

**JOINT LEGISLATIVE FISCAL COMMITTEE**

Legislative Office Building, Rooms 210-211

Concord, NH

Friday, June 18, 2021

**MEMBERS PRESENT:**

Representative Kenneth Weyler, Chair  
Representative Karen Umberger, Clerk  
Representative Lynne Ober  
Representative Tracy Emerick  
Representative Mary Jane Wallner (Alt.)  
Representative Jess Edwards (Alt.)  
Representative Keith Erf (Alt.)  
Senator Gary Daniels, Vice-Chair  
Senator Bob Giuda  
Senator Regina Birdsell (Alt.)  
Senator Lou D'Allesandro  
Senator Cindy Rosenwald

**(1) Acceptance of Minutes of the May 21, 2021 meeting**

KENNETH WEYLER, State Representative, Rockingham County, District #13: Good morning. We'll call the Fiscal Committee to order for the meeting of June 18<sup>th</sup> and note that in addition to our usual members we have replacements. Representative Wallner replacing Representative Leishman. Representative Birdsell replacing Representative Morse. Senator Birdsell replacing Senator Morse.

REGINA BIRDSELL, State Senator, Senate District #19: Tell him. Senator Morse.

LYNNE OBER, State Representative, Hillsborough County, District #37: (Inaudible.)

CHAIRMAN WEYLER: So I will caution all members we have a revised agenda. You can tell it because it doesn't have that usual piece at the top to explain why we're in Zoom. So we'll begin with the acceptance of the minutes of May 21<sup>st</sup>, 2021.

**\*\*** LOU D'ALLESANDRO, State Senator, Senate District #20: Move the minutes.

ROBERT "Bob" GIUDA, State Senator, Senate District #02:  
Second.

CHAIRMAN WEYLER: Okay. A motion to accept by Senator D'Allesandro, seconded by Senator Giuda. Any corrections or omissions? All right. All -- and we don't have -- do we still have to call a roll?

UNIDENTIFIED SPEAKER: We don't.

CHAIRMAN WEYLER: All right. All in favor raise your hands. The motion is adopted.

**\*\*\*** **{MOTION ADOPTED}**

CHAIRMAN WEYLER: Okay. Moving on to --

KAREN UMBERGER, State Representative, Carroll County, District #02: You've abstained; is that correct?

CHAIRMAN WEYLER: That's right.

REP. UMBERGER: That's what I figured.

CHAIRMAN WEYLER: All right. The motion is adopted and the minutes are accepted.

**(2) Old Business**

CHAIRMAN WEYLER: We have no Old Business.

**CONSENT CALENDAR**

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

CHAIRMAN WEYLER: We are moving on to Tab 3 and our new Consent Calendar.

\*\* REP. OBER: I would move Consent Calendar to be adopted.

CHAIRMAN WEYLER: Okay. So that includes Fiscal items 147, 148, and 149.

GARY DANIELS, State Senator, Senate District #11: Second.

CHAIRMAN WEYLER: Motion and second to adopt that Consent Calendar under Tab 3. Any further discussion? Seeing none. All in favor raise your hand. The motion is adopted.

\*\*\* {MOTION ADOPTED}

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

CHAIRMAN WEYLER: Moving on to Tab 4. And, again --

\*\* REP. OBER: Mr. Chairman, I would move the adoption of the Consent Calendar under Tab 4.

CINDY ROSENWALD, State Senator, Senate District #13: Second.

CHAIRMAN WEYLER: A motion by Representative Ober, second by Senator Rosenwald to adopt Tab 4, and that includes items 21-151, 153, 154, 155, 159, 164. Any further discussions? Seeing none. All in favor of adopting the Consent Calendar under Tab 4, raise your hand. That motion passes.

\*\*\* {MOTION ADOPTED}

(5) RSA 228:69, I(b), Appropriation and Use of Special Railroad Fund:

CHAIRMAN WEYLER: So the next item would be Tab 5. We're moving on to a single item for 21-157. If we find our way through all.

\*\* REP. OBER: Adopt 157.

SEN. D'ALLESANDRO: Second.

CHAIRMAN WEYLER: Okay. A motion by Representative Ober, second by Senator D'Allesandro to adopt Item No. 157. All in favor, raise your hand. That motion is adopted.

\*\*\* {MOTION ADOPTED}

(6) Chapter 346:46, Laws of 2019, Department of Corrections; Transfer Authority:

CHAIRMAN WEYLER: Okay. Moving on to Tab 6, the Department of Corrections, 21-158.

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

TRACY EMERICK, State Representative, Rockingham County, District #21: Second.

CHAIRMAN WEYLER: A motion by Representative Ober to approve, second by Representative Emerick, on item number 21-158. Any further discussion? Seeing none. All in favor raise your hand. That motion is adopted.

\*\*\* {MOTION ADOPTED}

**AMERICAN RESCUE PLAN 2021**

**CONSENT CALENDAR**

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

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CHAIRMAN WEYLER: Okay. Now we move on to the American Rescue Plan.

REP. OBER: Mr. Chairman, I do have a question on Item 21-150 (Inaudible).

CHAIRMAN WEYLER: I do as well.

REP. OBER: (Inaudible).

CHAIRMAN WEYLER: Do we have someone from Health and Human Services ready to answer a question?

SEN. DANIELS: Mr. Chairman, while we're moving things off, I would also remove 166 and 168.

REP. OBER: These can be separately.

CHAIRMAN WEYLER: All right. That means each one will be separate. Okay.

REP. UMBERGER: We've approved the Consent Calendar?

CHAIRMAN WEYLER: Not this one.

REP. UMBERGER: What tab is this?

CHAIRMAN WEYLER: This is Tab 7.

REP. UMBERGER: Okay. Sorry. Are we -- are we removing something?

CHAIRMAN WEYLER: Every one of them.

REP. UMBERGER: Okay.

CHAIRMAN WEYLER: Okay. Let me find Item 150.

REP. UMBERGER: Is there a motion?

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CHAIRMAN WEYLER: Not yet. We have questions. We have no motion as of yet. We have someone from Health.

REP. UMBERGER: No motion to remove them from the Consent Calendar?

CHAIRMAN WEYLER: Oh.

REP. OBER: (Inaudible).

REP. UMBERGER: I don't need to do that?

