney
 Associate
 Commissioner

November 01, 2015

The Honorable Neal M. Kurk, Chairman
 Fiscal Committee of the General Court
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

1. Pursuant to the provisions of Chapter 276:206, Laws of 2015, authorize the Department of Health and Human Services, Division for Children, Youth and Families to implement the actions contained in the attached Cost Savings Plan to support the dual purposes within the Sununu Youth Services Center of providing both secure youth detention and psychiatric residential treatment.

EXPLANATION

The Department of Health and Human Services was directed per Chapter 276:206, Laws of 2015 to develop a cost reduction plan for the Sununu Youth Services Center.

Those chapter laws provide:

“276:206 Department of Health and Human Services; Sununu Youth Services Center; Cost Savings Plan. The department of health and human services shall develop a plan to reduce the cost of providing existing services at the Sununu Youth Services Center. The plan shall include privatization of services, offering additional and compatible services, and consider the most appropriate, cost effective, long and short-term uses of the center as described in the January 1, 2014 report issued pursuant to 2013, 249. The department shall submit the plan to the fiscal committee of the general court for approval on or before November 1, 2015, and begin implementation of the plan by January 1, 2016.”

Attached is the Department’s plan for Sununu Youth Services Center, dated November 2015. The attached plan is the most appropriate long-term use of the facility as it would expand services available and meet a defined need for youth with high-need behavioral and mental health issues in New Hampshire while reducing the overall burden on state general funds for the care and treatment of this population of youth.

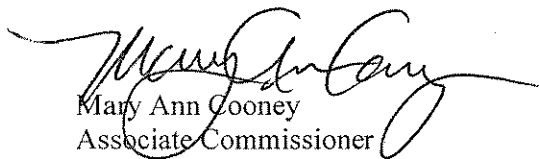
With the assistance of the Office of Legislative Budget Assistant, the Department was able to review seven (7) scenarios for operation of the SYSC (Reference attached memo from the LBAO to Senator Boutin dated October 12, 2015). The Department also analyzed a cost reduction plan to operate the SYSC for \$10,100,000. This option would require a 52% reduction in personnel and make it necessary to close the facility. This option was determined to not be in the best interest of youth in the Department’s care.

As a result of the financial analysis the Department determined that the most cost effective approach was to operate the Center as is over the course of the FY2016-2017 biennium, and develop and begin implementation of a plan to transform the facility to a multiuse treatment environment that adheres to a continuum of care model for juvenile justice involved youth and those at risk for being involved with the juvenile justice system as a result of mental or behavioral health diagnoses.

Also included as reference material is a report dated January 2014 relative to long term and short term uses of SYSC, a SYSC transformation proposal, and a letter from Denise O'Donnell, from the US DOJ, to Mr. Kennedy at DHHS relative to VOITIS funding.

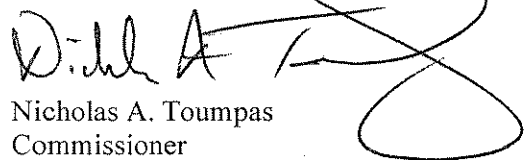
Although the proposed plan will result in greater reductions in general fund expenditures in future years, there remains a near-term need for continued general funding at close to prior levels to support current services while transformation of the facility is underway.

Respectfully submitted,



Mary Ann Cooney
Associate Commissioner

Approved by:

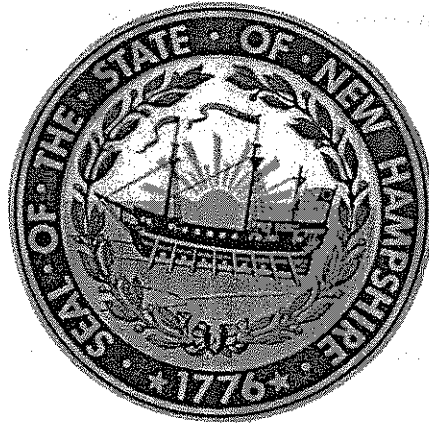


Nicholas A. Toumpas
Commissioner

New Hampshire Department of Health and Human Services Report

Pursuant to Chapter 276:205 and 276:206, Laws of 2015

Report to Fiscal Committee Regarding
Plan to Reduce Costs of Providing
Services at the
Sununu Youth Services Center



November 2015

I. Background

In Chapter 276:205 and Chapter 276:206, Laws of 2015, the legislature directed the Department to reduce general fund appropriations for the Sununu Youth Services Center (SYSC), and to prepare a Cost Savings Plan for achieving the required reductions. Those chapter laws provide:

“276:205 Department of Health and Human Services, Sununu Youth Services Center; Reduction in Appropriation. The department of health and human services is hereby directed to reduce state general fund appropriations to the Sununu Youth Services Center by \$1,721,861 for the fiscal year ending June 30, 2016, and by \$3,496,746 for the fiscal year ending June 30, 2017. The department shall operate the Sununu Youth Services Center within the allotted budget, or may enter into contracts for operation of the Sununu Youth Services Center, including establishing necessary class lines, as long as total operating costs do not exceed \$10,100,000 for the fiscal year ending June 30, 2017.

276:206 Department of Health and Human Services; Sununu Youth Services Center; Cost Savings Plan. The department of health and human services shall develop a plan to reduce the cost of providing existing services at the Sununu Youth Services Center. The plan shall include privatization of services, offering additional and compatible services, and consider the most appropriate, cost effective, long and short-term uses of the center as described in the January 1, 2014 report issued pursuant to 2013, 249. The department shall submit the plan to the fiscal committee of the general court for approval on or before November 1, 2015, and begin implementation of the plan by January 1, 2016.”

In response to this legislative requirement and pursuant to the recommendations from the January 2014 *Report to Fiscal Committee of the General Court As To Most Appropriate, Cost Effective, Long and Short-Term Uses of the Sununu Youth Services Center (attached as Appendix A)*, the Department:

- Established a multi-disciplinary team, including project management support, to identify and implement appropriate near-term and longer-term cost-savings measures;
- Researched current needs of youth at SYSC and across New Hampshire, evaluated options for addressing those needs, and obtained data to evaluate costs/cost savings under a variety of scenarios;
- Researched other states and similar institutions and collected current cost/savings data for privatization of specific services (i.e., education, food service, and maintenance) and for youth detention/treatment at other state and private facilities;
- Determined that repurposing SYSC to include a Psychiatric Residential Treatment Facility (PRTF) is the most appropriate long-term use of the facility. This would expand services available and meet a defined need for youth with high-need behavioral and mental health issues in New Hampshire while reducing the overall burden on state general funds for the care and treatment of this population of youth;
- Consulted with the Federal Center for Medicare and Medicaid Services (CMS), Federal Department of Justice (DOJ), and national accreditation bodies regarding requirements and restrictions on repurposing SYSC to include a PRTF, and pursued steps to obtain necessary approvals from these entities; and
- Evaluated current SYSC operations and identified gaps in staffing and services required to receive accreditation as a PRTF.

Public input regarding the Department's plan to create a PRTF at SYSC, which was provided to the "SYSC Workgroup on Transformational Alternatives" at its town hall meeting in Manchester on September 10, 2015, was overwhelmingly positive with some in attendance sharing personal stories of how the existence of such a facility could have assisted them in the treatment of their own children.

The Department has also explored with its residential service providers whether they would be willing and able to provide secure treatment for these youth at their facilities. None of these providers has expressed a willingness and ability to do so. At the SYSC Workgroup meeting on October 5, 2015, the executive directors of Webster House, Nashua Children's Home and Wediko each addressed the committee and stated that:

- they were not interested in becoming a secure residential facility; and,
- the intensity of services these youth need cannot be provided in their facilities.

Additional reasons given include:

- the need to seek approvals from their board of directors;
- the need for additional funds to convert their facility to become architecturally secure;
- the need for a guarantee from the Department as to the number of detained/committed youth that they would receive in order to become and remain operational; and,
- concerns that the intensive needs of youth who require secure treatment will compromise the safety of other youth at their facilities.

At this same meeting Dr. Bob MacLeod, CEO of NH Hospital told the committee that NH Hospital is experiencing an average of 5.1 patients per day wait list for adolescent admissions and it is not unusual to have a need for 10-12 beds with two-thirds representing the needs of adolescents.

DHHS asserts that establishing a PRTF at SYSC will address the needs of youth waiting for admission for acute care at NHH by enabling those youth ready for discharge to receive medically necessary treatment at a PRTF and not over utilize the more expensive care at NH Hospital.

II. Plan Overview

The Department proposes to repurpose half of the existing facility at the Sununu Youth Services Center to create a Psychiatric Residential Treatment Facility (PRTF), while retaining the other half as a youth correctional facility. The transformation of the Sununu Youth Services Center supports the dual goals of reducing general fund expenditures and improving treatment services to better meet the behavioral and mental health treatment needs of children in the state. Under the DHHS Plan, the Department expects to serve more children for significantly fewer general fund dollars than are currently required to run the Sununu program, saving an estimated \$3.5 million per year in general funds in future years.

Under this plan, the Department asserts that:

- A transformed SYSC will serve an average of 80 youth per day in both programs for a reduced net cost of approximately \$9.9 million general fund dollars (FY 2018 and beyond, excluding inflationary cost increases), as a result of revenue from Medicaid and other health insurance, and compared to the approximately 45 youth per day served in SFY '15 at a cost of \$13.4 million in general fund dollars.
- The vast majority of delinquent youth have significant behavioral, mental health and substance abuse needs that require intensive treatment to effectively address their delinquent behavior.

- Delinquent youth can be treated more cost-effectively in a PRTF, utilizing Medicaid and other insurance payments, than in a correctional setting, where treatment is fully supported by general funds.
- Other populations of youth who require this intensive level of treatment, which is currently unavailable in New Hampshire, will benefit from services provided by the PRTF. These populations include:
 - youth awaiting discharge from NH Hospital to a less acute treatment setting;
 - court involved delinquent and non-delinquent youth in need of this level of care and treatment who are currently being placed out of state; and,
 - youth whose treatment needs simply remain unmet because the level of treatment available or being provided is not intensive enough, resulting in negative outcomes for them, their families, and their communities.
- Children and youth are best served in their homes and communities when it is safe and effective to do so. However, the availability of the PRTF level of care is a critical component of a full continuum of treatment services for youth with behavioral and mental health needs. (*See Appendix B: Issue Brief on Purpose and Need for a PRTF in New Hampshire.*)

Implementation of this Plan will require:

- Approval by the Federal Center for Medicare and Medicaid Services (CMS) of the SYSC PRTF as a Medicaid-eligible facility, authorizing Medicaid reimbursement for treatment of delinquent and other youth treated at the facility;
- Statutory changes and the adoption of administrative rules to support the functioning of SYSC as both a juvenile correctional facility and a PRTF; and,
- Accreditation of the PRTF at SYSC by a recognized accrediting body.

The Department believes that these are all achievable goals.

III. Plan Details and Cost/Cost-Saving Estimates

The SYSC is the ideal site for establishing a PRTF in New Hampshire. The SYSC currently serves as a youth's residence, school and treatment facility. It offers many of the assessments and clinical services that youth in need of this level of intensive treatment require, including comprehensive medical, clinical and educational services. SYSC also is a state-of-the-art facility well-suited to be a psychiatric residential treatment center, and the design of the building is such that it can be easily split into two facilities to ensure separation of the two populations of youth.

DHHS Plan Retains Juvenile Correctional Facility for Detention and Commitment: The population of youth at the SYSC has, consistent with national trends in juvenile justice, declined in recent years for a number of reasons. Among the most prominent reasons are the decline in juvenile crime, which is at historic low levels, and the decline in the use of secure facilities to incarcerate juvenile offenders, as research and experience have demonstrated that incarceration is inappropriate for most juveniles.

Nonetheless, all states maintain secure care and treatment options for the subset of juvenile delinquents who have committed violent crimes or who pose a significant threat to their communities. The Department anticipates that a secure detention/correctional facility will continue to be necessary and the Department would continue to utilize a portion of the SYSC facility to meet this need.

DHHS Plan Provides New Treatment Option within the State: The Department's plan would create a PRTF at the SYSC. A PRTF is designed to be:

- less medically intensive than a psychiatric hospital, while still providing a range of comprehensive services on an inpatient basis under the direction of a physician; and
- a more clinically-intense type of treatment delivered to youth that are more acutely or chronically psychiatrically ill than those served in other residential settings.

Providing PRTF services within the state will enhance the service array available in the Department's *System of Care* and enable the Department to better serve youth in New Hampshire with significant behavioral and mental health treatment needs.

The PRTF Issue Brief, included as Appendix B, provides additional detail on the projected need and purpose of the PRTF.

DHHS Plan Does Not Require Payback of VOI/TIS Funding

The SYSC was built in part with the use of federal Violent Offender Incarceration and Truth in Sentencing, or VOI/TIS, funds (approximately \$13,400,000). Federal law requires that the state seek approval from the U.S. Department of Justice for any change of use of the facility. The Department has requested and received approval from the U.S. Department of Justice for a change of use at the SYSC to include a PRTF. With the DOJ approval, the state will not be required to repay any of the VOI/TIS funds as a result of establishing a PRTF at the SYSC, and as long as “the facility is used for a criminal justice purpose” and the youth are either involved or at risk of involvement with the juvenile justice system .

A copy of the letter of approval, dated October 13, 2015, from the Department of Justice is attached (See Appendix D).

A. Current SYSC Budget and Operations

The SYSC Budget includes costs associated with operation and maintenance of the full 156 acre campus and 17 buildings. Only 5 of these buildings are used by the SYSC program.

Actual expenditures for entire SYSC campus under the SYSC Budget FY 2014/2015:

Budget Information	FY 2014	FY 2015
General Funds	\$13,036,595	\$13,369,580
Total Funds	\$14,329,097	\$14,275,945

For FY 2015, the SYSC program had an average census of around 45 youth per day. To date in FY 2016, the SYSC program has had an average census around 50 youth per day. The facility has experienced an increased number of detained youth with the recent addition of 17 year olds.

B. Impact of DHHS Plan on SYSC Budget

1) Modification of SYSC Facility

The existing SYSC facility is designed for 144 detained and committed youth. By dividing the current facility in half, the Department will create two separate 72-bed facilities; one a juvenile correctional and detention facility, and the other a PRTF. Each half of the divided facility will have its own entrance with separate living and educational areas. Common areas, such as cafeteria and recreational areas will be shared without co-mingling of the youth. Dividing the facility in this manner will maximize the use of the existing infrastructure and enable the different

programs to share operation and maintenance costs. The Department anticipates that overall operation/maintenance costs will be unchanged.

Estimated Additional Costs:

- The Department estimates the one-time cost for building renovations to divide the facility to be \$1,000,000 and that those costs would be incurred in late SFY 16 or /early SFY 17.

2) Psychiatric Treatment at SYSC as Component of Full System of Care

The creation and operation of an accredited, Medicaid-eligible PRTF will require some changes in staffing to include individuals with certain clinical/ medical credentials necessary to support the full range of PRTF services. The Department assumes that additional residential services staff will also be required due to the increased number of youth that will be served.

Treatment services for Medicaid-eligible youth at the SYSC PRTF will receive reimbursement from the Federal government for ½ of costs. Private-payer and insured youth receiving treatment at the SYSC PRTF would be expected to pay the full residential and treatment costs. This will provide additional revenue to support operations of the facility.

Estimated Additional Costs:

- \$1,925,990 per year for additional staff.

Estimated Additional Revenue:

- The Department estimates that the state will receive \$7,660,209 per year in Medicaid, private payer, and insurance payments for PRTF services.

3) Net Impact on SYSC Budget and Required General Fund Appropriation

The Department, in cooperation with the Office of the Legislative Budget Assistant (LBA), estimated the SYSC operating costs and general fund expenditures for SFY 16/17 under several different scenarios. As stated above, the Department is proposing that a Psychiatric Residential Treatment Facility be established at SYSC. The table below represents the FY'16 and FY'17 budget for this to occur.

The full LBA report to the Continuing Resolution Workgroup containing all the cost analyses is attached as Appendix C.

SYSC Budget Adding a PRTF	FY 2016	FY 2017	Total Biennium
Budget for SYSC with a PRTF	0	\$15,589,761	
PRTF Revenue (Medicaid and Private Pay)	0	(\$7,660,209)	
Net State Cost	0	\$7,929,552	
Renovation of Building	0	\$1,000,000	
Additional staff for population increase	0	\$1,925,990	
Budget Needed	\$13,972,211	\$10,855,542	
Budget Passed	\$12,199,072	\$10,791,519	
Unfunded Need	\$1,773,139	\$64,023	\$1,837,162

***Note.** Of the FY 2017 budget amount, \$1,000,000 represents one-time costs to renovate the building. The FY 2017 budget without one-time cost would be \$9.9 million.

The SYSC Operating Budget accounts for all expenditures and reimbursements associated with SYSC's current operations (e.g., reimbursement of educational costs from sending school districts, federal grants for food services). The SYSC Operating Budget also includes operation and maintenance for the full 156 acre campus, including all 17 buildings.

IV. Appendices

- A. Report to Fiscal Committee of the General Court as to Most Appropriate, Cost Effective, Long and Short-Term Uses of the Sununu Youth Services Center, January 2014
- B. PRTF Issue Brief
- C. LBA cost analysis of alternatives
- D. USDOJ letter

OFFICE OF LEGISLATIVE BUDGET ASSISTANT

State House, Room 102
Concord, NH 03301
271-3161

DATE October 12, 2015
REVISED

FROM Michael Hoffman, Senior Budget Officer

SUBJECT Sununu Youth Service Center (SYSC)

TO Senator David Boutin

In response to a request from the Sununu Youth Services Center Working Group, I have worked with the Department of Health and Human Service to review and summarize scenarios for operation of the SYSC. As you know, these scenarios are based on budget and expenditure information that is available and on reasonable assumptions. I reviewed the information, asked questions to better understand the assumptions, and tried to summarize them clearly for your review. The scenarios are in no particular order and our office does not offer an opinion on any of them.

Background

The Sununu Youth Services Center consists of 14 buildings situated on 156 acres. Five of the buildings are used by the program. The State police and the Manchester police also use some of the buildings. There are 25 non-Sununu staff of the Department of Health and Human Services with offices in the administration building. The DHHS budget pays for maintenance on the entire property. The new building was included in the 2003 capital budget and built with state funds and federal funds from the U.S. Department of Justice. The new building has a capacity of 144 beds which was the anticipated future need at the time. The ribbon cutting for the new facility was on April 3, 2006.

Budget Information	ACTUAL		GOVERNOR'S BUDGET		FY 16-17 FINAL BUDGET	
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2016	FY 2017
General Fund	\$13,036,595	\$13,369,580	\$13,243,721	\$13,596,746	\$11,470,582	\$ 10,049,157
Total Funds	\$14,329,097	\$14,275,945	\$13,972,211	\$14,339,108	\$12,199,072	\$10,791,519
Staff:						
Classified	141	141	132*	132*	132*	132*
Unclassified	1	1	1	1	1	1
Total	142	142	133	133	133	133

Notes: *In the FY 2016-17 operating budget 10 staff positions are not funded. FY 2016-17 amounts above include the HB2 reduction of \$1,721,861 in FY 2016 and \$3,496,746 in FY 2017.

Staffing / Census history

Fiscal Year	Staff	Average Census
2010	180	63.4
2011	180	61.8
2012	152	60.1
2013	152	59.9
2014	142	60.3
2015	142	45
2016	133	TBD

The FY 2016 average census has been 46.2 youths.

The Governor’s recommended budget was about one percent less than the actual expenditures in the previous biennium. This budget will be considered the current state or “Status Quo” and used as a basis for comparison for the different scenarios.

SCENARIOS

Scenario #1: Status Quo. Continue to operate the SYSC as in the previous biennium.

Assumption: Legislation would be needed to appropriate funds and allow operating costs to exceed the cap for FY 2017 included in HB2.

Based on current operations, funds authorized in the FY 2016-17 budget would last until April or early May and the savings in HB2 would not be realized. The following general fund appropriations would be needed to continue to operate SYSC without program and staff reductions:

FY 2016	\$1,721,861
FY 2017	\$3,496,746
Unfunded Need	\$5,218,607

Over 82% of the appropriation for the SYSC is in in personnel costs including salary, benefits, overtime and holiday pay. Based on the average salary and benefit amount, terminal pay, unemployment costs and COBRA insurance coverage, the budget as passed would require elimination of up to 69 positions. This would amount to a 52% reduction. The Department indicates it could not continue provide the necessary services or properly maintain the facility with the appropriation levels included in the FY 2016-17 operating budget.

Scenario #2: Savings from privatization of education and food services.

Assumptions:

- The food contractor would continue to receive federal school lunch program funding.
- The education contractor would continue to be reimbursed by the sending school districts.
- There would be no changes to the cost of administration, maintenance, or residential treatment programs.
- Approximately 26 employees would be laid off.

- Privatization of education and food services would begin in FY 2017 as would terminal pay for the 26 positions. Time is needed for the RFP and contract approval process.
- There would be providers interested in providing the services and the proposals would be feasible.

Privatize Food and Education	FY 2016	FY 2017	Total
Status Quo	\$13,972,211	\$14,339,108	
Privatization Savings	0	(912,358)	
Payouts Kitchen (6) & Education Staff (20)	0	436,107	
Unemployment Costs	0	324,534	
COBRA	0	151,717	
Budget Needed	13,972,211	14,560,093	
Budget Passed	12,199,072	10,791,519	
Unfunded Need	\$1,773,139	\$3,768,564	\$5,541,703

*Note. Of the FY 2017 budget amount, \$912,358 represents one-time personnel reduction costs. The FY 2017 budget needed without the one-time costs would be \$13.6 million.

Scenario #3: Establish a Psychiatric Residential Treatment Facility (PRTF) with private food and education services.

Assumptions:

- CMS would certify the facility and approve Medicaid coverage of certain services.
- The U.S. Department of Justice would allow a modified use of the facility built partially with funds through the Violent Offender Incarceration and Truth-In-Sentencing Incentive Program.
- Assumes an average census of 65 youth would be served in the PRTF.
- 90% of the 65 youth would generate revenue from Medicaid or private sources.
- Assumes an average census of committed and detained of 15 youth.
- Includes costs for additional clinical staff needed for the facility to be certified as a PRTF.
- Assumes development and approval of the program, procurement and contracting would require the remainder of FY 2016. Program implementation would be in FY 2017.
- Includes privatization of education programs and food services as described in scenario #1.

	FY 2016	FY 2017	Total
Budget for SYSC as a PRTF	0	\$16,810,736	
PRTF Revenue (Medicaid and Private Pay)	0	(7,660,209)	
Net State Cost	0	9,150,527	
Kitchen (6) & Education Staff (20) Payouts	0	436,107	
Additional staff for population increase	0	1,925,990	
COBRA	0	151,717	
Unemployment Costs	0	324,534	
Budget Needed	\$13,972,211	11,988,875	
Budget Passed	\$12,199,072	10,791,519	

Unfunded Need	\$1,773,139	\$1,197,356	\$2,970,495
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*Note. Of the FY 2017 budget amount, \$1,000,000 represents one-time costs to renovate the building.

The FY 2017 budget without the renovation and personnel one-time costs would be \$10.1 million.

Scenario #4: Close the facility and place youth in other existing facilities, likely to be outside of New Hampshire.

Assumptions:

- Neighboring states and/or providers have capacity and are willing to serve/treat additional youth.
- Rates paid would be at the average for New England states at \$565 per day.
- Up to 129 staff at SYSC would be laid off and receive terminal pay.
- Additional unemployment costs would be incurred due to the layoffs.
- Three staff would remain for security, snow removal and maintenance of unoccupied buildings.
- There would be additional travel and staff costs related to family visits.
- 25 DHHS staff with offices in the administration building would need office space elsewhere estimated at \$4,000/person/ year.
- The campus would be vacant but maintained to avoid deterioration.

	FY 2016	FY 2017	Total
Terminal Pay for 129 Staff @ \$14,397 average		\$1,857,213	
Unemployment compensation		\$1,647,632	
COBRA		\$676,481	
Campus Maintenance		\$343,567	
Cold Storage		\$1,600,000	
Office space for 25 DHHS staff		\$100,000	
Services for 50 clients at \$565/ day x 365 days		\$10,311,250	
Budget Needed	\$13,972,211	\$16,536,143	
Budget Passed	\$12,199,072	10,791,519	
Unfunded Need	\$1,773,139	\$5,744,624	\$7,517,763

*Note. Of the FY 2017 budget amount, \$4.2 million represents one-time costs. The FY 2017 estimated budget without the one-time costs would be \$12.35 million.

Scenario #5: Close the facility and place youths in facilities developed in New Hampshire.

Assumptions:

- Providers in NH would be interested in serving committed youth in a secure facility and communities would be willing to accept such a facility.
- Due to the time needed to locate and construct or renovate facilities, the earliest implementation would be in 2017.
- Five small facilities with a capacity of 10 beds could be renovated or built.
- Rate of \$525 per day could be achieved.
- Up to 129 staff at SYSC would be laid off and receive terminal pay.
- Additional unemployment costs would be incurred due to the layoffs.
- Three staff would remain for security, snow removal and maintenance of unoccupied buildings.

- 25 DHHS staff with offices in the administration building would need office space estimated at \$4,000/person/ year.
- The campus would be vacant but maintained to avoid deterioration/mold.

	FY 2016	FY 2017	TOTAL
Costs for running SYSC for 6 months		\$7,169,554	
Renovation/Construction Costs 5 Facilities @ average of \$400k per facility		\$2,000,000	
Terminal Pay for 129 Staff @ \$14,397 average		\$1,857,213	
COBRA		\$676,481	
Unemployment compensation		\$1,647,632	
Campus Maintenance		\$171,784	
Cold Storage (half year)		\$300,000	
Office space for 25 DHHS staff (half year)		\$50,000	
Services for 50 clients at \$525/ day (half year)		\$4,803,750	
Budget Needed	\$13,972,211	\$19,576,114	
FY 2017 Budget Passed	\$12,199,072	\$10,791,519	
Unfunded Need	\$1,773,139	\$8,884,395	\$10,658,034

*Note. Of the FY 2017 budget amount, \$2 million represents one-time costs. The FY 2017 estimated budget without the one-time costs would be \$1.5 million.

Scenario #6: Private provider operates a correctional facility on SYSC property.

Assumptions:

- Maintenance staff would be needed for security, snow removal and maintenance of unoccupied buildings and property. Maintenance staff would be reduced by 30%. Seven staff would remain.
- Administrative building will continue to house 25 non-SYSC DHHS staff.
- There would be a reduction in operating costs; supplies, paint, utilities, etc.
- Equipment costs would be reduced by half since there would be less wear and tear.
- Contractor would assume responsibility for the cost of running the SYSC building including heat, hot water and electricity.
- Treatment would be limited; children treated out of state would remain out of state.

	FY 2016	FY 2017	Total
Status Quo	\$13,972,211		
Terminal Pay for 125 Staff @ \$14,397 average		\$1,799,625	
Unemployment compensation		\$1,596,542	
COBRA		\$655,505	
Campus Operation and Maintenance		\$822,521	
Capital Expense		\$150,000	
Services for 50 clients at \$525/ day x 365 days		\$9,581,250	
Budget Needed		\$14,605,443	
Budget Passed	\$12,199,072	\$10,791,519	
Unfunded Need	\$1,773,139	\$3,813,924	\$5,587,063

*Note. Of the FY 2017 budget amount, \$4.2 million represents one-time costs. The FY 2017 estimated budget without the one-time costs would be \$10.4 million.

Scenario #7: Establish a Psychiatric Residential Treatment Facility (PRTF) without privatizing food services and education.

Assumptions:

- CMS would certify the facility and approve Medicaid coverage of certain services.
- The U.S. Department of Justice would allow a different use of the facility built partially with funds through the Violent Offender Incarceration and Truth-In-Sentencing Incentive Program.
- Assumes an average census of 65 youth would be served in the PRTF.
- 90% of the 65 youth would generate revenue from Medicaid or private sources.
- Assumes an average census of committed and detained of 15 youth.
- Includes costs for additional clinical staff needed for the facility to be certified as a PRTF.
- Assumes that legislative changes will be approved, and that the facility is certified as a PRTF. Program implementation would be in FY 2017.

	FY 2016	FY 2017	
Budget for SYSC as a PRTF	0	\$16,810,736	
PRTF Revenue (Medicaid and Private Pay)	0	(7,660,209)	
Net State Cost	0	9,150,527	
Remove Privatization Impact as shown for option #2	0	(220,975)	
Additional staff for population increase		1,925,990	Total
Budget Needed	\$13,972,211	10,855,542	
Budget Passed	\$12,199,072	10,791,519	
Unfunded Need	\$1,773,139	\$64,023	\$1,837,162

*Note. Of the FY 2017 budget amount, \$1,000,000 represents one-time costs to renovate the building. The FY 2017 budget without one-time cost would be \$9.9 million.

Report to Fiscal Committee of the General Court As To
Most Appropriate, Cost Effective, Long and Short-Term
Uses of the Sununu Youth Services Center

January 2014



Executive Summary

The New Hampshire Department of Health and Human Services was directed by 2013 Chapter Law 249 to conduct an assessment of the Sununu Youth Services Center (SYSC) to determine advantages and disadvantages of the current facility use, potential alternative uses, the viability of using another facility instead, and ways that current cost could be reduced.

The report that follows reflects the Agency's work over the past five months to engage with stakeholders, advocates and providers to determine the most cost-effective and appropriate programmatic approach to serving youth currently at SYSC.

In order to assess the most appropriate programming for this population, the Department sought technical assistance from the federal Office of Juvenile Justice and Delinquency Prevention (OJJDP) to conduct an evaluation of current services. Legal considerations regarding the current property were also explored. The Department further considered the fiscal implications of several scenarios, including the use of another facility to provide the current programming, and the possibility of contracting with a private provider to provide these services either at the current facility or elsewhere.

Analysis of these reviews indicates that the Department should continue to operate SYSC at the current Manchester site. However, these reviews and input from stakeholders also concluded that there may be fiscal value in exploring contracting with a private provider or decreasing costs for some specific targeted services currently provided by the state at SYSC.

Given the above conclusion, the Department further explored efforts to decrease overall operating costs, and modify or expand the current services at SYSC to better meet the needs of youth, their families and communities. Consistent with national trends, majorities of the youth currently served at SYSC struggle with mental and behavioral health issues and receive treatment for these concerns at SYSC. Additionally, a number of discussions with stakeholders identified secure treatment in these two areas as primary unmet needs for children and youth in New Hampshire. Therefore, the Department has identified both short and long-term options to explore in an effort to reduce costs at SYSC and expand the use of the facility to further meet these needs.

Short-Term Option

The Department will explore with New Hampshire Hospital the possibility of operating a separate unit at SYSC that could provide secure mental and behavioral health treatment to youth who need crisis stabilization or transitional care prior to returning safely to their community. This would potentially expand the service continuum available for these youth, more fully utilize the existing SYSC facility and infrastructure, and reduce SYSC operating costs by generating reimbursement for these services through youth's insurance coverage.

Long-Term Option

The Department will explore steps to become eligible for Medicaid reimbursement for treatment services provided to the current population served at SYSC. As a correctional facility, SYSC is not currently eligible to receive any Medicaid payments for those services. However, the potential exists to transition the facility into a secure psychiatric treatment facility, eligible for Medicaid payments. Many of the structures and practices of such a facility are already in place at SYSC in response to the needs of current population, and any additional necessary changes will be explored.

Introduction:

Over the last three years, SYSC has been engaged in a transformation aimed at enhancing capacity for mental health and substance abuse treatment. The primary role of the Sununu Center has shifted from secure “detention” to the secure “treatment” and detention of youth. In part because of these program improvements, the Department believes and this report identifies the value in continuing to serve this population at the existing SYSC facility in Manchester. However, also in part due to these changes to a more treatment oriented program, the facility is ripe with opportunities to obtain alternative funding to ultimately decrease the general fund costs associated with serving this population of youth.

The Agency’s evaluation and planning activities have identified a realistic direction that could align SYSC’s current treatment model with the federal definition of a “medical institution.” This report outlines short and long- term options for continuing to serve the treatment needs of these youth in a secure and locked setting while pursuing the Department’s ability to draw other funds on their behalf.

From the outside looking in there would not be noticeable changes to the facility, in that security procedures would remain the same. However, there could be a significant change in how services are funded at the facility. The Department could proceed in a specific direction that would allow for the enrollment of SYSC as a residential treatment facility, which would ultimately strengthen the ability to be an insurance and/or Medicaid billable program.

This clinical direction is consistent with the direction many juvenile justice programs around the country are taking, and necessary in light of the needs of the current population. It is therefore both programmatically appropriate and more cost effective to pursue other sources of revenue that support the treatment services already in place at the facility. If and when additional funding streams become available, the facility could also enhance the services available to transition youth safely back into the community. These options could also serve to meet some existing service gaps for youth without increasing costs.

It is also critical that the local community/neighborhood be engaged throughout this process so as to clarify or address any concerns that may arise. The SYSC grounds are embedded into a neighborhood, and it is imperative that open communication be maintained so the neighborhood is assured that any operational changes made at the facility will not impact their sense of safety. Should at any time in this process an additional program or program changes occur, the local community will be informed and made a part of that change.

Background:

The Department of Health and Human Services was directed in House Bill 260 (2013 Laws Chapter 249) to assess and report its recommendations to the fiscal committee of the general court as to the most appropriate, cost effective, long and short-term uses of the Sununu Youth Services Center (SYSC). The Department's assessment is required to include an analysis of:

- (1) The advantages and disadvantages of the current use of the facility;
- (2) Potential alternative uses for the facility;
- (3) The viability of using another facility to provide secure detention/committed services given the declining census at the center; and
- (4) Ways that the current costs to run the facility could be reduced.

In conducting its assessment, the Department is required to consult with the community, child welfare, court, and juvenile justice stakeholders to solicit their input as to the most appropriate and fiscally responsible options for addressing the needs of committed and detained youth.

In response to this requirement, the Department explored the advantages and disadvantages of this type of facility for this population, both at SYSC and in other states, legal and fiscal implications regarding use of the current facility or another facility, alternative or additional uses of the current facility, and possible opportunities to reduce operating costs. This process included the formation of an Executive Team comprised of a wide range of community partners, who participated in formulating possible options to meet the legislative objectives above. Input regarding the above questions and possible options was sought from members of the judiciary, law enforcement, community providers, advocates, legislators, juvenile parole board members, and local Manchester leadership. Overall there were more than 45 individuals involved through interviews, focus groups or team meetings, including the New Hampshire Juvenile Justice Advisory Group and the DCYF State Advisory Board. Others were invited but could not or chose not to participate.

The following is a summary of the findings of this process.

Current Program:

The Sununu Youth Services Center (SYSC) is a 144-bed facility located on River Road in Manchester New Hampshire. It provides an architecturally secure treatment program for committed juveniles and for New Hampshire youth involved in the court system prior to their adjudication.

SYSC is comprised of two major programs, as established in statute: the Youth Development Center (RSA 621) and the Youth Services Center (RSA 621-A).

The Youth Development Center

The Youth Development Center provides services to youth adjudicated in court as having committed delinquency offenses and who are in need of secure treatment. Juveniles placed in the Sununu Youth Services Center (SYSC) range in age from 11 to 17 years old. When a youth is committed to SYSC, a systematic process is used to classify and assign them to a secure residential unit where they participate in a prescribed behavioral program. These are adjudicated youth with severe substance abuse and/or severe behavioral challenges or co-occurring mental health conditions that require and would benefit from secure treatment or stabilization in

preparation for returning to their community and reunification with family. The Youth Development Center served a total unduplicated count of 122 committed youth in State Fiscal Year 2012.

The Youth Services Center

The Youth Services Center provides detention services in a unit within the Sununu Youth Services Center. A juvenile may be committed for placement at the Youth Services Center following an arrest for a delinquent offense and the issuance of a NH Circuit Court order.

The Detention Unit is a 24-bed co-educational secure detention center that houses youth who have allegedly committed delinquent offenses and are awaiting disposition of their cases by the courts. It also detains youth wanted in other states in accordance with the provisions of the Interstate Compact. Most youth are detained for less than 48 hours, but others may remain longer awaiting court dispositions, placements and release to their home state or adult certification. Residential staff provides for secure care and respond to youths' recreational needs. All detained youth are provided with close supervision for the duration of their stay. The Youth Services Center served a total unduplicated count of 197 detained youth during State Fiscal Year 2012.

Population

The daily census at SYSC over the past several years has ranged between 58-70 youth at any given time, with additional youth on administrative release or furlough. The youth have a wide range of mental health and behavior disorders and the clinical team is experienced in treating adolescents with challenges including but not limited to:

- Conduct Disorder
- Oppositional Defiant Disorder
- Attention-Deficit Disorder
- Impulse Control Disorder
- Disruptive Behavior Disorders
- Reactive Attachment Disorder
- Depressive Disorders
- Substance Abuse Disorders
- Bipolar or Mood Disorders
- Post-Traumatic Stress Disorders
- Anxiety/Adjustment Disorders

SYSC offers an array of services that address the medical and mental health needs of youth for whom less intensive, community-based services have not produced the outcomes necessary to keep the youth or community safe. SYSC also serves as its own School Administrative Unit (SAU), and as such provides comprehensive and individualized education services to all youth residents. Additionally, as a result of its central location in the state, SYSC is able to serve all youth throughout New Hampshire who require secure treatment.

Assessment of Current Programming Appropriateness:

In order to assess the appropriateness of programming for these youth using the current facility, the Department requested technical assistance from the Office of Juvenile Justice and Delinquency Prevention (OJJDP) National Training and Technical Assistance Center to

determine what practice approaches achieve positive outcomes with this population, and in what type of settings. They were asked to review the Sununu Youth Services Center's (SYSC) use of Evidence-based Programs (EBP), what funding sources are available for programming and what other states provide for services/programming at their respective state centers.

On May 17, 2013, the National Training and Technical Assistance Center transferred the technical assistance project to the National Center for Youth in Custody (NC4YC). The Co-Director Ned Loughran then followed up with DCYF staff who further refined the scope of the technical assistance request and initiated their review.

Mr. Loughran and another NC4YC member, David Crowley, conducted a comprehensive site visit to the facility from June 24, 2013 - June 27, 2013. During the visit, Mr. Loughran and Mr. Crowley toured the facility, observed programming and operations, interviewed administrators, staff and youth residents, and reviewed documents and youth records.

The technical assistance identified the following in regard to the current programming at SYSC, in light of national best practices:

Changing Profile of the Population

- Like most youth corrections facilities throughout the country, SYSC has experienced an influx of youths with serious emotional and mental health problems
- Many of these youths also have a co-occurring disorder of substance and/or alcohol abuse. These high needs youth tend to do better in specialized units with adequately trained staff similar to the H 1 Crisis Management Unit at SYSC
- A large percentage of youth are diagnosed with trauma related issues (female residents with higher rates)
- SYSC offers a comprehensive and effective array of treatment programs (Honest Minds, Restorative Circles, Family Therapy, Emotional Empathy, Compassion, Pet Therapy, AA, NA, etc.)
- Programs are targeted toward this challenging, high needs, resident population

Family Engagement

- SYSC is beginning to explore ways to involve families in their children's treatment plans and reintegration planning
- Family engagement strategies could be increased

Education Program

- SYSC offers a comprehensive school program that includes guidance counseling, special education services, and apprenticeship/vocational opportunities (e.g., automotive, culinary arts, wood working and gardening)
- Teacher to youth ratio is 1:2 (30 certified teachers for 61 youths)
- Youths receive individual credit recovery assistance
- Some residents complete college level work

Residential Program

- Training curriculum for new staff includes topics required for work on a secure-care unit
- Facility is inadequately staffed at times
- Many staff and youth residents noted staff shortages
- Staff desire additional training

Overall, the evaluation identified that SYSC is in the process of movement away from a correctional model to a rehabilitative one, and that this shift is consistent with the direction many juvenile justice programs around the country are taking, and necessary in light of the needs of the current population. The use of evidence-based treatment interventions such as Dialectical Behavior treatment, Trauma Informed Treatment, Aggression Replacement Training, along with family therapy and substance abuse treatment have enriched the treatment program for youths at SYSC. The evaluation confirmed that many of these programs have proven results in addressing the complex needs of adolescent offenders, such as the serious mental health issues that result from early exposure to trauma, substance abuse and family related problems.

According to the evaluator, SYSC's routine use of outcome data to identify issues, implement changes and monitor performance further contributes to the overall safety, health and quality of life for staff and youths in the program.

The evaluator also found that the facility itself creates an environment that is conducive to its primary purpose, the rehabilitation of adolescent offenders. The campus and building has the feel of a high school rather than a secure facility. The exterior design of the building provides a perimeter security, instead of fencing topped with barbed wire or razor ribbon, as is often the case in most secure facilities for young offenders throughout the country.

Among other recommendations related to specific programming, training or policies, key recommendations from this report include:

- Increase staffing levels and optimize staff allocation
- Continue to convert as many half time positions to full time for consistency in operational management
- Utilize supervisors and any available facility support staff for unit shortages
- To relieve staff when counseling youths in Crisis Services Unit, for outside coverage activities, and for additional security on trust level activities
- Continue quality assurance strategies
- Increase staff training (e.g., skill and team building)
- Recognize and reward staff accomplishments

Many of the recommendations were already in progress and/or have since been acted upon. Although there are always opportunities for improvement, as a whole, the technical assistance provider found that the current programming and facility at SYSC is aligned nationally with best practices and treatment of this population.

Assessment of Legal and Fiscal Implications:

Legal Considerations

As part of its assessment the Department also looked at whether there were any deed restrictions, easements or other federal requirements that could potentially limit alternative uses of the facility and found the following:

- A title search completed for the property prior to construction of the facility concluded that there are no encumbrances on the property that would restrict its use for other purposes.
- While certain "contributing buildings" on the SYSC campus may be subject to restrictions or to a preservation easement pursuant to a memorandum of understanding

between the Department of Health and Human Services and the New Hampshire Division of Historical Resources, the new facility is not covered by this memorandum and accordingly the memorandum should have no effect on any proposed changes for the use of the facility.

- The facility was built in large part with the use of federal Violent Offender Incarceration and Truth in Sentencing (VOI/TIS) grant funds. As a condition of funding, the state is required to operate the facility as a correctional facility or jail. The duration of the state's obligation, however, is not specified and federal guidance on the issue provides that grantees are required to use the facility for the originally authorized purpose for as long as they are needed for that purpose. Thus the need for the facility dictates the length of the federal requirement for its continued use.
- As a further condition of funding, however, the state was required to provide assurances that it would not dispose of, modify the use of or change the terms of title to the property without the permission and instructions from the Office of Justice Programs, U.S. Department of Justice (DOJ). Accordingly, any proposed change in the use of the facility would require the approval of the DOJ. The DOJ's Bureau of Justice Assistance which now administers the VOI/TIS grants has stated that it has a general policy of granting all reasonable facility use requests provided that the alternative use of the facility serves a criminal justice purpose, as a general matter, and that the facility must be made available for the originally authorized purpose if the need should arise again.

Fiscal Considerations

Fiscal considerations regarding potential use of another facility to provide secure treatment for this population include the fact that the state owns the Manchester property and buildings, and would continue to incur a cost to at least minimally maintain those facilities should the SYSC program relocate elsewhere. There is the potential requirement as noted above that a portion of the VOI/TIS grant monies awarded to build the current facility would need to be paid back if the facility is no longer in use for that purpose. Additionally, the cost to rent or purchase and renovate a different facility to provide secure treatment would need to be considered. Given these factors, use of a different facility to provide these services, despite the lower census at the center, is not a cost effective option. Please see Appendix A for details on this option.

Private Contracting Considerations

Consideration was also given to the possibility of contracting existing services out to a private provider in the current or a different location, and the programming, legal and fiscal implications of that option. In regards to programming, given the evaluation results above, it is apparent that the current programming at the facility is ideally suited to this population and aligned with best practices nationally. Given this, there is no basis to consider privatization for programming reasons.