CHAIRMAN WEYLER: There's just a place who asked to remove it and it's --

REP. UMBERGER: I guess --

CHAIRMAN WEYLER: And we don't need a motion. Okay. Let me get through all these.

REP. OBER: Are you ready?

CHAIRMAN WEYLER: I'm ready. Welcome.

REP. OBER: Good morning.

CHRISTINE SANTANIELLO, Director, Division of Economic and House Stability, Department of Health and Human Services: Good morning.

REP. OBER: And I know for the ARPA Plans we are primarily, I guess, overall waiting for additional guidance of how we're going to spend. So I have your two items relate to Child Care Stabilization Grant and Child Care Development Fund.

MS. SANTANIELLO: Hm-hum.

REP. OBER: And I noticed both of them are going into Class 102 which is contracts for program services. So I wondered does that mean -- and this is going to show how little I know about this so don't just burst into laugh -- I wondered if that meant only child care providers who have a contract with HHS are eligible or if you're actually going to be writing contracts for everyone who gets grants from these? So Kerrin (Inaudible) I don't know.

MS. SANTANIELLO: I can --

KERRIN ROUNDS, Chief Financial Officer, Department of Health and Human Services: Yeah, go ahead.

MS. SANTANIELLO: So this is Chris Santaniello, Department of Health and Human Services. I'll answer what we're going to do, and then Karen can say how it all happens. How does that work? Okay?

REP. OBER: Thank you.

MS. SANTANIELLO: Because I'm not sure about some of these pieces. So we did receive guidance for the stabilization dollars. Okay. So that's the 47 million. We are very close to finalizing our plan. We're really close to it. And there's very strict federal guidance on how we use those dollars. Ninety percent has to go directly to child care providers. And so throughout the pandemic we have been paying them through NHFirst. Is that the right word? Okay. So I don't know exactly what -- we don't have contracts there either licensed exempt, licensed, but we've been paying them through NHFirst. So I'm not sure what class line that would be. And then the 29 million --

CHAIRMAN WEYLER: Have you got the red button pushed down?

MS. ROUNDS: Yes.

CHAIRMAN WEYLER: And to hold?

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MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Yeah, they're good.

CHAIRMAN WEYLER: Very good.

MS. SANTANIELLO: Okay. Then the 29 million we just received the guidance yesterday or the day before. I have not gone through it. That money we have until 2024 to spend. So we're -- we'll be working on the plan for that. And that's -- we're not exactly sure how that money will go out, but I think we can transfer.

MS. ROUNDS: Yes. To further answer that question, it would not restrict us to contracts that are already in place or current providers. As Chris spoke to, the current providers, I believe it's in statute how it works so it doesn't require a contract. But if we were to work with providers that we don't currently have that agreement with, we would create new contracts. So it doesn't restrict us. And like Chris said, we could transfer funds later if we find that we need to move it to so like 563 or something that's in the child care budget or something like that.

CHAIRMAN WEYLER: Follow-up.

REP. OBER: One follow-up. Chris, on the Child Care Stabilization Grant you already have the guidance 90% there. Is there something in there that asked you to look at those with the highest amount of need? I haven't read that guidance, so.

MS. SANTANIELLO: Yep. So the guidance is -- the federal guidance is really focused on stabilization, right? And so in New Hampshire we've had a three-pronged approach really and, you know, emergency, stabilization, and now we're moving to continued stabilization and recovery. And so the way there's -- we base the grant awards on the operating budgets of the child care providers. And so 90 -- and like I said, 90% of the funds go towards them but the guidance is pretty clear. It goes towards wages and benefits, rent and utilities, cleaning



and sanitation, supplies, material. So it's pretty proscribed how they use it; but we do a formula based on their actual operating. So we're still finessing some of that and a lot of that we will not know until we see how many providers actually provide. We do have to spend -- obligate 50% of our funds by December 2021.

REP. OBER: Thank you. Just one last question.

MS. SANTANIELLO: Hm-hum.

REP. OBER: It sounds like you're going to have this all laid out. You must be going to have some kind of internal report showing who got what money and how?

MS. SANTANIELLO: Yes, we do have actually that now for all dollars we've given out.

REP. OBER: Mr. Chairman, would it be possible to ask if a copy of that report be put in our packets as informational item when we're done?

CHAIRMAN WEYLER: Yes, we would like some follow-up. This is a lot of money.

MS. SANTANIELLO: I agree.

CHAIRMAN WEYLER: Senator Rosenwald for a question.

SEN. ROSENWALD: Thank you. And good morning.

MS. SANTANIELLO: Good morning.

SEN. ROSENWALD: Is the Department planning to use any of this -- these two sources of funds for enrollment-based reimbursement? And, if so, how much?

MS. SANTANIELLO: So not yet, because the stabilization dollars we're not allowed to use it for that. So the larger pot

of the money would have to go towards areas that the Federal Government has said we could use it. So that is not an option.

The \$29 million, that goes until 2024. We could potentially look at a portion of that, but that would really we would need to engage stakeholders on is that the best use of those funds. So some of the -- what we've talked about internally is maybe doing a pilot with some strong book ends, because \$29 million is a lot of money, but it'll go pretty quickly. And so we want to make sure we're being very mindful of our dollars so that we get to be the focus is really on moving out of the pandemic, building the system stronger, and so that would be something we would look at.

SEN. ROSENWALD: Follow-up.

CHAIRMAN WEYLER: Follow-up.

SEN. ROSENWALD: So could you please briefly describe the process of working with the stakeholders the Department will use?

MS. SANTANIELLO: So we haven't finalized that yet because we just received the guidance yesterday. And we have until 2024 to spend the dollars. So our focus is first on the stabilization. But what we will do is meet with Child Care Advisory Council, go through the Council for Thriving Children. You know, send -- you know, solicit input from families, from child care providers to understand exactly how the best use of those dollars would be.

CHAIRMAN WEYLER: Representative Edwards has a question.

JESS EDWARDS, State Representative, Rockingham County, District #04: Thank you, Mr. Chair. It's good seeing you again.

MS. SANTANIELLO: Nice to see you.

REP. EDWARDS: I have a few questions that kind of fit together. So in answer to Representative Ober's question about whether or not there are needs-based criteria to prioritize those with greater need, I think the short answer that you gave is no, there is not a needs-based component of the grant process.

MS. SANTANIELLO: So one of the things we are considering is base awards. Okay. That's based on the Operating Budget and a percent of that, and then the opportunity to apply to have additional percents added to your dollar amount based on certain priorities of the Department, such as serving children on child care scholarship where our most vulnerable children, enrolling in the New Hampshire Scholarship Program. So we're trying to build it and it's not finalized yet, as a way to do that. But we can't say -- the rules don't allow us to say, okay, if Center X has higher need than Center Z, then you have to give more to this center than that center. We're basing it on number of children and it's based on their operating budgets.

REP. EDWARDS: Could you tell me two components because I'm looking for a percentage here?

MS. SANTANIELLO: Okay.

REP. EDWARDS: Approximately how many child care providers have some type of contract with the Department, and how many total are there in the state? I'm kind of looking for a percentage of coverage.

MS. SANTANIELLO: Right.

REP. EDWARDS: Trying to figure out how many providers we have that are out in the cold and won't be able to get at this money.

MS. SANTANIELLO: No, so we don't have contracts. A child care center or a provider are those that are licensed so -- or licensed exempt. So those are the -- and there's about just

under 800 or so. And also school programs that don't have to be licensed, like The Boys and Girls Club, the YMCA programs, they're able to get it. We just can't give it to babysitters. So if I was somebody who was caring for my neighbor and I wasn't a licensed exempt provider, that's not who the money would go towards. But anyone who's licensed, licensed exempt, is eligible to receive the funding, and we've been doing that all along.

REP. EDWARDS: Okay.

CHAIRMAN WEYLER: Further question.

REP. EDWARDS: Thank you, Mr. Chair. So sort of the final summary, because I'm just trying to make sure I understand what all this information means in the real world is it sounds like I'm never going to hear from a child care provider saying we're struggling and it's too hard to do the paperwork with DHHS. And as a result, I wasn't able to get access to that 47 million of federal money. I'm never going to hear that.

MS. SANTANIELLO: I would never say never, because I can't predict what people say to you; but we are making the application process extremely simple. We actually when we received the CRRSAA dollars in February, we did an application that probably had eight questions and it was all done on-line. So it was very simple. And we actually work very closely with Child Care Aware New Hampshire to assist child care providers with the application. We do webinars. We have office hours. So we try to make it as simple as possible.

REP. EDWARDS: Thank you, Mr. Chair.

CHAIRMAN WEYLER: Any further questions? Senator Giuda.

SEN. GIUDA: Thank you, Mr. Chairman. Would these funds be available for small communities that have after school programs for kids?

MS. SANTANIELLO: Yes.

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SEN. GIUDA: Thank you.

CHAIRMAN WEYLER: Further questions? I have one. What is the size of your current budget for child care?

MS. SANTANIELLO: Thirty-four million.

MS. ROUNDS: It's around 35. It's around 35 or 40 million.

CHAIRMAN WEYLER: That's what I thought. This is more money than we've ever had for child care.

MS. SANTANIELLO: Correct.

CHAIRMAN WEYLER: Some of it goes multi years.

MS. SANTANIELLO: Yes, but this \$49 million which, you know, we only have until 2023 to spend, I think, 2022 -- no, 2023. So I just want to make sure.

CHAIRMAN WEYLER: So for two years anyway this money.

MS. SANTANIELLO: Yeah, and then the other dollars is until 2024. So it is a big amount of money and really our focus on the second, on the discretionary funds is really what's the -- what's the long-term sustainability of these dollars, right, because we have given a lot of resources and we know child care was fragile pre-pandemic. So we have to build it back stronger because, you know, this money will run out.

CHAIRMAN WEYLER: Okay. Any further questions? I need a motion to pass.

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

SEN. ROSENWALD: Second.

CHAIRMAN WEYLER: We have two items. Which one are you --

SEN. OBER: Well, we've thoroughly discussed 150. So I would move to approve 150. I don't know we have questions on the next one. (Inaudible) at the same time but (Inaudible).

CHAIRMAN WEYLER: All right. Representative Ober moves to approve Item No. 150, and Senator Rosenwald seconds. Further discussion? Seeing none. All in favor, raise your hand. The motion passes.

**\*\*\* {MOTION ADOPTED}**

CHAIRMAN WEYLER: Okay. Now moving on to 152.

**\*\*** REP. OBER: I have no questions. I move to approve 152.

CHAIRMAN WEYLER: Representative Ober moves to approve.

SEN. ROSENWALD: Second.

CHAIRMAN WEYLER: And Senator Rosenwald seconds to accept Item FIS 21-152. Is there any further discussion on that item? Seeing none. All in favor, raise your hand. That motion is adopted unanimously.

**\*\*\* {MOTION ADOPTED}**

MS. ROUNDS: Thank you.

MS. SANTANIELLO: Thank you.

CHAIRMAN WEYLER: Okay. Thank you. All right. We're moving on now to the next item which was removed, FIS 21-166 for the Department of Transportation. We'll welcome anybody from that Department to come forward for questions.

All right. I see some familiar faces here. Marie Mullen and Mr. -- I can't remember -- Cass?

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PATRICK HERLIHY, Director, Division of Aeronautics, Rail and Transit, Department of Transportation: No, Herlihy.

CHAIRMAN WEYLER: Herlihy.

MARIE MULLEN, Director of Finance, Department of Transportation: Yes. For the record, Marie Mullen, Director of Finance for DOT.

MR. HERLIHY: And Patrick Herlihy, Director of Aeronautics, Rail, and Transit for DOT.

CHAIRMAN WEYLER: Senator -- Senator Daniels for a question.

SEN. DANIELS: Thank you, Mr. Chairman. My question had to do with the funding of the buses. My understanding is that there's money that would go to like the Manchester Transit Authority, Nashua Transit Authority. My question pertains to those shoots of buses. For instance, I live in Milford. There is a bus that is part of the Nashua Transit Authority that goes out into the towns.

MR. HERLIHY: Correct.

SEN. DANIELS: And is funded by the towns. At least partially.

MR. HERLIHY: Yes.

SEN. DANIELS: Would any of this money go toward reducing the cost to the towns of that service or is that going to be left up to the transit authority?

MR. HERLIHY: That's going to be left up -- Patrick Herlihy again. That's going to be left up primarily to the transit authority and the towns themselves. The ARPA funding that we're receiving out of this grant is a hundred percent federally funded. So it's been giving relief to both the transit agencies and the towns up to this point. But how that goes further, you

know, how farther along we go, what the relationships between the transit agencies and the towns will be will be up to them to decide.