As the possibility of contracting services relates to legal and philosophical considerations, this question is closely linked to the issue of statutory authority. It is raised on the basis of the "propriety" of such action rather than with respect to "legality". It is an ideological question that many people feel strongly about. In fact, many staff and stakeholders interviewed believe that the responsibility for secure treatment is and should continue to be the role of the state. They argue that some functions are the "responsibility" of government and cannot or should not be delegated; among these functions are all legislative and judicial activities involved in all stages of the juvenile and criminal justice process. In the instance of privatization, the state would retain legal and ethical responsibility for this critical function, while surrendering direct control of these services to a private party. Others argue that there is a legitimate and necessary role for private

enterprise in the management of juvenile corrections, which in no way constitutes an abrogation of the essential role of government in formulating policy.

The desire to decrease cost of a service that is currently publicly provided is often a significant reason for contracting that service to the private sector. At times, the private sector has a greater potential for innovation and efficiency due to its ability to be more flexible than government regarding personnel and resources. It is critical to note that, while the state agency could relinquish responsibility for performing a service by contracting it out, it in no way relinquishes responsibility for monitoring the private providers. The state remains accountable, through detailed monitoring procedures, for all contracted services. The shift from operating public services to monitoring the provision of public services must include the state's ability to oversee and evaluate performance.

There is also a statutory challenge regarding the authority of private providers as compared to the public sector. Currently the employees of a private provider are not authorized by state law to take and hold juveniles in their care, as current state statutes did not envision private juvenile corrections providers.

In regards to the fiscal considerations of contracting these services to a private provider in a different location, given the costs that would be associated with maintaining the current land and buildings, payment to a provider for the services (which would require renovation of any existing facility in the state to provide adequate security), and costs of the necessary quality monitoring that would still be the responsibility of the state, contracting these services to a private provider would not be a cost effective option. Additionally, as noted above, there is the potential requirement that a portion of the grant monies awarded to build the current facility would need to be paid back if the facility is no longer in use for that purpose, further reducing the fiscal viability of this plan.

The viability of contracting these services to a private provider using the current facility is rife with programming, legal and philosophical concerns, and would still incur some of the same costs noted above. The Department began exploration of this possibility by issuing an RFI (Request for Information) in 2012. Only two responses were received, only one of which was from a provider with a demonstrated history of providing similar residential services, so options for appropriate private providers could be limited for this somewhat unique service. Additionally, the RFI did not require that proposals include budget information, so the responses did not confirm that costs would be reduced through a private contract.

However, there may be fiscal value in exploring contracting with a private provider for some specific targeted services currently provided by the state at SYSC. Education, maintenance or food services could be such examples. In addition, several focus group conversations and interviews clearly identified that there may be room to decrease staffing costs in educational services, given the teacher to student ratios noted earlier. This will continue to be an area for potential reduction of costs depending on the outcome of the short and long term options described below. Please see Appendix B for the current State Fiscal Year budget for Education, Maintenance and Food Services at SYSC.

Findings and Conclusions

Analysis of the information gathered above indicates that **the Department should continue to operate the Sununu Youth Services Center at the Manchester site**, and should turn its attention toward efforts to modify and expand its service continuum to better meet the needs of

the youth, families and community, and toward decreasing overall operating costs. These two goals may in fact be closely connected to one another.

As noted earlier, a significant portion of the youth served at SYSC require and receive treatment for mental and behavioral health issues. Additionally, a number of discussions with stakeholders identified secure treatment in these two areas as primary unmet needs for children and youth in New Hampshire. These discussions indicated that there is often a waiting list for children to receive acute psychiatric services at New Hampshire Hospital, and there are limited secure options for families when children are discharged from the hospital. These children may wait in local hospital emergency rooms for extended periods, where they cannot be provided with the crisis stabilization and treatment they need. Additionally, the hospital is meant to provide time-limited acute care, however in situations where longer secure services are needed; there are few transitional options that allow youth to fully solidify their treatment gains before returning to their community. Lastly, there are inadequate numbers of inpatient resources for youth struggling with substance addictions in our state. Some of the youth facing these challenges enter SYSC currently as a result of a delinquent act, some do not, however the treatment needs and safety concerns regarding youth in both circumstances are very similar.

As a result, the review has identified both short and long-term options for the Department to explore in an effort to reduce costs at SYSC and expand the uses of the facility to meet the needs of children and youth.

Short-term Options

New Hampshire Hospital (NHH) currently provides acute psychiatric treatment services for children, adolescents, adults and elders with severe mental illness. The Department should explore, in conjunction with NHH, the viability of dedicating a unit at SYSC to the hospital for the transition of children and adolescents who need crisis stabilization but not acute psychiatric services, or no longer require acute care but need secure transitional care in order to return safely and permanently to their home and community. New Hampshire Hospital is a certified secure medical treatment facility, and the feasibility of NHH opening a unit at SYSC for children and youth should be investigated.

In addition, a floor separate from other detained or adjudicated youth within SYSC could potentially be designated to provide secure inpatient services for adolescents with substances abuse needs. The program could provide:

- Acute, inpatient medical detoxification
- Safe medical withdrawal
- Inpatient Chemical Dependency Detoxification
- Group therapy, including coping skills, relapse prevention, and alcohol/drug education
- Educational groups
- Transitional Services

Expanded mental health and substance abuse treatment services for children and youth are both potential additional uses of the current facility that would enhance the existing service array available to meet these critical needs, and reduce overall costs as well. Costs could be reduced as a result of income generated through payment from insurance providers for these services. This income could be maximized through the use of existing infrastructure (building, food service, maintenance, recreational, medical facilities, etc.) resulting in decreased overhead costs to provide these services. Further exploration is needed to determine requirements for certification, staffing and billing procedures, among other areas, to confirm the feasibility of these options.

However, as a currently under-utilized asset in the state for the secure treatment of youth who require this level of care, SYSC could offer a fiscally sound addition for these critical services.

Long-term Options

A more long-term solution for reducing costs and enhancing services at the Sununu Youth Services Center could involve the ability to draw federal Medicaid dollars for services provided at SYSC. Review and consultation with individuals from the State of Vermont regarding recent changes at their juvenile correction facility, Woodside, indicates that the services provided to the youth currently served at SYSC may be able to become eligible for Medicaid payments.

Like New Hampshire and most states, Vermont has experienced the same changes in the population at their youth correctional facility, in that most youth are presenting with greater mental health and substance abuse needs that require treatment. Vermont saw the role of Woodside shifting in response from a secure detention facility to a medical/psychiatric treatment facility, so they embarked upon a series of legal and practice changes to reflect that shift. The result of these changes has been to allow the Woodside Center to receive Medicaid payments for all services provided at the facility except education services for those youth insured by Medicaid.

Evaluation of Federal Medicaid Laws and Policies

The discussion below represents Vermont's findings and recommendations for accessing Medicaid funding for services, which would apply to SYSC as well.

Inmate of a Public Institution Exception

Federal Medicaid funds are not available for care or services provided to any individual who is an "inmate of a public institution (except as a patient in a medical institution)." A "public institution" is defined as an institution that is the responsibility of or is administratively controlled by a government unit. However, the term "public institution" excludes medical institutions, intermediate care facilities, publicly operated community residences that serve no more than 16 residents, and child-care institutions."

On the other hand, federal regulations define a "medical institution" as an institution that:

- a. Is organized to provide medical care, including nursing and convalescent care;
- b. Has the necessary professional personnel, equipment, and facilities to manage the medical, nursing, and other health needs of patients on a continuing basis in accordance with accepted standards;
- c. Is authorized under State law to provide medical care; and
- d. Is staffed by professional personnel who are responsible to the institution for professional medical and nursing services.

The services must include adequate and continual medical care and supervision by a physician; registered nurse or licensed practical nurse supervision and services and nurses' aid services, sufficient to meet nursing care needs; and a physician's guidance on the professional aspects of operating the institution.

Institutions for Mental Disease (IMD) Exclusion

Federal law defines an Institution for Mental Disease (IMD) as a hospital, nursing facility or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment or care to persons with mental diseases, including medical attention, nursing care, and related services.

Medicaid funding is not available for IMD services, except for inpatient psychiatric services provided to individuals under the age of 21. This exception for individuals under age 21 has been interpreted inconsistently. One interpretation is that inpatient psychiatric services must meet the narrow, institutional definition of inpatient psychiatric services (described in the next section). Another interpretation is that the IMD rules do not apply to individuals under age 21.

Medicaid Reimbursement for Psychiatric Residential Treatment Facilities (PRTF)

Federal Medicaid law recognizes a limited number of institutional settings for which room and board costs may be reimbursed. These settings include hospitals, nursing facilities, intermediate care facilities for the mentally retarded (ICF/MR), and inpatient psychiatric services for children under age 21. Psychiatric services for children may be provided by a psychiatric hospital, psychiatric unit of a general hospital or psychiatric residential treatment facility (PRTF).

Under Centers for Medicare and Medicaid Services (CMS) regulations, a PRTF is a non-hospital facility that delivers inpatient psychiatric services to Medicaid enrolled individuals under age 21. The facility is required to be accredited by the Joint Commission (known as JCAHO) or other accrediting entity, such as the Commission on Accreditation of Rehabilitation Facilities (CARF). The facility also must comply with federal regulations concerning the use of seclusion and restraints.

Findings and Recommendations Regarding Federal Medicaid Laws and Policies

The Department believes that the Sununu Youth Services Center could, as a long-range plan, potentially meet the federal definition of a “medical institution,” subject to modification of New Hampshire law to recognize SYSC as a medical provider. The agency also believes that enrollment of Sununu Youth Services Center as a psychiatric residential treatment facility would strengthen the Medicaid program’s authority to cover SYSC for three reasons:

1. Recognition of SYSC as a *Psychiatric Residential Treatment Facilities (PRTF)* could enable the New Hampshire Medicaid program to cover services offered by SYSC under traditional Medicaid laws.
2. The federal definition of a “medical institution” has not been consistently interpreted and applied, but enrollment of SYSC as a PRTF would meet the narrowly constructed definition of a medical institution.
3. Federal law exempts “inpatient psychiatric services for children under age 21” from the prohibition on Medicaid funding for services. The definition of “inpatient psychiatric services” could be narrowly interpreted to include only traditional Medicaid providers (e.g., hospitals and PRTFs). Enrollment of SYSC as a PRTF could meet the narrow definition of “inpatient psychiatric services for children under age 21.”

Both the designation as a “medical institution” and enrollment as a PRTF would require statutory and process changes, as well as accreditation by an accrediting entity. While it is believed that the

facility, services, staffing and programming currently in place at SYSC would largely meet accreditation requirements, specific analysis will be necessary to determine if additional changes are needed. However, as was true in Vermont, it is anticipated that a large majority of youth presently served at SYSC have treatment needs that would clinically require secure treatment, thereby allowing all costs for their treatment at SYSC except education costs to be covered by Medicaid payments to the state. It is important to note that the Woodside facility continues to provide services to a small number of youth (less than 5-10%) that do not have clinical needs that require secure treatment, but nonetheless require secure placement to ensure community safety. They continue to utilize state general funds to serve this population.

Programmatically, the Woodside Center made a number of changes aligned with the shift to a more treatment-focused approach to these services. New Hampshire is already in the process of making many of these changes as they are recognized as best practice for youth and their families, such as infusing Restorative Practices into the facility, expanding family engagement in treatment, and individualizing youth's programs based on treatment needs. Additional changes made in Vermont that warrant exploration include initial review of all admissions by a clinical team to determine need for secure care, with transition supports to a lower level of care if appropriate. It is also worth considering eliminating the separation of youth based on legal status (detained vs. committed), that would allow for unit assignment of all youth based on treatment need and services, and discharge planning that begins immediately upon admission for all youth.

Given the above information, the Department should explore the feasibility and appropriateness of the identification of the Sununu Youth Services Center as a psychiatric residential treatment facility. This should include, if appropriate, any statutory changes that would be necessary to meet this recommendation. This exploration should include an analysis of any outcome data available regarding the Woodside program or other similar models, and a plan for evaluation of any recommended changes at SYSC. Additionally, the success of a secure treatment model such as the one described here is intricately tied to the availability of adequate community treatment services to support successful discharge from secure treatment. As a result, the Department would propose that a portion of any savings realized through these modifications be allocated to support such community treatment programs.

It should be noted that neither the short nor long term possibilities described above are anticipated to result an increase in daily census at the facility beyond its capacity. The youth currently served at SYSC and New Hampshire Hospital typically struggle with very similar challenges and require similar services in terms of mental health and substance abuse treatment, with the primary differentiation being that youth currently at SYSC have been charged with committing a delinquent act. It is hoped that by making this level of treatment more available to youth who need it before a delinquent act occurs, the youth, their families, and the community will be better and more safely served.

Final Summary:

Short-Term Options

1. The Department will continue to operate the Sununu Youth Services Center at the current Manchester facility.
2. The Department will explore the possibility for SYSC to house an extension of New Hampshire Hospital services for psychiatric and substance abuse care.
3. The Department will explore the programmatic and fiscal impact of contracting specific targeted services provided at SYSC to a private provider.

Long-term Options

1. The Department will explore the feasibility and appropriateness of identifying the SYSC as a Psychiatric Residential Treatment Facility (PRTF) to secure Medicaid funding for services, including any necessary program or statutory changes, and fiscal impact.

General Recommendations

1. The Department will continue to invite stakeholders' participation in exploring the above options.
2. The Manchester neighborhood residents should specifically be involved in the exploration of these possibilities.

The Department worked with community stakeholders and providers to create this report and wants to recognize the time and effort of many in contributing to the creation of this document and the plan going forward. There were focus groups and interviews from which information was gathered and there was a standing executive group that listened to and considered the information in an effort to look at as many options as possible.

The following individuals were part of the Executive Team that met over the past five months.

Executive Team Members - Stakeholder Members

Amy Kennedy, Office of Governor Margaret Wood Hassan
Mayor Theodore Gatsas, Mayor, City of Manchester
Joyce Craig, Alderman, Ward I, City of Manchester
Maria Gagnon, CEO, Child & Family Services
Monica Zulauf, President/CEO of YWCA, NH
Patricia Dowling, Chair, Governor's State Advisory Group on Juvenile Justice
Ellen Feinberg, Executive Director of N.H. Kids Count
Ron Adams, Governor's State Advisory Group on Juvenile Justice
Michael Adamkowski, Chair, DCYF Advisory Board
Amy Pepin, Governor's State Advisory Group on Juvenile Justice
Marty Boldin, Director Office of Youth Services
Michael Sielicki, NH Chiefs of Police Association
Joseph Diament, Director Division of Community Corrections

Appendix A

	Budget Impact - General Funds		
	SFY14	SFY15	TOTAL
Total SYSC Budget	-	(15,182,997)	(15,182,997)
General Fund Portion of SYSC Budget		(14,255,656)	(14,255,656)
Est. cost to send residents to another program		11,315,000	11,315,000 *
Est. cost to administer placement contract	-	1,357,800	1,357,800 **
Est. cost to maintain buildings/campus after closure	-	900,355	900,355 ***
Potential General Funds Savings ¹			(682,501)

¹Note: There are two unknown costs:

- 1) Requirement to pay back VOI/TIS grant
- 2) Costs associated with renovating a non-secure facility into an architecturally secure facility

DETAIL

Estimated cost to send residents to another program:

Average Census # per Day 62
 Assuming an average daily rate of: \$500
 x365 days year 365

\$11,315,000 *

Estimated cost to administer Contract @ 12% **\$1,357,800 ****

\$12,672,800

	SFY 2014 Budget	Program Costs	Facility Costs After Closure
MAINTENANCE/SECURITY BUDGET			
PERSONAL SERVICES PERM CLASS	\$ 469,451	\$ 134,405	\$ 335,046
OVERTIME	\$ 16,314		\$ 16,314
HOLIDAY PAY	\$ 2,330		\$ 2,330
CURRENT EXPENSES	\$ 78,440	\$ 39,220	\$ 39,220
HEAT ELECTRICITY WATER	\$ 845,284	\$ 591,699	\$ 253,585
MAINT OTHER THAN BUILD-GRN	\$ 2,275		\$ 2,275
EQUIPMENT NEW REPLACEMENT	\$ 40,000	\$ 20,000	\$ 20,000
TELECOMMUNICATIONS	\$ 4,975		\$ 4,975
OWN FORCES MAINT BUILD-GRN	\$ 6,970		\$ 6,970
CONTRACTUAL MAINT BUILD-GRN	\$ 52,349		\$ 52,349
PERSONAL SERVICE TEMP APPOIN	\$ 21,195	\$ 21,195	
BENEFITS	\$ 265,711	\$ 98,920	\$ 166,791
EMPLOYEE TRAINING	\$ 1,260	\$ 1,260	
IN STATE TRAVEL REIMBURSEMEN	\$ 5,325	\$ 4,825	\$ 500
OUT OF STATE TRAVEL REIMB	\$ 1	\$ 1	
	\$ 1,811,880	\$ 911,525	\$ 900,355 ***

Appendix B			
Description	ORG	CLASS	SFY 2014 Budget
MATERIAL MGT & FOOD PREP			
PERSONAL SERVICES PERM CLASS	7913	10	242,008
OVERTIME	7913	18	16,984
HOLIDAY PAY	7913	19	8,010
CURRENT EXPENSES	7913	20	95,640
FOOD INSTITUTIONS	7913	21	289,051
RENTS-LEASES OTHER THAN STAT	7913	22	292
EQUIPMENT NEW REPLACEMENT	7913	30	1,358
TELECOMMUNICATIONS	7913	39	2,800
PERSONAL SERVICE TEMP APPOIN	7913	50	13,385
BENEFITS	7913	60	168,365
EMPLOYEE TRAINING	7913	66	629
IN STATE TRAVEL REIMBURSEMEN	7913	70	467
GENERAL FUNDS			838,989
MAINTENANCE/SECURITY			
PERSONAL SERVICES PERM CLASS	7914	10	469,451
OVERTIME	7914	18	16,314
HOLIDAY PAY	7914	19	2,330
CURRENT EXPENSES	7914	20	78,440
HEAT ELECTRICITY WATER	7914	23	845,284
MAINT OTHER THAN BUILD-GRN	7914	24	2,275
EQUIPMENT NEW REPLACEMENT	7914	30	40,000
TELECOMMUNICATIONS	7914	39	4,975
OWN FORCES MAINT BUILD-GRN	7914	47	6,970
CONTRACTUAL MAINT BUILD-GRN	7914	48	52,349
PERSONAL SERVICE TEMP APPOIN	7914	50	21,195
BENEFITS	7914	60	265,711
EMPLOYEE TRAINING	7914	66	1,260
IN STATE TRAVEL REIMBURSEMEN	7914	70	5,325
OUT OF STATE TRAVEL REIMB	7914	80	1
GENERAL FUNDS			1,811,880
EDUCATION			
PERSONAL SERVICES PERM CLASS	7917	10	2,272,512
OVERTIME	7917	18	4,663
CURRENT EXPENSES	7917	20	20,930
RENTS-LEASES OTHER THAN STAT	7917	22	3,887
ORGANIZATIONAL DUES	7917	26	247
TELECOMMUNICATIONS	7917	39	1,820
AUDIT FUND SET ASIDE	7917	41	0
PERSONAL SERVICE TEMP APPOIN	7917	50	15,685
BENEFITS	7917	60	1,113,920
WORKERS COMPENSATION	7917	62	0
EMPLOYEE TRAINING	7917	66	1,104
IN STATE TRAVEL REIMBURSEMEN	7917	70	284
GRANTS NON FEDERAL	7917	73	1
OUT OF STATE TRAVEL REIMB	7917	80	1
EDUCATIONAL SUPPLIES	7917	537	25,163
			3,460,217
OTHER FUNDS (Agency Income)			-710,205
GENERAL FUNDS			2,750,012

Sununu Youth Services Center Transformation: Psychiatric Residential Treatment Facility Proposal

WHAT IS THE DEPARTMENT'S VISION TO SERVE YOUTH WITH BEHAVIORAL HEALTH TREATMENT NEEDS?

The Department believes that children and youth are best served in their homes and communities when it is safe and effective to do so. For these reasons, the Department, in collaboration with the Children's Behavioral Health Collaborative and other stakeholders, has used federal grant funds to design and implement a System of Care model that includes an expanded and non-traditional service array. The System of Care (SOC) model was developed to meet the intensive behavioral health needs of those children and youth that are not able to be served effectively in their homes and communities with the existing service array. The Department is pursuing a Medicaid State Plan Amendment to continue funding for the System of Care services, as well as for a Psychiatric Residential Treatment Facility (PRTF) and the Sununu Youth Services Center would be the PRTF

WHO ARE THE YOUTH THAT DHHS WANTS TO SERVE?

The youth that DHHS is looking to serve have a variety of intensive behavioral health and treatment needs that cannot be adequately met in their communities, including youth involved with various DCYF programs (abuse/neglect, Children in Need of Services (CHINs), and juvenile justice) as well as other youth not currently involved with the Division for Children, Youth and Families (DCYF).

Youth involved with juvenile justice

The youth currently being served at the Sununu Youth Services Center (SYSC) require an intensive level of care and treatment, due to their significant behavioral health needs and unsuccessful attempts to treat these youth in less restrictive and less intensive programs (refer to example 1).

- A review of seventy-six youth committed to the facility in 2015 indicated that sixty-seven of those youth had three or more mental health diagnoses, with thirty-eight having five or more. All seventy-six youth carried at least one mental health diagnosis.
- Sixty-one of those youth had co-occurring mental health and substance abuse diagnoses.

- The average number of placements prior to commitment for these seventy-six youth was six.
- In addition to not receiving treatment able to meet their needs, these youth caused harm to others while these needs remained unmet. Prior to reaching the point of commitment, these seventy-six youth were petitioned for committing a total of 494 criminal offenses in their homes and communities.

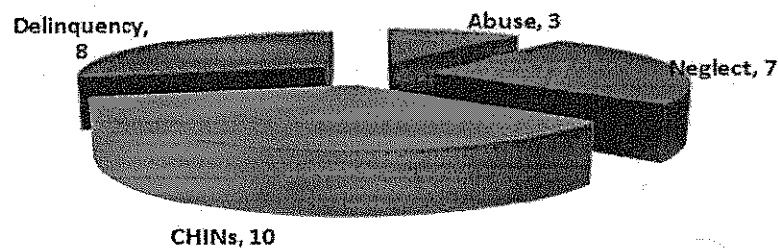
Other youth involved with DCYF

Some youth not placed at SYSC but involved with DCYF through an abuse/neglect (refer to example 2) or CHINS case also need the intensive level of care and treatment.

- Most of the children or youth involved with DCYF are able to be served through existing providers in NH.
- Some children or youth, however, have more intense needs that currently require placement in out-of-state facilities to obtain treatment safely and effectively.
- On 9/1/15, DCYF had twenty-eight children and youth placed in out-of-state facilities.

One such population with very high needs are youth served under the Child in Need of Services (CHINS) statute, Section D:2II(d), which include children and youth who have a diagnosis of a severe emotional/cognitive or other mental health issue who engage in aggressive, fire setting or sexualized behaviors that pose a danger to themselves or others. In calendar year 2014 the Department received 55 requests for this type of CHINS petition. The Department has received 30 requests to date in 2015. These children and youth frequently require residential treatment, and in fact account for a significant portion of out-of-state placements.

of children/youth placed out-of-state by case type



When children and youth are placed out-of-state, it becomes more difficult for them to remain connected to their families and home communities, which can negatively impact treatment progress and discharge planning. Additionally, DCYF does not have oversight of rates and quality measures such as length of stay in these placements. From an economic standpoint, when these placements are necessary, state dollars are being paid to out-of-state agencies rather than in-state providers. For these reasons, every effort is made to serve these children and youth in-state first, which can result in multiple placements and unmet treatment needs for these youth.

Other youth with behavioral health needs

Additionally, there are youth not in contact with DCYF who require the same intensive level of care and treatment.

- Youth that are in need of highly intensive and/or secure treatment in a clinical milieu but are stable enough for discharge from an acute psychiatric hospital.
- Youth who need an extensive and clinically intensive evaluation to determine appropriate diagnosis and treatment plan.
- Youth who need extended monitoring while undergoing medication trials/ stabilization but no longer need acute care.

Currently, the only option for these youth is a longer stay at New Hampshire Hospital, contributing to a shortage of beds for other youth in need of acute care.

NHH Readmissions of Children/Youth (under 18 years old) – SFYs 2014 & 2015	
DCYF involved	56
Non-DCYF involved	662



Youth with substance use disorders

While many of the youth described above have co-occurring substance use disorders, there are also youth whose primary diagnoses are substance use related who may need an intensive level of care and treatment in a residential setting.

- New Hampshire currently has one adolescent Substance Use Disorder residential treatment program, Phoenix House in Dublin, NH, which is currently able to serve twelve youth. At times, the program is unable to accept new referrals.
- While Phoenix House works diligently to meet the needs of youth in its program, there are youth who cannot be managed at their facility, due to aggressive behaviors or co-occurring mental health issues, and who are therefore discharged from the program without completing their treatment plan. Seven such youth were discharged in 2014.
- Many youth are appropriately diverted from residential care if their initial assessment determines community treatment is the best alternative.
- While many youth with substance use disorders will continue to be effectively treated in the community programs, providing the option of a second residential substance abuse treatment program for adolescents that is able to accept Medicaid or other insurance in another area of the state, and manage more aggressive or co-occurring disorders, will provide a critical service for youth that need it.

WHAT IS A PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY (PRTF)?

A Psychiatric Residential Treatment Facility (PRTF) is a treatment category designed by the federal Centers for Medicare and Medicaid Services (CMS) to support States' efforts to provide psychiatric services to individuals under age twenty-one in non-hospital settings. New Hampshire does not currently have a PRTF facility.

A PRTF is designed to be:

- less medically intensive than a psychiatric hospital, while still providing a range of comprehensive services on an inpatient basis under the direction of a physician;
- a more clinically intense type of treatment delivered to youth that are more acutely or chronically psychiatrically ill than those served in other residential facilities.

A PRTF IS A CRITICAL COMPONENT OF THE CONTINUUM OF TREATMENT SERVICES IN NEW HAMPSHIRE

The creation of a PRTF is being considered only in conjunction with a permanently expanded array of home and community-based services to provide a full continuum of services for children and youth with the highest levels of behavioral health, and treatment needs. Despite expanding home and community services, a portion of this population continues to require short-term residential treatment episodes, a need that currently is not always met effectively or adequately without a PRTF.

Concern has been raised about the need for a PRTF in light of a federal demonstration project under which nine states tested the cost-effectiveness and outcomes of providing enhanced services in a child's home or community **rather than a PRTF**. The Department believes this project supports its proposal to utilize SYSC as a PRTF in conjunction with an enhanced array of home and community-based services in that the demonstration project concluded that including a number of additional services "significantly enhanced the positive outcomes for children and youth," and, in particular, that "children and youth who were transitioned out of PRTF's had better outcomes on average than children who were diverted from PRTF's." While the better outcomes for youth transitioned out of the PRTF may have resulted from better services or some other factor, it may also have been due to having their more intensive needs met within the PRTF, so that the community-based treatment plan could be more successful. This indicates that having a PRTF available for those youth that need that level of treatment is key to their ultimate outcome.



WHY IS SYSC THE BEST OPTION FOR A PRTF IN NEW HAMPSHIRE?

- The Sununu Youth Services Center (SYSC) currently offers many of the services that youth in need of this level of treatment require, including comprehensive medical, clinical and educational services. The Center utilizes a number of validated assessment instruments to determine treatment needs, and employs an array of evidence-based or research-based treatment interventions with proven results in addressing serious behavioral health issues. SYSC demonstrated positive results in safety, health and programming for youth in the facility as evidenced by the achievement of Level 3 out of 4 in the Performance-Based Standards system, which compares the SYSC's performance to other similar facilities' performance nationally every six months.
- There will be a sustained need for a PRTF level of care for some portion of youth in the juvenile justice system. While positive trends of decreasing juvenile crime rates and the declining use of secure facilities for juveniles continue both nationally and in New Hampshire, all states continue to have secure care and treatment options for juvenile delinquents. In converting SYSC to a PRTF, Medicaid dollars can be used to support treatment services needed by the current population. These Medicaid dollars will offset some of the general fund costs to operate the SYSC.

INSTRUMENTS AND MODELS CURRENTLY AVAILABLE AT SUNUNU YOUTH SERVICES CENTER (SYSC)

Assessment Instruments:

- Beck Suicidal Ideation Assessment
- CRAFT Screening Interview
- UCLA PTSD Reaction Index
- Substance Abuse Subtle Screening Inventory (SASSI)
- Child and Adolescent Needs and Strengths (CANS)
- Woodcock-Johnson III
- Attention Deficit Hyperactivity Disorder (ADHD) Rating Scale
- Depression Anxiety Stress Scales (DASS) 42
- Revised Children's Manifest Anxiety Scale (RCMAS)

Treatment Models:

- Cognitive Behavioral Therapy
- Trauma-Focused Cognitive Behavioral Therapy
- Dialectical Behavioral Therapy
- Anger Management (Prepare Model)
- Aggression Replacement Therapy
- Psychopharmacology

- The use of SYSC as a PRTF for the other populations described above provides a cost-effective way to meet the needs of these youth by making use of existing infrastructure (building, food service, maintenance, recreational, medical facilities, etc.) resulting in lower overhead costs to provide residential treatment services.
- Costs for multiple and longer placements and/or repeat hospitalizations could potentially decrease if youth who truly require a more intensive level of care can receive that care and return to their communities more rapidly and successfully.

Therefore, the Department recommends positioning SYSC as one element of the expanded SOC service array for youth who need short-term PRTF level care, and to utilize SYSC in coordination with expanded home and community-based services. In support of this objective, the federal Centers for Medicare and Medicaid Services (CMS) has offered to send a technical assistance team to NH this fall to evaluate the SYSC facility and assist in developing a transition plan.

NOTE: The SYSC facility was built using federal Violent Offender Incarceration/Truth in Sentencing (VOI/TIS) grant funds that carry certain requirements for use. The proposed transformation of the SYSC facility is expected to meet the use requirements, thereby avoiding the need for a substantial payback of funds used to build the facility. VOI/TIS funds payback could potentially equal \$13,400,000 if NH is required to repay the full amount.

The facility use requirements require that a state request permission from the BJA to cease operation or otherwise change the use of the facility. The guidance document states that the BJA has a general policy of granting all reasonable facility-use requests, provided that the alternative use serves a criminal justice purpose as a general matter and that the facility will be available for the originally authorized purpose if the need should arise again.

In May of 2015, the Department contacted Jonathan Faley, Associate Deputy Director for Programs at the BJA regarding the process for requesting a change of use for the SYSC facility. In conversation with Mr. Faley he stated: that BJA has had 5-6 requests for change of use and that they have approved all of them; and, that they take a broad brush approach to the requirement that the changed use serve a "criminal justice purpose" and that they are more than willing to work with states in situations like ours.

On June 4, 2015, the U.S. Department of Justice sent a letter to Senator Ayotte addressing the change of use and disposition requirements for VOI/TIS funded facilities. The letter refers to the Bureau of Justice Assistance's (BJA) Guidance for States on the Use and Disposition Requirements for VOI/TIS-Funded Facilities. <https://www.bja.gov/Programs/VOITISFacilityGuidance.pdf>

EXAMPLE 1: JUVENILE JUSTICE CASE

Charges:

- Simple Assault
- Aggravated Felonious Sexual Assault
- Acts Prohibited
- Possession of a Controlled Drug (x3 Separate Charges)

History of Placement:

- Phoenix House
- Youth Services Center—Secure Detention
- Mount Prospect Academy - Plymouth
- Mount Prospect Academy - Plymouth
- Mount Prospect Academy - Campton
- Speare Memorial Hospital
- Valley Vista Program - Vermont
- NH Hospital
- Youth Services Center - Secure Detention

Behavioral History:

- Extensive drug abuse on both sides of family

Behavioral History: continued

- Three psychiatric hospitalizations
- Self-injurious behavior
- History of cutting
- One documented suicide attempt
- Began drinking alcohol at the age of 12
- Marijuana use beginning in 8th grade
- Began opioids by 9th grade
- Admitted multiple times for detox treatment
- History of depression
- Alleged sexual abuse by father
- Allegedly sexually abused sister
- Exposed to domestic violence in the home
- Survived highly traumatic divorce

Diagnoses:

- Poly-substance Dependence
- Substance related perceptual disorder
- Mood Disorder
- Bipolar Disorder Type 1
- Posttraumatic Stress Disorder

EXAMPLE 2: ABUSE/NEGLECT CASE

History of Placement:

- Relative Placement
- Spaulding Youth Center
- New England Salem Children's Trust
- NFI – Massachusetts, Riverside
- Spaulding Youth Center
- Spurwink Services – Brunswick, ME
- Devereaux – Rutland, MA

Behavioral History:

- Significant, lengthy history of extremely violent, assaultive & aggressive behavior with family, peers, professional staff (all settings)
- Explosive outbursts
- Suicidal threats (trying to hang herself, throwing self out of moving vehicle),
- Threatening self-harm (cutting of body parts),
- Threatening to harm others
- Homicidal threats (staff, family, peers)
- Self-harming behaviors (scratching, cutting)

Behavioral History continued:

- Impulsivity
- Irritability
- Agitation
- Depression
- Hopelessness
- Threatening high-risk behaviors (prostitution)
- 5 psychiatric hospitalizations

Diagnoses:

- Physical Abuse of Child
- Neglect of Child
- Parent/child Relational Problem
- Gender Dysphoria of Childhood
- Bipolar Disorder
- Mood Disorder, NOS
- Borderline Personality Disorder
- Mild Cognitive Impairment (IQ 65)
- Asthma
- History of Pseudo-seizures



U.S. Department of Justice

Office of Justice Programs

Bureau of Justice Assistance

Office of the Director

Washington, D.C. 20531

October 13, 2015

Byry Kennedy, Esq.
Director of Legal Services
Division for Children Youth & Families
NH Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301

Dear Mr. Kennedy,

This letter is to inform you that I have reviewed and approved your email request, dated October 2, 2015, seeking permission from the Bureau of Justice Assistance (BJA) to allow the State of New Hampshire to repurpose a portion of the Sununu Youth Services Center, a juvenile detention center built with federal Violent Offender Incarceration and Truth-in-Sentencing (VOI/TIS) Program grant funds for "use as a Psychiatric Residential Treatment Facility (PRTF)".

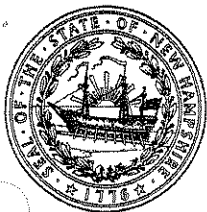
This request is approved based on the fact that the State plans to continue using the VOI/TIS facility for a criminal justice purpose (i.e., for use as a PRTF to service youth involved in the juvenile justice system or at risk for involvement), as required in BJA's *Guidance for States on the Use and Disposition Requirements for VOI/TIS-Funded Facilities*. The proposed PRTF, as I understand from reading the attached proposal, would serve a criminal justice purpose in that the youth served in the PRTF will be either involved with the juvenile justice system or at risk for involvement. In particular, our Office of the General Counsel has advised us that the youth described in the proposal that are not currently involved with juvenile justice system fall within the categories of youth that are typically considered at risk for juvenile justice involvement.

The State should be prepared to convert the VOI/TIS facility back to the originally funded purpose if the need arises. Furthermore, the State must continue to request and receive prior approval from BJA in order to make future changes regarding the use of the facility, to cease operating the facility, or to dispose of or sell the facility.

Thank you for your request. Should you have any questions, please feel free to contact Jonathan Faley, BJA Associate Deputy Director, by telephone at 202-514-2350 or by email at jonathan.faley@usdoj.gov.

Sincerely,

Denise E. O'Donnell
Director



Neal M. Kurk
Chairman

GENERAL COURT
33 North State Street
Legislative Office Building, Rooms 210-211
Concord, NH 03301-6334

TEL: (603) 271-3165
TDD Access: Relay NH 1-800-735-2964

FISCAL COMMITTEE
(RSA 14:30-a)

November 18, 2015

Dear Members of the Committee,

Chapter 276, Laws of 2015 (HB 2) contains two separate provisions relative to the funding of the Sununu Youth Services Center.

Ch. 276:205, L'15 – Reduction in Appropriation

276:205 Department of Health and Human Services, Sununu Youth Services Center; Reduction in Appropriation. The department of health and human services is hereby directed to reduce state general fund appropriations to the Sununu Youth Services Center by \$1,721,861 for the fiscal year ending June 30, 2016, and by \$3,496,746 for the fiscal year ending June 30, 2017. The department shall operate the Sununu Youth Services Center within the allotted budget, or may enter into contracts for operation of the Sununu Youth Services Center, including establishing necessary class lines, as long as total operating costs do not exceed \$10,100,000 for the fiscal year ending June 30, 2017.

This provision does not require or authorize any further action by the Fiscal Committee. Both of these requirements are mandated by law, and any changes to these requirements must be made through legislation. The Committee should monitor the Department's adherence to these requirements throughout the biennium.

Ch. 276:206, L'15 - Cost Savings Plan:

276:206 Department of Health and Human Services; Sununu Youth Services Center; Cost Savings Plan. The department of health and human services shall develop a plan to reduce the cost of providing existing services at the Sununu Youth Services Center. The plan shall include privatization of services, offering additional and compatible services, and consider the most appropriate, cost effective, long and short-term uses of the center as described in the January 1, 2014 report issued pursuant to 2013, 249. The department shall submit the plan to the fiscal committee of the general court for approval on or before November 1, 2015, and begin implementation of the plan by January 1, 2016.

This provision requires the Department of Health and Human Services (DHHS) to submit a cost savings plan to the Fiscal Committee for approval. The implementation date of the plan, if

approved, will begin on January 1, 2016. DHHS has submitted a plan which will be included on the Committee's agenda at the December 18, 2015 meeting. The following is a description of motions for the agenda item:

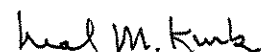
1. **Approve.** If Fiscal Committee approves the plan, DHHS will begin implementation on January 1, 2016. This plan would require future Fiscal Committee approval for transfer requests and possibly the acceptance and expenditure of additional funds (federal or other). It is probable that the plan would require further legislative changes which must go through the standard legislative process, and the Department would work with legislators to determine what types of statutory changes would be necessary to effectuate the plan if approved by the Committee.
2. **Amend and Approve.** Although the Committee has amended and approved items in the past, Ch. 276:206 specifically states "*the department shall develop a plan...*" The Fiscal Committee does not have the legislative authority to develop a different plan for the SYSC. The development of a different plan for SYSC should be undertaken by the entire General Court through the legislative process.
3. **Deny.** If Fiscal Committee denies the plan, DHHS cannot begin implementation of the proposed plan on January 1, 2016. However, nothing prohibits DHHS from seeking legislation to effectuate the plan.
4. **Table.** A tabling motion would have the same impact as denying the plan, whereas absent a special meeting, there would be no action taken by the Committee which would allow implementation of the plan beginning January 1, 2016.

Please note that the cost savings plan under section 206 is not directly related to the appropriation reduction requirements under section 205. As a result, irrespective of the action taken by the Fiscal Committee relative to the Department's cost savings plan proposal, the Department will still be required to reduce SYSC appropriations in FY 2016 and FY 2017 pursuant to current law.

The item is currently being reviewed by the Office of Legislative Budget Assistant and the Department of Health and Human Services to ensure compliance with the chapter law requirements. When the item is finalized, the LBAO will send a copy of the item to Committee members for their review prior to the December 18th vote.

Please contact me or the LBA if you have questions.

Sincerely,



Representative Neal M. Kurk
Chairman

Cc: Nicholas Toumpas, Commissioner
Department of Health and Human Services



FIS 16 060

MICHAEL W. KANE, MPA
Legislative Budget Assistant
(603) 271-3161

CHRISTOPHER M. SHEA, MPA
Deputy Legislative Budget Assistant
(603) 271-3161

State of New Hampshire

OFFICE OF LEGISLATIVE BUDGET ASSISTANT
State House, Room 102
Concord, New Hampshire 03301

STEPHEN C. SMITH, CPA
Director, Audit Division
(603) 271-2785

April 5, 2016

Fiscal Committee of the General Court
The Honorable Neal M. Kurk, Chairman
State House
Concord, NH 03301

Dear Representative Kurk and Members of the Committee,

RSA 14:30-a, III requires the Fiscal Committee to consider recommendations proposed to it by the Legislative Performance Audit and Oversight Committee.

At its February 29, 2016 and April 5, 2016 meetings, the Legislative Performance Audit and Oversight Committee voted to recommend three new performance audit topics for the Office of Legislative Budget Assistant, Audit Division. These new topics are:

1. Office of Professional Licensure and Certification, Naturopathic Examiners, Efficient and Effective Operations.
2. Office of Professional Licensure and Certification, Real Estate Brokers and Salespersons, Efficient and Effective Program Operations.
3. Department of Corrections, Sex Offender Treatment Program

I respectfully request the Fiscal Committee's approval of these topics at its April 2016 meeting.

Sincerely,

Senator John Reagan, Chairman
Joint Legislative Performance Audit
and Oversight Committee



FIS 16-060

MICHAEL W. KANE, MPA
Legislative Budget Assistant
(603) 271-3161

CHRISTOPHER M. SHEA, MPA
Deputy Legislative Budget Assistant
(603) 271-3161

State of New Hampshire

OFFICE OF LEGISLATIVE BUDGET ASSISTANT
State House, Room 102
Concord, New Hampshire 03301

STEPHEN C. SMITH, CPA
Director, Audit Division
(603) 271-2785

April 15, 2016

Senator John Reagan, Chairman
Joint Legislative Performance Audit
and Oversight Committee
State House, Room 107
Concord, New Hampshire 03301

Dear Senator Reagan,

The Fiscal Committee, pursuant to the provisions of RSA 14:30-a, III, on April 15, 2016, approved the recommendation of the Joint Legislative Performance Audit and Oversight Committee for following performance audit topic for the Office of Legislative Budget Assistant, Audit Division, to include; Department of Corrections, Sex Offender Treatment Program, as specified in your letter dated April 5, 2016.

The Committee tabled the two (2) recommendations for; Office of Professional Licensure and Certification, Naturopathic Examiners, Efficient and Effective Operations; and Office of Professional Licensure and Certification, Real Estate Brokers and Salespersons, Efficient and Effective Program Operations.

Sincerely,

Michael W. Kane
Legislative Budget Assistant

MWK/pe
Attachment



State of New Hampshire
 DEPARTMENT OF ADMINISTRATIVE SERVICES
 OFFICE OF THE COMMISSIONER
 25 Capitol Street – Room 120
 Concord, New Hampshire 03301

VICKI V. QUIRAM
 Commissioner
 (603)-271-3201

JOSEPH B. BOUCHARD
 Assistant Commissioner
 (603)-271-3204

March 23, 2016

The Honorable Neal M. Kurk, Chairman
 Fiscal Committee of the General Court
 State House
 Concord, New Hampshire 03301

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to the provisions of Chapter 276:4, Laws of 2015, Transfer Among Accounts and Classes, authorize the Department of Administrative Services to transfer funds in and among accounting units in the amount of \$140,000. The adjustment is summarized below and detailed on the attached worksheet. Effective upon Fiscal Committee and Governor and Council approval through June 30, 2016. **Funding Source: 100.00% General Funds**

SFY 2016

<u>Division</u>	<u>Account</u>	<u>Amount</u>
Bureau Plant & Property Maintenance	59140000	\$140,000

EXPLANATION

This transfer reflects an increase into Accounting Unit 59140000, Sheriff Reimbursements, which through analysis of projected expenses through June 30, 2016 will require additional funds, while Accounting Unit 29500000, General Services Maintenance & Grounds, will experience lower than anticipated expenditures. This transfer will provide for the continued efficient operation of the Department.

The following is the information specifically required when transfers are requested, in accordance with the Budget Officer's instructional memorandum dated April 17, 1985, to support the above requested action.

- A. *Justification:* The transfer is to cover a projected deficit in class 201, Sheriff Custody Reimbursements, due to the amount appropriated being lower than anticipated expenditures. Funds are available in class 023, Utilities, due to the amount appropriated being higher than anticipated expenditures.