SEN. DANIELS: Okay. Thank you.

CHAIRMAN WEYLER: Senator Rosenwald for a question.

SEN. ROSENWALD: Thank you. Will any of this money end up with a Boston Express Company?

MR. HERLIHY: Yes.

REP. ROSENWALD: So you might have some leverage getting the bus to go to the airport?

MR. HERLIHY: How did I know this question was coming?

REP. ROSENWALD: Because I ask it every opportunity I have.

MR. HERLIHY: I know you do. Hum -- we continue to evaluate providing services to the airport. Again, we -- we've provided two services prior to the airport. One, the East-West Express, which was from Portsmouth over to Manchester Airport, as well as Manchester Transit Authority did a direct service to the Airport from Concord. They were not successful, quite honestly. They did not work. Manchester Airport will still provide service to the Airport, but you have to go from Concord, transfer in Manchester down in Veterans Park, and then go over to the Airport.

Boston Express is a commuter service. If we did implement something to the Airport, we would have to look at how that would fit into the schedule. And scheduling is a very delicate issue because people want to get on, you know, get to a location as soon as they can.

CHAIRMAN WEYLER: Follow-up.



SEN. ROSENWALD: Thank you. Has the Department ever tested service from Nashua to Manchester Airport though?

MR. HERLIHY: We have not. And I would challenge Nashua Transit System to try that. I think that would be a good opportunity for Nashua Transit to provide service to the -- to the Airport.

SEN. ROSENWALD: Thank you.

CHAIRMAN WEYLER: Further questions on Item 166? Seeing none. I'll entertain a motion to adopt.

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

SEN. DANIELS: Second.

CHAIRMAN WEYLER: Senator D'Allesandro moves the item. Senator Daniels seconds to adopt FIS 166. Any further discussion? Seeing none. Are you ready for the question? All in favor, raise your hand. The motion is adopted unanimously, and we'll move on the next item.

\*\*\* {MOTION ADOPTED}

MR. HERLIHY: Thank you.

CHAIRMAN WEYLER: My apologies, Patrick.

MR. HERLIHY: That's okay.

CHAIRMAN WEYLER: I do know your name.

MR. HERLIHY: You do have some affiliation with aviation I guess.

CHAIRMAN WEYLER: Yes, we both mutually kind of. I should have known right off.

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MR. HERLIHY: That's okay. Thank you, Representative.

CHAIRMAN WEYLER: All right.

\*\* REP. OBER: Move.

CHAIRMAN WEYLER: Representative Ober moves Item 168.

SEN. DANIELS: Have a question for the --

CHAIRMAN WEYLER: All right. We'll get a second and then we'll have discussion.

SEN. DANIELS: Second.

SEN. ROSENWALD: I'll second.

CHAIRMAN WEYLER: Second from Senator Rosenwald. Department of Justice. We see our new Attorney General here for the first time today. Good morning.

JOHN M. FORMELLA, ESQ., Attorney General, Department of Justice: Great to see everyone.

CHAIRMAN WEYLER: Attorney Formella, had a question from Representative Daniels.

SEN. DANIELS: Senator Daniels. Thank you. The question pertains to the distribution of the funds and how they're going to be used.

ATTORNEY GENERAL FORMELLA: Yeah.

SEN. DANIELS: And the \$2 million that's being appropriated, it talks about due to relaxed Covid-19 rules and restrictions and increased post-pandemic demand for travel, hospitality, tourism and other services. How will this money be used in those areas?

ATTORNEY GENERAL FORMELLA: Yes. Thanks for the question. So for a little bit of background just to give you some context.

The Department of Justice got about \$3.4 million under the CARES Act to assist municipalities and State Agencies with -- with cost during COVID. A lot of those grants went to overtime and PPE and other decontamination equipment, new ventilators. So this will be a little bit different but it's similar. We anticipate coming out of COVID that this is going to be, for lack of a better term, a blow-out summer. There's going to be a lot of activity, especially over in the Lakes Region, over in Hampton in the population centers, and the thought behind this money is that municipalities may need some assistance with overtime, perhaps equipment that they don't have, barricades, things like that, for events in which they get maybe even greater than expected numbers or greater numbers than in past years. So we're just anticipating there's going to be some additional law enforcement and security activity, potentially additional EMS activity associated with all of the increased activity this summer.

So one of the things we've been talking about for the past couple months is that this summer could not only be -- it's not just that we're going to recover from COVID, we think we're going to see a spike in activity given the pent-up demand. So the goal is to have some funds available to assist municipalities and State Agencies, primarily State Police, perhaps the National Guard, if they -- if they see increased costs.

SEN. DANIELS: Follow-up.

CHAIRMAN WEYLER: Follow-up question.

SEN. DANIELS: Could any of these funds be used by DOT to further man toll booths; in particular, those toll booths that they don't have a human being there, like on a third shift?

ATTORNEY GENERAL FORMELLA: Yes. Yeah. We try to write this broadly to cover State Agencies for anything that might be related to increased activity. So yes. If DOT felt there was a need they could come to us. We'd look at it and -- and we would potentially grant them some funds. If it were over \$100,000, they would have to come here. But, in any event, they'd have to also go -- they'd have to go to G & C.

SEN. DANIELS: Thank you.

CHAIRMAN WEYLER: Further questions on the item? We have a motion and a second.

SEN. DANIELS: Move the item.

CHAIRMAN WEYLER: We've already got that motion. All in favor raise your hand? That item is adopted. Moving on to --

**\*\*\* {MOTION ADOPTED}**

ATTORNEY GENERAL FORMELLA: Thank you.

REP. UMBERGER: How did Senator Giuda vote? He didn't raise his hand.

CHAIRMAN WEYLER: Senator Giuda, did you vote?

SEN. GIUDA: No.

REP. UMBERGER: You vote no? Thank you very much.

CHAIRMAN WEYLER: All opposed? Okay. Thank you. Thank you for catching that.

**(8) 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:**

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CHAIRMAN WEYLER: And we're moving on now to Tab 8, which is another Consent Calendar it looks like. Oh, and there's just one item, 21-156, Fish and Game. I'll entertain a motion to adopt the item.

\*\* SEN. D'ALLESANDRO: So move.

REP. OBER: Second.

REP. WEYLER: Senator D'Allesandro moves to adopt, and Representative Ober seconds. Any questions on Fish and Game? Seeing none. All in favor adopting the item, raise your hand. Any opposed? The item is adopted.

\*\*\* **{MOTION ADOPTED}**

CHAIRMAN WEYLER: I would note that I'm glad that we finally had a Hike Safety Card. Some of us it took ten years for the Department to adopt it, but now it's covering the spread on the cost difference between search and what the funds cover.

**(9) Late Items - American Rescue Plan 2021 Pursuant to RSA 14:30-a, VI Fiscal Committee Approval Required For Acceptance and Expenditure of Funds Over \$100,000 From any Non-State Source:**

CHAIRMAN WEYLER: All right. Moving on to item number -- let's see -- Tab 9, we're on to item number FIS 21-169, Department of Health and Human Services.

REP. OBER: This is also Consent.

CHAIRMAN WEYLER: This is -- this is -- did someone ask to take this off Consent? There are two items on the Consent if there's no -- oh, there's five. Does anyone wish to remove any of the five items?

SEN. DANIELS: I'd like to remove Item 170 and 173.

CHAIRMAN WEYLER: Okay. 170 and 173 removed by Senator Daniels. Any other requests to remove? Okay. Three items remaining on Tab 9 for a Consent Calendar. I'll entertain a motion for the remaining items.

\*\* SEN. D'ALLESANDRO: Move.

CHAIRMAN WEYLER: Senator D'Allesandro moves to adopt the remaining items.

REP. EMERICK: Second.

CHAIRMAN WEYLER: Second by Representative Emerick. Is there any further discussion? Seeing none. All in favor raise your hand. Any opposed? It's unanimous.

\*\*\* {MOTION ADOPTED}

CHAIRMAN WEYLER: So that applied to items number 16 -- 21-169, 21-171, and 21-172 have all been covered in that vote. And so now we'll move to Item 21-170 from the Employment Security and Senator Daniels has a question. Commissioner Copadis, welcome.

GEORGE COPADIS, Commissioner, Department of Employment Security: Thank you, Mr. Chairman, Committee Members. For the record, George Copadis, Commissioner of Employment Security, and I'm joined by Deputy Commissioner Richard Lavers and Administrator Jill Revels.

CHAIRMAN WEYLER: Is the red button down? I couldn't tell if you were -- oh, no, no, no. You got to be fairly close. Thank you, Commissioner. Senator Daniels for a question.

SEN. DANIELS: Thank you. Knowing that the Department of Employment Security has discontinued funds going to people that have been out of work with the now requirement they be looking for work, and I believe that the Federal Government is doing the

same thing discontinuing the distribution of funds or is that continuing?

MR. COPADIS: The State distribution of Federal funds is discontinuing. The Federal funds that we receive are discontinuing.

SEN. DANIELS: Okay. Are there Federal funds --

MR. COPADIS: And those funds would be the 300 additional dollars that everybody receives that is on State unemployment, as well as the \$300 everybody receives that's not eligible for State unemployment. They're in either the expansion or the PUA Program, plus the federal monies that they receive as well. All those programs are ending.

SEN. DANIELS: Okay. Follow-up.

CHAIRMAN WEYLER: Follow-up.

SEN. DANIELS: Are any of the states around us having any kind of an incentive program like this, \$10 million is proposing to do?

RICHARD LAVERS, Deputy Commissioner, Department of Employment Security: Yes, Senator. I know the State of Maine just recently announced a very similar program, almost copied verbatim from what is proposed here. I'm not sure if Massachusetts or Vermont are planning anything similar right now.

SEN. DANIELS: Final follow-up.

CHAIRMAN WEYLER: Follow-up.

SEN. DANIELS: So how do we justify spending the \$10 million when people now are not receiving any funds at home and really it's necessary to go to work. And everywhere you go there are

signs wanting help. So how do we justify offering an incentive for somebody to go out to work that isn't receiving any money?

MR. COPADIS: Well, I think the Department wants to do everything within its power in order to incentivize these workers because the Deputy Commissioner and myself are getting calls on a daily basis from employers that aren't able to fill positions that have significant numbers of positions they're trying to fill. So what we're trying to do is to do everything within our power in order to incentivize these people to get back to work because, you know, now is the time to get back to work.

I will say our job fairs that we've been doing, we've done 21 job fairs so far and we've had over 8,000 people that have showed up for those job fairs. So, like I said, we're getting calls on a daily basis. I mean, I was just, you know, the Deputy Commissioner and I was just dealing with an employer the other day that, you know, can't fill positions.

MR. LAVERS: And I would just add to what the Commissioner said there. We are seeing some significant bouts in the policy decisions that have been made over the last few months. You look at late April when the Governor announced a return of the work search requirement, we've had 13,000 people fall off the unemployment rolls since then. And then we go to the end of May when the Governor announced the end of the federal programs, and the creation of the summer stipend program. We've seen 7,000 people that have stopped filing during that time. So based upon the numbers that we're seeing, these policy decisions do appear to be having a significant impact.

When you look at what Massachusetts is experiencing right now with the speed of workforce recovery, it's really no comparison between New Hampshire and Massachusetts and that's true nationally as well. So some of these policy decisions are making significant improvements and probably motivating people to get back to the workforce and retain that employment like we're looking to do with this program.

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SEN. DANIELS: And you are confirming my point is that as the money stops -- stops flowing into the unemployed worker, that they are needing to get out to go to work. So why do we need to add another 10 million on top of an incentive that they already have of zero coming in?

MR. LAVOIE: And I think the point I'm trying to make is that a lot of the return to employment, the numbers that we're seeing are driven by these policy decisions that have been made. What we are seeing with the virtual job fairs that we've been conducting that the Commissioner was talking about, we've had three this week, attracted 3,000 job seekers.

People are still being really selective with the positions that they are looking to get back into. I think some of it is folks recognizing that it's a job seeker market. And in some instances I think they're over playing their hand as well. So what we're trying to do here, along with the end of the federal programs, is to appropriately incentivize people to get back into the workforce and, hopefully, we won't see such -- the types of behaviors that we're starting to see on these job fairs where people are being very selective in kind of the demands and the flexibilities that they're asking from employers. And, hopefully, a stipend like this will assist with those folks taking that next job.

SEN. DANIELS: Okay. Thank you.