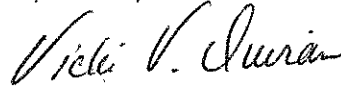
The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
March 23, 2016
Page 2 of 2

- B. *Does this transfer involve continuing programs or one-time projects?* This transfer involves continuing programs;
- C. *Is this transfer required to maintain existing program levels or will it increase the program level?* This transfer is required to maintain existing program levels;
- D. *Cite any requirements which make this program mandatory.* The programs for the Department are mandated by various state and federal laws;
- E. *Identify the source of funds on all accounts listed on this transfer.* See the attached worksheet for the source of funds for all accounts;
- F. *Will there be any effect on revenue if this transfer is not approved?* There is no anticipated effect on revenue as a result of this transfer;
- G. *Are funds expected to lapse if this transfer is not approved?* It is anticipated that some funds will lapse whether this transfer is approved or not;
- H. *Are personnel services involved?* No personnel services are involved.

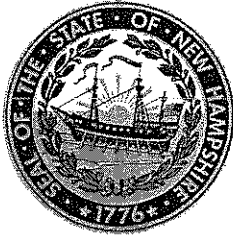
The Department has conducted a detailed review of these line items in the budget to ensure that available funds are maximized to the greatest degree possible.

Respectfully submitted,



Vicki V. Quiram
Commissioner

Co.	Bur/Div	Acct Unit	Description	Class	Class Description	Current Adjusted Authorized	Amount to Transfer	Revised Adj Authorized
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	010-500100	PERSONAL SERVICES PERM CLAS	820,977		820,977
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	018-500106	OVERTIME	51,069		51,069
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	020-500200	CURRENT EXPENSES	198,834		198,834
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	022-500255	RENTS-LEASES OTHER THAN STA	1,209		1,209
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	023-500210	HEAT ELECTRICITY WATER	1,341,073	-140,000	1,201,073
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	024-500227	MAINT OTHER THAN BUILD-GRN	1		1
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	030-500301	EQUIPMENT NEW REPLACEMENT	1		1
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	039-500188	TELECOMMUNICATIONS	16,710		16,710
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	047-500240	OWN FORCES MAINT BUILD-GRN	24,341		24,341
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	048-500226	CONTRACTUAL MAINT BUILD-GRN	651,062		651,062
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	050-500109	PERSONAL SERVICE TEMP APPOI	263,413		263,413
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	060-500602	BENEFITS	484,472		484,472
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	061-500536	UNEMPLOYMENT COMPENSATION	7		7
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	070-500704	IN STATE TRAVEL REIMBURSEME	6,654		6,654
0010	1415	29500000	GENERAL SERVICES MAINT & GRND	103-500735	CONTRACTS FOR OP SERVICES	108,783		108,783
			TOTAL			3,968,606	-140,000	3,828,606
			REVENUES					
			Total General Funds	010-000010		3,891,048	-140,000	3,751,048
			Tranfers Other Agencies	various		77,558	0	77,558
			TOTAL REVENUES			3,968,606	-140,000	3,828,606
0010	1415	59140000	SHERIFF REIMBURSEMENTS	201-509201	SHERIFF CUSTODY REIMBURSEME	932,863	140,000	1,072,863
			TOTAL			932,863	140,000	1,072,863
			REVENUES					
			Total General Funds	010-000010		900,000	140,000	1,040,000



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY

FIS 16 083

27 Hazen Dr., Concord, NH 03301
 Fax: 603-271-1516 TDD Access: 1-800-735-2964
 www.nh.gov/doit

Denis Goulet
 Commissioner

April 27, 2016

The Honorable Neal M. Kurk, Chairman
 Fiscal Committee of the General Court
 State House
 Concord, NH 03301

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Council
 State House
 Concord, NH 03301

REQUESTED ACTION

Pursuant to the provisions of RSA 9:16-a authorize approval to transfer funds in the amount of \$835,000.00 in State Fiscal Year (SFY) 2016 in Other (Class 027) funds in the Department of Information Technology (DoIT). This transfer will have no impact on General Funds or State Revenue. The transfer is summarized below, effective the date of Legislative Fiscal Committee and Governor and Council approval through June 30, 2016. 100% Other (Agency Class 027) Funds; the agency class 027 used by the Department of Safety to reimburse DoIT is 100% Highway Funds.

In SFY16, funds shall be transferred within 01-03-03-030010-7623, IT for Safety as follows:

Class	Budget Category	Current Budget	Requested Action	Revised Budget
Income				
001-482723	Inter-Agency Transfer from DOS	\$5,607,416.91	0.00	\$5,607,416.91
	Totals	\$5,607,416.91	0.00	\$5,607,416.91
Expenditures				
020-500200	Current Expenses	\$36,620.99	0	\$36,620.99
037-500174	Technology-Hardware	1,188,678.18	835,000.00	2,023,678.18
038-500178	Technology-Software	2,641,477.74	(315,000.00)	2,326,477.74
039-500180	Telecommunications	345,000.00	0.00	345,000.00
046-500465	Consultants	1,395,640.00	(520,000.00)	875,640.00
	Totals	\$5,607,416.91	\$0.00	\$5,607,416.91

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, NH 03301
April 27, 2016
Page 2

EXPLANATION

The transfer of appropriation reflects adjustments to operating expense accounts to address projected budget shortfalls within the Department of Information Technology. The budget shortfalls are projected in support of the Department of Safety's VISION project which will replace the 35 year old Driver Licensing system. The customer queuing function requires additional funding in Class 037-Technology Hardware for an off-the-shelf solution. DoIT has determined that the previous moving in server hosting from DOIT to DOS coupled with other DOS programs will oversubscribe the current capacity of the existing backup solution for the Department of Safety. The existing firewall, which is used for communication with municipal agents and local police departments is at end of life and needs replacement.

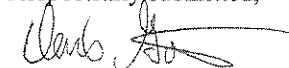
Additional funds are available in Class 038-Technology Software and Class 46-Consultants due to changes in project procurement strategies that were unexpected at the time of budget development.

The following information is provided in accordance with the Budget Officer's instructional memorandum dated April 17, 1985 to support the above requested actions:

- A. Justification:
Information technology needs at DoIT have been assessed prior to the submission of this request and it was determined that sufficient surplus exists in Class 038-Technology Software and Class 046-Consultants to support this request. Additional appropriation is requested in Class 037-Technology Hardware.
- B. Does this transfer involve continuing programs or one-time projects?
This transfer involves continuing programs.
- C. Is this transfer required to maintain existing program levels or will it increase the program level?
This transfer is required to maintain existing program levels.
- D. Cite any requirements, which make this program mandatory.
Not applicable.
- E. Identify the source of funds on all accounts listed on this transfer.
The source of funds for this transfer is 100% Other funds. DoIT does not anticipate any impact on General funds as a result of this fiscal transfer.
- F. Will there be any effect on revenue as a result of this transfer?
There is no anticipated effect on revenue as a result of this transfer.
- G. Are funds expected to lapse if this transfer is not approved?
It is anticipated that some funds will lapse whether or not this transfer is approved.
- H. Are personnel services involved?
Personnel services are not involved.

The Department of Information Technology has conducted a review of DoIT operations to ensure that available funds are maximized to the greatest degree possible.

Respectfully submitted,



Denis Goulet
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

Jeffrey A. Meyers
Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9422 1-800-852-3345 Ext. 9422
Fax: 603-271-8431 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Sheri Rockburn
Chief Financial Officer

April 21, 2016

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, Additional Revenues authorize the Department of Health and Human Services to accept and expend additional federal funds from the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services in the amount of \$10,010,000 and further to accept and expend agency income revenues received in the amount of \$10,000,000 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2016, and authorize the allocation of these funds in the account below.

50% Federal Funds and 50% Agency Income-Drug Rebate.

05-95-47-470010-7948, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS: OFC OF MEDICAID & BUS PLCY, OFF. OF MEDICAID & BUS POLICY, MEDICAID CARE MGMT

CLASS OBJ	CLASS TITLE	Current Authorized Budget	Increase / (Decrease)	Revised Modified Budget
010-79480000-403978-000	Federal Funds	\$334,379,010	\$10,010,000	\$344,389,010
010-79480000-402201-005	Agency Income: Medicaid Enhancement - Local	\$124,656,230		\$124,656,230
010-79480000-407145-007	Agency Income Drug Rebates	\$8,852,985	\$10,000,000	\$18,852,985
010-79480000-406848-009	Agency Income MEAD	\$166,753		\$166,753
010-79480000	General Fund	\$179,364,255		\$179,364,255
	Total Revenue	\$647,419,233	\$20,010,000	\$667,429,233
041-500801	Audit Set Aside	\$400,409	\$10,000	\$410,409
101-500729	Medical Payments to Providers	\$646,721,652	\$20,000,000	\$666,721,652
102-500731	Contracts for Program Services	\$297,172		\$297,172
	Total Expense	\$647,419,233	\$20,010,000	\$667,429,233

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council

April 21, 2016
Page 2 of 2

EXPLANATION

The Department of Health and Human Services requests approval to accept and expend Federal Medicaid revenues and Drug Rebates (Agency Income) to address projected shortfalls in the Medicaid Care Management account.

There are 2 Drug Programs that generate revenue for DHHS, referred to as the Regular Drug Rebates and the Supplemental Drug Rebates. (1) Regular Drug Rebates are received based on a Federal per unit rebate amount. (2) Supplemental Rebates are received as an "add-on" rebate based on a Preferred Drug List (PDL). The State Fiscal Year 2016 budget, anticipated the transitioning of the PDL to the Managed Care Organizations effective July 1, 2015. As a result, DHHS expected the Supplemental Drug Rebate revenue to be reduced from prior years, since the MCO's would be entitled to negotiate with drug manufactures and receive those rebates directly instead of the State. The State would still be entitled to receive the regular Federal rebates. Due to delays in the MCO contract negotiations, the transition of the PDL was not effective until October 1, 2015. The delay allowed the invoicing and collection of the manufacturer rebates by DHHS and as a result, drug rebate revenue has exceeded the amount budgeted.

The acceptance of the additional drug rebate revenue and matching federal funds will help to satisfy the projected shortfall in the Medicaid account and will be used to pay fee-for-service and managed care capitation payments for the balance of State Fiscal Year 2016.

Source of Funds: 50% Federal Funds from the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services and 50% Agency Income Drug Rebate Revenue.

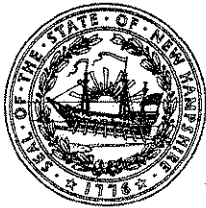
Respectfully submitted,



Sheri L. Rockburn
Chief Financial Officer

Approved by:


Jeffrey A. Meyers
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
DIVISION OF PARKS AND RECREATION

172 Pembroke Road Concord, New Hampshire 03301
Phone: (603) 271-3556 Fax: (603) 271-3553 E-Mail: nhparks@dred.nh.gov
Web: www.nhstateparks.org

April 26, 2016

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
and
Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, authorize the Department of Resources and Economic Development, Division of Parks and Recreation to budget and expend \$215,000 from the Parks Fund for the purchase of four (4) remote camps and associated buildings at Umbagog Lake State Park in Errol, NH upon Fiscal Committee and Governor and Executive Council approval through June 30, 2016. **100% Revolving Funds**

Funding is available as follows:

03-35-35-351510-370200000 State Parks Fund - - FC/GC Needed			2016 Current Budget	Requested Action	2016 Revised Budget
Revenue					
003	Revolving Funds	402197	(3,817,822)	215,000	(3,602,822)
<i>Total:</i>			3,817,822	(215,000)	3,602,822

Funding to be budgeted as follows:

03-35-35-351510-370100000 Parks Administration			2016 Current Budget	Requested Action	2016 Revised Budget
Revenue					
009	Agency Income	407423	(1,947,252)	(215,000)	(2,162,252)
Expense					
010	Personal Service Permanent	500100	601,348	0	601,348
011	Personal Service Unclassified	500126	97,563	0	97,563
020	Current Expenses	500200	24,700	0	24,700
022	Rents-Leases Other Than State	500255	1,500	0	1,500
026	Organizational Dues	500261	10,500	0	10,500
029	Intra-Agency Transfers	500290	421,609	0	421,609
030	Equipment New/Replacement	500300	4,000	0	4,000
033	Land Acquisitions and Easements	500150	0	215,000	215,000
039	Telecommunications	500180	5,500	0	5,500
042	Additional Fringe Benefits	500620	60,000	0	60,000
049	Transfer to Other State Agency	584935	0	0	0
057	Books Periodicals Subscriptions	500534	260	0	260
060	Benefits	500601	352,182	0	352,182

066	Employee Training	500543	4,840	0	4,840
069	Promotional Marketing Expenses	500567	140,000	0	140,000
070	In-State Travel Reimbursement	500700	7,500	0	7,500
080	Out-of-State Travel Reimb	500634	5,750	0	5,750
102	Contracts for Program Services	500634	210,000	0	32,641
<i>Total:</i>			1,947,252	215,000	2,162,252

EXPLANATION

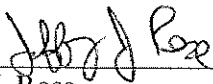
The Ellis Family has decided to sell the camps it has owned and maintained since 1961 through a lease on the shore of Lake Umbagog. As a condition of the lease, the State, (which now owns the shore) has the first option to purchase the camps in the event an owner should sell. Upon purchase, the four camps will become part of the campground and available for nightly rentals providing a unique remote camp experience to the State's citizens and visitors. Annual revenue is estimated between \$20,000 and \$35,000 based upon current occupancy at the campground and remote campsites.

A 50-year termination policy for camp leases was established for both state and federal ownerships when the Lake Umbagog National Wildlife Refuge was established in 1992. In 2010, a new policy was instituted where camps could be transferred to immediate family members; however, the state has first right of refusal and the US Fish and Wildlife Service (USFWS) had a second right of refusal if an owner wants to sell their property (NOTE: this was in response to USFWS opposition to continuing the camps). The purchase of the Ellis camps would preserve the historic North Country tradition on this land and make it available to the general public.

Umbagog State Park is the busiest state park in the North Country. Currently, the 9.6-acre mainland portion of the Park comprises a 30 site base campground and also serves as the management and launching point for 34 remote campsites spread out across much of Umbagog Lake. Sixteen (16) of the remote sites are on federal land operated through a permit with the USFWS.

Scot Heath of Heath Appraisal Services has appraised the market value of the camps and associated improvements at \$215,000. Authority to purchase real property with recreational or history value is provided under RSA 216-A:3 I.

Respectfully Submitted,



 Jeffrey J. Rose
 Commissioner

Heath Appraisal Services

140 SECOND NEW HAMPSHIRE TURNPIKE NORTH
CONCERN, NH 03043

SCOT D. HEATH
(603) 588-3020
FAX (603) 588-3048

March 11, 2016

William Carpenter, Administrator, Land Management
State of New Hampshire
Department of Resources and Economic Development
Division of Forests and Lands
172 Pembroke Road
Post Office Box 1856
Concord, New Hampshire 03302-1856

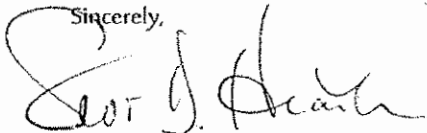
RE: Leasehold Interest; undefined area with the improvements thereon, located on Lake Umbagog, Errol,
New Hampshire; interest of Harwood and Benjamin Ellis.

Dear Mr. Carpenter:

As requested, I have completed the appraisal of the above-referenced real property interest. Based upon my investigations and analyses, market value of the leasehold interest in the subject property, including the improvements thereon, "as-is" as of November 16, 2015, being the date of inspection, was concluded at the level of...

\$215,000

The accompanying report outlines the appraisal process and sets forth the rationale and methodology leading to the final opinion of market value set forth above. Your attention is called to the Table of Contents which outlines the report, the Assumptions and Limiting Conditions which apply to this report, and to the Certificate of Appraisal (Certification). Furthermore, it must be noted there is an Extraordinary Assumption in that it is assumed that there is clear title to the property without encumbrances or restrictions in addition to those identified, in the absence of a current title report.

Sincerely,


Scot D. Heath
Certified General Appraiser
(NHCG-211)

File No: 21-15

TITLE XIX PUBLIC RECREATION

CHAPTER 216-A EXPANSION OF STATE PARK SYSTEM

Section 216-A:3-i

216-A:3-i State Park Fund Established. –

I. The state treasurer shall establish a separate and distinct account to be known as the state park fund. The treasurer shall establish within the state park fund separate and distinct accounts, known as the state park account and the state-owned ski area account. The accounts shall be continuing and nonlapsing. The treasurer shall deposit in the state park account actual revenues from fees, services, accommodations, rentals, retail sales, net profit from concession operations, and special registration plate symbol fees collected under RSA 261:75-c in excess of budget expenses and excluding revenues associated with state-owned ski areas. The treasurer shall deposit in the state-owned ski area account actual revenues associated with the state-owned ski areas, derived by the department of resources and economic development from fees, services, accommodations, rentals, revenue from lift and tramway operations, retail sales, and net profit from concession operations in excess of budget expenses. Any federal moneys which become available and all donations and gifts shall be deposited into their appropriately designated accounts.

II. Any funds deposited into the state park account are hereby continually appropriated to and may be expended by the commissioner of the department of resources and economic development to cover budgeted appropriations provided the balance in the state park account does not go below \$1.5 million and any transfer is reported to the governor and council and fiscal committee of the general court within 60 days.

Source. 1991, 40:2. 1996, 210:7. 2010, 373:2, eff. Jan. 1, 2011. 2015, 276:26, eff. July 1, 2015.

TITLE XIX PUBLIC RECREATION

CHAPTER 216-A EXPANSION OF STATE PARK SYSTEM

Section 216-A:3

216-A:3 Department of Resources and Economic Development; Authority. – With the approval of the governor and council, the department shall have the following authority:

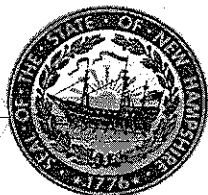
I. Acquire, by purchase or gift, real property with recreational or historic value.

II. Dispose of real property, by sale or exchange.

III. Enter into agreements with other state agencies, the federal government, municipalities or other public and private agencies regarding the acquisition, development or operation of recreational areas or facilities.

IV. Apply for and receive, with the approval of the governor and council, grants, donations, and other assistance to assist in the development and operation of the park system.

Source. 1961, 263:3. 1985, 389:5, eff. June 25, 1985.



New Hampshire Liquor Commission

50 Storrs Street, P.O. Box 503
 Concord, N.H. 03302-0503
 (603) 230-7026

Joseph W. Mollica
 Chairman

Michael R. Milligan
 Deputy Commissioner

April 20, 2016

The Honorable Neal M. Kurk, Chairman
 Fiscal Committee of the General Court
 State House
 Concord, New Hampshire 03301

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Executive Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, the New Hampshire Liquor Commission respectfully request authorization to accept and expend funds entitled "NH Highway Safety-Tablets totaling \$249,270.00 from the New Hampshire Highway Safety Agency through the National Highway Traffic Safety Administration, effective upon Fiscal Committee and Governor and Council approval through September 30, 2016. 100% Agency Income

Funding to be established in account # 02-77-77-770512-52120000, LIQUOR COMMISSION, ENFORCEMENT, NH Highway Safety-Tablets;

Class	Class Description	Current Appropriation	Requested Action	New Budget
037-500173	Technology-Hardware	\$0.00	\$184,633.00	\$184,633.00
038-500175	Technology- Software	\$0.00	62,610.00	62,610.00
040-500800	Indirect Cost	\$0.00	2,027.00	2,027.00
	Total	\$0.00	\$249,270.00	\$249,270.00
Source of Funds				
001- 405723	Agency Income	\$0.00	\$249,270.00	\$249,270.00

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
April 20, 2016
Page 2 of 2

EXPLANATION

The intent of the funding is to purchase tablet platform computers including mounting hardware and installation services as well as mobile access to the Division of Enforcement and Licensing's records management system (IMC) and the SPOTS and NCIC law enforcement databases. The purchase of these devices and increased database access will improve timely access to information and increase the overall efficiency of the Division of Enforcement's sworn personnel in the performance of their licensing and enforcement operations. As the number of liquor licensed businesses continues to increase so does the demand for real time accessibility of information in the field to ensure maximum efficiency of operation and responsiveness to the stakeholders we serve.

Respectfully Submitted
New Hampshire State Liquor Commission



Joseph W. Mollica, Chairman

**CONTRACTUAL AGREEMENT
FOR HIGHWAY SAFETY PROJECT GRANT**

State Of New Hampshire
Highway Safety Agency
78 Regional Drive, Building 2
Concord, NH 03301-8530

For HSA Use Only

Date Received March 23, 2016	Project Number #308-16S-083
Date Approved March 24, 2016	PSP and Task # 16-02, 21

Part I

1. Project Title NH Liquor Commission Tablets & Equipment	2. Type of Application (Check One) <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Revision <input type="checkbox"/> Continuation
--	---

3. Applicant A. Name of Agency DUNS Number 878072016 NH Liquor Commission	B. Address of Agency 57 Regional Drive, Suite 8 Concord NH 03302-0503
C. Government Unit (Check One) <input checked="" type="checkbox"/> State <input type="checkbox"/> City/Town <input type="checkbox"/> County <input type="checkbox"/> Other (specify):	D. Name Address of Governmental Unit State of New Hampshire Concord, NH 03301

4. Contract Duration A. Contract Period Start Date: October 1, 2015 Termination Date: September 30, 2016	Functional Area M6OT - 405d Impaired Driving Low CFDA# 20.616 Program Title Impaired Driving Countermeasures Grant Funding Source National Highway Traffic Safety Administratio
---	--

6. Description of Project (Describe in detail in Schedule A) and Source of Funds

Budget (Provide itemization as called for on Schedule B) and Source of Funds					
Cost Category	Total Budget	Federal Budget	Local Budget	State Budget	Other Funds
a. Personnel Services					
b. Current Expense					
c. Equipment	\$247,243.00	\$247,243.00			
d. Indirect Costs Audit	\$2,027.39	\$2,027.39			
e. Contractual Services					
f. Other					
Total Estimated Costs Including Non-Federal Share	\$249,270.39	\$249,270.39			

7. Local Benefit: It is anticipated that the federal share for local benefit will be: 0% (\$0.00)
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Part II

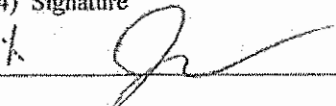

BUDGET AND PERSONNEL DATA	
a. Personnel Services	
*See Proposed Solution (page 3) for explanation of pay rates	
b. Current Expenses	
c. Equipment See attached Budget	\$247,243.00
d. Indirect Costs and Audit Expense Indirect costs \$247,243.00 x .82	\$2,027.39
e. Contractual Services	
f. Other Expenses	
Total	\$249,270.39

In Kind Match For This Project = \$62,317.60 (405D Impaired Driving Funds)

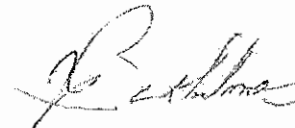
This match requirement shall be met through Salary and Benefit cost analysis of agency personnel performing enforcement of impairment laws.

Part III

Acceptance of Conditions. It is understood and agreed by the undersigned that a grant received as a result of this contract is subject to the regulations governing grant which have been furnished (or will be furnished upon request) to the applicant.

A. Project Director		
1) Name James Wilson	2) Title Director, Bureau of Enforcement NH Liquor Commission	3) Address 57 Regional Drive Concord, NH 03301
4) Signature 		5) Telephone Number 271-3521
B. Authorized Official		
1) Name Joseph W. Mollica	2) Title Chairman, NH State Liquor Commission	3) Address 50 Storrs Street Concord, NH 03301
4) Signature 		5) Telephone Number 271-3132

Part IV (For HSA Use Only)

1. Approval Date March 24, 2016	2. Signature & Title  John J. Barthelmes, Coordinator NH Office of Highway Safety
3. Federal Funds Obligated by this Agreement: \$249,270.39	

SCHEDULE A
GENERAL PROJECT INFORMATION

Description of Project

STATEMENT OF PROBLEM/NEED: At least 85,000 Americans die each year from alcohol-related causes, making alcohol-related problems the third-leading cause of death in the United States (Mokdad, et al., 2004). In New Hampshire, through the Last Drink Survey Grant Initiative, the Division of Liquor Enforcement and Licensing has collectively identified that approximately 40-50% of those surveyed, consumed their last drink at liquor licensed establishments. This number would suggest that the Division of Liquor Enforcement and Licensing look at proactive measures and opportunities to provide a greater level of service which is more advantageous, to the safety, health and well-being of the citizens of our state.

New Hampshire remains a very friendly state in terms of promoting and offering opportunities for small businesses. A portion of those business opportunities are related to the restaurant industry specifically those serving alcohol to patrons. Over the past several years, New Hampshire has seen an increase in the number of liquor licenses (est. 5,000) issued in the state while experiencing a decrease in staffing levels.

With the increased number of liquor licenses in the state (5,121), Investigators within the Division are at an increased need to have immediate remote, real time access to licensee records currently maintained within the Division of Liquor Enforcement and Licensing. This will further ensure appropriate action can be taken when addressing possible violations of an administrative rule or Revised Statute Annotated (RSA). Currently sworn members of the Division of Enforcement and Licensing have no remote access to the NH SPOTS terminal, increasing our need to utilize others services in obtaining this information. In addition, the Division has no mechanism in place to allow remote access to a liquor licensee file. Having this access would allow sworn members to have instantaneous access to information relative to a subject or subjects they encounter in the field as well as a liquor licensee's history of violations, type of violations, along with PIC Affidavits and relative paperwork.

In 2015, the Division of Liquor Enforcement investigated 494 total incidents with 352 total arrests. A majority of these arrests ranged from Drug Possession, Driving While Intoxicated, Unlawful Transportation of Alcohol by a Minor, Prohibited Sales, Unlawful Possession of Alcohol and Operating After Suspension. From January 1 to December 31, 2015, the Division of Liquor Enforcement conducted 4,195 premise checks at liquor licensed establishments throughout the state. Of those inspections, 110 Administrative Notices and 195 Verbal Warnings were issued for Liquor Law violations and/or Administrative Rule violations. As a direct result of these premise checks, 25 arrests were made within a licensed premise or within curtilage of a licensed premise. In 2015, the Division of Liquor Enforcement only received 17 documented DUI Referrals. In an effort to address issues associated with over-service and over-consumption of alcohol, all DUI Referrals received by the Division are reviewed and investigated. By remaining proactive, the Division of Liquor Enforcement is able to address violations from licensed premises and forge a strong allegiance with our law enforcement partners within the state as we strive to eliminate instances of over-service and impaired driving.

In 2014, the Division of Liquor Enforcement investigated 460 total incidents with 349 total arrests. From January 1 to December 31, 2014, the Division of Liquor Enforcement conducted 4,221 premise checks at liquor licensed establishments throughout the state. Of those inspections, 99 Administrative Notices and 152 Verbal Warnings were issued for Liquor Law violations and/or Administrative Rule violations. As a direct result of these premise checks, 53 arrests were made within a licensed premise or within curtilage of a licensed premise. In total for 2014, the Division of Liquor Enforcement issued 395 Administrative Notices and 615 Verbal Warnings to establishments licensed to sell alcohol. In 2014, the Division fielded approximately 18,000 telephone calls from licensees and/or liquor license applicants. The Division of Liquor Enforcement received

an additional 517 requests for liquor license applications throughout the state. The Division issued more Verbal Warnings in an effort to promote safety through education.

In 2014, the Division of Liquor Enforcement renewed its effort to combat instances of impaired driving. This was accomplished by developing a DUI Referral program that would allow local, county and state police to report DUI arrest, crash investigations and fatalities. A total of 59 DUI Referral investigations were handled by the Division. These referrals were major by nature often times DUI Fatalities that occurred within the state. A number of these investigations were forwarded to the Division at the time of incident (Request for assistance at the time of the reported fatality). Having immediate remote access to liquor licensee records via air card/tablets would greatly aid Investigators in the field to ensure appropriate action is taken.

In 2013: 412 total incidents were investigated with 327 total arrests. Due to an update with the Division RMS (Records Management System), further data was not available.

In 2012: 353 incidents were investigated with 378 total arrests. Due to an update with the Divisions RMS (Records Management System), further data was not available.

The Division of Liquor Enforcement and Licensing remains proactive in taking measures to investigate issues associated with over-service and over-consumption of alcohol at liquor licensed establishments throughout our state. The NHOHS is committed to addressing these issues to ensure the safety of our citizens and visitors alike.

Unfortunately at this time, the Division of Liquor Enforcement does not have remote access to licensee files/SPOTS, Records Management System/ L2K or associated licensee documentation that would allow for Investigators/Sergeants within the Division of Liquor Enforcement to take more appropriate/swift action especially for repeat violators posing a threat to public safety. This proposed project affords the Division of Liquor Enforcement with technology that is an industry standard throughout the NH law enforcement community. Where the Division of Liquor Enforcement has statewide jurisdiction with regard to police authority and is tasked with regulating liquor licensees, the proposed project is a benefit to our state.

The proposed tablet/air card proposal would make the Division of Liquor Enforcement and Licensing much more efficient and effective thereby being able to better serve our communities, community leaders, partners, businesses and local, county and state police agencies.

Currently sworn Investigators/Sergeants assigned to enforcement and administrative field duties have no remote access to vital and critical licensee records maintained within the NH Division of Liquor Enforcement and Licensing. Gaining access to these records requires sworn Investigators/Sergeants within the Division to physically travel to Enforcement HQ located in Concord, NH. Investigators and Sergeants not routinely assigned to HQ are required to travel to Concord (Those assigned within the Troop F area travel 2-2.5 hours one way) to view records management/licensee/documentation. By having to travel unnecessarily to Concord, the presence of Investigators/Sergeant's within their patrol territory is greatly diminished. The end result is not an effective means in providing prompt service to our customers, businesses, and our citizens.

Studies that show that up to 50 percent of people driving under the influence had their last drinks at licensed establishments are a strong indication the enforcement and prosecution of laws governing the consumption and distribution of alcohol should have a significant impact on the reduction of injuries and fatalities resulting from the consumption of alcohol (O'Donnell, 1985; Anglin, 1997; Gallup, 2000).

Like many states across the country, New Hampshire law prohibits sales and service of alcohol to obviously intoxicated people.

One national study that examined compliance rates found that 79 percent of alcohol establishments will serve alcohol to patrons who appear obviously intoxicated (Toomey, et al., 1999; Toomey, et al., 2004).

PROPOSED SOLUTION: The Division of Liquor Enforcement and Licensing proposes to purchase tablets and equipment that will allow the Division to have remote access to critical records that will be utilized to identify/target problem establishments that may be in violation of liquor laws (NH RSA Title XIII) and all associated Administrative Rules of the NH Liquor Commission. In addition, this proposed plan shall allow The Division of Liquor Enforcement the ability to compile Last Drink data, case referrals, and data relative to DUI arrests, DUI crashes and DUI fatalities in hopes of further investigating instances of over service by liquor licensed establishments and its employees which ultimately affects the safety of citizens of New Hampshire. The Division will be able to work more collaboratively with federal, state, county, and local law enforcement agencies, community partners, and business leaders as it relates to public safety associated with liquor licensed establishments. The proposed plan will allow sworn Investigators/Sergeants to have an increased presence in their assigned patrol territory. Part of this technological advancement will allow sworn members of the Division of Liquor Enforcement and Licensing to have immediate access to the NH SPOTS terminal which is something that, currently, there is no access to.

The Division of Liquor Enforcement and Licensing corrective plan includes:

- Purchase of Rhinotab Tablet platforms in compliance with Buy America Act
- IMC Mobile Access/SPOTS/NCIC User Access
- Mounting/Install of equipment into state issued cruisers

***See attached budget proposal.**

ANTICIPATED RESULTS: Technological-Tablet Initiative will:

- Identify and target problem establishments
- Provided valuable information about the relationships between type of licensee, DWI/DUI arrests, and average BAC levels.

Tablet initiatives will:

- Provide valuable information remotely to sworn members of the Division of Liquor Enforcement and Licensing in the performance of their duties.
- Address quality of life issues and risks to the citizens of New Hampshire by having an increased presence in their assigned patrol territories.
- Afford the citizens of New Hampshire a better understanding of the technology available to law enforcement to better combat DWI/DUI operators on our state roads and highways as well as technology available that enables Liquor Investigators to be more efficient and effective in the performance of their duties.
- Identify and target problem establishments.
- Allow greater ability in conducting DUI referral investigations, DUI crash investigations.

ADDITIONAL CONTRACT CONDITIONS: The recipient of these funds is encouraged to provide programs to encourage the use of safety belts by all drivers and passengers in motor vehicles (23 U.S.C. 1200.11 (a)(d)) and to adopt and enforce seat belt use policies for employees operating company-owned, rented, or personally-owned vehicles when performing official business.

See attached Addenda for additional information that is hereby made a part of this contractual agreement.

Budget		
Equipment Description	Cost Each	Total Cost
IMC Mobile (allows for 10 plus users simultaneously and includes 1 year maintenance)		\$21,100.00
Software Licenses (Word/Office/Excel/Outlook/AntiVirus, etc.) (\$1,200.00 x 25)	\$1,200.00	\$30,000.00
CPI-Open Fox Mobile Messenger "SPOTS" (\$251.40 per license x 25)	\$251.40	\$6,285.00
Patrol PC Rhinotab M1 Core I Intel Generation 5 Tablets (\$4,000.00 per Unit/25)	\$4,000.00	\$100,000.00
Rugged Backlight Key Boards (\$194.00 per unit/ 25 units)	\$194.00	\$4,850.00
Touchpad Keyboards (Black) (\$67.00 per unit/25 units)	\$67.00	\$1,675.00
Antenna Mounts (\$130.00 per unit/25 units)	\$130.00	\$3,250.00
2 D Law Enforcement Imaging Scanner (\$353.00 per Unit/25)	\$353.00	\$8,825.00
Windows 10 Pro License Key (\$209.00 per Unit/25)	\$209.00	\$5,225.00
Patrol PC USB 2.0 A/A Cable M/F	\$100.00	\$100.00
Patrol PC Pedestal Mount-Chevy Impala (\$540.00 per Unit/25)	\$540.00	\$13,500.00
Patrol PC On-Dash Mount-Ford Interceptor (\$522.00 per Unit/25)	\$522.00	\$13,050.00
Patrol PC RhM1 Desktop Docking Station (\$800.00 per Unit/26)	\$800.00	\$20,800.00
Table Top Tablet Stand (\$220.00 per Unit/26)	\$220.00	\$5,720.00
Removable 120 GB SSD Hard Drive for Rhino Tab (\$244.00 per unit/2)	\$244.00	\$488.00
120W A/C Power Adapter (\$75.00 per Unit/25)	\$75.00	\$1,875.00
Patrol PC: Tablet/Keyboard/Printer Mounts/Installation (\$345.00 installation per Unit/25 units)	\$345.00	\$8,625.00
Patrol PC Shipping		\$1,875.00
Total		247,243.00
Indirect Costs @ .82 percent = \$2,027.39		\$249,270.39

SCHEDULE A
GENERAL PROJECT INFORMATION

Description of Project

STATEMENT OF PROBLEM/NEED: At least 85,000 Americans die each year from alcohol-related causes, making alcohol-related problems the third-leading cause of death in the United States (Mokdad, et al., 2004). In New Hampshire, through the Last Drink Survey Grant Initiative, the Division of Liquor Enforcement and Licensing has collectively identified that approximately 40-50% of those surveyed, consumed their last drink at liquor licensed establishments. This number would suggest that the Division of Liquor Enforcement and Licensing look at proactive measures and opportunities to provide a greater level of service which is more advantageous, to the safety, health and well-being of the citizens of our state.

New Hampshire remains a very friendly state in terms of promoting and offering opportunities for small businesses. A portion of those business opportunities are related to the restaurant industry specifically those serving alcohol to patrons. Over the past several years, New Hampshire has seen an increase in the number of liquor licenses (est. 5,000) issued in the state while experiencing a decrease in staffing levels.

With the increased number of liquor licenses in the state (5,121), Investigators within the Division are at an increased need to have immediate remote, real time access to licensee records currently maintained within the Division of Liquor Enforcement and Licensing. This will further ensure appropriate action can be taken when addressing possible violations of an administrative rule or Revised Statute Annotated (RSA). Currently sworn members of the Division of Enforcement and Licensing have no remote access to the NH SPOTS terminal, increasing our need to utilize others services in obtaining this information. In addition, the Division has no mechanism in place to allow remote access to a liquor licensee file. Having this access would allow sworn members to have instantaneous access to information relative to a subject or subjects they encounter in the field as well as a liquor licensee's history of violations, type of violations, along with PIC Affidavits and relative paperwork.

In 2015, the Division of Liquor Enforcement investigated 494 total incidents with 352 total arrests. A majority of these arrests ranged from Drug Possession, Driving While Intoxicated, Unlawful Transportation of Alcohol by a Minor, Prohibited Sales, Unlawful Possession of Alcohol and Operating After Suspension. From January 1 to December 31, 2015, the Division of Liquor Enforcement conducted 4,195 premise checks at liquor licensed establishments throughout the state. Of those inspections, 110 Administrative Notices and 195 Verbal Warnings were issued for Liquor Law violations and/or Administrative Rule violations. As a direct result of these premise checks, 25 arrests were made within a licensed premise or within curtilage of a licensed premise. In 2015, the Division of Liquor Enforcement only received 17 documented DUI Referrals. In an effort to address issues associated with over-service and over-consumption of alcohol, all DUI Referrals received by the Division are reviewed and investigated. By remaining proactive, the Division of Liquor Enforcement is able to address violations from licensed premises and forge a strong allegiance with our law enforcement partners within the state as we strive to eliminate instances of over-service and impaired driving.

In 2014, the Division of Liquor Enforcement investigated 460 total incidents with 349 total arrests. From January 1 to December 31, 2014, the Division of Liquor Enforcement conducted 4,221 premise checks at liquor licensed establishments throughout the state. Of those inspections, 99 Administrative Notices and 152 Verbal Warnings were issued for Liquor Law violations and/or Administrative Rule violations. As a direct result of these premise checks, 53 arrests were made within a licensed premise or within curtilage of a licensed premise. In total for 2014, the Division of Liquor Enforcement issued 395 Administrative Notices and 615 Verbal Warnings to establishments licensed to sell alcohol. In 2014, the Division fielded approximately 18,000 telephone calls from licensees and/or liquor license applicants. The Division of Liquor Enforcement received

an additional 517 requests for liquor license applications throughout the state. The Division issued more Verbal Warnings in an effort to promote safety through education.

In 2014, the Division of Liquor Enforcement renewed its effort to combat instances of impaired driving. This was accomplished by developing a DUI Referral program that would allow local, county and state police to report DUI arrest, crash investigations and fatalities. A total of 59 DUI Referral investigations were handled by the Division. These referrals were major by nature often times DUI Fatalities that occurred within the state. A number of these investigations were forwarded to the Division at the time of incident (Request for assistance at the time of the reported fatality). Having immediate remote access to liquor licensee records via air card/tablets would greatly aid Investigators in the field to ensure appropriate action is taken.

In 2013: 412 total incidents were investigated with 327 total arrests. Due to an update with the Division RMS (Records Management System), further data was not available.

In 2012: 353 incidents were investigated with 378 total arrests. Due to an update with the Divisions RMS (Records Management System), further data was not available.

The Division of Liquor Enforcement and Licensing remains proactive in taking measures to investigate issues associated with over-service and over-consumption of alcohol at liquor licensed establishments throughout our state. The NHOHS is committed to addressing these issues to ensure the safety of our citizens and visitors alike.

Unfortunately at this time, the Division of Liquor Enforcement does not have remote access to licensee files/SPOTS, Records Management System/ L2K or associated licensee documentation that would allow for Investigators/Sergeants within the Division of Liquor Enforcement to take more appropriate/swift action especially for repeat violators posing a threat to public safety. This proposed project affords the Division of Liquor Enforcement with technology that is an industry standard throughout the NH law enforcement community. Where the Division of Liquor Enforcement has statewide jurisdiction with regard to police authority and is tasked with regulating liquor licensees, the proposed project is a benefit to our state.

The proposed tablet/air card proposal would make the Division of Liquor Enforcement and Licensing much more efficient and effective thereby being able to better serve our communities, community leaders, partners, businesses and local, county and state police agencies.

Currently sworn Investigators/Sergeants assigned to enforcement and administrative field duties have no remote access to vital and critical licensee records maintained within the NH Division of Liquor Enforcement and Licensing. Gaining access to these records requires sworn Investigators/Sergeants within the Division to physically travel to Enforcement HQ located in Concord, NH. Investigators and Sergeants not routinely assigned to HQ are required to travel to Concord (Those assigned within the Troop F area travel 2-2.5 hours one way) to view records management/licensee/documentation. By having to travel unnecessarily to Concord, the presence of Investigators/Sergeant's within their patrol territory is greatly diminished. The end result is not an effective means in providing prompt service to our customers, businesses, and our citizens.

Studies that show that up to 50 percent of people driving under the influence had their last drinks at licensed establishments are a strong indication the enforcement and prosecution of laws governing the consumption and distribution of alcohol should have a significant impact on the reduction of injuries and fatalities resulting from the consumption of alcohol (O'Donnell, 1985; Anglin, 1997; Gallup, 2000).

Like many states across the country, New Hampshire law prohibits sales and service of alcohol to obviously intoxicated people.

One national study that examined compliance rates found that 79 percent of alcohol establishments will serve alcohol to patrons who appear obviously intoxicated (Toomey, et al., 1999; Toomey, et al., 2004).

PROPOSED SOLUTION: The Division of Liquor Enforcement and Licensing proposes to purchase tablets and equipment that will allow the Division to have remote access to critical records that will be utilized to identify/target problem establishments that may be in violation of liquor laws (NH RSA Title XIII) and all associated Administrative Rules of the NH Liquor Commission. In addition, this proposed plan shall allow The Division of Liquor Enforcement the ability to compile Last Drink data, case referrals, and data relative to DUI arrests, DUI crashes and DUI fatalities in hopes of further investigating instances of over service by liquor licensed establishments and its employees which ultimately affects the safety of citizens of New Hampshire. The Division will be able to work more collaboratively with federal, state, county, and local law enforcement agencies, community partners, and business leaders as it relates to public safety associated with liquor licensed establishments. The proposed plan will allow sworn Investigators/Sergeants to have an increased presence in their assigned patrol territory. Part of this technological advancement will allow sworn members of the Division of Liquor Enforcement and Licensing to have immediate access to the NH SPOTS terminal which is something that, currently, there is no access to.

The Division of Liquor Enforcement and Licensing corrective plan includes:

- Purchase of Rhinotab Tablet platforms in compliance with Buy America Act
- IMC Mobile Access/SPOTS/NCIC User Access
- Mounting/Install of equipment into state issued cruisers

***See attached budget proposal.**

ANTICIPATED RESULTS: Technological-Tablet Initiative will:

- Identify and target problem establishments
- Provided valuable information about the relationships between type of licensee, DWI/DUI arrests, and average BAC levels.

Tablet initiatives will:

- Provide valuable information remotely to sworn members of the Division of Liquor Enforcement and Licensing in the performance of their duties.
- Address quality of life issues and risks to the citizens of New Hampshire by having an increased presence in their assigned patrol territories.
- Afford the citizens of New Hampshire a better understanding of the technology available to law enforcement to better combat DWI/DUI operators on our state roads and highways as well as technology available that enables Liquor Investigators to be more efficient and effective in the performance of their duties.
- Identify and target problem establishments.
- Allow greater ability in conducting DUI referral investigations, DUI crash investigations.

ADDITIONAL CONTRACT CONDITIONS: The recipient of these funds is encouraged to provide programs to encourage the use of safety belts by all drivers and passengers in motor vehicles (23 U.S.C. 1200.11 (a)(d)) and to adopt and enforce seat belt use policies for employees operating company-owned, rented, or personally-owned vehicles when performing official business.

See attached Addenda for additional information that is hereby made a part of this contractual agreement.

Budget		
Equipment Description	Cost Each	Total Cost
IMC Mobile (allows for 10 plus users simultaneously and includes 1 year maintenance)		\$21,100.00
Software Licenses (Word/Office/Excel/Outlook/AntiVirus, etc.) (\$1,200.00 x 25)	\$1,200.00	\$30,000.00
CPI-Open Fox Mobile Messenger "SPOTS" (\$251.40 per license x 25)	\$251.40	\$6,285.00
Patrol PC Rhinotab M1 Core I Intel Generation 5 Tablets (\$4,000.00 per Unit/25)	\$4,000.00	\$100,000.00
Rugged Backlight Key Boards (\$194.00 per unit/ 25 units)	\$194.00	\$4,850.00
Touchpad Keyboards (Black) (\$67.00 per unit/25 units)	\$67.00	\$1,675.00
Antenna Mounts (\$130.00 per unit/25 units)	\$130.00	\$3,250.00
2 D Law Enforcement Imaging Scanner (\$353.00 per Unit/25)	\$353.00	\$8,825.00
Windows 10 Pro License Key (\$209.00 per Unit/25)	\$209.00	\$5,225.00
Patrol PC USB 2.0 A/A Cable M/F	\$100.00	\$100.00
Patrol PC Pedestal Mount-Chevy Impala (\$540.00 per Unit/25)	\$540.00	\$13,500.00
Patrol PC On-Dash Mount-Ford Interceptor (\$522.00 per Unit/25)	\$522.00	\$13,050.00
Patrol PC RhM1 Desktop Docking Station (\$800.00 per Unit/26)	\$800.00	\$20,800.00
Table Top Tablet Stand (\$220.00 per Unit/26)	\$220.00	\$5,720.00
Removable 120 GB SSD Hard Drive for Rhino Tab (\$244.00 per unit/2)	\$244.00	\$488.00
120W A/C Power Adapter (\$75.00 per Unit/25)	\$75.00	\$1,875.00
Patrol PC: Tablet/Keyboard/Printer Mounts/Installation (\$345.00 installation per Unit/25 units)	\$345.00	\$8,625.00
Patrol PC Shipping		\$1,875.00
Total		247,243.00
Indirect Costs @ .82 percent = \$2,027.39		\$249,270.39

NH Highway Safety Agency
78 Regional Drive, Building #2
Concord, NH 03301-8530
Telephone 603-271-2131

ADDENDUM TO THE APPLICATION FOR HIGHWAY SAFETY PROJECT GRANT

PROJECT REPORTS: It is agreed that quarterly reports will be made to the NH Highway Safety Agency for one year summarizing the progress being made in implementing the project and identifying any problems being encountered. A final report will be made upon completion of the project. Monthly reports will be submitted within 20 days of the project termination date.

PROJECT TERMS: All purchases and expenditures under this project will be subject to audit procedures satisfactory to Federal regulations. It is understood that no monies provided under this project will be used for the replacement of any existing equipment which currently meets Federal Highway Safety Standards. If any existing equipment is sold or traded during the project period, in order to reduce the actual outlay of funds for equipment which is provided under this project, the proceeds will be applied in pro-rated amounts to the Federal and local shares of the costs of the project.

PROCUREMENT AND EQUIPMENT COST: State agencies receiving federal funds for the purchase of equipment are required to process orders through the Division of Plant and Property Management in accordance with state regulations. Items of equipment requiring testing and certification to verify their accuracy (i.e. breath testing devices and traffic control radar) must be selected from the State approved devices.

EQUIPMENT: Equipment acquired under this agreement for use in highway safety program areas shall be used and kept in operation for highway safety purposes by the State; or the State, by formal agreement with appropriate officials of a political subdivision or State agency, shall cause such equipment to be used and kept in operation for highway safety purposes (23 CRF 1200.21).

PROJECT INVENTORY: An inventory of each item of equipment having a useful life of more than two years and a cost of five thousand dollars (\$5,000.00) or more will be provided to the NH Highway Safety Agency during the period in which it is in use. Before such equipment is disposed of, either by trade-in or write-off, authorization will be obtained from the Highway Safety Agency, acting as agent for the National Highway Traffic Safety Administration.

PROJECT CREDIT: All publications, public information or publicity released in conjunction with this project shall state that "this project is being supported in part through a grant from the NH Highway Safety Agency with federal funds provided by the National Highway Traffic Safety Administration, US Department of Transportation", or words to that effect.

AUDIT REPORTS: The grantee agrees to provide the NH Highway Safety Agency with a copy of the audit report including this project which was conducted under provisions of Circular A-133 - Audit of State and Local Governments and Non-Profit Organizations.

Certifications and Assurances

Section 402 Requirements (as amended by Pub. L. 112-141)

(a) The Governor is responsible for the administration of the State highway safety program through the NH Highway Safety Agency (NH RSA 238) which has adequate powers and is suitably equipped and organized (as evidenced by appropriate oversight procedures governing such areas as procurement, financial administration, and the use, management, and disposition of equipment) to carry out the program (23 USC 402(b) (1) (A)); (b) The political subdivisions of this State are authorized, under NH RSA 238:6, to carry out within their jurisdictions local highway safety programs which have been approved by the Governor and are in accordance with the uniform guidelines promulgated by the Secretary of Transportation (23 USC 402(b) (1) (B)); (c) At least 40 percent of all Federal funds apportioned to this State under 23 USC 402 for this fiscal year will be expended by or for the benefit of the political subdivision of the State in carrying out local highway safety programs in accordance with 23 USC 402(b) (1) (C), 402(h)(2), unless this requirement is waived in writing; (d) This State's highway safety program provides adequate and reasonable access for the safe and convenient movement of physically handicapped persons, including those in wheelchairs, across curbs constructed or replaced on or after July 1, 1976, at all pedestrian crosswalks throughout the state in accordance with 23 USC 402(b) (1) (D); (e) The State will implement activities in support of national highway safety goals to reduce motor vehicle related fatalities that also reflect the primary data-related crash factors within the State as identified by the State highway safety planning process, including: 1) National law enforcement mobilizations; 2) Sustained enforcement of statutes addressing impaired driving, occupant protection, and driving in excess of posted speed limits; 3) An annual statewide safety belt use survey in accordance with 23 CFR Part 1340 for the measurement of State safety belt use rates; 4) Development of statewide data systems to provide timely and effective data analysis to support allocation of highway safety resources. 5) Coordination of its highway safety plan, data collection, and information systems with the state strategic highway safety plan as defined in section 148 (a). (23 USC 402 (b) (1) (E)); (f) The State shall actively encourage all relevant law enforcement agencies in the State to follow the guidelines established for vehicular pursuits issued by the International Association of Chiefs of Police that are currently in effect. (23 USC 402 (j)). 6) The State will not expend Section 402 funds to carry out a program to purchase, operate, or maintain an automated traffic enforcement system. (23 U.S.C. 402(c)(4)).

Other Federal Requirements

(g) All NH Highway Safety Agency employee's time which is charged to federal funds utilize Section 402 funds. All Time and Attendance charges from federal sources come from that single cost objective which brings the State of New Hampshire into compliance with the applicable federal regulation as stated in 2 CFR 225, Appendix B, h(3). An additional certification will be provided by the NH Highway Safety Agency each year in April in order to meet the federal requirement for biennial certification. (h) Cash drawdowns will be initiated only when actually needed for disbursement (49 CFR 18.20); cash disbursements and balances will be reported in a timely manner as required by NHTSA (49 CFR 18.21); the same standards of timing and amount, including the reporting of cash disbursement and balances, will be imposed upon any secondary recipient organizations (49 CFR 18.41); failure to adhere to these provisions may result in the termination of drawdown privileges. (i) The State has submitted appropriate documentation for review to the single point of contact designated by the Governor to review Federal programs, as required by Executive Order 12372 (Intergovernmental Review of Federal Programs); (j) Equipment acquired under this agreement for use in highway safety program areas shall be used and kept in operation for highway safety purposes by the State; or the State, by formal agreement with appropriate officials of a political subdivision or State agency, shall cause such equipment to be used and kept in operation for highway safety purposes (23 CFR 1200.21). (k) The State will comply with all applicable State procurement procedures and will maintain a financial management system that complies with the minimum requirements of 49 CFR 18.20; (l) The State's highway safety program has been specifically exempted from the provisions of Circular A-95 by the Governor of the State of New Hampshire. (m) Federal Funding Accountability and Transparency Act (FFATA). The State will comply with FFATA guidance, OMB Guidance on FFATA Subaward and Executive Compensation Reporting, August 27, 2010, (https://www.fsrs.gov/documents/OMB_Guidance_on_FFATA_Subaward_and_Executive_Compensation_Reporting_08272010.pdf) by reporting to FSRS.gov for each sub-grant awarded. 1) Name of the entity receiving the award; 2) Amount of the award; 3) Information on the award including transaction type, funding agency, the North American Industry Classification System code or Catalog of Federal Domestic Assistance number (where applicable), program source; 4) Location of the entity receiving the award and the primary location of performance under the award, including the city, State, congressional district, and country, and an award title descriptive of the purpose of each funding action; 5) A unique identifier (DUNS); 6) The names and total compensation of the five most highly compensated officers of the entity if, of the entity receiving the award and of the parent entity of the recipient, should the entity be owned by another entity; (i) The entity in the preceding fiscal year received—(I) 80 percent or more of its annual gross revenues in Federal awards; and (II) \$25,000,000 or more in annual gross revenues from Federal awards; and ii) The public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986; 7) Other relevant information specified by the Office of Management and Budget in subsequent guidance or regulation. (n) The State highway safety agency will comply with all Federal statutes and implementing regulations relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin (and 49 CFR Part 21); (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794) and the Americans with Disabilities Act of 1990 (42 USC § 12101, *et seq.*; PL 101-336), which prohibits discrimination on the basis of disabilities (and 49 CFR Part 27); (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse of alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 *et seq.*), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; The Civil Rights Restoration Act of 1987, which provides that any portion of a state or local entity receiving federal funds will obligate all programs or activities of that entity to comply with these civil rights laws; (k) the requirements of any other nondiscrimination statute(s) which may apply to the application; and (l) the Civil Right Restoration Act of 1987 (Pub.L. 100-259) which requires Federal-aid recipients and all sub recipients to prevent discrimination and ensure non-discrimination in all programs and activities.

The Drug-Free Workplace Act of 1988(41 U.S.C. 8103)

In accordance with the Drug-Free Workplace Act of 1988 (41 U.S.C. 702) and former Governor Judd Gregg's Executive Order No. 89-6, the State will provide a drug-free workplace by: a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition; b. Establishing a drug-free awareness program to inform employees about: 1) The dangers of drug abuse in the workplace; 2) The grantee's policy of maintaining a drug-free workplace; 3) Any available drug counseling, rehabilitation, and employee assistance programs; and 4) The penalties that may be imposed upon employees for drug violations occurring in the workplace. c. Making it a requirement that each employee engaged in the performance of the grant be given a copy of the statement required by paragraph (a). d. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will: 1) Abide by the terms of the statement; and 2) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction. e. Notifying the agency within ten days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. f. Taking one of the following actions, within 30 days of receiving notice under subparagraph (d) (2), with respect to any employee who is so convicted: 1) Taking appropriate personnel action against such an employee, up to and including termination; or 2) Requiring such employee to participate

satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency. g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f) above.

Buy America Act

The subgrantee will comply with the provisions of the Buy America Act (49 U.S.C. 5323(j)) which contains the following requirements: Only steel, iron and manufactured products produced in the United States may be purchased with Federal funds unless the Secretary of Transportation determines that such domestic purchases would be inconsistent with the public interest; that such materials are not reasonably available and of a satisfactory quality; or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. Clear justification for the purchase of non-domestic items must be in the form of a waiver request submitted to and approved by the Secretary of Transportation.

Political Activity (Hatch Act)

The subgrantee will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

Certification Regarding Federal Lobbying

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that: 1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. 3. The undersigned shall require that the language of this certification be included in the award documents for all sub-award at all tiers (including subcontracts, subgrants, and contracts under grant, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Restriction on State Lobbying

None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

Certification Regarding Debarment and Suspension

In accordance with the provision of 49 CFR Part 29, the State agrees that it shall not knowingly enter into any agreement under its Highway Safety Plan with a person or entity that is barred, suspended, declared ineligible, or voluntarily excluded from participation in the Section 402 program, unless otherwise authorized by NHTSA. The State further agrees that it will include a clause in all lower tier covered transactions and in solicitations for lower tier covered transactions.

Instructions for Primary Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below. 2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default. 4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. 5. The terms *covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded*, as used in this clause, have the meaning set out in the Definitions and coverage sections of 49 CFR Part 29. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations. 6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR Part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction. 7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions. 8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR Part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the list of Parties Excluded from Federal Procurement and Non-procurement Programs. 9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings. 10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR Part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Covered Transactions

1. The prospective primary participant certifies to the best of its knowledge and belief, that its principals: a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency; b) have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of record, making false statements, or receiving stolen property; c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and d) have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default. 2. Where the prospective primary participant is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Lower Tier Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below. 2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment. 3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. 4. The terms *covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded*, as used in this clause, have the meanings set out in the Definition and Coverage sections of 49 CFR Part 29. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations. 5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR Part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated. 6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions. (See below) 7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR Part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs. 8. Nothing contained in

the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings. 9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR Part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. 2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Policy to Ban Text Messaging While Driving

In accordance with Executive Order 13513, Federal Leadership On Reducing Text Messaging While Driving, and DOT Order 3902.10, Text Messaging While Driving, States are encouraged to: 1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted driving including policies to ban text messaging while driving: a) Company-owned or -rented vehicles, or Government-owned, leased or rented vehicles; or b) Privately-owned when on official Government business or when performing any work on behalf of the Government. 2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as: a) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and b) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

Environmental Impact

The Governor's Representative for Highway Safety has reviewed the State's Fiscal Year highway safety planning document and hereby declares that no significant environmental impact will result from implementing this Highway Safety Plan. If, under a future revision, this Plan will be modified in such a manner that a project would be instituted that could affect environmental quality to the extent that a review and statement would be necessary, this office is prepared to take the action necessary to comply with the National Environmental Policy Act of 1969 (42 USC 4321 et seq.) and the implementing regulations of the Council on Environmental Quality (40 CFR Parts 1500-1517).

Policy on Seat Belt Use

In accordance with Executive Order 13043, Increasing Seat Belt Use in the United States, dated April 16, 1997, the Grantee is encouraged to adopt and enforce on-the-job seat belt use policies and programs for its employees when operating company-owned, rented, or personally-owned vehicles. The National Highway Traffic Safety Administration (NHTSA) is responsible for providing leadership and guidance in support of this Presidential initiative. For information on how to implement such a program, or statistics on the potential benefits and cost-savings to your company or organization, please visit the Buckle Up America section on NHTSA's website at www.nhtsa.dot.gov. Additional resources are available from the Network of Employers for Traffic Safety (NETS), a public-private partnership headquartered in the Washington, DC, metropolitan area, and dedicated to improving the traffic safety practices of employers and employees. NETS is prepared to provide technical assistance, a simple, user-friendly program kit, and an award for achieving the President's goal of 90 percent seat belt use. NETS can be contacted at 1 (888) 221-0045 or visit its website at www.trafficsafety.org.

HS-4(a) (3/28/13)

NH Highway Safety Agency
78 Regional Drive, Building #2
Concord, NH 03301-8530
Telephone 603-271-2131

**ADDENDUM TO THE APPLICATION
FOR HIGHWAY SAFETY PROJECT GRANT**

FEDERAL REGULATIONS

2 CFR Part 25 (formerly Circular A-87). This provides principles for determining the allowable costs of programs administered by State, local and federally-recognized Indian tribal governments under grants from and contracts with the Federal Government. They are designed to provide the basis for a uniform approach to the problem of determining costs and to promote efficiency and better relationships between grantees and the Federal Government. The principles are for determining costs only and are not intended to identify the circumstances nor to dictate the extent of Federal and State or local participation in the financing of a particular project. They are designed to provide that federally-assisted programs bear their fair share of costs recognized under these principles except where restricted and prohibited by law.

COMMON RULE (49 CFR Part 18) (Effective October 1988) This rule establishes the Uniform Administrative Requirements for Grants and Cooperative Agreements and Sub-awards to state and local governments and Indian tribal governments. Administrative rules set forth include:

18.10	Forms for Applying for Grants	18.32	Equipment
18.11	State Plans	18.33	Supplies
18.20	Standards for Financial Management Systems	18.34	Copyrights
18.21	Payment	18.35	Sub-awards to Debarred and Suspended Parties
18.22	Allowable Costs	18.36	Procurement
18.23	Period of Availability of Funds	18.37	Subgrants
18.24	Matching or Cost Sharing	18.40	Monitoring and Reporting Program Performance
18.25	Program Income	18.41	Financial Reporting
18.26	Non-Federal Audits	18.42	Retention and Access Requirements for Records
18.30	Changes	18.50	Closeout
18.31	Real Property		

CIRCULAR A-133 (June 1997). This Circular establishes audit requirements for State and local governments that receive Federal aid, and defines Federal responsibilities for implementing and monitoring those requirements.

Further information concerning these Circulars may be obtained by contacting the Financial Management Branch, Budget Review Division, Office of Management & Budget, Washington, DC 20503. Telephone 202-395-4773.

FEDERAL FUNDING ACCOUNTABILITY & TRANSPARENCY ACT. *Data Universal Numbering System (DUNS) Numbers Requirement.* As the recipient of federal highway safety funds, the applicant agency must have a DUNS number. This is a unique nine-character number that identifies the applicant agency and is used by the federal government to track how federal funds are distributed. If the applicant agency is authorized to make sub-awards under this contract, it must: 1) notify potential sub-recipients that no entity may receive a sub-award unless that entity has provided the applicant agency with its DUNS number; and 2) the applicant agency may not make a sub-award to an entity unless the entity has provided its DUNS number to the applicant agency.
(<http://fedgov.dnb.com/webform>)



The State of New Hampshire
Department of Environmental Services

FIS 16 084



Thomas S. Burack, Commissioner

April 28, 2016

The Honorable Neal M. Kurk, Chairman
 Fiscal Committee of the General Court
 State House
 Concord, NH

Her Excellency, Governor Margaret Wood Hassan
 And the Honorable Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a:VI, authorize the Department of Environmental Services (DES) to accept and expend \$285,000 in Pass-Thru Federal Department of Energy funds from the Office of Energy and Planning to complete a project to help municipalities reduce the energy related costs of operating their wastewater treatment facilities, effective upon Fiscal Committee and Governor and Council approval through June 30, 2017. Funding is to be budgeted as follows:

**Energy Efficiency Grants
 03-44-44-442010-52090000
 FY2016**

Class	Budget Category	Current Budget	Requested Action	Revised Budget
Income				
001-404984	Energy Efficiency Grants	\$0	(\$285,000)	(\$285,000)
Expenditures				
020-500200	Current Expense	\$0	\$280	\$280
040-500800	Indirect Costs	\$0	\$4,149	\$4,149
042-500620	Additional Fringe Benefits	\$0	\$4,035	\$4,035
050-500109	Personnel Part-Time	\$0	\$46,112	\$46,112
060-500601	Benefits	\$0	\$17,983	\$17,983
070-500705	In-State Travel	\$0	\$1,941	\$1,941
102-500731	Contracts for Program Services	\$0	\$210,500	\$210,500
	TOTAL	\$0	\$285,000	\$285,000

www.des.nh.gov

29 Hazen Drive • PO Box 95 • Concord, NH 03302-0095
 (603) 271-3503 • TDD Access: Relay NH 1-800-735-2964

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court and

Her Excellency, Governor Margaret Wood Hassan
And the Honorable Council

Page 2 of 2

EXPLANATION

The purpose of this Pass Through federal grant is to help municipalities save money at their wastewater treatment facilities by identifying potential energy efficiency improvements. There are 74 municipal wastewater treatment plants in the state and they account for up to 40 percent of a municipality's energy consumption. The project will help all 74 plants benchmark their current energy use and will provide comprehensive energy audits and technical assistance to up to 24 of them. This work will identify cost-effective strategies for enhancing efficiency, potentially reducing electric energy usage at participating wastewater treatment facilities by up to 30%.

This is a new grant received after the closing of the FY 2016/2017 budget cycle. The timing of the grant receipt did not allow for creation of new accounts needed to request the acceptance and expenditure of this grant money during the FY2016/2017 budget cycle.

DES is requesting authorization to accept and expend \$285,000 in federal funds and to budget these funds as follows:

Class 020 *Current Expense* – Funds to cover materials and supplies that will be used by staff in completion of this work.

Classes 040, 042, 060 *Indirect Cost, Additional Fringe, and Benefits* – Funds in each class respectively, are necessary since there are personnel costs and these classes are based on a percentage of personnel costs.

Class 050 *Personnel Part-Time Employees* – The funds in class 050 will be used for existing staff positions. These funds will be used to supplant funding of the following position, which is currently budgeted. Funding that is budgeted in the accounts for the current position referenced below will either be lapsed or closed-to-control.

Position #	Title	Account (03-44-44)	Funding	Amount
12111	Civil Engineer V	441018-2002-010	100% Federal	\$44,396

Class 070 *In-State Travel* – A small amount of travel utilizing state vehicles is anticipated for the work being conducted.

Class 102 *Contracts for Program Services* – This is for contract work to conduct research, collect information, conduct technical analysis, and draft reports in support of the project.

In the event that Federal funds become no longer available, General funds will not be requested to support this program.

We respectfully request your approval.


Thomas S. Burack, Commissioner



STATE OF NEW HAMPSHIRE
OFFICE OF ENERGY AND PLANNING
107 Pleasant Street, Johnson Hall
Concord, NH 03301-3834
Telephone: (603) 271-2155
Fax: (603) 271-2615



February 25, 2016

Sharon Rivard, Civil Engineer V
Department of Environmental Services
Revolving Loan Fund
29 Hazen Drive, PO Box 95
Concord, NH 03302-0095

RECEIVED
FEB 29 2016
DES-WEB

RE: Memorandum of Agreement between the Office of Energy and Planning and the Department of Environmental Services in the amount of \$285,000.00 to complete a project to help municipalities reduce the energy-related costs of operating their wastewater treatment facilities, effective February 10, 2016 through December 31, 2018.

Dear Ms. Rivard:

I have enclosed for your records the Agreement between the Office of Energy and Planning and the Department of Environmental Services for the above-referenced project.

Please reference PO 1048461 when submitting invoices for payment.

The Department of Energy is the federal funding source for this contract. Please reference Grant #DE-EE0007223, and CFDA #81.119 on your Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) as required by OMB Circular A-133.

Should you have any questions regarding this contract, please contact Rick Minard at 603-271-2155.

Sincerely,

Barbara Shea
Fiscal Manager

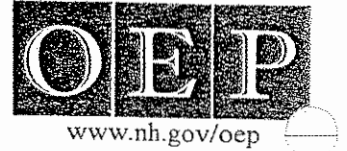
cc: Michael Bradley, DES
Rick Minard, OEP

Enclosure



MARGARET WOOD HASSAN
GOVERNOR

STATE OF NEW HAMPSHIRE
OFFICE OF ENERGY AND PLANNING
107 Pleasant Street, Johnson Hall
Concord, NH 03301-3834
Telephone: (603) 271-2155
Fax: (603) 271-2615



January 8, 2016

Approval by the Governor
and Council on 02-10-16
Agenda Item 31
PO 1048461

Her Excellency, Governor Margaret Wood Hassan
And the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Office of Energy and Planning (NHOEP) to enter into a Memorandum of Agreement (MOA) with the Department of Environmental Services (NHDES), Vendor #177894, Concord, New Hampshire in the amount of \$285,000.00 to complete a project to help municipalities reduce the energy-related costs of operating their wastewater treatment facilities, effective February 10, 2016, upon Governor & Council approval through December 31, 2018.
100% Federal Funds (US Dept. of Energy-State Energy Program)

Funding is available in the following account, with the authority to adjust encumbrances in each of the state fiscal years through the Budget Office, if needed and justified:

<u>Office of Energy & Planning, State Energy Programs</u>	<u>FY 2016</u>
01-02-02-024010-65100000	
102-500731 Contracts for Program Services	\$285,000.00

EXPLANATION

The agreement formalizes the terms by which NHDES will work with NHOEP to help municipalities save money at their wastewater treatment facilities. There are 74 municipal wastewater treatment plants in the state and they account for up to 40 percent of a municipality's energy consumption. The project will help all 74 plants benchmark their energy use and then deliver comprehensive energy audits and technical assistance to up to 24 of them. This work will identify cost-effective strategies for enhancing efficiency. NHDES estimates that the participating plants will be able to reduce their energy bills by a total of \$1.8 million per year.

In the event Federal Funds are no longer available, General Funds will not be requested to support this program.

Respectfully requested,

Meredith A. Hatfield
Director

**Memorandum of Agreement
Between
New Hampshire Office of Energy and Planning
and
New Hampshire Department of Environmental Services**

1. Subject:

U.S. Department of Energy Grant (award number: DE-EE0007223) to conduct a three-year project to help New Hampshire municipalities identify and invest in energy efficiency measures at their wastewater treatment plants to reduce municipal energy costs ("NH Wastewater Efficiency Grant").

The Department of Energy (USDOE) has awarded \$300,000 to the New Hampshire Office of Energy and Planning (NHOEP) to implement a project developed jointly with the NH Department of Environmental Services (NHDES). This MOA describes the mutual obligations of the two agencies to ensure successful completion of the project.

NHOEP and NHDES have secured commitments from the state's "Core¹" natural gas and electric utilities to provide the required \$60,000 match.

This MOA covers the period from the Governor and Executive Council's approval of NHOEP's contract with USDOE through December 31, 2018.

2. Agency Roles

For the purposes of this Agreement, NHOEP and NHDES agree as follows:

NHDES will:

- A. Assign responsible staff to lead this initiative;
- B. Contract with energy auditors and others as needed;
- C. Ensure that the match obligation of the Core utilities is met during the project;
- D. Oversee, implement, and ensure satisfactory completion of the elements in the Statement of Project Objectives (SOPO) defining NHOEP's obligations to USDOE;
- E. Provide timely data and reports to OEP to meet OEP's reporting obligations to USDOE;
- F. Provide quarterly invoices to NHOEP no later than 20 days after the end of each quarter, as discussed in Section 7, below; and
- G. Meet with NHOEP, as needed, to coordinate work activities, publications, and reports.

¹ The term "Core" refers to the statewide ratepayer-funded energy efficiency programs administered by the state's regulated electric and natural gas utilities and the NH Electric Cooperative.

NHOEP will:

- H. Provide NHDES with funding as described under the section entitled PROJECT COSTS;
- I. Assign an NHOEP staff member to serve as project manager and as liaison with NHDES and USDOE;
- J. Meet with NHDES as needed to coordinate work activities, publications, and reports;
- K. Submit to USDOE all required reports and respond to all inquiries regarding the program by USDOE and other agencies;
- L. Provide payment within 30 days of receipt of an invoice that meets state and federal standards for completeness and allowable costs.

3. The Statement of Program Objectives (SOPO) and Milestones

The SOPO developed in collaboration with USDOE is the broad outline of the project's schedule, tasks, and deliverables. The SOPO will guide work by NHDES and NHOEP unless all parties agree to modify the SOPO or the milestones it designates. The SOPO is attached to this MOA.

NHDES will present to NHOEP detailed implementation plans for each task (e.g., benchmarking and data analysis, selecting facilities for audits, convening training sessions), consistent with the SOPO, no later than 30 days before the start of each task. NHDES and NHOEP will agree on these detailed plans before implementing them, and NHOEP will respond with approvals or suggestions within 15 days of receipt. Both parties will strive to expedite agreements and will work to engage USDOE in the process as appropriate.

4. Reporting

NHOEP must file quarterly reports in USDOE's PAGE system within 30 days of the end of each quarter. NHDES will facilitate this process by submitting quarterly reports to NHOEP that will meet USDOE's needs, within 20 days after the end of each quarter. Data points are likely to include:

- a. the number of WWTFs benchmarked in the previous quarter;
- b. the number of workshops conducted with attendance records and agendas;
- c. the number of energy audits completed;
- d. the number of technical assistance site visits conducted;
- e. a description of any outreach and education NHDES conducted in the previous quarter to promote WWTF energy efficiency and the number of recipients;
- f. the calculated annual and lifetime energy savings from energy saving measures implemented to date; and
- g. the calculated annual and lifetime energy savings from energy saving measures identified through energy audits and technical assistance to date.

NHOEP will work with NHDES to develop a reporting template that will be completed no later than February 20, 2016.

5. Implementation Model

A key deliverable of this project is an "implementation model," which DOE describes as a short report that would help other states succeed with a similar project. The model will require both NHOEP and NHDES to reflect on successes and challenges and jointly create a narrative supported by analysis that will be useful to others.

6. Project Costs:

NHOEP shall provide NHDES funding in the amount of \$285,000 to complete the work in the Statement of Project Objectives.

NHDES will work closely with the Core utilities to ensure that they contribute and document their \$60,000 share in cash and services that constitute the project's non-federal match.

The project is to be funded exclusively through the DOE grant and the Core utilities' match. In the event that these resources become unavailable, no General Funds will be used.

7. Invoicing:

NHDES will submit detailed invoices and related backup documentation within twenty (20) days following the close of each fiscal quarter. Invoices will include financial reports from the Core utilities, as appropriate.

8. Termination:

Either party may terminate this agreement upon providing written notice to the other, thirty (30) days prior to termination. Upon termination, NHDES will be paid for all approved work completed prior to termination.

9. Duration:

The project duration extends from January 1, 2016, pending approval by the Governor and Executive Council, through December 31, 2018 for program activities, invoicing and program year closeout, unless terminated by either party, or extended in writing by subsequent agreement of the parties and approval by the Governor and Executive Council.

IN WITNESS WHEREOF, the respective parties have hereunto set their hands on the dates indicated.

Meredith A. Hatfield
Meredith A. Hatfield, Director
NH Office of Energy and Planning

1/8/16
Date

for Thomas S. Burack
Thomas S. Burack, Commissioner
NH Department of Environmental Services

1/11/16
Date

Approved by Attorney General this 16th day of January, 2016, as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

By: Christopher G. Aslin
Christopher G. Aslin

Title: Assistant Attorney General

I hereby certify that the foregoing agreement was approved by the Governor and Council of the State of New Hampshire at their meeting on _____, _____.

OFFICE OF THE SECRETARY OF STATE

By: [Signature]

DEPUTY SECRETARY OF STATE

Date: FEB 10 2016

Attachment:
USDOE Statement of Project Objectives

US Department of Energy – Competitive FY2015 SEP Grant
Leading NH's Wastewater Treatment Facilities to Energy Efficiency
DE-EE0007223/0000

Executive Office of the State of New Hampshire
Statement of Project Objectives

A. PROJECT OBJECTIVES

The overarching goal of this proposed project is to reduce electric energy use by New Hampshire Waste Water Treatment Facilities (WWTF), with a specific goal of reducing electric energy use at participating WWTFs by an average of 33%. These gains will save participating municipalities approximately \$1.8 million per year and will help New Hampshire reach the goals adopted in the 2009 New Hampshire Climate Action Plan: A Plan for New Hampshire's Energy, Environment, and Economic Development Future. The plan, and an implementing executive order from the Governor, committed the state to reduce greenhouse gas emissions by 20 percent below 1990 levels by 2025.

This proposed project will be the first step in a process that will use comprehensive energy audits to identify efficiency improvements that will take several years to implement. By the end of the project, up to 24 WWTFs will have audits identifying efficiency projects that will include no-cost operational changes and low-cost energy conservation measures that can be implemented almost immediately, as well as longer term cost-effective investment recommendations which, if implemented, would yield the energy savings described above. The audit results will model all of the potential savings that can be gained economically.

To accomplish this goal, the Project Team will focus on removing the barriers that currently prevent municipalities from investing in WWTF energy efficiency through (a) effective engagement of operators and local decision makers, (b) focused education and facility-specific data, and (c) direct onsite technical assistance. Through this approach, this project will educate, empower and enable participating WWTFs to reduce their electricity consumption and provide a model approach that can work in any state.

New Hampshire's four largest electric utilities are partnering with New Hampshire Office of Energy Planning (NHOEP) and another State Agency Subrecipient (SAS) in this project. The utilities will help benchmark the WWTFs and will subsequently provide funding incentives and programs to assist municipalities in implementing the improvement projects. The success of this project will be measured through comparison benchmarking performed at the beginning and end of the project and through calculating energy.

B. TECHNICAL SCOPE SUMMARY

Current Landscape on Energy Use at WWTFs

A critical first step to facilitating efficiency investments by New Hampshire's WWTFs is to establish a sector-wide baseline that defines the current energy use landscape. This baseline will be established through the Task 1 benchmarking effort using the SAS' WWTF flow and characteristic data in conjunction with the utilities' electric energy use data for each of the 74 municipally-owned WWTFs in New Hampshire. Flow is measured in millions of gallons of wastewater or MG. The goal of this project is to reduce the amount of electricity used per unit of flow, resulting in related cost saving and environmental benefits.

Action/Implementation Plans

Preferred Outcomes and Actions to Achieve

The preferred outcome for this project is to have an implementation plan from each participating municipality showing the measures it will consider adopting to achieve a 33% reduction in energy use by the participating WWTFs. The project team will work to achieve this outcome through the stakeholder engagement, education, comprehensive energy audits and technical assistance efforts.

Potential Risks to Impede Achieving Outcomes

The success of this project will depend on the success of the stakeholder engagement effort. If the stakeholder commitment is lower than projected, the project team will initiate the program with those municipalities that do commit, and will continue its efforts to engage additional municipalities as the project moves forward.

Ultimately, the energy savings sought by this project will depend on the municipalities' willingness and ability to invest in the conservation measures identified in the comprehensive energy audits. The project team will work to help municipalities understand the full impact of implementation on the municipalities' budgets with the estimated payback periods. The project team will also help municipalities minimize their direct costs by maximizing their use of low-cost financing, grants, or other efficiency incentives.

C. TASKS TO BE PERFORMED

Task 1. WWTF Electric Energy Use Benchmarking and Data Analysis (Month 1 – Month 6)

Task Summary: Evaluate and benchmark electric energy use for each of the 74 municipally-owned WWTFs relative to size/flows and treatment technology. Use data collected during previous onsite visits to most of the 74 municipally-owned WWTFs together with monthly operational data submitted by the WWTFs and electric energy use information to perform benchmarking analyses.

Work together to develop facility-specific data, as well as averages for various categories (e.g., treatment type, age of facility, capacity), and a series of plots showing the range of kWh used/MG treated for a variety of different treatment technologies, including but not limited to aerated lagoons, secondary activated sludge, and advanced treatment. This information will be used throughout the workshops as a tool for benchmarking, teaching, and measuring improvement.

Explore the use of Portfolio Manager, Excel spreadsheets, and other software tools as means for the initial benchmarking and for WWTFs to track their own energy usage over time.

Milestone 1.1 (Q1) – Development of benchmarking tool to incorporate data. (Verification: Sample benchmark tool described in quarterly performance report (QPR).)

Milestone 1.2 (Q2) – Completion of benchmarking data analysis. (Verification: WWTF-level energy data and summary analysis described in QPR.)

Task 2. Stakeholder Engagement (Month 1-Month 7)

Task Summary: Using the results of the electric energy benchmarking analysis for New Hampshire WWTFs and potential energy savings identified by a series of comprehensive energy audits conducted at WWTFs in Vermont, prepare and conduct an outreach effort to engage New Hampshire WWTF operators and local decision makers in the project.

The objective of this task is to obtain a commitment from at least 50% of New Hampshire's 74 municipally- owned WWTFs to participate in the treatment-specific workshops described under Task 3.

Seek releases during the stakeholder engagement phase to allow the Project Team to share participating communities' WWTF electric energy use at the workshops and to recruit operators from the more energy efficient facilities to speak at workshops.

Milestone 2 (Q3) – Completion of Stakeholder Engagement and 50% of stakeholders (WWTF operators and/or local decision makers) signed up to attend an initial workshop. (Verification: Summary of stakeholders registered for workshops included in QPR.)

Task 3. Stakeholder Education (Month 7-Month 12)

Task Summary: Develop and hold four initial treatment technology-specific facilitated half-day workshops.

The initial workshops will:

- Educate both the WWTF operators and the local decision makers about the importance of and opportunities for improved energy efficiency;
- Describe common energy conservations measures applicable to the specific treatment technology, including energy saving ideas to take back and immediately implement at their WWTFs;
- Provide the benchmarking results for each facility and for treatment-specific comparisons;

- Host facilitated peer-to-peer discussions to highlight successful strategies for implementation;
- Provide training on reading and understanding electric bills and demand charges;
- Introduce approaches for WWTFs to track their own energy use;
- Share information on financial incentives and financing options; and
- Discuss the availability of comprehensive energy audits and onsite one-on-one technical assistance and the process and requirements to apply for these project benefits.

Subtask 3.1. Stakeholder Education – Lagoons

Subtask Summary: Two of these initial half-day workshops will be focused on lagoon facilities. Most lagoon facilities in New Hampshire are located in the northern and western portions of the state and typically have minimal staffing. Even though most of the lagoon WWTFs in New Hampshire are relatively small, many still have significant potential for energy savings. To increase the likelihood of participation, the lagoon workshop will be repeated in two locations. The locations will be selected to increase the ability of lagoon operators and local decision makers to attend by reducing the travel time to the workshop locations.

Milestone 3.1.1 (Q4) – Hold two lagoon workshops. (Verification: Summary included in QPR.)

Subtask 3.2. Stakeholder Education – Secondary Activated Sludge WWTFs

Subtask Summary: The third half-day workshop will be specific to secondary activated sludge WWTFs. This workshop will be held in a central location within NH. (Verification: Summary notes included in QPR.)

Milestone3.2.1 (Q4) – Hold one secondary activated sludge workshop. (Verification: Summary notes included in QPR.)

Subtask 3.3. Stakeholder Education – Advanced WWTFs

Subtask Summary: The fourth initial half-day workshop will be specific to advanced WWTFs. This workshop will be held in a central location within New Hampshire. Municipalities with either existing or proposed advanced WWTFs will be encouraged to attend this workshop.

Milestone3.3.1 (Q4) – Hold one advanced WWTF workshop. (Verification: Summary notes included in QPR.)

Task 4. Comprehensive Energy Audits (Month 1-Month 27)

Task Summary: Solicit bids for a contractor with extensive expertise in energy use at WWTFs to perform comprehensive energy audits for each WWTFs selected. The utilities will allow for additional comprehensive energy audits through cost-sharing with the DOE funds, through a separate contract and direct payment for services, or through direct payment to the WWTF. The utility-funded audits may start as early as the first month of the project in those communities that are ready for the analysis, though most of the audits will be initiated no sooner than Month 9.

Select which participating WWTFs will receive a comprehensive energy audit based on a number of factors including: demonstration of an appropriate level of commitment and interest in energy conservation at their WWTFs; support from local decision makers; and need, based on the electric energy use benchmarking. With the requested level of funding, 19 to 20 audits are anticipated using DOE funding and an additional three or four audits supported by the utilities' match dollars.

Comprehensive energy audits will not be conducted for WWTFs that have conducted a comprehensive energy audit within the past 10 years unless significant related projects have been implemented since the original audit. Comprehensive energy audits will not be conducted for WWTFs that are due to be replaced or significantly upgraded in the near future. Additional technical assistance (described in Task 5) may be provided to municipalities facing imminent WWTF replacement.

Milestone 4 (Q1-Q9) – Conduct up to 24 comprehensive energy audits during project quarters 1 through 9. (Verification: Completed energy audits listed in QPR.)

Task 5. One-on-One Technical Assistance (Month 9-Month 29)

Following the completion of the comprehensive energy audit, work one-on-one with the WWTFs and municipality, including on-site visits as needed, to provide technical assistance on selecting appropriate energy conservation measures to implement based on comprehensive energy audit findings and site observations. Assist the community in developing an implementation plan for higher-cost energy conservation measures, including identifying applicable financial incentives and funding options.

For advanced WWTFs that are either proposed or in design, but do not yet exist, the technical assistance will focus on opportunities to ensure a sustainable design, including energy efficiency and resiliency.

Milestone5 (Q4-Q10) – Conduct at least four one-on-one technical assistance sessions per quarter for project quarters 4 through 10. (Verification: A record of WWTFs visited and a brief summary of technical assistance included in QPR)

Task 6. Stakeholder Education – Implementation Plans and Case Studies (Month 27-Month 33)

Task Summary: Hold another series of treatment-specific technology workshops to support maintenance and implementation of energy efficiency measures across all WWTFs to follow up to the comprehensive energy audits and one-on-one technical assistance. These workshops will be open to all WWTF operators and local decision makers, regardless of whether they participated in the DOE-grant funded technical assistance and audit program. One objective of the second series of workshops is to inspire additional WWTF operators and local decision makers to pursue comprehensive energy audits and energy efficiency improvements at their WWTFs.

These workshops will provide a forum for facilitated peer-to-peer sharing of efforts made, successes and difficulties relative to energy conservation measures. Assist successful WWTF

participants in developing and presenting case studies to facilitate strong peer-to-peer education and connections, and possibly incorporate a tour of a local WWTF that has implemented a new energy efficiency measure as part of or immediately following the workshop.

Based on feedback from the earlier workshops and technical assistance and the interests of targeted stakeholders, the second set of workshops will offer sessions on specific topics to support maintenance and implementation of energy efficiency measures, such as new and emerging technologies, additional potential energy conservation measures and available renewable energy alternatives to consider.

Attendee surveys at the end of workshops will both gauge the effectiveness of the workshops at increasing knowledge and motivating behavior changes (i.e., pursuit of actions to reduce electric energy use) and solicit suggestions for improving future workshops.

SubTask 6.1. Stakeholder Education – Implementation Plans and Case Studies: Lagoons

Subtask Summary: Develop and hold one or two follow-up half-day workshops for lagoon facilities to address staffing and travel limitations. The locations will be selected to increase the ability of lagoon operators and local decision makers to attend by reducing the travel time to the workshop locations.

Milestone 6.1.1 (Q10) – Hold a lagoon workshop in one or two locations. (Verification: Summary notes included in QPR.)

SubTask 6.2 Stakeholder Education – Implementation Plans and Case Studies – Secondary Activated Sludge WWTFs

Subtask Summary: Hold a follow-up workshop for secondary activated sludge WWTFs.

Milestone 6.2 (Q11) – Hold one secondary activated sludge workshop. (Verification: Summary notes included in QPR.)

SubTask 6.3. Stakeholder Education – Implementation Plans and Case Studies – Advanced WWTFs

Subtask Summary: Hold two half-day follow-up workshops for advanced WWTFs. One of the advanced WWTFs will be focused on existing WWTFs and will be held in a central location within NH. The second advanced WWTF workshop will be focused on advanced WWTFs that are either proposed or currently in design.

Milestone 6.3.1 (Q11) – Hold two advanced WWTF workshops. (Verification: Summary notes included in QPR.)

Task 7. Estimating and Sharing Results – Implementation Model (Month 30-Month 36)

Task Summary: Work on the Implementation Model throughout the course of the project, refining and assembling the document in the final months. Final results will also be shared with the universe of New Hampshire municipally-owned WWTFs as well as with industry and professional associations.

Pursue hosting a webinar on the project in coordination with USEPA Region 1 and DOE as an additional means of sharing the results and lessons learned with interested parties in New Hampshire and beyond.

Milestone 7.1 (Q12) – Benchmarking analysis repeated for each participating WWTF. (Verification: Before and after benchmark analyses summarized in QPR.)

Milestone 7.2 (Q12) – Measure specific energy saving estimates. (Verification: Estimates summarized in QPR.)

Milestone 7.3 (Q12) – Complete Implementation Model. (Verification: Final Implementation Model submitted to DOE.)

Task 8. Project Management and Administration (Month 1-Month 36)

Task Summary: The project team will work closely on grant administration and reporting, including QPRs for DOE. Key activities include tracking progress on tasks, expenditures, and match during the course of the project. The project team will regularly discuss the project schedule and requirements and identify and, in coordination with DOE, implement any mid-course adjustments as necessary. Longer-term tasks will incorporate periodic “check-ins” at least every 2-3 weeks to ensure that adequate progress is being made or make any needed adjustments to the approach to the task to maintain the overall project schedule.