CHAIRMAN WEYLER: Senator Giuda for a question.

SEN. GIUDA: It would appear that the incentive of hunger or the depletion of personal savings. We're not thinking about the thousands and thousands of people who are working and righteously who are not going to get an extra payment because they're working. I find this objectionable. I understand, but the incentive to me is in a -- in an economy such as ours, if you don't want to work you have the right to not work. That's your choice. We don't have an obligation to pay you because you

don't want to work. And so I'm not supporting this program, and I would ask you -- I'd ask my colleagues to consider that as well. Thank you.

CHAIRMAN WEYLER: Senator D'Allesandro for a question.

SEN. D'ALLESANDRO: Thank you. First of all, thanks very much for what you're doing. I think incentivizing and doing the job fairs is vitally important. What's the labor pool like in terms of aggregate numbers of parties that are available for work? You said that a few thousand showed up. But, really, what's the number of -- what's the real number of unemployed at this point in time?

MR. LAVERS: So, Senator, we have right now with the numbers that were reported yesterday, we have 24,000 people approximately filing for benefits across all programs. So that's state and federal programs. That's about 12,000 people in the regular State program, and then the balance of that are in either the federal expansion or federal extension. Those are the people that we're working with to try to find them the right fit for that -- that next position.

I do think a lot of these folks with how selective they're being tells me that in many cases they're not the primary earner in the household. So they tend to be a little bit more selective.

SEN. D'ALLESANDRO: Follow-up. And what's the skill set that they've relieved at the table? You interview them at a job fair. You talk about the desire for a skilled labor force, and that skilled labor force, obviously, is great for the economy here, but what about the -- what skills are they bringing forward at this point in time?

MR. LAVERS: We are seeing a lot of people that are, you know, people that are returning back to the sector in which they lost work, right. So skilling up for those folks is less and they're able to go right back into a position. But we are seeing

a lot of other folks that have -- that you've read about this, but it's very real, are people that have had some -- some -- done some thinking during the pandemic about what they want to do next, and for those folks these virtual job fairs are great opportunity where we are able to connect them with training resources, Community College System, and so forth and try to, if they're eligible for one of our training programs that could pay for a portion of their training, they're able to talk with employment service folks at that -- at that job fair.

SEN. D'ALLESANDRO: Last question, Mr. Chair.

CHAIRMAN WEYLER: Senator D'Allesandro.

SEN. D'ALLESANDRO: So another component of this is workforce development. You get people coming to your fairs. Obviously, there's the incentive; but, indeed, the workforce development pointing them in the right direction, and we know that the changes have to take place in terms of their skill level at this point versus what their skill level has to be to get the decent job that they're looking for.

CHAIRMAN WEYLER: Senator Rosenwald for a question.

SEN. ROSENWALD: Thank you. Thank you.

CHAIRMAN WEYLER: Senator Rosenwald is recognized.

SEN. ROSENWALD: We've heard that the tourist sector is expected to be very strong this summer. What can you tell us about the number of jobs that need to be filled right away in those related industries?

MR. LAVOIE: So tourism related employers have been very active in participating in all our reemployment efforts that we've had over the last few months, particularly. So we've done two rounds of virtual job fairs hitting every region of the state over the last month. And the -- our hospitality and our restaurant employers have been very -- have turned out very well

for all those events. So we continue to look at doing further events with them, whether it be an in-person recruitment event in our offices. We've done some other sector specific virtual job fairs as well where we've had the hospitality sector, construction industry. We've done events for single employers, you know, Easter Seals. We've done a few events for them. And we have some that will be coming up for the child care industry as well to help them connect with workforce. So they're -- they're trying to fill positions and they're competing with other sectors right now.

So I think it's imperative that we do all that we can to incentivize as many people as we can to get back into the workforce to fill these positions and this is another tool that we have to assist with creating that incentive.

CHAIRMAN WEYLER: Follow-up.

SEN. ROSENWALD: Thank you. Do you know how many open jobs there are in the tourist related sector?

MR. LAVERS: Tourism specifically I don't have that number, but we can get it to you. The most recent job opening and posting data that we review, there were about 16,000 positions statewide that were being recruited for.

REP. UMBERGER: There's 16,000 hospitality jobs in North Conway.

CHAIRMAN WEYLER: Senator Birdsell for a question.

SEN. BIRDSELL: Thank you. And thanks for taking my question. I've talked to a couple of employers in my area and they've had continuous problems with people agreeing to come to an interview and then just not showing up, and it's putting a pretty much of a burden on them. Are the individuals -- is there any way to track those individuals who agree -- 'cause I know when I was filling out -- years ago when I was unemployed and I had to fill out employment information in order to get my

unemployment check whether or not I interviewed. Are any of these tracked?

MR. LAVERS: So we have employers do regularly report to us when an individual declines an offer of employment. We are statutorily obligated to review each of those and we look at the employment offered. We look at whether it was suitable for under the circumstances for that individual. And then if it was determined suitable, then they would be denied benefits going forward. We do also hear from employers like those that have contacted you regarding what -- what is commonly being referred to as ghosting at these interviews.

SEN. BIRDSELL: Okay.

MR. LAVERS: You know, we encourage employers to report that to us as well because a component of the weekly work search requirement right now is an individual needs to document to us who they have applied to and how they've done that. And so that information is helpful as we evaluate whether or not someone has satisfied that weekly work search requirement.

SEN. BIRDSELL: Thank you.

CHAIRMAN WEYLER: Further questions. I'll entertain a motion to adopt FIS 21-170.

\*\* SEN. D'ALLESANDRO: I would move the item.

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

SEN. ROSENWALD: Yes, I'll second it.

CHAIRMAN WEYLER: Senator Rosenwald seconds. Further discussion? Seeing none. If you're in favor raise your hand. One, two, three, four, five, six, seven, eight. Those opposed? One, two, three. Counted wrong.

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REP. UMBERGER: It's 7-3.

CHAIRMAN WEYLER: It's got to total ten. Seven to three. It's just that I do budgets, you know. But don't hold me to numbers. These numbers are too small. Thank you, gentlemen. We'd appreciate after the eight weeks when you've -- everybody that has applied, if you would send us a note on what the participation was --

MR. LAVERS: Sure.

CHAIRMAN WEYLER: -- in this -- in this program and, hopefully, it works. We're investing quite a bit of money in it. It'll cover a thousand people anyway, right? So.