Subtask 8.1 Subcontracting

Subtask Summary: Conduct oversight over its subrecipient on any subcontracts with Process Analysts and an energy auditor. .

Milestone 8.1: Subcontracts signed. (Verification: Include in QPR that subcontracts have been submitted.)

Subtask 8.2 Invoicing and Quarterly Reporting

Subtask Summary: Ensure that all necessary reporting to DOE is completed.

Milestone 8.2.1 (Q1-Q12): NH OEP submits quarterly financial reports to DOE.

D. PROJECT MANAGEMENT AND REPORTING

Reports and other deliverables will be provided in accordance with the Federal Assistance Reporting Checklist following the instructions included therein.

In addition to quarterly federal reporting requirements, the following deliverables will be included:

- Completion of WWTF benchmarking data analysis and submission of electric energy use graphs. Q2
- Completion of Stakeholder engagement and 50% of stakeholders signed up to attend an initial workshop. Q3
- Meeting agenda, sign in sheets, meeting notes, meeting action items, evaluations for the Lagoon, Secondary Advanced Sludge and Advanced WWTF Workshops. Q4

- Comprehensive WWTF Energy Audits. SAS anticipates funding 19 to 20 audits using DOE funding and an additional three or four audits supported by the utilities' match dollars. Q1-9
- Trip reports from One on One technical assistance with WWTF Q4-10
- Before and after benchmarking analysis and energy & cost savings estimates report for each WWTF Q12
- Implementation Model completed and submitted to DOE. Q12

Milestones Summary Table

Recipient Name: New Hampshire Office of Energy and Planning
Project Title: Leading NH's WWTFs to Energy Efficiency

Task Number	Task or Subtask Title	Milestone Number	Milestone Description	Deliverable(s)	Anticipated Date (months from start of project)^	Anticipated Quarter (quarters from start of project)
Task 1: WWTF Electric Energy Use Benchmarking and Data Analysis						
1	WWTF Electric Energy Use Benchmarking and Data Analysis	M1.1	Develop benchmarking tool and incorporate collected electric energy use data, WWTF flow and characteristic data from the SAS and the NH CORE Utilities	Completed Benchmarking Tool	4	1
1	WWTF Electric Energy Use Benchmarking and Data Analysis	M1.2	Analyze electric energy data and develop benchmark comparisons for WWTF treatment types	Electric Energy Use Graphs	6	2
Task 2: Stakeholder Engagement Initiation						
2	Stakeholder Engagement Initiation	M2	Completion of Stakeholder engagement and 50% of stakeholders signed up to attend an initial workshop.	Workshop registration forms	7	3
Task 3: Stakeholder Education						
3.1	Stakeholder Education – Lagoons	M3.1.1	Lagoon Workshops	Meeting agenda, sign in sheet, meeting notes, meeting action items, evaluations	9.5	4

Milestones Summary Table

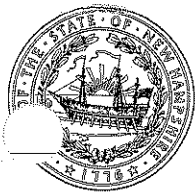
Recipient Name: New Hampshire Office of Energy and Planning
Project Title: Leading NH's WWTFs to Energy Efficiency

Task Number	Task or Subtask Title	Milestone Number	Milestone Description	Deliverable(s)	Anticipated Date (months from start of project)^	Anticipated Quarter (quarters from start of project)
3.2	Stakeholder Education – Secondary Activated Sludge WWTFs	M3.2.1	Secondary Activated Sludge WWTF Workshop	Meeting agenda, sign in sheet, meeting notes, meeting action items, evaluations	10.5	4
3.3	Stakeholder Education – Secondary Activated Sludge WWTFs	M3.3.1	Advanced WWTF Workshop	Meeting agenda, sign in sheet, meeting notes, meeting action items, evaluations	11.5	4
Task 4: Comprehensive Energy Audits						
4	Comprehensive Energy Audits	M4	Comprehensive Energy Audits	Energy audit reports	1-27	1-9
Task 5: One-on-One Technical Assistance						
5	One-on-One Technical Assistance	M5	One-on-One Technical Assistance	Trip reports	12-29	4-10
Task 6: Stakeholder Education – Implementation Plans and Case Studies						
6.1	Stakeholder Education – Implementation Plans and Case Studies: Lagoons	M6.1.1	Lagoon Workshops	Meeting agenda, sign in sheet, meeting notes, meeting action items, evaluations	30	10
6.2	Stakeholder Education – Implementation Plans and Case Studies – Secondary Activated Sludge WWTFs	M6.2.1	Secondary Activated Sludge WWTF Workshop	Meeting agenda, sign in sheet, meeting notes, meeting action items, evaluations	32	11

Milestones Summary Table

Recipient Name: New Hampshire Office of Energy and Planning
Project Title: Leading NH's WWTFs to Energy Efficiency

Task Number	Task or Subtask Title	Milestone Number	Milestone Description	Deliverable(s)	Anticipated Date (months from start of project)^	Anticipated Quarter (quarters from start of project)
6.3	Stakeholder Education – Implementation Plans and Case Studies – Advanced WWTFs	M6.3.1	Advanced WWTF Workshop	Meeting agenda, sign in sheet, meeting notes, meeting action items, evaluations	33	11
Task 7: Estimating and Sharing – Implementation Model						
7.0	Estimating and Sharing – Implementation Model	M7.1	Benchmarking analysis	Before and after benchmarks	36	12
7.0	Estimating and Sharing – Implementation Model	M7.2	Estimate energy savings	Report for each WWTF of potential energy and cost savings	36	12
7.0	Estimating and Sharing – Implementation Model	M7.3	Implementation Model	Model submitted to DOE	36	12
Task 8: Project Management and Administration						
8.1	Subcontracting	M8.1.1	Subcontracting	Approved subcontracts	4	2
8.2	Invoicing and Quarterly Reporting	M8.2.1	Invoicing and Quarterly Reporting	Invoices and quarterly reports submitted to DOE	1-36	1-12



FIS 16 087

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF FAMILY ASSISTANCE

129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-9474 1-800-852-3345 Ext. 9474
 FAX: 603-271-4637 TDD Access: 1-800-735-2964

Jeffrey A. Meyers
 Commissioner

Terry R. Smith
 Director

May 9, 2016

The Honorable Neal M. Kurk, Chairman
 Fiscal Committee of the General Court, and

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to the provisions of RSA 14:30-a, VI, Additional Revenues, authorize the Department of Health and Human Services, Division of Family Assistance to accept and expend federal funds in the amount of \$8,298,168 from the Temporary Assistance To Needy Families (TANF) program, effective July 1, 2016 through December 31, 2016 and further authorize the funds to be allocated as follows.

05-95-45-45xxxx-xxxx HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS:
 DIVISION OF FAMILY ASSISTANCE, GATEWAY TO WORK

Class/Object	Class Title	SFY2017 Current Modified Budget	Increase (Decrease) Amount	SFY2017 Revised Modified Amount
000-403719	Federal Funds-TANF	\$0	\$5,200,939	\$5,200,939
000-000000	General Funds	\$0	\$0	\$0
Total Revenue		\$0	\$5,200,939	\$5,200,939
010-500100	Personnel Services-Permanent	\$0	\$74,003	\$74,003
020-500252	Current Expense	\$0	\$54,025	\$54,025
041-500801	Audit Fund Set Aside	\$0	\$520	\$520
049-584927	Transfers To Other Agencies	\$0	\$1,115,430	\$1,115,430
060-500601	Benefits	\$0	\$40,212	\$40,212
070-500704	In-State Travel Reimbursement	\$0	\$5,000	\$5,000
102-500731	Contracts for Program Services	\$0	\$3,081,000	\$3,081,000
502-500891	Payments To Providers		\$830,749	\$830,749
	Sub Total Expenses	\$0	\$5,200,939	\$5,200,939

05-95-42-421110-2977 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS:
 DIVISION OF CHILDREN, YOUTH & FAMILIES, CHILD DEVELOPMENT, CHILD DEVELOPMENT
 PROGRAM

Class/Object	Class Title	SFY2017 Current Modified Budget	Increase (Decrease) Amount	SFY2017 Revised Modified Amount
000-400146	Federal Funds	\$19,654,133	\$1,722,092	\$21,376,225
000-000000	General Funds	\$10,858,301	\$0	\$10,858,301
	Total Revenue	\$30,512,434	\$1,722,092	\$32,234,526
041-500801	Audit Fund Set Aside	\$17,853	\$172	\$18,025
536-500377	Employment Related Child Care	\$29,460,570	\$1,721,920	\$31,182,490
564-500916	Protection & Prevention Childcare	\$1,034,011	\$0	\$1,034,011
	Sub Total Expenses	\$30,512,434	\$1,722,092	\$32,234,526

05-95-45-450010-6127 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS:
 TRANSITIONAL ASSISTANCE, DIV OF FAMILY ASSISTANCE, EMPLOYMENT SUPPORT

Class/Object	Class Title	SFY2017 Current Modified Budget	Increase (Decrease) Amount	SFY2017 Revised Modified Amount
000-400146	Federal Funds	\$7,472,922	\$1,250,125	\$8,723,047
000-000000	General Funds	\$3,949,928	\$0	\$3,949,928
	Total Revenue	\$11,422,850	\$1,250,125	\$12,672,975
010-500100	Personal Services-Perm. Classi	\$1,439,504		\$1,439,504
012-500128	Personal Services-Unclassified	\$164,130		\$164,130
020-500252	Current Expenses	\$45,114		\$45,114
039-500188	Telecommunications	\$10,981		\$10,981
041-500801	Audit Fund Set Aside	\$8,861	\$125	\$8,986
042-500620	Additional Fringe Benefits	\$81,759		\$81,759
050-500109	Personal Service-Temp/Appointed	\$143,872		\$143,872
060-500601	Benefits	\$891,790		\$891,790
070-500704	In-State Travel Reimbursement	\$27,214		\$27,214
102-500731	Contracts for program services	\$6,624,625	\$1,250,000	\$7,874,625
501-500425	Payments To Clients	\$600,000		\$600,000
502-500891	Payments To Providers	\$1,385,000		\$1,385,000
	TOTAL	\$11,422,850	\$1,250,125	\$12,672,975

05-95-45-450010-6146 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS:
 TRANSITIONAL ASSISTANCE, DIV OF FAMILY ASSISTANCE, TEMP ASSISTNC TO NEEDY
 FAMILIES

Class/Object	Class Title	SFY2017 Current Modified Budget	Increase (Decrease) Amount	SFY2017 Revised Modified Amount
000-400146	Federal Funds	\$10,891,030	\$125,013	\$11,016,043
009-407095	Other Funds	\$2,800,000	\$0	\$2,800,000
000-000000	General Funds	\$8,874,063	\$0	\$8,874,063
	Total Revenue	\$22,565,093	\$125,013	\$22,690,106
041-500801	Audit Fund Set Aside	\$12,357	\$13	\$12,370
501-500425	Payments to Clients	\$19,037,736	\$0	\$19,037,736
502-500891	Payments to Providers	\$2,765,000	\$125,000	\$2,890,000
538-500380	Emergency Assistance	\$750,000	\$0	\$750,000
	Sub Total Expenses	\$22,565,093	\$125,013	\$22,690,106
TOTALS			\$8,298,168	

EXPLANATION

The Department of Health and Human Services manages the Temporary Assistance to Needy Families (TANF) program, which is funded annually by approximately \$38 million of federal TANF block grant funds and approximately \$32 million from state general funds. In order to receive the federal funds, the State must invest \$32 million annually as maintenance of effort (MOE). The current SFY16-17 budget appropriated the minimum level of general funds necessary to reach the required MOE and retain the federal funds in order to avoid any penalties. Any reduction in general funds puts the entire federal funds at risk.

The primary use of the general and federal funds is to provide cash assistance to TANF eligible clients. Over the last 7 years caseloads have declined, and has resulted in a surplus of federal TANF funds.

6/30/2010	14,090
6/30/2011	13,735
6/30/2012	11,060
6/30/2013	8,538
6/30/2014	7,479
6/30/2015	6,582
3/31/2016	5,657

This request seeks authority to accept and expend \$8,298,168 million of this TANF surplus to pilot new services and initiatives under a new program called "Gateway to Work" for the six month period ending December 31, 2016. A six month funding period is being requested for the program to demonstrate its value.

Under the Federal TANF regulations, states are able to define services that meet one of the TANF program goals:

1. To provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives,
2. To end dependence of needy parents on governmental programs by promoting job preparation, work and marriage,
3. To prevent and reduce the incidence of out of wedlock pregnancies; and
4. To encourage the formation and maintenance of two parent families

Our federal partners in Boston and Washington, D.C., have been involved in providing guidance for the creation of the Gateway to Work program. Official approval is still needed through the submission of a TANF State Plan Amendment.

Gateway to Work Background:

As New Hampshire and the nation continue to shift toward a world economy, New Hampshire employers are striving to compete in world markets. New Hampshire's unemployment rate is now below 3%, leaving employers to struggle to find workers whose skills have kept pace with employer needs especially in the areas of healthcare, advanced manufacturing, and information technology. Despite the low unemployment rate, many TANF and New Hampshire Health Protection Program recipients live in poverty because they lack the skills for, or face barriers to, successful sustainable employment in good paying jobs needed in today's economy.

Gateway to Work has been designed to address those barriers, which include education and managing employer/employee relationships, transportation, childcare and landlord/renter relationships. Skill-building begins with early child development, and low-income children have difficulty accessing quality early learning—and even safe—child care situations. This program has the potential to impact two generations of low-income citizens (our workers and their children) simultaneously.

Gateway to Work is a collaborative effort involving DHHS, the New Hampshire Department of Education, the Community College System of New Hampshire, the New Hampshire Department of Corrections, and New Hampshire Employment Security, with additional cooperation from the New Hampshire Charitable Foundation, Community Action Agencies, and others. DHHS will provide federal TANF funding, participant recruitment, program oversight, reporting, and evaluation coordination. New Hampshire Employment Security, under a Memorandum of Agreement (MOA) with DHHS, will serve as the front door for eligibility, case management for job ready individuals, and data storage. The Department of Education under an MOA with DHHS will provide expanded employment education in after school programs as well as subsidized summer employment for youth. The Community College System of New Hampshire, funded under an MOA with DHHS, has developed training and apprenticeship programs to meet the needs of employers, especially those categorized as high labor need.

Eligibility:

Individuals eligible for the work program will include individuals who are under 200% of the federal poverty level, which includes all New Hampshire Health Protection Program enrollees.

- Adults aged 18 through 64 with children under age 18 in the household
- Non-custodial parents age 18 through 64 with children under age 18 outside the household
- Childless adults aged 18 through 24.
- Childless adults aged 25 and older

Program Phases:

Gateway to Work is comprised of five interdependent, sequential phases.

1) Recruitment. New Hampshire Health Protection enrollees and others on state assistance shall be the focus of mailings and other outreach efforts.

2) Eligibility. Clients must verify income, citizenship and other eligibility criteria.

3) Assessments. Using nationally recognized assessment tools, eligible individuals shall undergo both vocational and job readiness assessments. Vocational assessments shall include educational needs, vocational interest, personal values, and aptitude. Job readiness screening shall determine barriers such as domestic violence, child care, transportation, and so on.

4) Initial Career Counseling. At this stage, the assessments shall be scored and the individual shall be determined as "High Need" or "Job Ready." The vocational assessment will be interpreted and work on identifying the individual's career plan using career clusters. If the career pathway includes high need labor fields, specialized case management shall occur to place the client on a skill-building path related to healthcare, advanced manufacturing, or information technology (with a specific focus on networking). Training, education, and/or experience needs shall be identified and connections to appropriate service providers shall be made with an emphasis placed on their credentials. Job Ready individuals shall be retained by New Hampshire Employment Security. Individuals assessed as having barriers to employment shall be referred to appropriate community based service providers, who are most appropriate to meet that individual's needs and who have been selected (through an RFP process) to case manage those individuals for Gateway to Work.

5) Continued Case Management. In this stage, the participant receives limited funding for employment related needs, such as uniforms and mileage reimbursement, as well as referrals for barrier removal services. The client is moved into immediate employment. Case Management remains available for 12 months for Job Ready participants, and 24 months for High Need. Case management shall include on-the-job training and subsidized employment as incentives that bond workers with employers. The Community College System of NH has developed strong ties to high labor need employers, along with tailored training and apprenticeship programs to meet the needs of those employers. To measure program efficacy, all case managers shall provide monthly reports on demographics, activities and progress on forms to DHHS, Division of Family Assistance. Client long term progress shall be tracked using New Hampshire Employment Security data for job retention and earnings gain.

Program Services:

In addition to the above elements, other supportive services are crucial to the success of Gateway to Work. These include:

1) Transportation. In TANF, 52% of work ready individuals experience transportation as a barrier to employment. This is due in no small part to the essentially rural nature of our state, where public transportation from where potential employees live to where good paying jobs are available may not be available. To resolve this impediment, Gateway to Work is making \$1.2 million available to create a transportation on demand solution during the term of this proposal. This element of Gateway to Work is in the design phase.

2) Child Care. Data indicates that, for several reasons, child care remains a barrier for approximately 35% of TANF recipients. First, even clients who receive the Child Care subsidy must pay an average \$75 out of pocket, leaving little money from the TANF grant left to pay extra child care costs. Second, availability of a child care slot, especially for infant/toddler care, can be problematic; many clients have reported being offered a job but having to refuse it because no child care slot was available in time to begin the employment. The Gateway to Work solution is two-fold: 1) Gateway To Work will transfer additional TANF dollars to the Child Care Bureau to ease the copayment issue on clients, and 2) Gateway To Work supports child care centers being developed in five of the State's most populated areas. These centers will offer temporary child care solutions so parents won't have to decline jobs, and will assist the client in finding a long-term child care solution.

3) Housing. Data shows that, on average, housing is a barrier to employment for 23% of TANF recipients. To help resolve this, each Gateway to Work participant will be eligible for a one-time assistance payment of \$1,000 in order to help a) avoid eviction, b) avoid utility shutoff, and/or c) move from a location where no jobs exist in the client's career field, to an area where those jobs do exist.

4) Women Inmates. The Department of Corrections, Shea Farm transition program averages 30 residents at any point in time. Gateway to Work will provide services to this population beginning six months prior to release, with a special emphasis on criminal background as a barrier to employment.

5) Home Visiting. Home visiting services provided through the DHHS Division of Public Health already exist to provide counseling for the health and well-being of low income parents. Gateway to Work will expand funding for these services, and add home visits to the 228 TANF parents who are exempt from work programs for a year due to having a child under age one. With a TANF grant that is barely 40% of poverty, these young families need to be offered other options than remaining at home for a year. These options are being designed.

6) Youth. Gateway to Work will expand funding for after school career counseling and summer employment activities.

Metrics:

Gateway to Work will be using the Workforce Investment and Opportunity Act (WIOA) common performance measures as identified at Title IV [Sec. 116(b)(2)(A)(i)(I-IV)] as one set of outcome measures. We are also asking Gateway to Work partners for data/tracking to be identified on the Client Monthly Reporting Form to measure client outcomes and additional data/tracking to be reported on the Agency Specific Reporting Form to measure agency outcomes. MOAs and Request For Proposals (RFP's) for private contractors require that additional data be identified; requirements were written into those documents to allow for flexibility to change the required data elements on these forms in order to accommodate continuous process improvement. Participants will be tracked for degree of participation, progress with barriers, entry into employment, job retention and earnings gain.

Staffing:

Gateway to Work requires new functional assignments. Three DHHS staff will be required to manage the program, collect and approve invoicing for payment, approve client expenses for payment, collect reports and input into a data base, measure program outcomes, conduct case audits and more. NHES will be requesting 5 full-time staff to do eligibility, assessments, and career planning across the state, in addition to case managing job ready individuals. CCSNH will be seeking two staff to determine employer needs, develop training plans to fill those needs, and manage the individuals and employers who have been paired with training and apprenticeships.

Funding:

Estimated costs for the first six months of SFY17 for Gateway to Work are shown on the following summary.

Activity/Explanation	2017 First Six Months			
	Clients	Cost Per	Total 6	SSBG 35% 42%
NHES Front Door: Eligibility; case management; referrals; tracking				
NHES Staffing			\$308,073	\$129,390
Travel			\$10,867	\$4,584
Resource Center Assistance			\$17,551	\$7,371
Program Specialist I			\$98,928	\$41,550
NHES Administrative Cost			\$30,000	\$12,600
Share of Manager and Clk Interviewer Costs			\$3,787	\$1,590
Postage			\$2,025	\$851
Bonds			\$4,900	\$2,058
800#			\$1,800	\$756
NHES Testing: Math & Reading			\$25,000	\$10,500
Case Management				
Case Management High Need clients	185	\$2,400	\$222,000	\$93,240
Case Management Shea Farm Clients			\$75,000	\$31,500
Employment Training Supports (ETS)				
Job ready clients	438	\$1,000	\$219,000	\$91,980
High Need clients	185	\$2,000	\$185,000	\$77,700
Shea Farm Upon release become hi-need for 2 years. Yr 1 61; Yr 2 122	61	\$1,000	\$30,500	\$10,675
Subsidized Employment				
Job ready clients: Take up rates: 20% Yr 1; 30% Yr 2	88	\$1,000	\$43,800	\$18,396
High Need clients: Take up rates: 30% Yr 1; 40% Yr 2	56	\$1,000	\$27,750	\$11,655
Shea Farm: Take up rate 10%.	6	\$1,000	\$3,000	\$1,050
On-The-Job Training (OJT)				
Job ready clients: Take up rates: 20% Yr 1; 30% Yr 2	88	\$3,600	\$157,680	\$66,228
High Need clients: Take up rates: 20% Yr 1; 30% Yr 2	37	\$6,920	\$128,020	\$53,768
Shea Farm: Take up rate 30%.	20	\$3,600	\$36,000	\$12,600
CCSNH Training Coordinators: Two positions			\$75,000	\$0
Customized short-term training (300 clients @ \$2,500)	300	\$2,500	\$375,000	\$0
Apprenticeships (100 clients @ \$6,000)	100	\$6,000	\$300,000	\$0
Work Ready sites (1,286 clients @ \$500)	1,286	\$500	\$321,500	\$0
DOE Youth after school and subsidized employment			\$612,500	\$0
Housing Clients: 623 year 1; 1,013 Year 2-20% take up rate	125	\$1,000	\$62,500	\$26,250
Transportation subsidy			\$1,100,000	\$462,000
SNHS Child Care: SNHS Amendment			\$1,250,000	\$0
DCYF Child Care: Reduce client cost-share & copayments			\$1,721,920	\$0
DPHS Home Visiting; emphasize outreach to exempt TANF moms child under 1			\$125,000	\$0
DFA Evaluation Design & Annual Performance			\$550,000	
DFA Recruitment Posters; mailings; brochures			\$50,000	\$21,000
DFA Positions: Supervisor, Business Systems Analyst, & Program Specialist			\$123,240	\$51,761
DFA Audit Set Aside			\$830	\$124
Totals			\$8,298,168	\$1,241,155

The funds are to be budgeted as follows:

05-95-45-45xxxx-xxxx: Gateway to Work

- 010 Personnel Services-Permanent: Three DHHS positions to manage the program. The Department Will utilize current vacant positions and not be asking for new positions.
- 020 Current Expense: Recruitment Posters; mailings; brochures.
- 041 Audit Fund Set Aside: State mandated audit set aside of federal funds
- 049 Transfers To Other Agencies: \$477,930 to Department of Employment Security to manage the intake process, \$25,000 for testing and \$612,500 to Department of Education to manage youth after school and subsidized employment programs.
- 060 Benefits for three positions
- 070 Travel for two staff
- 102 Contracts for Program Services: Independent case manager \$259,500, Community College System of NH for training programs \$1,071,500, annual independent evaluation \$550,000 and \$1,162,500 for transportation and housing assistance.
- 502 Employment Training Supports (ETS) \$434,500, Subsidized Employment \$74,550, On-The-Job Training (OJT) \$321,700.

05-95-42-421110-2977: Division for Children, Youth, and Families

- 041 Audit Fund Set Aside: State mandated audit set aside of federal funds
- 536- Employment Related Child Care reduction of cost-sharing and copayments for clients

05-95-45-450010-6127: Division of Family Assistance, Employment Support

- 041 Audit Fund Set Aside: State mandated audit set aside of federal funds
- 102 Investment in child care network

05-95-45-450010-6146 Division of Family Assistance, Temporary Assistance To Needy Families

- 041 Audit Fund Set Aside: State mandated audit set aside of federal funds
- 502 Contract for Program Services: \$125,000 for home visiting services

In response to the anticipated two-part question, "Can these funds be used to offset General Funds?" and "What is the compelling reason for not offsetting General Funds?" the Division offers the following information: These funds may not be used to offset General Funds. General funds are required to meet the annual maintenance of effort for the TANF program.

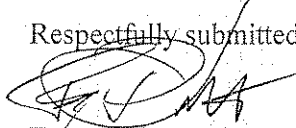
These funds will not change the program eligibility levels, but they do create new support services to encourage and assist clients in finding long term employment.

Area served: statewide

Source of funds: These funds are 100% Federal from the Temporary Assistance to Needy Families program.

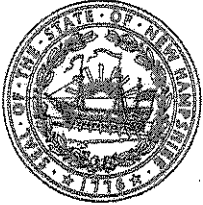
In the event that these Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,


Terry Smith, Director

Approved by:


Jeffery A. Meyers, Commissioner



FIS 16 080

STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
DIVISION OF ECONOMIC DEVELOPMENT

172 Pembroke Road Concord, New Hampshire 03301
Phone: 603-271-2341 www.nheconomy.com

April 21, 2016

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
and
Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

1. Pursuant to RSA 14:30-a, VI, authorize the Department of Resources and Economic Development, Division of Economic Development, Office of International Commerce (Department) to **RETROACTIVELY** amend Fiscal Committee Item #FIS 15-181, approved on August 26, 2015, and Governor and Executive Council Item #50, approved on September 16, 2015, and Fiscal Committee Item #15-253, approved on December 18, 2015, and Governor and Executive Council Item #51, approved on December 16, 2015, by (a) extending the end date from May 31, 2016 to September 30, 2016 to align with a Federal grant extension; and (b) to reallocate a portion of the grant funds in the amount of \$4,609 between classes for the best use of available funds, effective upon Fiscal Committee and Governor and Executive Council approval. No increase in funding is requested with this time extension. **100% Federal Funds**

Funding to be budgeted as follows:

03-35-35-350510-52700000 OEA Grant		2016 Current Budget	Requested Action	2016 Revised Budget
000-403944	Federal Funds	(319,848)	(0)	(319,848)
040-500800	Indirect Costs	19,098	0	19,098
041-500801	Audit Fund Set Aside	320	0	320
046-500464	Consultants	48,000	4,609	52,609
057-500533	Books Periodicals Subscriptions	90,000	(4,000)	86,000
080-500719	Out-of-State Travel Reimbursement	2,800	0	2,800
102-500731	Contracts for Program Svcs.	159,630	(609)	159,021
<i>Total:</i>		319,848	0	319,848

2. Upon approval of Requested Action number one and pursuant to RSA 124:15, authorize the Department to **RETROACTIVELY** amend to Fiscal Committee Item #FIS 15-181, approved on August 26, 2015, and Governor and Executive Council Item #50, approved on September 16, 2015, and Fiscal Committee Item #15-253, approved on December 18, 2015, and Governor and Executive Council Item #51, approved on December 16, 2015, for a consultant class (046) for the purpose of contracting with a Consortium Manager by extending the end date *only* from May 31, 2016 to September 30, 2016, effective upon Fiscal Committee and Governor and Executive Council approval. No increase in funding is requested with this time extension. **100% Federal Funds**

EXPLANATION

This request is to amend the end date for the grant awarded by the US Department of Defense through the Office of Economic Adjustment. The Department originally requested an end date of December 31, 2015 to comply with the Continuing Resolution (Chapter 158, Laws of 2015). An amendment was then requested to better align with the Federal grant end date of May 31, 2016. The Department now seeks another amendment to extend the end date to September 30, 2016. This request will allow the Department to continue to further its efforts of providing technical assistance for growth and diversification opportunities for manufacturers serving the defense sector. The grant provides NH aerospace and defense businesses with vital tools and resources that will assist them to diversify their products, elevate their position in the international market, and ultimately, be less dependent on fluctuations in US defense spending levels. The OEA grant funds support critical training for commercialized product development which is a top priority for sector growth identified by the consortium membership. The OEA grant also provides funding for a Consortium Manager consultant who will be tasked with growing the consortium, transitioning the organization to a sustainable non-profit organization, and growing the capacity of its membership. In order to make the best use of the Consortium Manager's role, this request also seeks to reallocate \$4,609 of the grant funding to another class line for this purpose.

The following information is provided in accordance with the Comptroller's instructional memorandum dated September 21, 1981.

1. **List the personnel involved:** Class 046 – a contract with a consultant to provide consortium organization and expansion.
2. **Nature, need, and duration:** The contract for a Consortium Manager consultant was approved by the Governor and Executive Council (G&C) on September 16, 2015 (Item #51) with an end date of December 31, 2015. An amendment was approved by the G&C on January 27, 2016 (Item #38) to extend the end date through May 31, 2016. Upon Fiscal Committee and G&C approval of this OEA grant time extension request, the Department will seek G&C approval to again extend that contract end date.
3. **Relationship to existing agency programs:** This grant funding is to be utilized specifically to contract with a Consortium Manager consultant.
4. **Has a similar program been requested of the legislature and denied?** No similar program has been requested or denied.
5. **Why wasn't funding included in the agency's budget request?** This project was not included in the Department's budget request because the funds were not available at the time the budget was being crafted; nor were the funds expected to be available with any degree of certainty.
6. **Can portions of the grant funds be utilized?** No portion of these grant funds can be used for any other purpose.
7. **Estimate the funds required to continue this position:** A contract not to exceed \$48,000 was entered into for the contractual services required to complete this project. Upon Fiscal Committee and G&C approval of this OEA grant time extension request, the Department will seek G&C approval to extend the Consortium Manager's contract end date as well as to increase the contract by \$4,609 from \$48,000 to \$52,609 to make better use of this consultant.

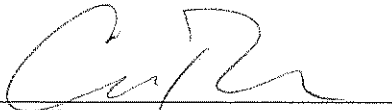
Receipt of the approval for the OEA grant end date extension from the US Department of Defense and the timing of Department's request for approval by the Fiscal Committee and the G&C are the reasons for this item being retroactive.

In the event that Federal Funds are no longer available, General Funds will not be requested to continue the support of this program.

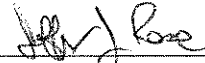
Respectfully submitted,

Concurred,

(10/11)



Carmen Lorentz
Director



Jeffrey J. Rose
Commissioner

Amendment - State of New Hampshire

Organization: State of New Hampshire	Program Type: Defense Industry Adjustment	Project Type: State Grants
GMS: Karen Bass-McFadden	PM: Margit Myers	Project Number : ST1521
Grant Number: ST1521-15-01	FAIN: HQ00051510015	Report Code: Quarterly
Authorizing Official: Tina Kasim	Grant Start - End Date: 04/01/2015 - 05/31/2016	Delegated Authority: Nathaniel Nelson
Approved Amount: \$319,848.00	Total Paid: \$0.00	Balance Remaining: \$319,848.00

Associated Purchase Order:

Activity Details

Revision Comments:

Amendment Type:

No Cost Extension

Amendment Justification

FAIN: HQ00051510015
OEA Locator: ST1521-15-01
State of New Hampshire
February 19, 2016

Requested Action:

Approval of No-Cost Extension regarding the State of New Hampshire OEA grant, ST1521-15-01. This request is to extend the grant period of performance from May 31, 2016 to September 30, 2016.

Justification:

The State of New Hampshire was given initial approval to begin implementing programs under the State's OEA grant application with a start date of April 1, 2015. However, due to internal processes at OEA, the official grant agreement regarding the State's OEA grant application was not signed until July 2015. Upon notice of award, the Office of International Commerce (OIC), the State's management office for the OEA grant, proceeded with filing the necessary paperwork to fulfill the State of New Hampshire's grant approval process. This process culminated in official acceptance of grant funding by the State of New Hampshire Governor and Executive Council (G&C) on September 16, 2015. During this time, the State was operating under a Continuing Resolution (CR) and, as such, the grant was only approved through December 31, 2015, which was the end date for the CR. Due to the CR, OIC was not able to fully begin implementing the long-term programs that were part of the OEA grant program design. It was not until December 16, 2015, that OIC received approval from G&C to amend the end-date of the OEA grant from December 31, 2015 to May 31, 2016. Thus, it was not until December 2015 that OIC was able to fully align both the State's and OEA's period of performance timeframes and begin implementing the grant programs with the confidence that the grant was officially approved by all required parties.

Due to these logistical challenges, OIC was able to begin and, in some cases complete, all of the programs under the grant. However, it was unable to begin fully executing several of the programs that would span the entire length of the grant period of performance. As of the date of this request, OIC, along with its partner, the New Hampshire Aerospace and Defense Export Consortium (NHADEC), has made the following progress:
1) Aerospace and Defense Market Research: OIC has completed the survey of the aerospace and defense community's market research needs and has identified a vendor that will meet the diverse needs of New Hampshire's aerospace and defense community. OIC is in the process of purchasing these products and getting the purchase approved by the State.

- 2) New Hampshire Aerospace and Defense Annual Summit: Executed on June 10, 2015.
- 3) Aerospace and Defense International Trade Summit: Executed on November 8-10, 2015.
- 4) NH Aerospace and Defense Industry Marketing Strategy and Branding: On August 26, 2015, a Request for Proposals for "Aerospace and Defense Consortium Website and Marketing Strategy" was advertised on the New Hampshire Department of Administrative Services' website. After reviewing the submitted proposals, a firm was selected to complete the work as indicated in the RFP. OIC is currently working through the State's contracting process.
 - a. Due to the delayed start of the grant and this program, a no-cost extension would provide the extra time needed for the contracted company to adequately address and execute all of the items identified in the RFP.
- 5) Export Compliance Training: OIC has coordinated two training sessions along with the NHADEC.
 - a. Due to the delayed start of the grant and this program, a no-cost extension would provide the extra time needed to hold the training sessions identified as being applicable for NH's aerospace and defense community. Additionally, it would allow for the span between training sessions to be longer, thus increasing the likelihood of attendee participation.
- 6) UNHInnovation Commercialization Training / Technical Assistance for Diversification: OIC and NHADEC recruited participants for the commercialization training portion of this program. In coordination with the University of New Hampshire, a kick-off session was held on December 18, 2015. The first training session was held on January 12, 2016 followed by sessions on January 25 and February 9, 2016.
 - a. OIC has worked with UNHInnovation to conclude the commercialization training portion of this program before May 31, 2016. However, due to the delayed start of the grant and this program, OIC and UNHInnovation are unable to also fit in the Technical Assistance for Diversification portion of this program. A no-cost extension would provide the time necessary to complete the Technical Assistance for Diversification sessions.
- 7) NHADEC Consortium Manager: On June 23, 2015, a Request for Proposals for "A Consultant to Act as the Consortium Manager for the New Hampshire Aerospace and Defense Sector Consortium" was advertised on the Department of Administrative Services' website. Firebrand International, LLC was subsequently recommended based on the scoring provided by a review panel. OIC had the contract approved by the G&C.
 - a. OIC was unable to officially contract with a Consortium Manager until all of the OEA and State approval processes were complete. As the grant budget for this program included money for 12 months of services, a no-cost extension would provide the time needed for the Consortium Manager to execute all of the items identified in the RFP in the timeframe identified in the RFP.

Updated Project Timeline:

- 1) Aerospace and Defense Market Research
 - A) February 2016 - Finalize State purchasing process
 - B) March 2016 – September 2016 - Provide market research products to NH aerospace and defense community
- 2) New Hampshire Aerospace and Defense Annual Summit
 - A) June 2016 - Summit Executed. Project complete.
- 3) Aerospace and Defense International Trade Summit
 - A) November 8-10, 2015 - Summit Executed. Project complete.
- 4) NH Aerospace and Defense Industry Marketing Strategy and Branding
 - A) March 2016 - Finalize State contracting process and begin contract
 - B) April 2015 – May 2016 - Engage in discovery/strategy phase
 - C) May 2016 - September 2016 - Engage in web design/development phase
 - D) August 2016 – September 2016 - Engage digital marketing strategy phase
 - E) September 2016 - Finalize contract deliverables
- 5) Export Compliance Training
 - A) March 2016 – September 2016 - Hold training sessions
- 6) UNHInnovation Commercialization Training / Technical Assistance for Diversification
 - A) March 2016 – May 2016- Hold remainder of commercialization training sessions
 - B) May 2016- Recruit participants for Technical Assistance and Diversification program
 - C) June 2016 – September 2016- Hold Technical Assistance and Diversification sessions

7) NHADEC Consortium Manager

A) March 2016 – September 2016 - Continue work with Consortium Manager

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Additional Upload:	1.	<u>NoCostExntesi onRequest.docx</u>	19 KB	02/26/2016 11:21

No Cost Extension

New End Date: 09/30/2016

Extension Justification

FAIN: HQ00051510015
OEA Locator: ST1521-15-01
State of New Hampshire
February 19, 2016

Requested Action:

Approval of No-Cost Extension regarding the State of New Hampshire OEA grant, ST1521-15-01. This request is to extend the grant period of performance from May 31, 2016 to September 30, 2016.

Justification:

The State of New Hampshire was given initial approval to begin implementing programs under the State's OEA grant application with a start date of April 1, 2015. However, due to internal processes at OEA, the official grant agreement regarding the State's OEA grant application was not signed until July 2015. Upon notice of award, the Office of International Commerce (OIC), the State's management office for the OEA grant, proceeded with filing the necessary paperwork to fulfill the State of New Hampshire's grant approval process. This process culminated in official acceptance of grant funding by the State of New Hampshire Governor and Executive Council (G&C) on September 16, 2015. During this time, the State was operating under a Continuing Resolution (CR) and, as such, the grant was only approved through December 31, 2015, which was the end date for the CR. Due to the CR, OIC was not able to fully begin implementing the long-term programs that were part of the OEA grant program design. It was not until December 16, 2015, that OIC received approval from G&C to amend the end-date of the OEA grant from December 31, 2015 to May 31, 2016. Thus, it was not until December 2015 that OIC was able to fully align both the State's and OEA's period of performance timeframes and begin implementing the grant programs with the confidence that the grant was officially approved by all required parties.

Due to these logistical challenges, OIC was able to begin and, in some cases complete, all of the programs under the grant. However, it was unable to begin fully executing several of the programs that would span the entire length of the grant period of performance. As of the date of this request, OIC, along with its partner, the New Hampshire Aerospace and Defense Export Consortium (NHADEC), has made the following progress:

- 1) Aerospace and Defense Market Research: OIC has completed the survey of the aerospace and defense community's market research needs and has identified a vendor that will meet the diverse needs of New Hampshire's aerospace and defense community. OIC is in the process of purchasing these products and getting the purchase approved by the State.

- 2) New Hampshire Aerospace and Defense Annual Summit: Executed on June 10, 2015.

- 3) Aerospace and Defense International Trade Summit: Executed on November 8-10, 2015.

- 4) NH Aerospace and Defense Industry Marketing Strategy and Branding: On August 26, 2015, a Request for Proposals for "Aerospace and Defense Consortium Website and Marketing Strategy" was advertised on the New Hampshire Department of Administrative Services' website. After reviewing the submitted proposals, a finalist was selected to complete the work as indicated in the RFP. OIC is currently working through the State's contracting process.

- a. Due to the delayed start of the grant and this program, a no-cost extension would provide the extra time needed for the contracted company to adequately address and execute all of the items identified in the RFP.

- 5) Export Compliance Training: OIC has coordinated two training sessions along with the NHADEC.

- a. Due to the delayed start of the grant and this program, a no-cost extension would provide the extra time needed to hold the training sessions identified as being applicable for NH's aerospace and defense community. Additionally, it would allow for the span between training sessions to be longer, thus increasing the likelihood of

attendee participation.

6) UNHInnovation Commercialization Training / Technical Assistance for Diversification: OIC and NHADEC recruited participants for the commercialization training portion of this program. In coordination with the University of New Hampshire, a kick-off session was held on December 18, 2015. The first training session was held on January 12, 2016 followed by sessions on January 25 and February 9, 2016.

a. [redacted] has worked with UNHInnovation to conclude the commercialization training portion of this program before March 31, 2016. However, due to the delayed start of the grant and this program, OIC and UNHInnovation are unable to also fit in the Technical Assistance for Diversification portion of this program. A no-cost extension would provide the time necessary to complete the Technical Assistance for Diversification sessions.

7) NHADEC Consortium Manager: On June 23, 2015, a Request for Proposals for "A Consultant to Act as the Consortium Manager for the New Hampshire Aerospace and Defense Sector Consortium" was advertised on the Department of Administrative Services' website. Firebrand International, LLC was subsequently recommended based on the scoring provided by a review panel. OIC had the contract approved by the G&C.

a. OIC was unable to officially contract with a Consortium Manager until all of the OEA and State approval processes were complete. As the grant budget for this program included money for 12 months of services, a no-cost extension would provide the time needed for the Consortium Manager to execute all of the items identified in the RFP in the timeframe identified in the RFP.

Updated Project Timeline:

1) Aerospace and Defense Market Research

A) February 2016 - Finalize State purchasing process

B) March 2016 – September 2016 - Provide market research products to NH aerospace and defense community

2) New Hampshire Aerospace and Defense Annual Summit

A) June 2016 - Summit Executed. Project complete.

3) Aerospace and Defense International Trade Summit

A) November 8-10, 2015 - Summit Executed. Project complete.

4) NH Aerospace and Defense Industry Marketing Strategy and Branding

A) March 2016 - Finalize State contracting process and begin contract

B) April 2015 – May 2016 - Engage in discovery/strategy phase

C) May 2016 - September 2016 - Engage in web design/development phase

D) August 2016 – September 2016 - Engage digital marketing strategy phase

E) September 2016 - Finalize contract deliverables

5) Export Compliance Training

A) March 2016 – September 2016 - Hold training sessions

6) UNHInnovation Commercialization Training / Technical Assistance for Diversification

A) March 2016 – May 2016- Hold remainder of commercialization training sessions

B) May 2016- Recruit participants for Technical Assistance and Diversification program

C) June 2016 – September 2016- Hold Technical Assistance and Diversification sessions

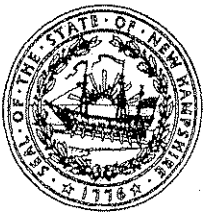
7) NHADEC Consortium Manager

A) March 2016 – September 2016 - Continue work with Consortium Manager

Letters

Letter Uploads:

FIS # 15-253 12/18/15



STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
DIVISION OF ECONOMIC DEVELOPMENT

172 Pembroke Road Concord, New Hampshire 03301
Phone: 603-271-2341 www.nheconomy.com

November 9, 2015

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
and
Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

1. Pursuant to RSA 14:30-a, VI, authorize the Department of Resources and Economic Development, Division of Economic Development, Office of International Commerce (Department) to amend Fiscal Committee Item #FIS 15-181, approved on August 26, 2015, and Governor and Executive Council Item #50, approved on September 16, 2015, by changing the end date *only* from the current end date of December 31, 2015 to a new end date of May 31, 2016 to better align with the Federal grant end date, effective upon Fiscal Committee and Governor and Executive Council approval. No increase in funding is requested with this time extension. **100% Federal Funds**
2. Upon approval of Requested Action number one and pursuant to RSA 124:15, authorize the Department to amend Fiscal Committee Item #FIS 15-181, approved on August 26, 2015, and Governor and Executive Council Item #50, approved on September 16, 2015, for a consultant class (046) for the purpose of contracting with a Consortium Manager by changing the end date *only* from the current end date of December 31, 2015 to a new end date of May 31, 2016 to better align with the Federal grant end date, effective upon Fiscal Committee and Governor and Executive Council approval. No increase in funding is requested with this time extension. **100% Federal Funds**

EXPLANATION

This request is to amend the end date only for a grant awarded by the US Department of Defense through the Office of Economic Adjustment. The Department originally requested an end date of December 31, 2015 to comply with the Continuing Resolution (Chapter 158, Laws of 2015). The funding for the program is currently available through May 31, 2016. This request will allow the Department to continue to further its efforts of providing technical assistance for growth and diversification opportunities for manufacturers serving the defense sector. The grant provides NH aerospace and defense businesses with vital tools and resources that will assist them to diversify their products, elevate their position in the international market, and ultimately, be less dependent on fluctuations in US defense spending levels. The OEA grant funds support critical training for commercialized product development which is a top priority for sector growth identified by the consortium membership. The OEA grant also provides funding for a Consortium Manager consultant who will be tasked with growing the consortium, transitioning the organization to a sustainable non-profit organization, and growing the capacity of its membership.

The following information is provided in accordance with the Comptroller's instructional memorandum dated September 21, 1981.

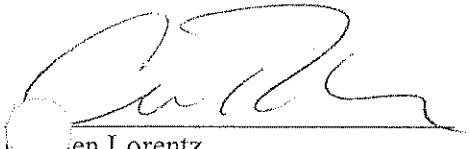
1. **List the personnel involved:** Class 046 – a contract with a consultant to provide consortium organization and expansion.

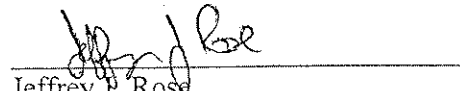
2. **Nature, need, and duration:** The contract for a Consortium Manager consultant was approved by the Governor and Executive Council (G&C) on September 16, 2015 (Item #51) with an end date of December 31, 2015. Upon Fiscal Committee and G&C approval of this OEA grant time extension request, the Department will seek G&C approval to extend that contract end date as well.
3. **Relationship to existing agency programs:** This grant funding is to be utilized specifically to contract with a Consortium Manager consultant.
4. **Has a similar program been requested of the legislature and denied?** No similar program has been requested or denied.
5. **Why wasn't funding included in the agency's budget request?** This project was not included in the Department's budget request because the funds were not available at the time the budget was being crafted; nor were the funds expected to be available with any degree of certainty.
6. **Can portions of the grant funds be utilized?** No portion of these grant funds can be used for any other purpose.
7. **Estimate the funds required to continue this position:** A contract not to exceed \$48,000 was entered into for the contractual services required to complete this project.

In the event that Federal Funds are no longer available, General Funds will not be requested to continue the support of this program.

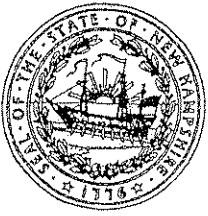
Respectfully submitted,

Concurred,


Steven Lorentz
Director


Jeffrey J. Rose
Commissioner

b7c Item # 50 9/16/15



STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
DIVISION OF ECONOMIC DEVELOPMENT

172 Pembroke Road Concord, New Hampshire 03301
Phone: 603-271-2341 www.nheconomy.com

July 27, 2015

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
and
Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

1. Pursuant to RSA 14:30-a, VI, authorize the Department of Resources and Economic Development, Division of Economic Development, Office of International Commerce to accept and expend grant funds in the amount of \$319,848 awarded by the US Department of Defense through the Office of Economic Adjustment effective upon Fiscal Committee and Governor and Executive Council approval through December 31, 2015. **100% Federal Funds**

Funding to be budgeted as follows:

03-35-35-350510-52700000 OEA Grant		2016 Requested Budget
000-403944	Federal Funds	(\$319,848)
040-500800	Indirect Costs	19,098
041-500801	Audit Fund Set Aside	320
046-500464	Consultants	48,000
057-500533	Books Periodicals Subscriptions	90,000
080-500719	Out-of-State Travel Reimbursement	2,800
102-500731	Contracts for Program Services	159,630
<i>Total:</i>		\$319,848

2. Upon approval of Requested Action number one and pursuant to RSA 124:15, authorize the Department of Resources and Economic Development to establish a consultant class (046) for the purpose of contracting with a Consortium Manager effective upon Fiscal Committee and Governor and Executive Council approvals through December 31, 2015. **100% Federal Funds**

EXPLANATION

The US Department of Defense, through its Office of Economic Adjustment (OEA), assists communities impacted by program changes. Founded in 1961, OEA has helped communities in all 50 states and major United States territories develop comprehensive strategies to adjust to defense industry cutbacks, base closures, personnel and logistical realignments, and incompatibilities between military operations and local development. The recently launched grant program provides states with the resources to provide technical assistance for growth and diversification opportunities for manufacturers serving the defense sector.

Aerospace and defense constitutes two of New Hampshire's largest manufacturing sectors, both of which have experienced diminished sales and activity due to the previous recession and impacts from sequestration. One solution to counter the downturn in military contracts available for New Hampshire companies is to provide businesses with the information and resources necessary so that they can expand their market base. This is achieved through identification of new market trends internationally, commercialization of products with military applications, adaptation of business processes to commercial business culture, educational programs and access to

key market research reports for global geographic markets and products trends. All of these strategies lead to entry and expansion opportunities in the global marketplace, and all of which are addressed in the grant's scope of work.

The New Hampshire Aerospace and Defense Export Consortium (NHADEC) was established in 2013 by the Office of International Commerce (OIC). In partnership with OIC, NHADEC focuses on fostering the most opportune foreign markets for its members through collaborative efforts and global brand messaging and awareness. In less than two years, the consortium developed programs, technical assistance and expertise to support and expand export activities of its members. The programs have included regular training sessions on export compliance, domestic and international trade shows, presentations by global market experts and business-to-business matchmaking. The focus of OIC's and NHADEC's efforts is on export capacity building for NH businesses-increasing sales by diversifying and building new markets.

Each activity in the grant will provide the NH aerospace and defense businesses with vital tools and resources that will assist them to diversify their products, elevate their position in the international market, and ultimately, be less dependent on fluctuations in US defense spending levels. As a result, these businesses will become more sustainable and will contribute to the growth of NH's overall economy. Most importantly, the OEA funds also support critical training for commercialized product development; a top priority for sector growth identified by the consortium membership. The OEA grant funds will also provide funding to hire a Consortium Manager consultant who will be tasked with growing the consortium, transitioning the organization to a sustainable non-profit organization, and growing the capacity of its membership.

The following appropriations are being requested for Fiscal Year 2016:

Class	Class Description	Amount	Purpose
040	Indirect Costs	\$19,098	Amount budgeted by OEA to cover portion of indirect cost rate (6.35%)
041	Audit Fund Set Aside	\$320	Amount needed to cover audit fund set aside percentage (.001)
046	Consultants	\$48,000	Amount needed to cover consultant contract for consortium organization and expansion
057	Books Periodicals Subscriptions	\$90,000	Amount needed to cover purchase of market research materials
080	Out-of-State Travel	\$2,800	Amount needed to cover travel expenses of 2 staff for OEA Grantee Training in Washington, DC
102	Contracts for Program Services	\$159,630	Amount needed to cover contractual and other services as specified in the grant award

The following information is provided in accordance with the Comptroller's instructional memorandum dated September 21, 1981.

- List the personnel involved:** Class 046 – a contract with a consultant to provide consortium organization and expansion.
- Nature, need, and duration:** The contract will be in effect for the period effective upon Governor and Executive Council approval through December 31, 2015.
- Relationship to existing agency programs:** This grant funding is to be utilized specifically to contract with a Consortium Manager consultant.
- Has a similar program been requested of the legislature and denied?** No similar program has been requested or denied.
- Why wasn't funding included in the agency's budget request?** This project was not included in the Department's budget request because the funds were not available at the time the budget was crafted; nor were the funds expected to be available with any degree of certainty.

6. Can portions of the grant funds be utilized? No portion of these grant funds can be used for any other purpose.
7. Estimate the funds required to continue this position: It is estimated that it will cost \$48,000 for the contractual services to complete the project.

Listed below are answers to standard questions required of all Fiscal Committee item requests related to RSA 14:30-a, VI "Expenditure of funds over \$100,000 from any Non State Source" or RSA 124:15 "Positions Authorized" or both:

1. Is the action required of this request a result of the Continuing Resolution for FY 2016? This action is not required as a result of the continuing resolution.
2. If this request is retroactive what is the significance and importance of the action being effective from an earlier date? This is not a retroactive request.
3. Is this a previously funded and ongoing program established through Fiscal Committee and Governor and Executive Council action? (If so, include as an attachment the original documents as approved and cite the specific dates of authorization and end dates for each action as part of your answer to this question.) No, this is a new program being offered via a grant award of funds by the US Department of Defense through the Office of Economic Adjustment.
4. Was funding for this program included in the FY 2014-2015 enacted Budget or requested and denied? Neither. This is a new program request and did not exist in FY 2014-2015.
5. Is this program in total or in part, included in the vetoed FY 2016-2017 Operating Budget proposal currently pending for your department, or was it requested and denied? This is a new program request and was not part of the FY 2016-2017 operating budget as proposed.
6. Does this program include, either positions or consultants, and if so are the positions filled, vacant, or have offers pending? (Please provide details for each position and note whether consultant contracts have been awarded.) State funded positions are not included as part of the award for this program. However, a consultant will be hired as the Consortium Manager as noted above. The consulting offer has not yet been made but is pending per Fiscal Committee and Governor and Executive Council approval.
7. What would be the effect should this program be discontinued or not initiated as a result of this request being denied? Without these funds, the consortium will lack a manager and training resources and will not be self-sustaining; instead relying upon the support of the state to continue to meet its goals. In turn, the OIC will not have sufficient resources to continue to support the NHADEC, as well as the needs of the aerospace and defense sectors of NH, who have already been impacted by the global and national economic downturn.

In the event that Federal Funds are no longer available, General Funds will not be requested to continue the support of this program.

Respectfully submitted,

Concurred,



Jarmen Lorentz
Director



Jeffrey J. Rose
Commissioner

State of New Hampshire
Department of Resources and Economic Development

FISCAL SITUATION

03-35-35-350510-52700000 OEA Grant

Fiscal Year 2016 Grant Award	\$319,848
<i>Total Request</i>	\$319,848

Lavoie, Leanne

From: Kasim, Tina
Sent: Friday, July 17, 2015 9:17 AM
To: Way, Christopher; Marino, Christopher; Nelson, Nathaniel; Lavoie, Leanne; Myers, Patrice
Subject: RE: OEA grant

Further to my earlier email- any suggestions?:

Tina,

This is our standard operating procedure, so our director won't sign another letter. The letterhead is being built into our new system, but it's a few months out (changing anything in our old system causes many other errors to pop up). Does it work to show the letter is in our official eGrants system?

Not, I can see if our grant administrator can write a notification letter on our letterhead - she can't sign the award letter or agreement, I simply say the attached, digitally signed materials are notification of award.

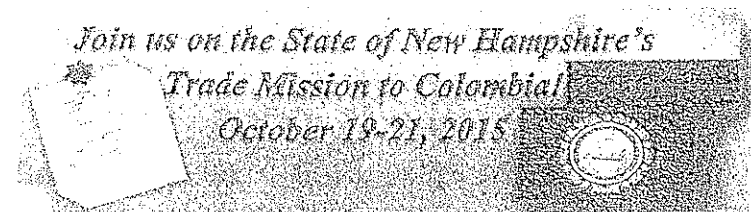
Thanks,
Marjitt

Marjitt Myers
Email: marjitt.a.myers.civ@mail.mil
Project Manager
Office of Economic Adjustment
11 Crystal Drive Suite 520
Arlington, VA 22202
Phone: 703.697.2119

Tina Kasim

Program Manager
Office of International Commerce
Division of Economic Development
Hampshire Department of Resources and Economic Development
Pembroke Road
Concord NH 03301

603-271-8444
603-271-6784
t.kasim@dred.nh.gov
www.exportnh.org
Facebook and Twitter: ExportNH



FAIN: HQ00051510015
OEA Locator: ST1521-15-01
State of New Hampshire

Ms. Tina Kasim
Program Manager
Office of International Commerce
New Hampshire Department of Resources
and Economic Development
172 Pembroke Road
Concord, NH 03302-1856

Dear Ms. Kasim:

I am pleased to inform you that I have approved the request for \$319,848 of Department of Defense Community Planning Assistance Funds to carry out a community economic adjustment program in the State of New Hampshire. If the provisions of the attached Agreement are acceptable, please sign the document online.

Standard Form (SF) 270, "Request for Advance or Reimbursement" is used to request Grant funds. The first request for payment may be submitted electronically once you have signed the Agreement. The SF 425, "Federal Financial Report" is used to report final outlays and obligations for the entire Grant period and must be submitted to close out the Grant.

This Grant has been assigned the Federal Award Identifier Number (FAIN) HQ00051510015. Please use this number for reporting subaward and executive compensation information into the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS) as required. Please use the OEA locator on all OEA correspondence.

You may direct questions regarding this award to your OEA Project Manager, Ms. Margit Myers, at (703) 697-2119 or margit.a.myers.civ@mail.mil. We look forward to working with you.

Sincerely,

Patrick O'Brien 7/14/2015 1:03:15 PM
Patrick J. O'Brien
Director
Office of Economic Adjustment

Attachment:
As stated

OFFICE OF ECONOMIC ADJUSTMENT
DEPARTMENT OF DEFENSE

GRANT AGREEMENT
FOR
STATE OF NEW HAMPSHIRE

I. NOTICE OF AWARD

This Agreement is between the Resources and Economic Development, New Hampshire, the Grantee, and Department of Defense, through the Office of Economic Adjustment (OEA), the Grantor. The Grantee will undertake community economic adjustment activities as described in the Application for Federal Assistance, dated May 27, 2015, at the estimated cost of \$364,238, consisting of \$319,848 from the Grantor and \$44,390 from non-Grantor sources. By signing this agreement, the authorized organizational representative assures that the recipient will carry out the project/program described in its application and will comply with the terms and conditions and other requirements as specified below, of this award. The application for assistance, and the following terms and conditions and other requirements are incorporated in this award by reference with the same force and effect as if they were given in full text.

II. GRANTEE INFORMATION

- A. Grantee Name: Resources and Economic Development, New Hampshire
- B. Grantee Address: 172 Pembroke Road Concord, NH 03302-1856
- C. Grantee DUNS Number: 787504158

III. GRANT AWARD DATA

- A. Project Title: State of New Hampshire (DIA)
- B. Federal Award Identification Number (FAIN): HQ00051510015
- C. OEA Award Number: ST1521-15-01
- D. Project Period: April 1, 2015 – May 31, 2016
- E. Statutory authority for Grant: 10 U.S. Code § 2391
- F. This award is not for Research and Development, and is made under Catalog of Federal Domestic Assistance (CFDA) number 12.617, Economic Adjustment Assistance for State Governments

IV. COMPLIANCE BY THE GRANTEE

The Grantee's actions under this Grant shall comply with the terms and conditions of this agreement, and all applicable Federal, State, interstate and local laws and regulations. This award is governed by the guidance in 2 Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," as modified and supplemented by the Department of Defense's (DoD) interim implementation found at 2 CFR Part 1103, "Interim Grants and Cooperative Agreements Implementation of Guidance in 2 CFR Part 200" (79 Federal Register 76047, December 19, 2014), all of which are incorporated herein by reference, and OEA's Terms and Conditions as stated in this award. All applicable Federal statutes and regulations are posted on OEA's website at www.oea.gov. OEA may suspend or terminate this Agreement in whole, or in part, if the Grantee materially fails to comply with any term or condition of this Agreement. The Grantee shall not incur new obligations for the terminated portions after receiving notice of the termination, and shall cancel as many outstanding obligations as possible. Additional enforcement remedies for non-compliance and termination provisions, in 2 CFR Part 200 apply to this award. The decision of the Grantor in interpreting the Terms and Conditions of this Agreement shall be final.

V. OEA GENERAL TERMS AND CONDITIONS

A. The scope of work contained in any solicitation and/or request for proposals must be reviewed and approved by OEA prior to issuance.

B. Personnel

(1) The Grantor must approve or disapprove the selection of key personnel as identified in the application and/or this Agreement. Any new hires or changes in key personnel require prior written approval from the Grantor. Resumes, in sufficient detail to reveal the experience, education, and other general and specific qualifications for the position, must be submitted to the Grantor for its consent prior to approval of a candidate.

(2) The Grantee agrees to comply with the requirements regarding support of salaries and wages in 2 CFR Part 200.430, "Compensation-personal services."

C. Prior Written Approval

The purpose and scope of this award is to undertake community economic adjustment activities as specified in the grant application. Any changes in the project/program described in the application to include those identified below require prior written approval from OEA in the form of an amendment request:

(1) Changes in the specific activities described in the application.

- (2) Changes in key personnel as specified in the application and/or this agreement.
- (3) Changes in the scope of work contained in any solicitation and/or request for proposals.
- (4) Need for additional Federal funds or changes in the non-Federal match.
- (5) Budget reallocations that exceed 10 percent of the total budget among approved direct cost categories or are transferred to new budget line items.
- (6) Changes in indirect cost rates or recertification of expired indirect cost rates during the project period unless otherwise specified in this grant agreement.
- (7) Requests to purchase equipment (including software) with an estimated acquisition cost of more than \$5,000.
- (8) Requests to use Federal and/or non-Federal match funds for food and/or beverages in conjunction with meeting costs.

D. Grant Payments

- (1) A Standard Form (SF) 270, "Request for Advance or Reimbursement," shall be submitted when requesting funds. The first request for payment may be submitted electronically once you have signed the Grant Agreement.
- (2) All financial information on the SF 270 shall be shown as: Column (a)--Salaries and Benefits; Column (b)--Operating Expenses; Column (c)--Contracts.
- (3) Grant payments will be made by electronic funds transfer.
- (4) Grant funds for contractual services will be disbursed on a reimbursement basis only. Advances of up to 30 days may be requested for operational support. When Grant payments are cash advances, the amount requested will be limited to that actually required.
- (5) Grantee's payments to contractors/consultants shall be contingent upon the Grantee's acceptance of deliverables.
- (6) Requests for Federal funds (SF 270's) for final payment of consultant/contractor deliverables should be submitted to the Grantor after Grantee's acceptance of the deliverables.

E. Advance Payments

(1) Any Grant funds advanced or paid and not needed for approved grant purposes shall be reported immediately to the Grantor. Grantees are to submit payments, including refunds or reimbursements, directly to the Grantor's Fiscal Agent, the Defense Finance and Accounting Service (DFAS) Cleveland through one of the following methods:

(a) Via ACH with the following information:

Bank Name: Credit Gateway

RTN: 051036706

A/C: 220031

(b) Via Wire with the following information:

Bank Name: US Treasury

City: New York, NY

Country: USA

RTN: 021030004

Swift: FRNYUS33FX1

Account Name: DFAS-Cleveland

Account Number: 00008522

(2) The Grantor will not accept any paper checks or returned funds directly.

F. Grantee Contributions

Contributions to this project by non-Grantor sources are expected to be paid out at the same general rate as Grant funds.

G. Separate Bank/Fund Accounts

(1) The Grantee is not required to establish a separate bank account but may do so. The Grantee, however, must maintain accounting records to adequately identify the source and application of Grant funds. Other considerations, such as FDIC coverage, shall be in accordance with the provisions of 2 CFR Part 200.

(2) Interest earned on Grant funds shall be reported to the Grantor and used to reduce the Federal share of this Grant. The Grantee may retain interest on any Grant funds not to exceed \$500 per year for administrative expenses. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. Remittances must include pertinent information of the payee and nature of payment in the memo-area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on Federal funds. Pertinent details include the Payee Account

Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from ASAP, NSF or another Federal Agency payment system. The remittance must be submitted as follows:

- (a) For ACH Returns:
Routing Number: 051036706
Account number: 303000
Bank Name and Location: Credit Gateway—ACH Receiver
St. Paul, MN

- (b) For Fedwire Returns*:
Routing Number: 021030004
Account number: 75010501
Bank Name and Location: Federal Reserve Bank Treas
NYC/Funds Transfer Division New York, NY
(*Please note organization initiating payment is likely to incur
a charge from your financial institution for this type of
payment)

H. Reimbursement for Travel

Reimbursement for travel (transportation, food, and lodging) in the performance of Grant activities shall be consistent with those normally allowed in like circumstances in the non-Federally sponsored activities of the Grantee. Grantees may follow their own established rate but any travel allowance policies in excess of Federal limits must receive prior approval from the Grantor.

I. Use of Consultants/Contractors

- (1) Procurement of consultant or contractor services shall be in accordance with all standards and procedures set forth in 2 CFR Part 200. The following terms are intended merely to highlight some of these standards and are, therefore, not inclusive.
- (2) All procurement transactions, regardless of whether negotiated or advertised and without regard to dollar value, shall be conducted in a manner that provides maximum open and free competition.
- (3) Formal advertising, with adequate purchase description, sealed bids, and public openings, shall not be required for small purchase procurements that are less than the simplified acquisition threshold, currently set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 in accordance with 41 U.S.C. 1908 as \$150,000 unless otherwise required by State or local law or regulation. If small purchase procedures are used, price or rate quotations shall be obtained. Micro-purchases of supplies or services, the aggregate amount of which does not exceed the micro-purchase threshold currently set by the

Federal Acquisition Regulation at \$3,000 may be used in order to expedite the completion of lowest-dollar small purchase transactions.

- (4) The Grantee shall maintain a code or standards of conduct which shall govern the performance of its officers, employees, or agents in contracting with and expending Federal Grant funds. Grantee's officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from a contractor or potential contractors. To the extent permissible by State or local law, rules, or regulations, such standards shall provide for penalties, sanctions, or other disciplinary actions to be applied for violations of such standards by the Grantee's officers, employees, or agents, or by contractors.
- (5) The Grantee shall ensure that every consultant and every contractor it employs under the Grant complies with the terms of this Agreement as though the consultant or contractor were a party to this Agreement.
- (6) The Grantee is the responsible authority, without recourse to the Grantor, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of the Grant.

J. Contractor Deliverables

- (1) A disclaimer statement will appear on the title page of any study prepared under this Grant. It will read:

"This study was prepared under contract with the Resources and Economic Development, New Hampshire, with financial support from the Office of Economic Adjustment, Department of Defense. The content reflects the views of the Resources and Economic Development, New Hampshire, and does not necessarily reflect the views of the Office of Economic Adjustment."

- (2) The contractor identification will appear on the title page of the study funded by this grant.
- (3) Any final study shall be submitted electronically. The document will be dated the month and year that it is submitted to the Grantor.

K. Post-Award Monitoring

(1) Grantee Reporting

- (a) The Grantee shall provide interim performance reports and a final performance report. The performance reports will contain information on the following:

- (i) A comparison of actual accomplishments to the objectives established for the period.
 - (ii) The reasons for slippage if established objectives were not met.
 - (iii) Additional pertinent information when appropriate.
 - (iv) An accounting, by the budget line items approved for this project, of expenses incurred during the reporting period, including the amount of Grant funds on hand at the beginning and end, and non-Grantor share of contributions over the term.
 - (v) The final performance report must contain a summary of activities for the entire Grant period. All required deliverables should be submitted with the final performance report.
- (b) The attached "Schedule of Reports" provides reporting periods and dates due for this award.
- (2) The Grantor reserves the right to conduct on-site reviews and/or off-site desk reviews to confirm compliance with programmatic and administrative terms and conditions.

L. Activities Prohibited

- (1) Duplication of Work: The purpose and scope of work for which this Agreement is made shall not duplicate programs for which moneys have been received, are committed, or are applied for from other sources, public or private. Upon request of the Grantor, the Grantee shall submit full information about related programs that will be initiated within the Grant period.
- (2) Other Funding Sources: Grantor's funds budgeted or granted for this program shall not be used to replace any financial support previously provided or assured from any other source.
- (3) Funds for Attorney/Consultant Fees: The Grantee hereby agrees that no funds made available from this Grant shall be used, directly or indirectly, for paying attorneys' or consultants' fees in connection with securing grants or other services provided by the Grantor, for example, preparing the application for this assistance. However, attorneys' and consultants' fees incurred for meeting this Agreement's requirements may be eligible project costs and may be paid out of funds made available from this Agreement provided such costs are otherwise eligible.
- (4) The Grantee is prohibited from using funds provided from this Grant or personnel employed in the administration of this program for political

activities, sectarian or religious activities, lobbying, political patronage, or nepotism activities.

- (5) Grant funds may not be used for marketing or entertainment expenses.
- (6) Grant funds may not be used for capital assets, such as the purchase of vehicles, improvements and renovation of space, and repair and maintenance of privately owned vehicles.

M. Audits

- (1) The Grantee agrees to comply with audit requirements as specified in 2 CFR Part 200.
- (2) The Grantee shall ensure audits are properly performed, and furnish the required data collection forms and audit reporting packages to the Federal Audit Clearinghouse (FAC). The Grantee shall upload audit reports into the FAC through the Internet Data Entry System (IDES) at <https://harvester.census.gov/fac/collect/ddeindex.html#>.
- (3) The Grantee shall provide any audit with findings related to this award, with copies of the reporting package (including corrective action plans), management letters issued by an auditor, and audit working papers, to the Grantor.
- (4) The Grantor will seek to issue a management decision to the Grantee within six months of receipt of an audit report with findings, and the Grantee shall take timely and corrective action to comply with the management decision.
- (5) The Grantor reserves the right to conduct an independent follow-up audit.

VI. NATIONAL POLICY REQUIREMENTS

A. Debarment and Suspension

The Grantee agrees to comply with 2 CFR Parts 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," and 1125, "Department of Defense Nonprocurement Debarment and Suspension." The Grantee also agrees to communicate the requirement to comply with Parts 180 and 1125 to entities and persons at the next lower tier with whom the recipient enters into transactions that are "covered transactions" under Parts 180 and 1125.

B. Drug-Free Workplace

The Grantee agrees to comply with Subpart B, "Requirements for Recipients Other Than Individuals," of 32 CFR Part 26, "Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)."

C. Hatch Act

The Grantee is advised that its employees may be subject to the Hatch Act (5 U.S.C. § 1501-1508). If doubt exists in particular cases, the Grantee should seek legal counsel.

D. Universal Identifier Requirements and Central Contractor Registration

The Grantee agrees to comply with the requirements of 2 CFR Part 25, as amended, "Universal Identifier and Central Contractor Registration." The System for Award Management (SAM) has replaced the CCR system.

E. Trafficking Victims Protection Act of 2000

The Grantee agrees to comply with the requirements of 2 CFR Part 175, "Award Term for Trafficking in Persons."

F. Reporting Sub-award and Executive Compensation Information

The Grantee agrees to comply with the requirements of 2 CFR Part 170, "Reporting Sub-award and Executive Compensation Information."

G. Restrictions on Lobbying

The Grantee agrees to comply with the requirements of 31 U.S.C. § 1352, "Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions." Appropriated funds cannot be used to pay any person to influence or attempt to influence employees of any agency or Congress.

H. Prohibition on Using Funds under Grants and Cooperative Agreements with Entities that Require Certain Internal Confidentiality Agreements

(a) The recipient may not require its employees, contractors, or subrecipients seeking to report fraud, waste, or abuse to sign or comply with internal confidentiality agreements or statements prohibiting or otherwise restricting them from lawfully reporting that waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.

(b) The recipient must notify its employees, contractors, or subrecipients that the prohibitions and restrictions of any internal confidentiality agreements inconsistent with paragraph (a) of this award provision are no longer in effect.

(c) The prohibition in paragraph (a) of this award provision does not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information. If the Government determines that the recipient is not in compliance with this award provision, it:

(1) Will prohibit the recipient's use of funds under this award, in accordance with section 743 of Division E of the Consolidated and Further Continuing Resolution Appropriations Act, 2015, (Pub. L. 113-235) or any successor provision of law; and

(2) May pursue other remedies available for the recipient's material failure to comply with award terms and conditions.

I. Links to the requirements referenced above as well as the full listing of all National Policy Requirements are provided on the OEA website at www.oea.gov.

VII. PROJECT SPECIFIC TERMS AND CONDITIONS

A. BUDGET

The approved budget for this grant award is as follows:

APPROVED BUDGET			
OBJECT CLASS CATEGORY	FEDERAL	NON-FEDERAL	TOTAL PROJECT COSTS
Personnel	\$0	\$25,150	\$25,150
Fringe Benefits	\$0	\$19,240	\$19,240
Travel	\$2,800	\$0	\$2,800
Equipment	\$0	\$0	\$0
Supplies	\$0	\$0	\$0
Contractual	\$148,000	\$0	\$148,000
Construction	\$0	\$0	\$0
Other	\$149,950	\$0	\$149,950
Total Direct Charges	\$300,750	\$44,390	\$345,140
Indirect Costs: 6.35% Base: Total direct costs, less capital expenditures and passthrough funds	\$19,098	\$0	\$19,098
Total Project Costs	\$319,848	\$44,390	\$364,238
Total Project Costs	87.8%	12.2%	100%
Program Income	\$	\$	\$
Total	\$319,848	\$44,390	\$364,238

- B. The Grantee assures that 12.2 percent of the total project costs shall be contributed by non-Grantor sources.
- C. The indirect cost rate of 6.35 percent of total direct costs, less capital expenditures and passthrough funds, based on the October 27, 2014 Indirect Cost Negotiation Agreement certified by Jeffrey J. Rose, Commissioner, on behalf of the Grantee, and accepted by the cognizant agency, is accepted for the term of this award.
- D. The Grant period is from April 1, 2015, through May 31, 2016. Eligible costs incurred between April 1, 2015, and the date of this Agreement are allowable and reimbursable.

THE TERMS OF THIS GRANT ARE AGREED TO BY:

Patrick O'Brien
Patrick J. O'Brien
Director
Office of Economic Adjustment

7/14/2015 1:03:15 PM
DATE

Tina Kasim
Tina Kasim
Program Manager
Office of International Commerce
New Hampshire Resources and
Economic Development

7/15/2015
DATE

Jeffrey J. Rose
Jeffrey J. Rose
Commissioner
Department of Resources and Economic
Development
State of New Hampshire

8/3/15
DATE

Schedule of Reports
For
State of New Hampshire
FAJN: HQ00051510015

April 1, 2015 through May 31, 2016

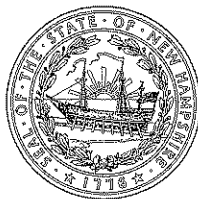
<u>Interim Performance Reports</u>	<u>Due Date</u>
04/01/2015 through 10/31/2015	11/30/2015
11/01/2015 through 04/30/2016	05/30/2016
05/01/2016 through 05/31/2016	08/31/2016
 <u>Final Performance Report</u>	
04/01/2015 through 05/31/2016	08/31/2016
 <u>Final Federal Financial Report (SF 425)</u>	
04/01/2015 through 05/31/2016	08/31/2016
 <u>Deliverables</u>	 08/31/2016

ATTORNEY GENERAL
DEPARTMENT OF JUSTICE

FIS 16 081

33 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301-6397

JOSEPH A. FOSTER
ATTORNEY GENERAL



ANN M. RICE
DEPUTY ATTORNEY GENERAL

April 26, 2016

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

Her Excellency Governor Margaret Wood Hassan
And the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

1. Pursuant to RSA 14:30-a VI, authorize the Department of Justice, Consumer Protection and Antitrust Bureau, to budget and expend prior year carry forward funds from the Consumer Protection Escrow Account in the amount of \$100,000 for the purpose of providing funds to contract with an investigation consultant upon Fiscal Committee and Governor and Executive Council approval through June 30, 2017. 100% Consumer Protection Revolving Funds.
2. Pursuant to RSA 124:15, and contingent upon approval of requested action number one, authorize the Department of Justice to hire into Class 046-Consultants, for the purpose of contracting with a contract consultant to assist in an investigation of potential claims regarding fraudulent marketing of opioid drugs in New Hampshire to be effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2017. 100% Consumer Protection Revolving Funds.
3. Upon approval of requested actions one and two, authorize the Department of Justice to enter into a **sole source** contract with Cohen Milstein Sellers & Toll PLLC, Washington, D.C. 20005, Vendor #272839, in the amount of \$75,000 for the purpose of assisting the Department of Justice in an investigation of potential claims regarding fraudulent marketing of opioid drugs in New Hampshire, to be effective upon Governor and Executive Council Approval through October 30, 2017. 100% Consumer Protection Revolving Funds.

Funds are to be budgeted in 02-20-20-200510-26110000, Department of Justice, Consumer Protection Bureau as follows:

Class/Expense	Class Title	Current SFY16 Budget	Increase Amount	Revised SFY16 Budget
010-500100	Personal Services Perm. Class.	\$277,699	\$0	\$277,699
013-500132	Personal Services Unclassified	\$517,450	\$0	\$517,450
014-500134	Personal Services-Unclassified	\$146,469	\$0	\$146,469
017-500147	FT Employees Special Payment	\$12,825	\$0	\$12,825
018-500106	Overtime	\$1,000	\$0	\$1,000
020-500200	Current Expense	\$17,157	\$0	\$17,157
022-500255	Rents Leases Other Than State	\$3,503	\$0	\$3,503
027-582703	Transfers to DoIT	\$78,839	\$0	\$78,839
030-500311	Equipment	\$2,000	\$0	\$2,000
037-500173	PC Desktop Hardware New	\$1,500	\$0	\$1,500
038-500175	Desktop Software New	\$1,100	\$0	\$1,100
039-500188	Telecommunications	\$18,200	\$0	\$18,200
042-500620	Additional Fringe Benefits	\$8,198	\$0	\$8,198
046-500464	Consultants	\$91,096	\$100,000	\$191,096
050-500109	Person Service Temp Appointee	\$74,409	\$0	\$74,409
059-500117	Temp-Full Time	\$78,077	\$0	\$78,077
060-500612	Benefits	\$425,480	\$0	\$425,480
066-501709	Employee Training	\$4,200	\$0	\$4,200
068-500562	Remuneration	\$884	\$0	\$884
070-500704	In State Travel	\$11,675	\$0	\$11,675
080-500716	Out of State Travel	\$2,000	\$0	\$2,000
102-500732	Contracts for Program Services	\$6,000	\$0	\$6,000
Total		\$1,779,761	\$100,000	\$1,879,761

Source of Funds

001-409294	Transfer from other agencies	\$493,282		\$493,282
003-402499	Consumer Protection Escrow	\$0	\$100,000	\$100,000
009-403695	Agency Income	\$1,282,424	\$0	\$1,282,424
	General Funds	\$4,055	\$0	\$4,055
Total		\$1,779,761	\$100,000	\$1,879,761

EXPLANATION

1. It is requested to utilize existing prior year carry forward funds from the Consumer Protection Escrow Account in order to fund a contractor to investigate the marketing

practices of major opioid drug manufacturers for the purpose of determining if any manufacturer engaged in violations of the Consumer Protection Act, NH RSA 358-A.

2. The Department of Justice has begun the investigation of the marketing practices of the major opioid drug manufacturers for the purpose of determining if any manufacturer engaged in violations of the Consumer Protection Act, NH RSA 358-A. In order to proceed with this investigation, the Department is in need of hiring a contractor specializing in the field of drug manufacturers and their marketing practices.
3. The Department of Justice is requesting to contract with Cohen Milstein Sellers & Toll PLLC. This is a **sole source** contract because the contractor employs lawyers with extensive experience with the issue for which they are to be retained including having conducted investigations about the marketing of opioids in other jurisdictions. Their assistance shall include, but not be limited to, (1) drafting and negotiating compliance with civil investigative demands; (2) reviewing relevant documents and other information; (3) interviewing witnesses; (4) assisting in any court filings or hearings related to the investigation. The contractor will be responsible for providing all legal services required to support the NHDOJ in the investigation, including all associated support services.

The funds budgeted to support the activities are as follows:

046-Consultant to support the initial contract of \$75,000 and to budget \$25,000 for possible future contractor needs related to this issue.


The following information is provided in accordance with the Comptroller's instructional memorandum dated September 21, 1981.

1. List of personnel involved: This request is for one consultant contractor.
2. Nature, Need and Duration: The contractor will be retained to conduct investigations about the marketing of opioids. It is necessary to hire this contractor because of their specialty with drug manufacturers. The duration is upon Governor and Executive Council approval through October 30, 2017.
3. Relationship to existing agency programs: This is a specialized investigation and not related to other agency programs.
4. Has a similar program been requested of the legislature and denied? No, a similar program has not been requested of the legislature and denied.
5. Why wasn't funding included in the agency's budget request? This investigation was not expected when the agency made its budget request.
6. Can portions of the grant funds be utilized? No. This will be funded by 100% Consumer Protection Revolving Funds.
7. Estimate the funds required to continue this position: It is estimated that this contract will cost approximately \$75,000 with \$25,000 for possible future contractor needs related to this issue.

In the event these funds should no longer become available, general funds will not be requested in support of this request.

Please let me know if you have any questions regarding this request. Your consideration is greatly appreciated.

Respectfully submitted,



Joseph A. Foster
Attorney General

1408501

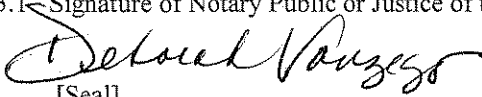
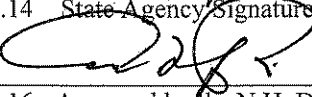
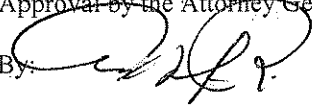
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Justice		1.2 State Agency Address 33 Capitol Street, Concord, NH 03301	
1.3 Contractor Name Cohen Milstein Sellers & Toll PLLC		1.4 Contractor Address 1100 New York Avenue, NW Suite 500 West Washington, DC 20005	
1.5 Contractor Phone Number (202) 408-4600	1.6 Account Number	1.7 Completion Date October 30, 2017	1.8 Price Limitation \$75,000.00
1.9 Contracting Officer for State Agency Ann M. Rice		1.10 State Agency Telephone Number (603) 271-4900	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Linda Singer, partnerl	
1.13 Acknowledgement: State of <u>NEW HAMPSHIRE</u> , County of <u>COLUMBIA</u> On <u>April 21, 2016</u> , before the undersigned officer, personally appeared the person identified in block 1.12, who satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]		DEBORAH VANZAGO NOTARY PUBLIC DISTRICT OF COLUMBIA My Commission Expires January 1, 2019	
1.13.2 Name and Title of Notary or Justice of the Peace <u>DEBORAH VANZAGO</u> <u>NOTARY PUBLIC - DISTRICT OF COLUMBIA</u>			
1.14 State Agency Signature  Date: <u>4/25/16</u>		1.15 Name and Title of State Agency Signatory <u>ANN RICE, DEPUTY ATTORNEY GENERAL</u>	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: <u>4/28/16</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials JS
Date 4/21/14

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate ; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Contractor Initials JS
Date 4/21/16

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Exhibit A

Scope of Services

- A. Cohen Milstein Sellers & Toll PLLC ("Cohen Milstein" or "Firm") will assist the NH Department of Justice (NHDOJ) in an investigation of potential claims regarding fraudulent marketing of opioid drugs. This assistance shall include, but not be limited to, (1) drafting and negotiating compliance with civil investigative demands; (2) reviewing relevant documents and other information; (3) interviewing witnesses; (4) assisting in any court filings or hearings related to the investigation. The firm is responsible for providing all legal services required to support the NHDOJ in the investigation, including all associated support services.
- B. Cohen Milstein shall draft and provide to NHDOJ all key documents (such as civil investigative demands) for review and approval.
- C. Cohen Milstein will provide regular reports to the designated point of contact at the NHDOJ, including summaries of documents and interviews.
- D. NHDOJ shall maintain control of the investigation and will make all key decisions regarding its scope and manner. All work performed will be under the supervision of the NHDOJ and in a manner satisfactory to the NHDOJ.

Exhibit B

Payment and Terms

- A. Cohen Milstein shall perform all scope of work and services for a fixed fee of \$50,000. One-half of the fee (\$25,000) shall be paid within 30 days after the contract has been approved by the Governor and Executive Council. The remainder shall be paid at the conclusion of the investigation.
- B. NHDOJ will pay all reasonable costs and expenses of the investigation, not to exceed \$25,000. Any cost in excess of \$2,500 must be approved in advance the NHDOJ.
- C. Cohen Milstein shall report to the NHDOJ on a quarterly basis all costs and expenses it has incurred in this matter.

Exhibit C

Special Provisions

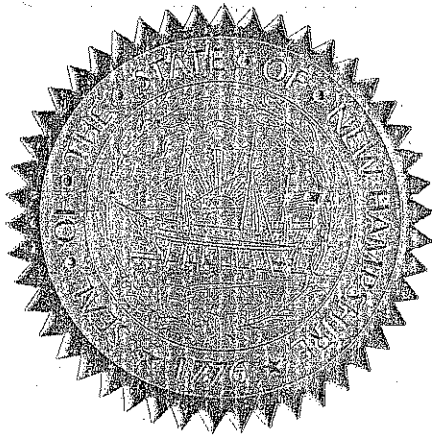
- A. Paragraph 13, Indemnification, and paragraph 14, Insurance, shall not apply.
- B. Cohen Millstein shall, at its expense, obtain and maintain in force legal malpractice insurance in amounts of not less than \$475,000 per person and \$3,750,000 per incident. The firm shall provide a certificate of insurance reflecting such coverage.

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that COHEN MILSTEIN SELLERS & TOLL PLLC a(n) District of Columbia limited liability company registered to do business in New Hampshire on April 19, 2016.

I further certify that it is in good standing as far as this office is concerned, having paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 25th day of April, A.D. 2016

A handwritten signature in cursive script, appearing to read "William M. Gardner".


William M. Gardner
Secretary of State

CORPORATE RESOLUTION
OF
COHEN MILSTEIN SELLERS & TOLL PLLC

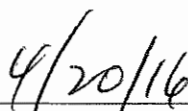
I, the undersigned, being the Managing Partner of Cohen Milstein Sellers & Toll PLLC, organized and existing under the laws of District of Columbia, and having its principal place of business at 1100 New York Ave., NW, Suite 500 East, Washington, DC 20005 (the "Firm"), hereby certify that the following is a true and correct copy of a resolution duly adopted at a meeting of the Executive Committee duly held and convened on April 20, 2016, at which a quorum of the Executive Committee was present and voting throughout, and that such resolution has not been modified, rescinded or revoked, and is at present in full force and effect:

Therefore, it is resolved:

Linda Singer has the authority to enter into an engagement with the State of New Hampshire on behalf of the Firm.



Steven J. Toll
Managing Partner



Date



COHEMIL-01

SHURWITZ

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/19/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0C36861 ProQuest 200 S Wacker Dr Ste 3030 Chicago, IL 60606	CONTACT NAME: Stephanie L Hurwitz PHONE (A/C, No, Ext): (212) 895-0291 FAX (A/C, No): E-MAIL: ADDRESS:														
INSURED Cohen Milstein Sellers & Toll PLLC 1100 New York Avenue, N.W. Suite 500, West Tower Washington, DC 20005	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">INSURER(S) AFFORDING COVERAGE</th> <th style="width: 20%;">NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Nautilus Insurance Company</td> <td style="text-align: center;">17370</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Nautilus Insurance Company	17370	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER E:															
INSURER F:															

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Prof Liability		PLP_1000175_P5	05/21/2015	05/21/2016	See Description

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Limits of Liability of \$10,000,000 Per Claim/\$20,000,000 Aggregate

Claims-made coverage afforded on a subscription basis by Insurer A and other participating companies.