MR. LAVERS: Thank you.

MR. COPADIS: Thanks so much.

CHAIRMAN WEYLER: Ten thousand people. All right. Moving on to Item 173. Governor's Office of Emergency Relief and Recovery. Probably have Director Caswell here.

TAYLOR CASWELL, Executive Director, Governor's Office for Emergency Relief and Recovery: Yes, sir. Yes. Good morning. I'm here as Executive Director of GOFERR and Chase Hagaman here is our Deputy Director.

CHAIRMAN WEYLER: Senator Daniels has a question.

SEN. DANIELS: Thank you. Thank you, Commissioner, and congratulations on your reconfirmation.

MR. CASWELL: Thank you, sir.

SEN. DANIELS: As we look the \$3 million here is going to be designated to fund COVID-19 homeowner and homeowner hardships. My question is what criteria are you going to be using for this? Because I have heard of instances where people have received

significant funding during the time that they were unemployed, but rather than pay their rents, which would probably be a hardship type thing, they are out buying things that others might consider non-essential like TVs or recreational things. So how are you going to determine the criteria on who determines -- who gets this money?

MR. CASWELL: So a couple things, Senator. First, with regard to the rental component, that program is in operation right now through New Hampshire Housing Finance Authority, and it's a rental emergency assistance program specifically for the rental market.

This funding that we have here today is for a separate program that has not yet been designed and, in fact, the resources that are requested here that would be used by New Hampshire Housing Finance Authority would be to establish the criteria that you're talking about, but it would be exclusively for mortgage delinquencies and foreclosure situations. So people who are in an ownership situation. The design of the components of that program is what we need to be able to provide the Federal Government in order to access the bigger pot of money for that specific purpose.

SEN. DANIELS: Okay. So I used the wrong language, but we're talking the same thing.

MR. CASWELL: Yes.

SEN. DANIELS: Someone who is responsible for a mortgage does not pay their mortgage because, you know, the government had said you don't have to pay. And now they're in a hardship situation because they didn't responsibly use the money that was coming into them to keep up with things. How are you going to determine?

MR. CASWELL: Yeah, I mean, there are certain provisions in all of these programs that sort of seek to be able to avoid that situation. But in a lot of cases these are resources that are

either going to the landlord and a rental situation or to individuals. And there is probably a limit to the extent that that can be completely guarded against.

SEN. DANIELS: Thank you.

MR. CASWELL: Hm-hum.

CHAIRMAN WEYLER: Thank you. Senator Giuda for a question.

SEN. GIUDA: Thank you, Mr. Chairman. Taylor, good to see you. I would submit that requiring the mortgage you are to co-sign a check would be a good way to make sure that it gets to its intended destination. That possible?

MR. CASWELL: Yeah, no, I think that that would be possible, Senator, and what you're going to get with the funding that is in front of you right now, the \$3 million, is a pretty substantial process that New Hampshire Housing Finance would administer for public hearings with banks, with mortgage holders, but with homeowners as well and advocates. So it's a process that will be pretty inclusive of all of the aspects that you're raising and Senator Daniels is raising.

SEN. GIUDA: Thank you.

CHAIRMAN WEYLER: Any further questions from the Committee? Senator Rosenwald.

SEN. ROSENWALD: Thank you. Will this program be available to commercial mortgage owners as well? I mean, if you own a multi-family unit that you rent out.

MR. CASWELL: No, I believe these are specific for homeowners.

SEN. ROSENWALD: Individual homeowners.

MR. CASWELL: Yes, ma'am.

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SEN. ROSENWALD: Thank you.

CHAIRMAN WEYLER: Further questions. Seeing none. I'll entertain a motion to adopt Item FIS 21-173.

\*\* SEN. GIUDA: So moved.

SEN. D'ALLESANDRO: Move the item.

CHAIRMAN WEYLER: Senator Rosenwald moves the item.

SEN. GIUDA: Second.

CHAIRMAN WEYLER: Senator Giuda (Inaudible).

REP. UMBERGER: D'Allesandro. You look alike. D'Allesandro and Rosenwald.

REP. OBER: It's been a long week.

MR. CASWELL: Yes, I understand Representative.

CHAIRMAN WEYLER: Why don't you just ground me down. I'm lucky that I made it here. All right. All those in favor raise your hand? Any opposed? Seeing none. The motion is adopted. Thank you.

\*\* **{MOTION ADOPTED}**

MR. CASWELL: Thank you.

(10) **Miscellaneous**:

(11) **Informational Materials**:

CHAIRMAN WEYLER: Okay. That concludes the regular items on the agenda. There's many information items. Any of the Committee Members wish to inquire about from the departments on any of the information items? Senator Rosenwald.

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SEN. ROSENWALD: I have a quick question on the Health and Human Services Dashboard.

CHAIRMAN WEYLER: Okay. Health and Human Services, questions on the Dashboard. Which is?

SEN. ROSENWALD: It's 167.

CHAIRMAN WEYLER: 167. And we have Commissioner Shibinette as well as Miss Rounds as CEO. Welcome to Fiscal. Again, for Miss Rounds.

SEN. ROSENWALD: Thank you. I'm just wondering, I noticed the Medicaid caseload numbers are reported as of the end of February, and I'm wondering if the Department can follow-up with our Committee prior to the next Fiscal meeting with more updated caseloads.

MS. ROUNDS: You should have it in your inbox before this meeting is over. I sent it ten minutes ago.

SEN. ROSENWALD: Thank you very much.

REP. OBER: Kerrin, you know us so well.

MS. ROUNDS: Well, you know, Representative Ober, after yesterday where you told me that I could never lie and could never make a mistake. And we verified that I will never lie, but I will always make mistakes. We'll just put that to current on that list.

CHAIRMAN WEYLER: You're in the same club.

MS. ROUNDS: Right, right, mistakes happen. So to give you a number for May it's 220,788. That includes expansion. Before expansion it's 144,520. So it's pretty close to February still.

SEN. ROSENWALD: 220,788?

MS. ROUNDS: Yeah, the expansion population has gone up about 4,000 cases and standard has gone up about a thousand.

SEN. ROSENWALD: Thank you.

MS. ROUNDS: You're welcome.

REP. OBER: (Inaudible).

SEN. ROSENWALD: I mean, the next question is can you make the type smaller?