CERTIFICATE HOLDER**CANCELLATION**

New Hampshire Department of State

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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ACORD Certificate of Liability Insurance DATE (MM/DD/YYYY) 04/19/16

PRODUCER
 10/01/2015 A. BRUNETTO, AGENT
 6501 DEMOCRACY BLVD.
 BETHESDA, MD 20817

INSURED
 COHEN MILSTEIN BELLARS & TOLL PLLC
 1100 NEW YORK AVENUE, NW, SUITE 500
 WASHINGTON, DC 20005

THIS CERTIFICATE IS ISSUED AS MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A	INSURER A State Farm Fire and Casualty Company	28143
INSURER B		
INSURER C		
INSURER D		
INSURER E		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR	ADDL	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
	X		GENERAL LIABILITY	99-01-5813-1	09/23/15	09/23/16	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (EA OCCURRENCE) \$ 300,000 MED EXP (Per one person) \$ 5,000 PERSONAL & ADV INJURY \$ 0 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMPOUND AGG \$ 4,000,000
	X		COMMERCIAL GENERAL LIABILITY				
			CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				
			Hired Auto				
			GEN AGGREGATE LIMITS PER POLICY				
			<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO. <input type="checkbox"/> LOC				
			AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (EA accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per person) \$
			ANY AUTO				
			ALL OWNED AUTOS				
			SCHEDULED AUTOS				
			HIREN AUTOS				
			NON-OWNED AUTOS				
			GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY EA ACC \$ AGG \$
			ANY AUTO				
			EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
			<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				
			DEDUCTIBLE				
			RETENTION \$				
			WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS \$ OTH-ER \$ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
			ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				
			If yes, describe under SPECIAL PROVISIONS below				
			OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER	CANCELLATION
NEW HAMPSHIRE DEPARTMENT OF STATE STATE HOUSE, ROOM 204 107 NORTH MAIN STREET CONCORD, NH 03301-4389	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE <i>Melanie Willes</i>

State Farm



IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

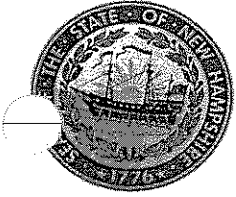
The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

New Hampshire Liquor Commission

Joseph W. Mollica
Chairman

50 Storrs Street, P.O. Box 503
Concord, N.H. 03302-0503
(603) 230-7026

Michael R. Milligan
Deputy Commissioner



May 11, 2016

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to provisions of RSA 176:16, V, Transfer of funds; authorize the New Hampshire Liquor Commission to transfer \$2,006,000.00 among accounting units listed on the attached worksheet to reallocate appropriations and cover projected shortfalls. Effective upon Fiscal Committee and Governor and Council approval through June 30, 2016. **Funding Source: 99% Liquor Fund, 1% Agency Income**

EXPLANATION

Funds are needed in the following accounts:

Class 010, Personal Services Permanent Classified has an anticipated net surplus of \$185,000 as a result of department vacancies in various accounting units.

Class 011, Personal Services Permanent Unclassified has an anticipated net surplus of \$6,000 as a result of position changes.

Class 017, Full-Time Special Payment has a surplus of \$15,000 as a result of no lottery winning payments.

Class 018, Overtime, has an anticipated net deficit of \$127,500. The increase is for staffing needs in our retail outlet stores to maintain hours of operation.

Class 019, Holiday Pay, has an anticipated net surplus of \$260,000 due to lower than projected expenses than was budgeted.

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
May 11, 2016
Page 2 of 3

Class 020, Current Expense, has a net deficit of \$450,000 as a result of unanticipated expenses and budgetary shortfall. Funds are needed for additional supplies for new larger stores, and fitting up new store locations.

Class 022, Rents-Leases Other Than State has a net deficit of \$390,000 due to the increase in lease expenses for relocating stores to more strategic locations and upgraded facilities.

Class 030 Equipment budget has been reduced by \$795,500. Equipment purchases will be deferred in order to contribute to projected shortfalls in other classes.

Classes 037 and 038, Technology-Hardware and Software have an anticipated net surplus of \$6,000 and \$3,000. Purchase for new employees are being deferred because the positions were unfunded until fiscal year 2017.

Class 039, Telecommunications has an anticipated net surplus of \$193,000 due to lower than projected expenses than was budgeted.

Class 041, Audit Fund Set Aside, account is being added for anticipated estimated invoice of \$100,000 from the Legislative Budget Office for Fiscal Year 2015 audit.

Class 043, Debt Services has a surplus of \$75,000 due to lower than projected expenses than was budgeted.

Class 050 and 060, Personal Service Temp and Benefits has an anticipated net deficit of \$260,000 and \$235,000 due to reduced full-time work force and utilizing part-time employees.

Class 070 and 080, In-State and Out-of State Travel, have an anticipated net surplus of \$23,000 and \$1,000 due to lower than projected expenses than was budgeted.

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
May 11, 2016
Page 2 of 3

The following information is provided in accordance with the budget Officer's instructional memorandum dated April 17, 1985 to support the before written requested actions.

1. Does this transfer involve continuing programs or one-time projects? **Continuing programs;**
2. Is this transfer required to maintain existing program level or will it increase the program level? **Maintain existing program level;**
3. Cite any requirements that make this program necessary. **The programs for the Department are mandated by various state and federal laws;**
4. Identify the source of the funds on all accounts listed on this transfer. **See the attached worksheet for the source of funds for all accounts;**
5. Will there be any effect on revenue if this transfer is not approved or disapproved? **There would be an effect on revenue if we are unable to maintain our current funding level of part-time employees in our liquor stores.**
6. Are funds expected to lapse if this transfer is not approved? **Funds would lapse back to liquor fund.**
7. Are personnel services involved? **Yes.**

Respectfully Submitted
New Hampshire State Liquor Commission



Joseph W. Mollica, Chairman

02-77-77-770012-10100000 Office of the Commissioners

Class	Class Description	Current Modified Budget	Transfer	Current Revised Budget
010-500100	PERSONAL SERVICES PERM CLAS	118,741	11,000	129,741
011-500126	PERSONAL SERVICES UNCLASSIF	202,702	12,000	214,702
019-500105	HOLIDAY PAY	1,000		1,000
020-500200	CURRENT EXPENSES	37,771	(15,000)	22,771
022-500248	RENTS-LEASES OTHER THAN STA	2,000		2,000
023-500263	HEAT ELECTRICITY WATER	151,250		151,250
024-500225	MAINT OTHER THAN BUILD-GRN	2,000		2,000
026-500251	ORGANIZATIONAL DUES	2,500		2,500
030-500300	EQUIPMENT NEW REPLACEMENT	57,316	(6,000)	51,316
039-500180	TELECOMMUNICATIONS	8,805		8,805
041-500801	AUDIT FUNDS SET ASIDE	-	100,000	100,000
048-500226	CONTRACTUAL MAINT BUILD-GRN	22,700		22,700
050-500109	PERSONAL SERVICE TEMP APPOI	84,960	(20,000)	64,960
060-500601	BENEFITS	184,490	(30,000)	154,490
070-500704	IN STATE TRAVEL REIMBURSEME	25,300	(15,000)	10,300
080-500714	OUT OF STATE TRAVEL REIMB	1,750		1,750
	TOTAL	903,285	37,000	938,535
	REVENUES			
	TOTAL LIQUOR FUNDS	903,285	37,000	938,535

02-77-77-770512-78780000 Enforcement

Class	Class Description	Current Modified Budget	Transfer	Current Revised Budget
010-500100	PERSONAL SERVICES PERM CLAS	1,632,055	(60,000)	1,572,055
011-500126	PERSONAL SERVICES UNCLASSIF	97,823		97,823
018-500106	OVERTIME	60,000		60,000
019-500105	HOLIDAY PAY	1,500		1,500
020-500200	CURRENT EXPENSES	132,117	(20,000)	112,117
022-500248	RENTS-LEASES OTHER THAN STA	115,818	(10,000)	105,818
026-500251	ORGANIZATIONAL DUES	1,000		1,000
030-500300	EQUIPMENT NEW REPLACEMENT	59,295		59,295
037-500166	TECHNOLOGY-HARDWARE	4,000	(4,000)	-
038-500178	TECHNOLOGY-SOFTWARE	2,000	(2,000)	-
039-500180	TELECOMMUNICATIONS	25,800		25,800
048-500226	CONTRACTUAL MAINT BUILD-GRN	6,500		6,500
050-500109	PERSONAL SERVICE TEMP APPOI	302,196	(70,000)	232,196
060-500601	BENEFITS	1,095,520	(90,000)	1,005,520
070-500704	IN STATE TRAVEL REIMBURSEME	54,300		70,300
080-500714	OUT OF STATE TRAVEL REIMB	2,300		2,300
	TOTAL	3,592,224	(256,000)	3,352,224
	REVENUES			
	TOTAL LIQUOR FUNDS	3,592,224	(256,000)	3,352,224

02-77-77-771012-10230000 Financial Management

Class	Class Description	Current Modified Budget	Transfer	Current Revised Budget
010-500100	PERSONAL SERVICES PERM CLAS	759,207	50,000	809,207
011-500126	PERSONAL SERVICES UNCLASSIF	97,563		97,563
018-500106	OVERTIME	25,000	5,000	30,000
020-500200	CURRENT EXPENSES	53,334	(5,000)	48,334
030-500300	EQUIPMENT NEW REPLACEMENT	16,500	(16,500)	-
035-509035	SHARED SERVICES SUPPORT	88,303		88,303
039-500180	TELECOMMUNICATIONS	35,235	(25,000)	10,235
040-500800	INDIRECT COSTS	992,367		992,367
050-500109	PERSONAL SERVICE TEMP APPOI	126,670		126,670
060-500601	BENEFITS	463,486		463,486
070-500704	IN STATE TRAVEL REIMBURSEME	3,873		3,873
080-500714	OUT OF STATE TRAVEL REIMB	2,289		2,289
	TOTAL	2,663,827	8,500	2,672,327
	REVENUES			
	TOTAL LIQUOR FUNDS	2,663,827	8,500	2,672,327

02-77-77-771512-10240000 Marketing and Merchandising

Class	Class Description	Current Modified Budget	Transfer	Current Revised Budget
010-500100	PERSONAL SERVICES PERM CLAS	478,349	5,000	483,349
011-500126	PERSONAL SERVICES UNCLASSIF	101,650	(18,000)	83,650
018-500106	OVERTIME	10,301		10,301
019-500105	HOLIDAY PAY	1,000		1,000
020-500200	CURRENT EXPENSES	14,250		14,250
030-500300	EQUIPMENT NEW REPLACEMENT	23,128	(20,000)	3,128
037-500166	TECHNOLOGY-HARDWARE	2,000	(2,000)	-
038-500178	TECHNOLOGY-SOFTWARE	1,000	(1,000)	-
039-500180	TELECOMMUNICATIONS	33,070	(20,000)	13,070
050-500109	PERSONAL SERVICE TEMP APPOI	54,856		54,856
060-500601	BENEFITS	314,823	(23,000)	291,823
070-500704	IN STATE TRAVEL REIMBURSEME	16,172	(5,000)	11,172
080-500714	OUT OF STATE TRAVEL REIMB	17,200		17,200
	TOTAL	1,067,799	(84,000)	983,799
	REVENUES			
	TOTAL LIQUOR FUNDS	1,067,799	(84,000)	983,799

02-77-77-771012-10260000 Human Resources

Class	Class Description	Current Modified Budget	Transfer	Current Revised Budget
010-500100	PERSONAL SERVICES PERM CLAS	244,917	(1,000)	243,917
018-500106	OVERTIME	10,000	(7,500)	2,500
020-500200	CURRENT EXPENSES	6,200		6,200
030-500300	EQUIPMENT NEW REPLACEMENT	1,000		1,000
039-500180	TELECOMMUNICATIONS	9,110	(5,000)	4,110
049-500294	TRANSFER TO OTHER STATE AGE	10,000		10,000
050-500109	PERSONAL SERVICE TEMP APPOI	141,140	(10,000)	131,140
060-500601	BENEFITS	175,439	(24,000)	151,439
070-500704	IN STATE TRAVEL REIMBURSEME	3,389	(3,000)	389
080-500714	OUT OF STATE TRAVEL REIMB	1,000	(1,000)	-
	TOTAL	602,195	(51,500)	550,695
	REVENUES			
	TOTAL LIQUOR FUNDS	602,195	(51,500)	550,695

02-77-77-771512-10300000 Store Operations

Class	Class Description	Current Modified Budget	Transfer	Current Revised Budget
010-500100	PERSONAL SERVICES PERM CLAS	9,564,807	(190,000)	9,374,807
018-500106	OVERTIME	1,609,474	130,000	1,739,474
019-500105	HOLIDAY PAY	525,306	(260,000)	265,306
020-500200	CURRENT EXPENSES	1,573,844	500,000	2,073,844
022-500248	RENTS-LEASES OTHER THAN STA	5,105,650	400,000	5,505,650
023-500263	HEAT ELECTRICITY WATER	1,690,500		1,690,500
024-500225	MAINT OTHER THAN BUILD-GRN	1,270,391		1,270,391
030-500300	EQUIPMENT NEW REPLACEMENT	1,286,085	(750,000)	536,085
039-500180	TELECOMMUNICATIONS	537,680	(140,000)	397,680
043-500401	DEBT SERVICE TREASURY	1,822,000	(75,000)	1,747,000
047-500240	OWN FORCES MAINT BUILD-GRN	77,291		77,291
048-500226	CONTRACTUAL MAINT BUILD-GRN	613,823		613,823
049-500294	TRANSFER TO OTHER STATE AGE	3,152,089		3,152,089
050-500109	PERSONAL SERVICE TEMP APPOI	9,568,052	375,000	9,943,052
060-500601	BENEFITS	6,145,620	418,000	6,563,620
064-500540	RET PENSION BENE HEALTH INS	1,891,709		1,891,709
070-500704	IN STATE TRAVEL REIMBURSEME	101,700		101,700
	TOTAL	46,536,021	408,000	46,944,021
	REVENUES			
	TOTAL LIQUOR FUNDS	46,536,021	408,000	46,944,021

02-77-77-771512-10340000 Sweepstake Incentive Awards

Class	Class Description	Current Modified Budget	Transfer	Current Revised Budget
017-500147	FT EMPLOYEES SPECIAL PAYMEN	15,000	(15,000)	-
050-500109	PERSONAL SERVICE TEMP APPOI	5,000	(5,000)	-
060-500601	BENEFITS	3,405	(3,000)	405
	TOTAL	23,405	(23,000)	405
	REVENUES			
	TOTAL AGENCY INCOME	23,405	(23,000)	405

02-77-77-771512-10400000 Warehouse

Class	Class Description	Current Modified Budget	Transfer	Current Revised Budget
010-500100	PERSONAL SERVICES PERM CLAS	145,362		145,362
018-500106	OVERTIME	3,000		3,000
019-500105	HOLIDAY PAY	500		500
020-500200	CURRENT EXPENSES	26,274	(10,000)	16,274
022-500248	RENTS-LEASES OTHER THAN STA	1,250		1,250
024-500225	MAINT OTHER THAN BUILD-GRN	5,000		5,000
030-500300	EQUIPMENT NEW REPLACEMENT	35,000	(3,000)	32,000
039-500180	TELECOMMUNICATIONS	6,510	(3,000)	3,510
048-500226	CONTRACTUAL MAINT BUILD-GRN	7,000		7,000
050-500109	PERSONAL SERVICE TEMP APPOI	50,458	(10,000)	40,458
060-500601	BENEFITS	109,076	(13,000)	96,076
070-500704	IN STATE TRAVEL REIMBURSEME	150		150
	TOTAL	389,580	(39,000)	350,580
	REVENUES			
	TOTAL LIQUOR FUNDS	389,580	(39,000)	350,580

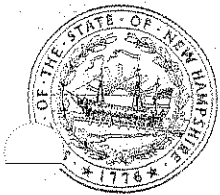
State of New Hampshire

FIS 16 086

DEPARTMENT OF HEALTH AND HUMAN SERVICES

129 PLEASANT STREET, CONCORD, NH 03301-3857

603-271-9200 FAX: 603-271-4912 TDD ACCESS: RELAY NH 1-800-735-2964



JEFFREY A. MEYERS
COMMISSIONER

May 6, 2016

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court, and
Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to the provisions of Chapter 276:143, Laws of 2015 authorize the Department of Health and Human Services to transfer general and federal funds in the amount of \$122,397 effective upon date of Fiscal Committee and Governor and Executive Council approval, through June 30, 2016, and further authorize the allocation of these funds in the accounts below.

05-95-48-481010-7872 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: ELDERLY – ADULT SERVICES, GRANTS TO LOCALS, ADM ON AGING GRANTS

Class/Object	Class Title	Current Authorized	Increase/ (Decrease) Amount	Revised Authorized
SFY 2016				
000-404871	Federal Funds	\$ 8,484,246	\$0	\$ 8,484,246
	General Fund	<u>6,114,381</u>	<u>0</u>	<u>6,114,381</u>
	Total Revenue	<u>\$14,598,627</u>	<u>\$0</u>	<u>\$14,598,627</u>
010-500100	Personal Services Perm Class	\$ 277,035	\$ 0	\$ 277,035
020-500200	Current Expenses	15,797	0	15,797
022-500255	Rents Leases Other Than State	1,990	0	1,990
039-500188	Telecommunications	7,865	0	7,865
040-500800	Indirect Costs	3,000	0	3,000
041-500801	Audit Fund Set Aside	8,955	0	8,955
042-500620	Additional Fringe Benefits	9,000	0	9,000
049-500246	Transfer To Other State Agency	44,534	0	44,534
060-500602	Benefits	127,769	0	127,769
066-500543	Employee Training	676	0	676
070-500704	In-State Travel Reimbursement	6,921	0	6,921
072-500575	Grants Federal	1,054,329	0	1,054,329
080-500713	Out-Of State Travel Reimbursement	7,221	0	7,221
502-500891	Payments to Providers	1,389,777	0	1,389,777
512-500352	Transportation of Clients	2,226,256	0	2,226,256
540-500382	Social Service Contracts	1,665,997	0	1,665,997
541-500383	Meals Home Del and Cong	2,607,081	(122,397)	2,484,684
544-500386	Meals Home Delivered	3,814,754	122,397	3,937,151
570-500928	Family Care Giver	<u>1,329,670</u>	<u>0</u>	<u>1,329,670</u>
	Total Expense	<u>\$14,598,627</u>	<u>\$0</u>	<u>\$14,598,627</u>

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court, and
Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
Page 2
May 6, 2016

EXPLANATION

The Department of Health and Human Services contracts with multiple non-profit community agencies to provide meals to seniors both in a congregate community setting and through home delivery. Due to a lower demand for congregate and a higher demand on home delivered meals, four of the eleven providers have requested that the Department authorize a transfer of funds between the applicable class lines to allow for this change in demand, and to prevent an unnecessary lapse in the funds. This transfer does not change the providers' total not-to-exceed contract values. Upon approval of this transfer, the Department will be bringing forth contract amendments to transfer funds between these service lines.

Should Fiscal Committee and Governor and Executive Council determine not to approve this request, elderly clients in need of home delivered meals will not be able to receive them.

Geographic area served: Statewide.

Source of Funds: 60% Federal (Administration on Community Living Title III) and 40% General Funds.

If federal funds become no longer available, general funds will not be requested to support the program expenditures.

Respectfully submitted:



Sheri L. Rockburn
Chief Financial Officer

Approved by:



Jeffrey Meyers
Commissioner

Enclosures

State of New Hampshire

DEPARTMENT OF SAFETY
 JAMES H. HAYES BLDG. 33 HAZEN DR.
 CONCORD, N.H. 03305
 603/271-2791

KEVIN P. O'BRIEN
 ASSISTANT COMMISSIONER

RICHARD C. BAILEY, JR.
 ASSISTANT COMMISSIONER

JOHN J. BARTHELMES
 COMMISSIONER OF SAFETY

April 19, 2016

The Honorable Neal M. Kurk, Chairman
 Fiscal Committee of the General Court
 State House
 Concord, New Hampshire 03301

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Council
 State House
 Concord, New Hampshire 03301

Requested Action

Pursuant to Chapter 276:198, authorize the Department of Safety, Division of State Police to transfer among accounts within State Police Traffic Bureau, as outlined below, in the amount of \$190,000.00 for anticipated shortages in current expense, overtime, and part-time salaries for the Fiscal Year 2016. Effective upon Fiscal Committee and Governor and Council approvals through June 30, 2016. Funding source: 52.15% General Funds, 25% Highway Funds, 22.85% Turnpike Funds.

02-23-23-234015-40030000 Dept. of Safety – Division of State Police – Traffic Bureau

Class	Description	SFY 2016 Current Adjusted Authorized	Requested Action	Revised SFY 2016 Adjusted Authorized
UUU-000015	Highway Funds	(\$7,172,227.55)	\$0.00	(\$7,172,227.55)
UUU-000017	Turnpike Funds	(\$6,555,415.98)	\$0.00	(\$6,555,415.98)
UUU-000010	General Funds	(\$14,961,266.68)	\$0.00	(\$14,961,266.68)
	Revenue Total	(\$28,688,910.21)		(\$28,688,910.21)
010-500100	Personal Serv - Perm	\$ 14,801,577.00	\$ -	\$ 14,801,577.00
011-500126	Personal Serv - Unclass	\$ 112,888.00	\$ -	\$ 112,888.00
018-500106	Overtime	\$ 650,000.00	\$ 50,000.00	\$ 700,000.00
019-500105	Holiday Pay	\$ 645,000.00	\$ (75,000.00)	\$ 570,000.00
020-500200	Current Expense	\$ 839,759.97	\$ 135,000.00	\$ 974,759.97
022-500255	Rents-Leases Other Than State	\$ 23,009.85	\$ -	\$ 23,009.85
023-500291	Heat Electricity Water	\$ 127,424.00	\$ -	\$ 127,424.00
024-500224	Maint Other Than Build-Grn	\$ 18,670.00	\$ -	\$ 18,670.00
026-500251	Organizational Dues	\$ 4,500.00	\$ -	\$ 4,500.00
030-500301	Equipment	\$ 1,601,945.94	\$ -	\$ 1,601,945.94
037-500173	Technology-Hardware	\$ 7,500.00	\$ (7,500.00)	\$ -
039-500188	Telecommunications	\$ 398,105.00	\$ -	\$ 398,105.00
050-500109	Personal Serv - Temp	\$ 102,116.00	\$ 5,000.00	\$ 107,116.00
060-500601	Benefits	\$ 7,687,290.00	\$ -	\$ 7,687,290.00
066-500558	Employee Training	\$ 4,800.00	\$ -	\$ 4,800.00
070-502970	In State Travel Reimb	\$ 1,504,805.18	\$ (107,500.00)	\$ 1,397,305.18

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
April 19, 2016
Page 2 of 2

Reimbursement							
080-500710	Out of State Travel Reimb	\$	30,000.00	\$	-	\$	30,000.00
103-500737	Contracts for Op Services	\$	129,519.27	\$	-	\$	129,519.27
	Org 4003 Totals	\$	28,688,910.21		\$0.00		\$28,688,910.21


Explanation

Traffic Bureau is in need of additional funds for miscellaneous expenditures, such as uniforms due to new Troopers hired during the current SFY and to outfit State Troopers with the equipment necessary to be prepared to safely respond to an active shooter incident. The other additional funds needed are for overtime and part-time salaries due to vacant positions and the changes in the payroll calculation methodology. Funds are available for transfer from **Traffic Bureau** class 070, 019, and 037 to meet this need as the spend rate of these accounts have been less than projected.

The following information is provided in accordance with the Budget Officer's instructional memorandum dated April 17, 1985 to support the above requested actions:

- 1) *Does transfer involve continuing programs or one-time projects?* The transfer involves continuing programs.
- 2) *Is this transfer required to maintain existing program level or will it increase the program level?* This transfer is required to maintain existing program levels.
- 3) *Cite any requirements which make this program mandatory.* RSA 21-P
- 4) *Identify the source of funds on all accounts listed on this transfer.* The sources of funds for all accounts listed on this transfer are 52.15% General Funds, 25% Highway Funds, and 22.85% Turnpike Funds.
- 5) *Will there be any effect on revenue if this transfer is approved or disapproved?* There will be no effect on revenue.
- 6) *Are funds expected to lapse if this transfer is not approved?* Yes, the funds will lapse if the transfer is not approved.
- 7) *Are personnel services involved?* No.

Respectfully submitted,


John J. Barthelmes
Commissioner of Safety

CHAPTER 276
HB 2-FN-A-LOCAL -FINAL VERSION
- Pages 56 - 57 -

276: 198 Department of Safety; Transfer Among Accounts. Notwithstanding any provision of law to the contrary, except RSA 9:17-c and RSA 99:4, for the biennium ending June 30, 2017, the commissioner of the department of safety is hereby authorized to transfer funds between and among all class lines and accounting units within the department as the commissioner deems necessary and appropriate to address present or projected budget deficits, or to respond to changes in federal law, regulations, or programs, and otherwise as necessary for the efficient management of the department; provided that any transfer over \$75,000 shall require prior approval of the fiscal committee of the general court and the governor and council.

LBAO
04/18/16

ADDITIONAL REVENUES AND POSITIONS - BIENNIUM ENDING JUNE 30, 2017
Fiscal Committee Approvals Through Meeting of 04/15/16

Meeting	Department	Chapter / RSA Reference	General	Federal	Other	Total	Positions Established		Comments
							Full-Time	Part-Time	
YEAR 2016									
March'16	Adjutant General's Department	RSA 14:30-a, VI	-	450,000	-	450,000			
	Adjutant General's Department Total		-	450,000	-	450,000	-	-	
July'15	Cultural Resources, Department of	RSA 14:30-a, VI; RSA 124:15	-	594,691	-	594,691		3	Authorizes 3 part time positions (grants coordinator and 2 program specialists I)
Aug'15	Cultural Resources, Department of	RSA 14:30-a, VI; RSA 124:15	-	-	29,456	29,456			Extended authorization for consultants from 6/30/15 to 12/31/15.
	Cultural Resources, Department of Total		-	594,691	29,456	624,147	-	3	
July'15	Education, Department of	RSA 14:30-a, VI; RSA 124:15	-	1,084,997	-	1,084,997			Item extends the end date for 2 temporary full time positions (program specialist III and program assistant II) originally established in FIS 15-033
July'15	Education, Department of	RSA 14:30-a, VI; RSA 124:15	-	1,586,127	-	1,586,127			Item extends the end date for 3 temp full time (Administrator II, Program Specialist III, Program Assistant II) and one part time position (Program Specialist III) originally established in FIS 14-026
Dec'15	Education, Department of	RSA 14:30-a, VI; RSA 124:15	-	763,462	-	763,462	1		Item allows for 1 temporary full time position (education consultant I)
	Education, Department of Total		-	3,434,586	-	3,434,586	1	0	
Jan'16	Energy and Planning, Office of	RSA 14:30-a, VI	-	300,000	-	300,000			
	Energy and Planning, Office of Total		-	300,000	-	300,000	0	0	
July'15	Environmental Services, Department of	RSA 124:15	-	-	-	-			Item extends the end date for 5 temp full time positions (administrator IV, Administrator III, Civil Engineer VI, and 2 Environmentalist IV) originally established in FIS 13-246. FIS 15-239 extends end date from 12/31/15 to 6/30/17.
Jan'16	Environmental Services, Department of	RSA 14:30-a, VI	-	127,420	-	127,420			
Feb'16	Environmental Services, Department of	RSA 14:30-a, VI	-	163,209	-	163,209			
Feb'16	Environmental Services, Department of	RSA 14:30-a, VI	-	-	75,000,000	75,000,000			
March'16	Environmental Services, Department of	RSA 14:30-a, VI	-	300,000	-	300,000			
	Environmental Services, Department of Total		-	590,629	75,000,000	75,590,629	0	0	
Oct'15	Fish and Game Department	RSA 14:30-a, VI	-	595,800	-	595,800			
Oct'15	Fish and Game Department	RSA 14:30-a, VI	-	174,570	-	174,570			
Jan'16	Fish and Game Department	RSA 14:30-a, VI	-	29,359	10,000	39,359			
April'16	Fish and Game Department	RSA 14:30-a, VI; RSA 124:15	-	170,170	-	170,170			Establishes a class 046 consultant line to hire a consultant to develop and implement a web-based event manager service.
	Fish and Game Department Total		-	969,899	10,000	979,899	0	0	
July'15	Governor's Office	RSA 14:30-a, VI; RSA 124:15	-	-	112,500	112,500			Item extends the end date for one non-classified full time position originally established in FIS 14-196
	Governor's Office Total		-	-	112,500	112,500	-	-	
July'15	DHHS - Office of the Commissioner	RSA 14:30-a, VI	-	124,150	34,328	158,478			
Dec'15	DHHS - Office of the Commissioner	RSA 14:30-a, VI	-	9,129,830	1,219,378	10,349,208			
Feb'16	DHHS - Office of the Commissioner	RSA 14:30-a, VI	-	1,557,555	61,714	1,619,269			
Feb'16	DHHS - Office of the Commissioner	RSA 14:30-a, VI	-	4,000	-	4,000			
Feb'16	DHHS - Office of the Commissioner	RSA 14:30-a, VI	-	(74,999)	(9,630)	(84,629)			
	DHHS - Office of the Commissioner Total		-	10,740,536	1,305,790	12,046,326	-	-	
Aug'15	DHHS - Division of Children, Youth and Families	RSA 14:30-a, VI	-	219,342	-	219,342			

LBAO
04/18/16

ADDITIONAL REVENUES AND POSITIONS - BIENNIUM ENDING JUNE 30, 2017
Fiscal Committee Approvals Through Meeting of 04/15/16

Meeting	Department	Chapter / RSA Reference	General	Federal	Other	Total	Positions Established		Comments
							Full-Time	Part-Time	
	DHHS - Division of Children, Youth and Families Total		-	219,342	-	219,342	-	-	
July'15	DHHS - Division of Public Health Services	RSA 14:30-a, VI	-	1,636,364	-	1,636,364			
Aug'15	DHHS - Division of Public Health Services	RSA 14:30-a, VI	-	127,089	-	127,089			
Aug'15	DHHS - Division of Public Health Services	RSA 14:30-a, VI	-	1,724,196	-	1,724,196			FIS 15-272 extends the end date from 12/31/15 to 6/30/17 and accepts additional funds (see below)
Dec'15	DHHS - Division of Public Health Services	RSA 14:30-a, VI	-	340,567	-	340,567			See above
Aug'15	DHHS - Division of Public Health Services	RSA 14:30-a, VI	-	103,396	-	103,396			
Aug'15	DHHS - Division of Public Health Services	RSA 14:30-a, VI	-	1,067,592	-	1,067,592			
Aug'15	DHHS - Division of Public Health Services	RSA 14:30-a, VI; RSA 124:15	-	257,214	-	257,214	-		Item extends the end date for 3 positions (a senior management analyst and two program planner III) originally approved with FIS 15-002
Oct'15	DHHS - Division of Public Health Services	RSA 14:30-a, VI; RSA 124:15	-	1,038,641	-	1,038,641	5		Item creates 5 temporary full-time positions (Toxicologist IV, 2 toxicologist II, public health program manager, and program specialist IV)
Dec'15	DHHS - Division of Public Health Services	RSA 14:30-a, VI	-	-	300,000	300,000			
Dec'15	DHHS - Division of Public Health Services	RSA 14:30-a, VI	-	120,522	-	120,522			
Dec'15	DHHS - Division of Public Health Services	RSA 14:30-a, VI	-	286,867	-	286,867			
Jan'16	DHHS - Division of Public Health Services	RSA 14:30-a, VI	-	309,247	-	309,247			
Jan'16	DHHS - Division of Public Health Services	RSA 14:30-a, VI	-	1,727,822	-	1,727,822			
Feb'16	DHHS - Division of Public Health Services	RSA 14:30-a, VI; RSA 124:15	-	678,574	-	678,574	2		Item establishes two full time temporary positions
Feb'16	DHHS - Division of Public Health Services	RSA 14:30-a, VI; RSA 124:15	-	466,012	-	466,012	2		Item establishes two full time temporary positions
	DHHS - Division of Public Health Services Total		-	9,884,103	300,000	10,184,103	9	-	
Dec'15	DHHS - Office of Human Services	RSA 14:30-a, VI; RSA 124:15	-	362,852	-	362,852	1		Item establishes 1 full time temporary position
	DHHS - Office of Human Services Total		-	362,852	-	362,852	1	-	
July'15	DHHS - Office of Medicaid Business and Policy	RSA 14:30-a, VI	-	2,500,000	-	2,500,000			
Oct'15	DHHS - Office of Medicaid Business and Policy	RSA 14:30-a, VI	-	2,231,951	-	2,231,951			
Oct'15	DHHS - Office of Medicaid Business and Policy	RSA 14:30-a, VI	-	324,997	-	324,997			
Jan'16	DHHS - Office of Medicaid Business and Policy	RSA 14:30-a, VI	-	4,083,670	-	4,083,670			
March'16	DHHS - Office of Medicaid Business and Policy	RSA 14:30-a, VI	-	-	-	-			Item amends item 15-034 by reallocating federal funds between classes and extending the end date to 12/20/2016.
	DHHS - Office of Medicaid Business and Policy Total		-	9,140,618	-	9,140,618	-	-	
March'16	Department of Information Technology	RSA 14:30-a, VI; RSA 124:15	-	-	120,000	120,000			Item provides approval for establishing consultant positions. Federal Funds from Homeland Security
	Department of Information Technology Total		-	-	120,000	120,000	-	-	
July'15	Insurance Department	RSA 14:30-a, VI; RSA 124:15	-	444,179	-	444,179			Item extends the end date for consultants established in FIS 14-174
July'15	Insurance Department	RSA 14:30-a, VI; RSA 124:15	-	1,055,985	-	1,055,985			Item extends the end date for consultants established in FIS 13-247
July'15	Insurance Department	RSA 14:30-a, VI; RSA 124:15	-	529,678	-	529,678			Item provides approval for establishing consultant positions
	Insurance Department Total		-	2,029,842	-	2,029,842	-	-	
July'15	Justice, Department of	RSA 14:30-a, VI; RSA 124:15	-	106,177	-	106,177			Item provides approval for establishing consultant positions. FIS 15-250 extends end date from 12/31/15 to 6/30/17.
July'15	Justice, Department of	RSA 124:15	-	-	-	-			Item establishes one part time program specialist IV position

LBAO
04/18/16

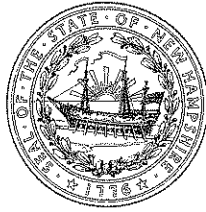
ADDITIONAL REVENUES AND POSITIONS - BIENNIUM ENDING JUNE 30, 2017
Fiscal Committee Approvals Through Meeting of 04/15/16

Meeting	Department	Chapter / RSA Reference	General	Federal	Other	Total	Positions Established		Comments
							Full-Time	Part-Time	
Sept'15	Justice, Department of	RSA 14:30-a, VI; RSA 124:15	-	-	138,902	138,902	1		Item establishes one temp full time planning analyst (LG 24) position and approval for establishing consultant position. FIS 15-247 extends the end date from 12/31/15 to 6/30/17 and accepts an additional \$138,902 of agency income.
Oct'15	Justice, Department of	RSA 14:30-a, VI	-	5,940,633	-	5,940,633			
Dec'15	Justice, Department of	RSA 14:30-a, VI	-	142,145	-	142,145			
Dec'15	Justice, Department of	RSA 14:30-a, VI	-	500,000	-	500,000			
Dec'15	Justice, Department of	RSA 14:30-a, VI	-	60,000	-	60,000	1		Establishes 1 drug prosecutor position
Jan'16	Justice, Department of	RSA 14:30-a, VI; RSA 124:15	-	-	140,000	140,000	1		Establishes 1 victim witness specialist (LG 26) position
March'16	Justice, Department of	RSA 14:30-a, VI; RSA 124:15	-	-	132,346	132,346	1		Establishes 1 Elder Abuse Prosecutor.
March'16	Justice, Department of	RSA 14:30-a, VI; RSA 124:15	-	-	123,454	123,454	1		Establishes 1 victim witness specialist (LG 26) position
March'16	Justice, Department of	RSA 14:30-a, VI	-	399,622	-	399,622			
	Justice, Department of Total		-	7,148,577	534,702	7,683,279	5	-	
July'15	Pharmacy, Board of	RSA 124:15	-	-	-	-			Item extends the end date for one temp full time Administrator I and one part time Administrator I as contained in FIS 14-015 and FIS 13-164, FIS 15-273 extends end date through 3/31/16.
	Pharmacy, Board of Total		-	-	-	-	-	-	
March'16	Office of Professional Licensure and Certification	RSA 14:30-a, VI; RSA 124:15	-	-	452,084	452,084	1		Establishes 1 administrative assistant (LG 16) position and extends a administrator I (LG 27) through June 30, 2017.
	Office of Professional Licensure and Certification Total		-	-	452,084	452,084	1	-	
Aug'15	Resources and Economic Development, Department of	RSA 14:30-a, VI	-	-	109,020	109,020			
Aug'15	Resources and Economic Development, Department of	RSA 14:30-a, VI	-	-	189,276	189,276			
Aug'15	Resources and Economic Development, Department of	RSA 14:30-a, VI; RSA 124:15	-	319,848	-	319,848			Item provides approval for establishing consultant position of consortium manager. FIS 15-253 extends end date from 12/31/15 to 5/31/16
Sept'15	Resources and Economic Development, Department of	RSA 14:30-a, VI	-	199,878	-	199,878			FIS 15-234 extends end date from 12/31/15 to 9/29/16
March'16	Resources and Economic Development, Department of	RSA 14:30-a, VI	-	-	150,000	150,000			
	Resources and Economic Development, Department of Total		-	519,726	448,296	968,022	-	-	
July'15	Safety, Department of	RSA 124:15	-	-	-	-			Item extends the end date for consultant positions originally contained in FIS 14-203
July'15	Safety, Department of	RSA 124:15	-	-	-	-			Item extends the end date for consultant positions originally contained in FIS 15-032
July'15	Safety, Department of	RSA 124:15	-	-	-	-			Item extends the end date for consultant positions originally contained in FIS 14-152. FIS 15-242 extends end date from 12/31/15 to 9/30/16.
Aug'15	Safety, Department of	RSA 14:30-a, VI; RSA 124:15	-	870,841	-	870,841			Item provides approval for establishing consultant positions. See FIS 15-249
Aug'15	Safety, Department of	RSA 14:30-a, VI; RSA 124:15	-	(471,861)	-	(471,861)			Item extends end date for FIS 15-132 from 12/31/15 to 6/30/17 and reduces the amount to reflect what has been appropriated.
Aug'15	Safety, Department of	RSA 14:30-a, VI	-	4,439,989	-	4,439,989			FIS 15-236 changes end date from 12/31/15 to 6/30/17
Aug'15	Safety, Department of	RSA 14:30-a, VI	-	2,237,568	-	2,237,568			FIS 15-237 changes end date from 12/31/15 to 6/30/17

LBAO
04/18/16

ADDITIONAL REVENUES AND POSITIONS - BIENNIUM ENDING JUNE 30, 2017
Fiscal Committee Approvals Through Meeting of 04/15/16

Meeting	Department	Chapter / RSA Reference	General	Federal	Other	Total	Positions Established		Comments
							Full-Time	Part-Time	
Aug'15	Safety, Department of	RSA 14:30-a, VI	-	554,499	-	554,499			FIS 15-238 changes end date from 12/31/15 to 6/30/17
Sept'15	Safety, Department of	RSA 14:30-a, VI; RSA 124:15	-	7,747,351	-	7,747,351		2	Item provides approval to establish 2 temporary positions. FIS 15-241 extends end date from 12/31/15 to 6/30/17.
Oct'15	Safety, Department of	RSA 14:30-a, VI	-	1,200,143	-	1,200,143			
Oct'15	Safety, Department of	RSA 14:30-a, VI; RSA 124:15	-	-	165,714	165,714		1	Item provides approval to establish 1 temporary position (full-time State Police Captain)
Dec'15	Safety, Department of	RSA 14:30-a, VI	-	-	101,655	101,655			
Dec'15	Safety, Department of	RSA 14:30-a, VI; RSA 124:15	-	-	165,975	165,975			Item provides approval to establish consultant positions
Dec'15	Safety, Department of	RSA 14:30-a, VI; RSA 124:15	-	-	77,170	77,170		4	Item provides approval to establish 4 temporary part-time positions in class 50
Jan'16	Safety, Department of	RSA 14:30-a, VI; RSA 124:15	-	-	257,346	257,346		2	Item provides approval to establish 2 temporary full-time hearings examiner prosecutor positions
Feb'16	Safety, Department of	RSA 14:30-a, VI	-	-	329,164	329,164			
Feb'16	Safety, Department of	RSA 14:30-a, VI; RSA 124:15	-	-	109,960	109,960			Item provides approval to establish consultant positions
March'16	Safety, Department of	RSA 14:30-a, VI; RSA 124:15	-	756,812	-	756,812		1	Establishes 1 part-time program assistant II position.
	Safety, Department of Total		-	17,335,342	1,206,984	18,542,326		3	7
Aug'15	Transportation, Department of	RSA 14:30-a, VI	-	-	750,000	750,000			FIS 15-254 extended end date from 12/31/15 to 6/30/16.
Sept'15	Transportation, Department of	RSA 14:30-a, VI	-	300,000	-	300,000			FIS 15-259 extends end date from 12/31/15 to 6/30/17
March'16	Transportation, Department of	RSA 14:30-a, VI	-	3,000,000	-	3,000,000			
April'16	Transportation, Department of	RSA 14:30-a, VI	-	200,000,000	-	200,000,000			Pursuant to RSA 6:13-d Authority to Borrow, the Department is requesting that the Treasurer borrow \$200,000,000 through a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan.
	Transportation, Department of Total		-	203,300,000	750,000	204,050,000		-	-
	FY 16 Total		-	267,020,743	80,269,812	347,290,555		20	10



MICHAEL W. KANE, MPA
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State of New Hampshire

OFFICE OF LEGISLATIVE BUDGET ASSISTANT
State House, Room 102
Concord, New Hampshire 03301

STEPHEN C. SMITH, CPA
Director, Audit Division
(603) 271-2785

May 4, 2016

Fiscal Committee of the General Court
The Honorable Neal M. Kurk, Chairman
State House
Concord, New Hampshire 03301

Dear Representative Kurk and Members of the Committee,

I am writing to inform you of actions taken under the authority granted to me to approve step increases for employees of the LBA Office. I approved step increases as of the increment date for the following employees:

Michael Landrigan: Effective April 9, 2016, a one step increase from grade N-5 to N-6.
Date of hire: April 9, 2007. Date of previous increment: April 9, 2015.

William Mitchell: Effective April 26, 2016, a one step increase from grade P-8 to P-9.
Date of hire: April 26, 1983 Date of previous increment: April 26, 2015

Mark Manganiello:- Effective May 5, 2016, a one step increase from grade K-2 to K-3.
Date of hire: May 5, 2014 Date of previous increment: May 5, 2015

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael W. Kane".

Michael W. Kane
Legislative Budget Assistant

MWK/scs

JOINT LEGISLATIVE FACILITIES COMMITTEE
 LEGISLATIVE BRANCH
 DETAIL OF BALANCE OF FUNDS AVAILABLE
 FISCAL YEAR 2016
 As of 04/30/2016

Legislative Branch:	Org/ Class	Balance Forward	Appropriation	Income	Transfers	Expenditures	Encumb rances	Balance Available
Senate:	1170							
Personal svcs. - members	011		700.00			99.00		601.00
Personal svcs. - nonclassi	016	3,000.00	1,722,878.00			1,364,885.94		360,992.06
Current expenses	020		40,000.00			8,905.18		31,094.82
Rents-Leases other than state	022	1,000.00	9,500.00			7,614.84		2,885.16
Equipment	030		2,500.00					2,500.00
Telecommunications	039		18,000.00			11,622.01		6,377.99
Legal svcs.& consultants	046	11,700.00	82,000.00			80,426.90		13,273.10
Personal svcs. - temp/app	050	42,000.00	25,212.00			12,429.54		54,782.46
Benefits	060	40,000.00	793,248.00			536,457.31		296,790.69
Employee training	066	1,000.00	500.00					1,500.00
Travel:								
In state	070	35,000.00	140,000.00			105,246.63		69,753.37
Out of state	080	9,000.00	3,000.00			712.39		11,287.61
President's discretionary fund	285	2,156.00	4,500.00			2,606.44		4,049.56
Contingency	289	500.00	0.00					500.00
Total		145,356.00	2,842,038.00	0.00	0.00	2,131,006.18	0.00	856,387.82

Legislative Branch - continued: House	Org/ Class	Balance		Income	Transfers	Expenditures	Encumb rances	Balance Available
		Forward	Appropriation					
	1180							
Personal srvs. - members	011	8,000.00	5,000.00			1,614.00		11,386.00
Personal srvs. - nonclassi	016	20,000.00	1,654,403.00		(30,000.00)	1,308,380.28		336,022.72
Current expenses	020	7,500.00	55,000.00			30,263.26		32,236.74
Rents-Leases Other than State	022	1,000.00	4,500.00			2,866.86		2,633.14
Maint. Other than bldg/grnd	024	23,556.38	6,000.00			23,000.00	0.00	6,556.38
Equipment	030	17,000.00	10,000.00		30,000.00	22,526.53		34,473.47
Telecommunications	039	3,000.00	30,000.00			18,788.40		14,211.60
Consultants	046	50,000.00	80,000.00			8,225.00		121,775.00
Personal srvs. - temp/app	050	35,000.00	249,022.00			135,150.49		148,871.51
Benefits	060	150,000.00	854,997.00			504,091.99		500,905.01
Employee training	066	2,000.00	1,000.00					3,000.00
Travel:								
In state	070	270,260.00	1,000,000.00			601,657.28		668,602.72
Out of state	080	40,000.00	95,000.00			42,367.66		92,632.34
Speaker's special fund	286	2,500.00	10,000.00			2,652.69		9,847.31
Democratic Leader's Account	287	500.00	4,500.00			2,536.57		2,463.43
Republican Leader's Account	288	500.00	4,500.00			2,044.68		2,955.32
Total		630,816.38	4,063,922.00	0.00	0.00	2,706,165.69	0.00	1,988,572.69

Legislative Branch - continued:

		Balance Forward	Appropriation	Income	Transfers	Expenditures	Encumb rances	Balance Available
Operations	1160							
Personal svcs. - nonclassi	016	2,565.00	241,593.00			174,581.99		69,576.01
Current expenses	020	2,200.00	2,000.00			403.32		3,796.68
Equipment New/Replacement	030		750.00					750.00
Telecommunications	039	1,000.00	7,500.00			5,782.48		2,717.52
Benefits	060	2,000.00	152,133.00			100,131.07		54,001.93
Total		7,765.00	403,976.00		0.00	280,898.86	0.00	130,842.14

Joint Expenses	8677							
Current expenses	020	6,000.00	48,000.00			14,799.42		39,200.58
Rents-Leases Other Than State	022	1,000.00	18,000.00			9,288.10		9,711.90
Organizational Dues	026	15,000.00	130,000.00			130,000.00		15,000.00
Equipment New/Replacement	030		1,000.00			249.00		751.00
Consultants	046	13,000.00	3,000.00			16,000.00		0.00
Transfer to Other State Agencies	049		3,000.00			3,000.00		0.00
Legislative Printing & Binding	290	20,848.00	280,000.00			149,197.60		151,650.40
Joint Orientation	291	2,000.00	0.00					2,000.00
Redistricting	292		2,000.00					2,000.00
Total		57,848.00	485,000.00	0.00	0.00	322,534.12	0.00	220,313.88
Less estimated Revenue		-2,050.65	-9,000.00	5,772.81	(A)			-5,277.84
Total		55,797.35	476,000.00	5,772.81	0.00	322,534.12	0.00	215,036.04

Joint Legislative Historical Committee	8870							
Current Expenses	020	43,306.05				9,244.95		34,061.10
Consultants	046	10,145.57	10,000.00			12,605.00		7,540.57
Flag Preservation Consultants	046	0.00			82,624.00	6,189.05		76,434.95
Flag Preservation Revenue	8870-3586	82,624.49			(82,624.00)			0.49
Total		136,076.11	10,000.00	0.00	0.00	28,039.00	0.00	118,037.11

Legislative Branch - continued:		Balance Forward	Appropriation	Income	Transfers	Expenditures	Encumb rances	Balance Available
Visitor's Center:	1229							
Personal srvs. - nonclassi	016		108,911.00			91,934.55		16,976.45
Current Expenses	020		750.00		700.00	921.52		528.48
Equipment New/Replacement	030		400.00			339.98		60.02
Telecommunications	039		750.00			342.03		407.97
Personal srvs. - temp/app	050		55,862.00		(55,862.00)			0.00
Benefits	060	182.00	884.00		55,162.00	44,138.29		12,089.71
Total		182.00	167,557.00		0.00	137,676.37	0.00	30,062.63
Visitor's Ctr. Revolving Fund (G)	1230							
Souvenir Purchases	106	7,100.70	0.00		42,873.51	15,441.92		34,532.29
Revenue	2016	42,873.51	0.00	38,047.27	(42,873.51) (B)			38,047.27
Total		49,974.21	0.00	38,047.27	0.00	15,441.92	0.00	72,579.56
Legislative Accounting:	1166							
Personal srvs. - nonclassi	016	5,000.00	226,923.00			191,906.22		40,016.78
Current expenses	020		2,000.00			265.89		1,734.11
Equipment New/Replacement	030		1,000.00			239.99		760.01
Telecommunications	039	500.00	750.00			543.79		706.21
Personal srvs. - temp/app	050		22,583.00					22,583.00
Benefits	060	3,291.00	80,932.00			64,386.60		19,836.40
Total		8,791.00	334,188.00		0.00	257,342.49	0.00	85,636.51
General Court Info. Systems:	4654							
Personal srvs. - nonclassi	016	14,000.00	345,537.00		5,000.00	294,177.21		70,359.79
Current expenses	020		39,200.00			20,763.48		18,436.52
Equipment New/Replacement	030		750.00					750.00
Technology - Hardware	037	8,000.00	87,025.00			55,002.07		40,022.93
Technology - Software	038		101,797.00			35,967.64	0.00	65,829.36
Telecommunications	039		2,500.00			1,123.98		1,376.02
Personal srvs. - temp/app	050		8,640.00		(5,000.00)			3,640.00
Benefits	060	24,186.00	184,661.00			145,954.35		62,892.65
Employee training	066		2,500.00					2,500.00
Total		46,186.00	772,610.00		0.00	552,988.73	0.00	265,807.27

Legislative Branch - continued:

Org/ Class	Balance Forward	Appropriation	Income	Transfers	Expenditures	Encumb rances	Balance Available
Protective Services: 1164							
Personal srvs. - nonclassi	016	18,000.00	410,585.00		348,057.06		80,527.94
Current expenses	020		7,500.00		18.41		7,481.59
Equipment New/Replacement	030		10,200.00		6,949.61		3,250.39
Telecommunications	039		2,200.00		1,289.88		910.12
Personal srvs. - temp/app	050		1.00				1.00
Benefits	060	1,252.00	216,708.00		171,201.17		46,758.83
Total		19,252.00	647,194.00	0.00	527,516.13	0.00	138,929.87

Health Services: 1165							
Current expenses	020	200.00	1,600.00		784.49		1,015.51
Equipment New/Replacement	030		300.00				300.00
Telecommunications	039		350.00		203.14		146.86
Personal srvs. - temp/app	050	12,000.00	34,522.00		29,400.57		17,121.43
Benefits	060	5,050.00	2,777.00		2,249.14		5,577.86
Employee training	066		400.00		109.00		291.00
Total		17,250.00	39,949.00	0.00	32,746.34	0.00	24,452.66

Legislative Services: 1270							
Personal srvs. - nonclassi	016	30,000.00	1,704,768.00		1,461,401.68		273,366.32
Current expenses	020	1,000.00	19,000.00		15,087.51		4,912.49
Rents-Leases other than State	022		5,500.00		4,061.70		1,438.30
Equipment New/Replacement	030		3,000.00		375.00		2,625.00
Telecommunications	039		6,500.00		5,091.59		1,408.41
Personal srvs. - temp/app	050	4,000.00	25,212.00		13,034.75		16,177.25
Benefits	060	13,797.00	725,193.00		587,958.97		151,031.03
Employee training	066	1,000.00	1,500.00		984.00		1,516.00
Out of state Travel	080		10,000.00				10,000.00
Printing and binding	290		8,000.00		5,488.00	0.00	2,512.00
Total		49,797.00	2,508,673.00	0.00	2,093,483.20	0.00	464,986.80
Less estimated revenue	009/2045	170.68	-750.00	534.00	©		-45.32
Total		49,967.68	2,507,923.00	534.00	©	0.00	464,941.48

Legislative Branch - continued:		Balance Forward	Appropriation	Income	Transfers	Expenditures	Encumb rances	Balance Available
Budget Division:	1221							
Personal srvs. - nonclassi	016	13,256.00	917,072.00		215,000.00	813,224.10		332,103.90
Current expenses	020		10,000.00			3,566.78		6,433.22
Rents-Leases other than State	022		6,000.00			5,185.50		814.50
Organizational Dues	026		1,050.00			1,025.00		25.00
Equipment	030		17,500.00			7,300.00		10,200.00
Telecommunications	039		3,300.00			2,522.37		777.63
Consultants	046		15,000.00			1,037.40		13,962.60
Personal srvs. - temp/app	050		65,000.00		(40,000.00)			25,000.00
Benefits	060		376,955.00		135,000.00	290,941.16		221,013.84
Employee training	066		3,500.00			156.15		3,343.85
In state travel	070		500.00			120.00		380.00
Out of state travel	080		2,000.00					2,000.00
Total		13,256.00	1,417,877.00		310,000.00	1,125,078.46	0.00	616,054.54
Legislative Budget Assistant:								
Audit Division:	1222							
Personal srvs. - nonclassi	016		1,994,393.00		(90,000.00)	1,602,977.78		301,415.22
Current expenses	020		12,860.00			7,104.41		5,755.59
Rents-Leases other than State	022		100,000.00			97,524.00		2,476.00
Equipment	030		20,000.00			1,130.00		18,870.00
Telecommunications	039		2,500.00			1,364.44		1,135.56
Consultants	046	250,368.00	570,000.00		195,000.00	673,319.00		342,049.00
Personal srvs. - temp/app	050		10,000.00		(1,500.00)			8,500.00
Benefits	060		898,927.00		25,000.00	626,085.67		297,841.33
Employee training	066		25,000.00			21,573.45		3,426.55
In state travel	070		7,500.00			1,717.19		5,782.81
Out of state travel	080		100.00		1,500.00	1,492.19		107.81
Total		250,368.00	3,641,280.00	0.00	130,000.00	3,034,288.13	0.00	987,359.87
Less estimated revenue	006/1251	559,023.00	-654,297.00	289,348.00	(440,000.00) (D)			-245,926.00
Total		809,391.00	2,986,983.00	289,348.00	(310,000.00)	3,034,288.13	0.00	741,433.87
Total		1,990,060.73	16,670,217.00	333,702.08	0.00	13,245,205.62	0.00	5,748,774.19

- (A) Proceeds from the sale of legislative subscriptions, advance sheets, permanent journals, and rosters, and royalties from Lexis Law Publishing.
- (B) Pursuant to Chapter 177:151 State House Visitor's Center Revolving Fund established - Proceeds from sales of souvenirs and expenditures from souvenir purchases transferred to V.C. Revolving account effective 10/18/06.
- (C) Proceeds from sales of photocopies and rulemaking registers.
- (D) Auditing fees



GOVERNOR Margaret Wood Hassan
CHAIRMAN Debra M. Douglas
COMMISSIONER Paul J. Holloway
COMMISSIONER David L. Gelinas
EXECUTIVE DIRECTOR Charles R. McIntyre

April 14, 2016

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

INFORMATIONAL ITEM

Pursuant to RSA 284:21-h, VII, requesting that the Lottery Commission shall report quarterly to the Fiscal Committee of the General Court on the status of the incentive employee recognition program for the sale of instant tickets.

- Fiscal year 2016 third quarter sales increased by \$5,039,027 compared to the prior year's fiscal quarter.

Please find attached the data sheet detailing the incentive recognition program for the fiscal period listed above.

Respectfully submitted,

Charles R. McIntyre
Executive Director

CRM:dc
Attachment





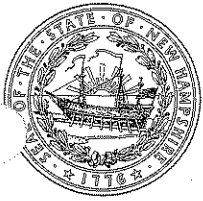
Over \$1.7 billion to education

FY16 Rep Bonus Q3

Rep #	Rep Name	FY16 Q3 Instant Sales	FY15 Q3 Instant Sales	Goal 7% for Bonus or 11.2% for Double Bonus	Bonus Amount	Additional Instant Sales
202	Jenn Rouse	\$4,778,135	\$4,074,157	17.28%	\$2,000	\$703,978
203	Gary Rivard	2,980,598	2,726,503	9.32%	\$1,000	\$254,095
204	Julie O'Brien	6,277,740	5,715,234	9.84%	\$1,000	\$562,506
205	Eileen Gromelski	4,224,401	3,600,682	17.32%	\$2,000	\$623,719
206	Paul Sullivan	4,691,690	4,335,562	8.21%	\$1,000	\$356,128
207	Adam Hopkins **	4,783,761	4,571,655	4.64%	\$0	\$212,106
208	Diane Floyd	3,361,845	3,131,220	7.37%	\$1,000	\$230,625
209	Karen O'Brien	4,871,618	4,335,296	12.37%	\$2,000	\$536,322
210	Laura Towle	4,575,222	4,193,792	9.10%	\$1,000	\$381,430
211	James Downey	5,402,116	4,937,638	9.41%	\$1,000	\$464,478
212	Heather Stone	5,404,567	4,800,052	12.59%	\$2,000	\$604,515
213	Tom Rues	4,447,258	4,338,133	2.52%	\$0	\$109,125
	TOTAL	55,798,951	50,759,924	9.93%	\$14,000	\$5,039,027

**Adam-Eligible for Bonus FY 17 Q1

Internal Use Only. Not for Public Distribution.



John T. Beardmore
Commissioner

FIS 16 075

State of New Hampshire
Department of Revenue Administration

109 Pleasant Street
PO Box 457, Concord, NH 03302-0457
Telephone 603-230-5005
www.nh.gov/revenue



April 4, 2016

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

Re: January through March 2016 Refund Report

Dear Representative Kurk:

Pursuant to revised RSA 21-J:45, enclosed is the Department of Revenue Administration's Quarterly Refund Report for the months of January through March 2016. This report is produced on a quarterly basis for requested tax refunds and provides a 5-year refund analysis.

Feel free to contact me with any questions or concerns.

Sincerely,

John T. Beardmore
Commissioner

Enclosure

TDD Access: Relay NH 1-800-735-2964

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the Department.

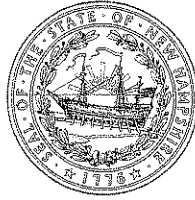
Department of Revenue Administration
 Quarterly Refund Report
 FY2016 Quarter 3 (Jan - Mar)

	A	B	C	D	E
		Business Taxes		Interest and Dividends Tax	
		\$	#	\$	#
1	Requested Refunds Outstanding at Start of Quarter	\$ 4,002,175	247	\$ 205,651	68
2	Requested Refunds Initiated Current Quarter	\$ 4,231,816	1230	\$ 833,342	1044
3	Requested Refunds Paid Current Quarter	\$ 3,869,629	594	\$ 491,673	154
4	Requested Refunds Outstanding at End of Quarter ¹	\$ 4,288,436	845	\$ 512,608	939

Business Taxes					
	Six-Year History of Requested Refunds Paid	Quarter 1 (Jul - Sep)	Quarter 2 (Oct - Dec)	Quarter 3 (Jan - Mar)	Quarter 4 (Apr - Jun)
5	FY2016	\$ 5,153,357	\$ 10,897,044	\$ 3,869,629	
6	FY2015	\$ 6,722,636	\$ 10,540,238	\$ 8,869,233	\$ 5,913,456
7	FY2014	\$ 3,884,913	\$ 16,260,550	\$ 7,237,481	\$ 5,537,410
8	FY2013	\$ 3,420,723	\$ 1,894,055	\$ 11,163,932	\$ 11,599,580
9	FY2012	\$ 5,323,035	\$ 8,250,900	\$ 4,012,814	\$ 6,048,512
10	FY2011	\$ 6,390,206	\$ 11,739,293	\$ 10,604,106	\$ 5,570,492
11	FY2010	\$ 3,827,473	\$ 13,108,991	\$ 14,423,748	\$ 9,279,202

Interest and Dividends Tax					
	Six-Year History of Requested Refunds Paid	Quarter 1 (Jul - Sep)	Quarter 2 (Oct - Dec)	Quarter 3 (Jan - Mar)	Quarter 4 (Apr - Jun)
12	FY2016	\$ 520,696	\$ 3,999,317	\$ 491,673	
13	FY2015	\$ 770,008	\$ 1,807,347	\$ 518,693	\$ 1,332,514
14	FY2014	\$ 1,230,552	\$ 3,082,684	\$ 930,216	\$ 2,611,630
15	FY2013	\$ 923,696	\$ 360,903	\$ 2,168,976	\$ 1,363,645
16	FY2012	\$ 1,656,963	\$ 2,986,203	\$ 191,378	\$ 1,725,833
17	FY2011	\$ 1,122,034	\$ 1,871,547	\$ 1,366,871	\$ 3,094,500
18	FY2010	\$ 1,168,054	\$ 2,429,978	\$ 1,473,764	\$ 3,525,738

¹ Note: B1 + B2 - B3 will not always equal B4 and D1 + D2 - D3 will not always equal D4
 This is because requests for refund are closed in ways other than payment, including offsetting a tax notice, the request being out of statute and the request not being valid.



William F. Dwyer
STATE TREASURER

**THE STATE OF NEW HAMPSHIRE
STATE TREASURY**

25 CAPITOL STREET, ROOM 121
CONCORD, N.H. 03301
603-271-2621
FAX 603-271-3922
E-mail: bdwyer@treasury.state.nh.us
TDD Access: Relay NH 1-800-735-2964

April 28, 2016

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

INFORMATIONAL ITEM

Pursuant to RSA 6-B:2, VII, I request that you accept the attached quarterly report of the New Hampshire State Treasury for the period ended March 31, 2016.

EXPLANATION

I am pleased to present the first quarter (calendar year 2016) Quarterly Balance Report, summarizing the total amount of funds in the State Treasury, the amount belonging to each separate fund, the funds on deposit, investments held, and the net interest income earned thereon. The mission of the New Hampshire State Treasury is to deliver professional financial management services to state government, the legislature, and New Hampshire citizens.

Respectfully requested,

A handwritten signature in black ink, appearing to read "William F. Dwyer".

William F. Dwyer
State Treasurer

CC: Vicki V. Quiram, Commissioner, Department of Administrative Services

Attachment: Treasury Quarterly Balance Report – March 31, 2016



Treasury Quarterly Balance Report

March 31, 2016 (Q3, FY16)

RSA 6-B:2 (VII)

General Ledger by Separate Fund

General Fund	\$	293,407,655
Liquor	\$	1,657,893
Lottery	\$	15,113,988
Racing/Gaming	\$	572,636
Highway	\$	95,404,897
Turnpike	\$	159,488,915
DES-SRF	\$	262,329,548
Fish & Game	\$	5,667,608
Capital Fund	\$	28,869,649
Education	\$	(253,953,069)
Employee Benefit	\$	29,705,669
<u>Sub-total</u>	\$	<u>638,265,389</u>
T&A*	\$	48,427,964
PEAP*	\$	<u>24,561,755</u>
TOTAL	\$	711,255,107 **

Deposits and Investments Held

Funds on Deposit	\$121,282,335
Investments Held	\$568,756,327
TOTAL	\$ 690,038,662 **
Net Interest Income	\$ 393,399.20
FY16 Interest Income	\$ 1,300,439.26

*Trust and Agency Accounts (T&A) and Pre-escheat Abandoned Property (PEAP) securities are not reported in the General Ledger.

** The variance between the two totals results from timing differences between accounting entries and actual cash transactions, as well as the reporting of certain enterprise funds. The State Treasury reconciles General Ledger to Bank Statements.



State of New Hampshire
 DEPARTMENT OF ADMINISTRATIVE SERVICES
 OFFICE OF THE COMMISSIONER
 25 Capitol Street – Room 120
 Concord, New Hampshire 03301

VICKI V. QUIRAM
 Commissioner
 (603)-271-3201

JOSEPH B. BOUCHARD
 Assistant Commissioner
 (603)-271-3204

May 6, 2016

The Honorable Neal M. Kurk, Chairman
 Fiscal Committee of the General Court
 State House
 Concord, New Hampshire 03301

Dear Representative Kurk:

INFORMATIONAL ITEM

In accordance with Chapter 319:32, Laws of 2003, State Employee Health Insurance; Administrative Services Reporting, I respectfully submit this report regarding the State’s self-funded Health Benefits Plan (HBP).

A. **Program Activity:**

Cash Basis: The beginning Cumulative Cash Fund Balance as of July 1, 2015 was \$51.2 million. To this balance subtract \$12.2 million, which represents Revenue less Expenditures from July 1, 2015 through April 30, 2016. The Ending Cumulative Cash Fund Balance at April 30, 2016 is \$39 million.

	<i>FY 2016</i> <i>(000's)</i>
Cumulative Cash Fund Balance (<i>July 1, 2015</i>).....	<u>\$ 51,240</u>
Plus: Program Revenue Collected.....	<u>\$202,445</u>
Less: Total Expenditures	<u>\$214,671</u>
Revenue less Expenditures (<i>July 1 – April 30, 2016</i>).....	<u>\$(12,226)</u>
Cumulative Cash Fund Balance (<i>April 30, 2016</i>).....	<u>\$39,014</u>

Source: NH FIRST

Accrual Basis: The above amounts are cash basis only and do not take into consideration IBNR, statutory reserve, accounts payable or receivables. To arrive at a true fund balance as of April 30, 2016, we must start with the Cumulative Cash Fund Balance as of that date and add outstanding receivables earned and realized or realizable and payables incurred as of April 30, 2016. Then we must subtract the IBNR (Incurred but not Reported) reserve and the statutory reserve.

<i>FY2016</i>		
Line Item	Description	Total (000's)
1	Cumulative Cash Fund Balance (April 30, 2016)	\$ 39,014
2	Add: Program Revenue Earned (estimate as of April 30, 2016)	\$ 11,642
3	Less: Program Expenses Incurred (estimate as of April 30, 2016)	(\$ 7,865)
4	Subtotal: Cumulative Accrual Fund Balance (April 30, 2016)	\$ 42,791
5	Less: IBNR	(\$ 14,990)
6	Less: Statutory Reserve*	(\$ 17,066)
	<i>*(Actives & Retiree Plans = 5% of FY16 Projected Expenses, Troopers Plan = 100% of FY16 Projected Expenses)</i>	
8	Cumulative Accrual Fund Balance: Net of IBNR and Reserves (April 30, 2016)	\$ 10,735

As indicated above, the HBP's cumulative accrual fund balance, net of IBNR and statutory reserves, as of April 30, 2016 is \$10.7 million and encompasses surplus for actives and retirees.

It is important to note that working rates are set on a calendar year basis based on an average rate for the midpoint of the year. Accordingly, working rates are expected to generate a surplus at the beginning of the calendar year that may be spent down in the last six months of the year.

B. Statutory Reserve: DAS implemented a health and dental rate holiday for agencies, employees, Statutorily Authorized Groups, and self-payers to satisfy the General Fund, Highway Fund, and Fish & Game Fund FY16 surplus statements related to the FY16/17 budget. HB2, Chapter 276:164 (a) (Laws of 2015) reduced the required minimum reserves for the employee and retiree health benefit fund from 5% to 3%. The health and dental rate holiday was applied to the Active, Trooper, and Dental accounts, reducing the HBP reserve by approximately \$5.1 million in total funds (including the \$1.8 million General Fund, \$652,000 Highway Fund, and \$53,900 Fish & Game Fund). DAS then performed a sweep to transfer the state share of available balances in agency class 60 budget lines in the amounts listed below back to the funds. The amounts below are slightly different than originally estimated because the rate holiday was estimated based on the budgeted employee's accounting unit and the actual accounting unit charged salary and benefits was allocated differently for some employees because they worked on projects, grants, or jobs that were accounted for differently than originally budgeted, resulting in a slightly different fund mix.

Fund	Surplus Statement Reference	Amount Originally Estimated in Surplus Statement	Actual Amount Swept after FY16 Reserve Reduction
General Fund	FY 16/17 Comparative Statement of Undesignated Surplus Page 4, FY16 Committee of Conference, Line 38DAS	\$1.7 million	\$1.8 million
Highway Fund	FY 16/17 Comparative Statement of Undesignated Surplus FY16 Committee of Conference, Line 26	\$591,000	\$652,000
Fish and Game Fund	FY 16/17 Comparative Statement of Undesignated Surplus FY16 Committee of Conference, Line 23	\$42,000	\$53,900
	Total	\$2.3 million	\$2.5 million

As DAS reported in its informational item dated February 1, 2016, it has determined it fiscally prudent to maintain a 5% reserve for Active account and 100% reserve for the Trooper account given the volatility of prescription drug plan expenses. DAS has restored the reserve for the Active account to 5% of the FY2016 projected health plan claims and administrative expenses and has restored the reserve for the

Trooper account to 100% of the FY2016 projected health plan claims and administrative expenses.

- C. LBA Internal Service Fund Audit Response: On May 1, 2016 RMU reported the 12 Month Audit Response to the FY14 Internal Service Fund Management Letter for the Fiscal Year Ended June 30, 2014 to the Transparent NH Website as required by Executive Order 2014-3. RMU continues to keep this a priority and is working to resolve all observations from the FY14 Internal Service Fund Audit.
- D. FY18/19 Health and Dental Budget Rates: RMU, together with Segal, has developed employee and retiree health benefit budget rates for Fiscal Years 2018 and 2019. These rates are based on actual claims experience from February 1, 2015, to January 1, 2016, enrollment by tier of coverage as of January 2016, current benefit administration vendor contracts, estimated savings associated with the retiree health plan changes effective January 1, 2016, and the estimated savings associated with the Express Scripts Pharmacy Benefit Management contract extension through December 31, 2018.

The active health and dental budget rates will be entered into the NH First budget system and will be used to project agency employee health and dental estimates for FY18 and FY19. The retiree health benefit budget rates will be used by DAS to project the total retiree health expense needed in the DAS budget and the budget for self-paying agencies (Safety, DOT, Fish and Game, etc.), retiree premium contributions, and self payers (Legislators and Statutorily Authorized Groups).

- E. Retiree Health FY16/17 Budget Update:

As DAS has discussed with the Fiscal Committee at several of the last meetings, running a health benefit plan is complicated and unpredictable from month to month. Every month, the health benefit plan brings in revenue and every month it must pay the claims expenses based on the health services and prescription drugs required by our plan members. From month to month, the plan fund surplus goes up and down depending on claims experience, the number of enrolled members, and estimated revenues, including federal subsidies and rebates. The ideal position for the health benefit plan is to run just enough of a surplus to cover expenses should they rise above an average amount in a given month.

As of April 30, 2016, DAS is projecting a \$700,000 budget shortfall for the FY16/17 biennium. DAS is working with the House and Senate on current legislation to address this projected budget shortfall for this biennium, as discussed in item F below.

- F. Retiree Health Benefits Update: 2016 Legislation

HB 1591: HB1591 contains provisions to continue the percentage of premium contribution for retirees becoming Medicare Part A and B eligible after July 1, 2016, and through December 31, 2016; it also contains provisions to give the DAS Commissioner the authority to request the Fiscal Committee approve a premium contribution amount for Over 65, Medicare eligible retirees effective January 1, 2017. The full House passed HB 1591.

The Senate Finance Committee amended HB 1591 to establish a waiver program for qualifying retirees. The amendment also transfers savings from agency utility budget lines to the DAS retiree health account to cover projected budget shortfalls this biennium. The Senate Finance Committee passed the amended version of HB 1591 on May 2, 2016.

SB 388: SB 388 requires a public hearing before the Fiscal Committee of any proposed changes to the retiree health benefit plan. The House and Senate passed SB388.

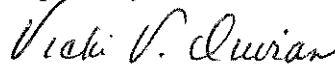
SB 495: As originally passed by the Senate, SB 495 transferred savings from agency utility budget lines to the retiree health account to cover projected budget shortfalls this biennium. The Senate version also authorized DAS to request approval of additional general funding from the Fiscal Committee and Governor and Council if expenses are greater than amounts appropriated in the retiree health budget and authorized the Governor to draw a warrant for the approved amount of money from the treasury out of funds otherwise appropriated.

SB 495 was amended by the House Finance Committee. The amendment deletes references to the transfer of general funds from utility budget lines from Corrections and DAS. The amendment also deletes the paragraph that authorizes DAS to request approval of additional general funding from Fiscal Committee and Governor and Council if the retiree health expenses are greater than amounts appropriated in the retiree health budget. Finally, the amendment includes content from HB 1591 to authorize the DAS Commissioner to request the Fiscal Committee approve a premium contribution for Medicare eligible retirees effective January 1, 2017. It does not include the provision to continue the payment of premium contribution percentage by participants becoming Medicare eligible between July 1, 2016, and December 31, 2016

SB 485: SB 485 was amended by the House Finance Committee to include provisions to give the DAS Commissioner the authority to request the Fiscal Committee approve a premium contribution amount for Medicare eligible retirees effective January 1, 2017. SB 485, as amended by the House Finance Committee, does not include the provision to continue the payment of premium contribution percentage by participants becoming Medicare eligible between July 1, 2016, and December 31, 2016.

I am available to address any questions you may have.

Respectfully Submitted,



Vicki V. Quiram
Commissioner

Attachment: Appendix A: Health and Dental Employee and Retiree Benefit Fund Detail

Appendix A: Health and Dental Employee and Retiree Benefit Fund Detail

	B	C	D	E	F	G	H	I	J	K	L
1	PLAN	FY 2016									
2	Actives	Fund Balance	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
3	Revenue										
4	Total Revenue	\$	10,855,064	\$ 13,390,410	\$ 13,574,963	\$ 20,233,268	\$ 13,459,257	\$ 13,578,996	\$ 13,514,292	\$ 13,546,482	\$ 8,357,107
5											
6	Expenditures										
7	Total Expenditures	\$	17,540,840	\$ 12,485,160	\$ 11,302,519	\$ 15,488,227	\$ 14,408,479	\$ 13,622,014	\$ 15,588,899	\$ 14,165,557	\$ 17,115,644
8	Net Plan Activity	\$	(6,685,777)	\$ 905,250	\$ 2,272,443	\$ 4,745,041	\$ (949,223)	\$ (43,018)	\$ (2,074,607)	\$ (619,075)	\$ (8,758,537)
9	Cumulative Plan Activity	\$	29,780,537	\$ 23,094,760	\$ 24,000,010	\$ 26,272,454	\$ 31,017,495	\$ 30,068,272	\$ 30,025,254	\$ 27,950,646	\$ 18,573,034
10											
11	Troopers										
12	Revenue										
13	Total Revenue	\$	251,747	\$ 273,679	\$ 274,480	\$ 406,974	\$ 273,964	\$ 272,793	\$ 265,839	\$ 272,442	\$ 269,186
14											
15	Expenditures										
16	Total Expenditures	\$	318,157	\$ 219,268	\$ 273,515	\$ 215,038	\$ 231,018	\$ 291,856	\$ 253,857	\$ 321,639	\$ 349,961
17	Net Plan Activity	\$	(66,410)	\$ 54,411	\$ 965	\$ 191,936	\$ 42,946	\$ (19,063)	\$ 11,982	\$ (49,197)	\$ (80,775)
18	Cumulative Plan Activity	\$	4,097,210	\$ 4,030,800	\$ 4,085,210	\$ 4,086,175	\$ 4,278,111	\$ 4,321,057	\$ 4,301,994	\$ 4,313,976	\$ 4,184,004
19											
20	Retiree - U65										
21	Revenue										
22	Total Revenue	\$	2,188,157	\$ 2,781,872	\$ 2,748,985	\$ 2,750,080	\$ 20,558	\$ 5,502,076	\$ 18,756	\$ 5,465,813	\$ 2,811,285
23											
24	Expenditures										
25	Total Expenditures	\$	3,364,974	\$ 2,491,801	\$ 2,476,523	\$ 3,167,095	\$ 2,812,120	\$ 3,068,822	\$ 3,463,355	\$ 2,744,481	\$ 3,533,257
26	Net Plan Activity	\$	(1,176,818)	\$ 290,070	\$ 272,463	\$ (417,015)	\$ (2,791,562)	\$ 2,433,254	\$ (3,444,598)	\$ 2,721,332	\$ (721,971)
27	Cumulative Plan Activity	\$	14,858,564	\$ 13,681,746	\$ 13,971,817	\$ 14,244,280	\$ 13,827,264	\$ 11,035,702	\$ 13,468,956	\$ 10,024,357	\$ 12,023,718
28											
29	Retiree - O65										
30	Revenue										
31	Total Revenue		(117,745)	3,125,886	3,364,798	3,195,278	302,710	6,849,564	262,854	7,562,700	3,688,731
32											
33	Expenditures										
34	Total Expenditures		4,404,185	3,628,320	2,688,694	4,217,136	5,170,118	3,366,594	4,056,906	3,467,534	4,421,030
35	Net Plan Activity		(4,521,930)	(502,434)	676,105	(1,021,858)	(4,867,408)	3,482,970	(3,794,052)	4,095,166	(732,300)
36	Cumulative Plan Activity		2,503,216	(2,018,714)	(2,521,148)	(1,845,043)	(2,866,901)	(7,734,309)	(4,251,339)	(8,045,391)	(3,950,225)
37	Total Retirees	\$	17,361,780	\$ 11,663,032	\$ 11,450,669	\$ 12,399,236	\$ 10,960,363	\$ 3,301,393	\$ 9,217,617	\$ 1,978,966	\$ 8,795,464
38											

Appendix A: Health and Dental Employee and Retiree Benefit Fund Detail

	B	C	D	E	F	G	H	I	J	K	L	
	PLAN	FY 2016										
	Actives	Fund Balance	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	
39	Plan Summary Information:											
40	Total Program Revenue											
41	001 State Agency Revenue	\$	16,695,431	\$ 16,783,848	\$ 16,969,938	\$ 23,336,744	\$ 12,725,589	\$ 21,224,028	\$ 12,725,887	\$ 21,373,785	\$ 12,448,117	
42	005 Cobra/NHRS Subsidy	\$	1,421,985	\$ 1,419,909	\$ 1,440,824	\$ 1,415,150	\$ 16,898	\$ 2,879,130	\$ 1,523	\$ 3,015,287	\$ 1,599,520	
43	006 Rx Rebate	\$	(5,948,418)	\$ 255,032	\$ 415,738	\$ 217,846	\$ 219,420	\$ 953,628	\$ 182,798	\$ 1,314,846	\$ 361,622	
44	007 Interest Earned							\$ -	\$ -	\$ -	\$ -	
45	008 Employee Contributions	\$	831,772	\$ 825,563	\$ 823,095	\$ 1,236,023	\$ 821,343	\$ 820,684	\$ 825,802	\$ 824,314	\$ 516,068	
46	009 Non-GHRS	\$	176,451	\$ 287,495	\$ 313,631	\$ 379,837	\$ 173,239	\$ 325,960	\$ 264,454	\$ 319,205	\$ 193,933	
47	Performance Guarantees/Recov	\$	-	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 61,276	\$ -	\$ 7,051	
48	Total Combined Revenue	\$	13,177,222	\$ 19,571,846	\$ 19,963,226	\$ 26,585,600	\$ 14,056,489	\$ 26,203,429	\$ 14,061,742	\$ 26,847,436	\$ 15,126,309	
49	Total Program Expenditures											
50	HB Employee Salary Costs	\$	-	\$ -	\$ -	\$ 188,777	\$ -	\$ -	\$ 220,557	\$ -	\$ -	
51	HB Employee Benefit Costs	\$	-	\$ -	\$ -	\$ 94,484	\$ -	\$ -	\$ 111,623	\$ -	\$ -	
52	Medical Claims	\$	19,223,759	\$ 12,309,375	\$ 12,395,631	\$ 16,310,898	\$ 12,979,868	\$ 12,758,755	\$ 16,195,439	\$ 13,937,266	\$ 16,841,013	
53	Medical Administration	\$	580,788	\$ 638,060	\$ 624,344	\$ 560,689	\$ 599,798	\$ 616,733	\$ 609,263	\$ 663,842	\$ 610,105	
54	Exercise Incentive	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 288,222	\$ -	
55	Consulting	\$	73,547	\$ 10,147	\$ 69,282	\$ -	\$ 131,975	\$ -	\$ 27,550	\$ -	\$ 89,717	
56	Pharmacy Claims	\$	5,458,246	\$ 5,543,311	\$ 3,439,375	\$ 5,725,639	\$ 8,555,865	\$ 5,656,310	\$ 5,881,061	\$ 5,558,756	\$ 7,523,994	
57	Pharmacy Administration	\$	89,590	\$ 96,352	\$ 80,595	\$ 80,897	\$ 87,593	\$ 80,796	\$ 80,852	\$ 80,211	\$ 81,311	
58	HRA Claims	\$	124,539	\$ 160,060	\$ 109,681	\$ 117,444	\$ 251,882	\$ 197,810	\$ 221,526	\$ 153,671	\$ 208,078	
59	HRA Administration	\$	11,198	\$ 10,622	\$ 10,925	\$ 10,394	\$ 10,513	\$ 10,713	\$ 10,854	\$ 5,688	\$ 7,560	
60	Other Expenses	\$	66,491	\$ 709	\$ 8,573	\$ (2,963)	\$ 211	\$ 11,372	\$ 3,012	\$ 10,251	\$ 306	
61	ACA Taxes and Fees							\$ 1,016,797				
62	Vaccination Assessment Fees	\$	-	\$ 1,282	\$ 2,844	\$ 1,236	\$ 4,031	\$ -	\$ 1,282	\$ 1,303	\$ 57,808	
63	Contracts for Program Svcs	\$	-	\$ 54,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
64	Total Combined Expenses	\$	25,628,157	\$ 18,769,917	\$ 16,741,250	\$ 23,087,496	\$ 22,621,735	\$ 20,349,286	\$ 23,363,017	\$ 20,699,211	\$ 25,419,892	
65	Net Plan Fund Activity	\$	(12,450,935)	\$ 801,929	\$ 3,221,976	\$ 3,498,104	\$ (8,565,247)	\$ 5,854,143	\$ (9,301,276)	\$ 6,148,225	\$ (10,293,583)	
66	Cumulative Net Fund Activity	\$	51,239,527	\$ 38,788,592	\$ 39,590,521	\$ 42,812,497	\$ 46,310,601	\$ 37,745,354	\$ 43,599,497	\$ 34,298,221	\$ 40,446,446	\$ 30,152,863

Appendix A: Health and Dental Employee and Retiree Benefit Fund Detail

	B	C	D	E	F	G	H	I	J	K	L
1	PLAN	FY 2016									
2	Actives	Fund Balance	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
85											
86											
87											
88											
89	DENTAL										
90	Revenue										
91	Total DENTAL Revenue - PLAN		800,256	820,018	816,940	1,215,749	814,547	829,815	893,470	899,279	659,285
92											
93	Expense										
94	Total DENTAL Expense - PLAN		772,782	803,197	740,290	803,465	987,112	756,192	1,091,452	1,067,594	1,276,618
95											
96	Net Plan Fund Activity - PLAN		27,474	16,821	76,649	412,284	(172,565)	73,623	(197,982)	(168,315)	(617,333)
97	Cumulative Fund Balance	\$ 1,035,123.15	1,062,597	1,079,418	1,156,067	1,568,351	1,395,787	1,469,409	1,271,428	1,103,112	485,779
98											
99											
100											
101											
102											
103											
104											
105											
106											

	N	O	R
1	PLAN		
2	Actives	Apr-16	ALL FUNDS (FYTD)
3	Revenue		
4	Total Revenue	\$ 20,121,336	\$ 140,631,174
5	Expenditures		
6	Total Expenditures	\$ 11,600,425	\$ 143,317,767
7	Net Plan Activity	\$ 8,520,910	\$ (2,686,593)
8	Cumulative Plan Activity	\$ 27,093,944	\$ 27,093,944
9	Troopers		
10	Revenue		
11	Total Revenue	\$ 402,117	\$ 2,963,220
12	Expenditures		
13	Total Expenditures	\$ 164,595	\$ 2,638,904
14	Net Plan Activity	\$ 237,522	\$ 324,316
15	Cumulative Plan Activity	\$ 4,421,526	\$ 4,421,526
16	Retiree - U65		
17	Revenue		
18	Total Revenue	\$ 2,724,888	\$ 27,012,469
19	Expenditures		
20	Total Expenditures	\$ 2,732,011	\$ 29,854,438
21	Net Plan Activity	\$ (7,123)	\$ (2,841,969)
22	Cumulative Plan Activity	\$ 12,016,595	\$ 12,016,595
23	Retiree - O65		
24	Revenue		
25	Total Revenue	3,603,304	31,838,080
26	Expenditures		
27	Total Expenditures	3,438,953	38,859,470
28	Net Plan Activity	164,352	(7,021,389)
29	Cumulative Plan Activity	(4,518,173)	(4,518,173)
30	Total Retirees	\$ 7,498,422	\$ 7,498,422

	N	O	R
1	PLAN		
2	Actives	Apr-16	ALL FUNDS (FYTD)
3	Plan Summary Information:		
4	Total Program Revenue		
41	001 State Agency Revenue	23,479,827	\$ 177,763,194.03
42	005 Cobra/NHRS Subsidy	1,570,884	\$ 14,781,109.71
43	006 Rx Rebate	185,625	\$ (1,841,863.47)
44	007 Interest Earned	-	\$ -
45	008 Employee Contributions	1,233,790	\$ 8,758,452.49
46	009 Non-GHRS	335,294	\$ 2,769,498.71
47	Performance Guarantees/Recov	46,224	\$ 214,551.39
48	Total Combined Revenue	26,851,644	\$ 202,444,942.86
49	Total Program Expenditures		
51	HB Employee Salary Costs	207,158	\$ 616,493
52	HB Employee Benefit Costs	104,619	\$ 310,726
53	Medical Claims	10,777,261	\$ 143,729,266
54	Medical Administration	714,113	\$ 6,217,735
55	Exercise Incentive	-	\$ 288,222
56	Consulting	-	\$ 402,218
57	Pharmacy Claims	5,767,321	\$ 59,109,877
58	Pharmacy Administration	81,718	\$ 839,915
59	HRA Claims	206,155	\$ 1,750,846
60	HRA Administration	8,663	\$ 97,130
61	Other Expenses	9,598	\$ 107,559
62	ACA Taxes and Fees	-	\$ 1,016,797
63	Vaccination Assessment Fees	59,377	\$ 129,163
64	Contracts for Program Svcs	-	\$ 54,632
65	Total Combined Expenses	17,935,983	\$ 214,670,578
66	Net Plan Fund Activity		
67		8,915,661	(12,225,635)
68	Cumulative Net Fund Activity		
69		39,068,524	39,013,892
70	Add Receivables as of 4/30/16		
71			\$ 4,078,270
72	Less Payables as of 4/30/16		
73			\$ (301,315)
74	Cumulative Accrual Fund Balance		
75			42,790,848
76	Less:		
77	IBNR		(14,990,000)
78	Statutory Reserve (≥3%)		
79	Actives (5%)		(9,159,000)
80	Troopers (100%)		(3,844,000)
81	Retirees (5%)		(4,063,000)
82	Total Statutory Reserve		(17,066,000)
83	Cumulative Accrual Fund Balance: Net of IBNR & Stat Rese		
84			10,734,848

	N	O	R
1	PLAN		
2	Actives	Apr-16	ALL FUNDS (FYTD)
85			
86			
87			
88			
89	DENTAL		
90	Revenue		
91	Total DENTAL Revenue - PLAN	1,330,740	9,080,099
92			
93	Expense		
94	Total DENTAL Expense - PLAN	1,023,023	9,321,726
95			
96	Net Plan Fund Activity - PLAN	307,717	(241,627)
97	Cumulative Fund Balance	793,496	793,496
98			
99	Add Receivables as of 4/30/16	\$	(125,391)
100	Less Payables as of 4/30/16	\$	(253,474)
101		\$	414,630
102			
103	Less:		
104	IBNR		(352,000)
105	Statutory Reserve (≥3%)		(352,000)
106	Cumulative Accrual Fund Balance		(289,370)