MS. ROUNDS: I definitely can. I definitely. So it's hard, right, 'cause I know you want to see lots of data. One of the projects that we were undertaking, and I'm sure you remember me testifying to this before COVID, was redoing this Dashboard to make it more user-friendly, more readable. Lisa English was the lead on that project and as you all know she now works for the Governor's Office. So as soon as we have a new lead for that project we'll be working on making this a better document.

SEN. ROSENWALD: Thank you very much.

MS. ROUNDS: You're welcome.

CHAIRMAN WEYLER: Nice anticipation.

REP. OBER: (Inaudible).

CHAIRMAN WEYLER: All right.

REP. UMBERGER: Either that or send us magnifying glasses.

CHAIRMAN WEYLER: I guess we don't need a vote on this but appreciate the information. Thank you. Okay. Any other items that anyone has questions on? If there are none, we'll -- I see Steve Smith here to tell us about audits. And in disguise is Brock Romano. And, Commissioner. You can look on with me.

REP. UMBERGER: I'll go get it. Just keep going.

SEN. DANIELS: Are we here or did we skip over this?

CHAIRMAN WEYLER: Oh, we did. We did. Senator Daniels reminds me that we had also the information materials on previous audits for both the Liquor Commission and the Department of Education. Did anybody want to have any further information on those? If so, we'll do it after this audit briefing. Does anybody want to talk about --

SEN. DANIELS: I had a -- I had a -- just a comment on 163.

CHAIRMAN WEYLER: Okay. We'll have a comment on 163 afterwards. That's the Department of Education. Is anybody here from there? Welcome, folks.

REP. UMBERGER: Now she won't be able to find it.

#### **AUDITS:**

STEPHEN SMITH, Director, Audit Division, Office of Legislative Budget Assistant: Good morning, Mr. Chairman, Members of the Committee. Good to see you all in-person again.

CHAIRMAN WEYLER: It is good.

MR. SMITH: For the record, Steve Smith, Director of Audits for the LBA, and with me this morning is Brock Romano. He's the partner with KPMG. We retained them for the Single Audit, and also Dana Call, State Comptroller, and Commissioner Arlinghaus. We'll be discussing Admin Services.

Before I turn it over to Brock, I just wanted to again express my situation. This was a unique area, audit cycle for us with remote status, COVID and all the competing priorities amongst the State Agencies and folks. But I just -- yeomen work on their part to get us to this point, and just want to thank them, as well as all the departments and agencies that

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participate or had programs under audit. So we -- we finished it. So -- so again, thank you.

CHAIRMAN WEYLER: Thank you. Mr. Romano.

BROCK ROMANO, Audit Partner, KPMG: Yes. Good morning, everybody. For the record, my name is Brock Romano. I'm an Audit Partner with KPMG, and I'm going to walk through the results of the Fiscal Year 20 Uniform Guidance Audit. As you can tell from the -- from the package, it's quite an overwhelming document. So what I'd like to do today is -- is maybe talk about what is contained in the document you have. Ultimately, the goal is to share with you the results of the audit work relative to your largest federal programs. But to do that, if you would indulge me, I'd like to maybe have you flip to the Table of Contents maybe just to describe what -- what is contained in the document. And -- and you can see that the -- there's in several sections the Sections A through C are primarily information that the Committee has seen before, particularly in Section C. That's the -- the State's audited CAFR on interest statements which has been previously presented is replicated in this document. So I won't spend time talking about it, but I wanted the Committee to know that it's contained in here.

Really, the -- the relevant sections are -- are Sections D through G that relate to the State's federal programs. And if I could draw your attention to the Table of Contents, the Schedule of Expenditures of Federal Awards, this is basically the equivalent of a financial statement. So if you're familiar with the financial statement that has assets, liabilities, revenues and expenses, this schedule is really just a schedule of what the State spent in terms of federal dollars. And if you kind of think about the goal of an audit when we do an audit of a financial statement, it's to opine on balances, and to opine activity. When we do an audit of federal programs, the goal is not to opine on balances but is to opine on levels of compliance with those federal programs.

And -- and what I'd like to do now is maybe, you know, have you flip to Sections F-1 and F-2, because that is what we call the Summary of Audit Results and what it will do is summarize the main points of -- of the audit and the results. And so if -- if I could kind of have you focus on F-2 for a minute, I'm going to take them in a little bit of reverse order, but F-2 basically lists the programs that we audited and -- and wanted to take a moment just to explain how we go about picking the programs for audit. It's based upon the guidance put out by the Federal Government. It focuses on largest programs. So, basically, we focus on those programs that are -- that where the State spent more than \$11 million based upon the federal guidelines.

And just to put it in context, the State has about 20 programs that are above that \$11 million threshold. Those programs -- those 20 programs, those largest programs, represent over 90% of the -- of the spend in that Schedule of Expenditures that I mentioned earlier.

So the State spent about \$3.8 billion. The 20 largest programs accounted for over 90% of that spend. And in -- if you look at those largest 20 programs, we selected 12 of them to audit this year, and we selected two programs below that threshold, because the Federal Government asked us to focus on largest programs, but they also have some criteria for selecting smaller programs. So, in total, we selected 14 programs to audit. The 14 programs are listed here.

Again, I'm just doing this for context to get to the results. And of those 14 programs, what we were asked to do was look at internal controls, and as well as render an opinion on compliance. And if you think about compliance, compliance basically falls into several buckets, including allowable costs, eligibility, sub recipient monitoring, funding levels, all terms that I think are familiar to folks when you listen to departments talk about how they administer their programs. So -- so that -- that was the objective.

Now, if I get you to focus on F-1, I want to talk about the results of -- of those 14 programs that we looked at. And I mentioned we're going to look at compliance, and we actually render an opinion on compliance. And of the 14 programs that we looked at, eight of those programs we actually qualified our opinion on compliance, meaning there was something that we observed in our test work that indicated that they hadn't fully complied with the requirements put out by the Federal Government. And they're listed here on F-1. And, again, I'm -- I will go into detail if the Committee would like to but just trying to kind of put a framework to what we did.

And so, again, some qualified opinions. We also looked at internal controls relative to those 14 largest programs, and we had several observations on internal control deficiencies ranging from material weakness, meaning the most severe in terms of -- in terms of weaknesses, as well as some significant deficiencies. And Admin Services will walk you through some of those statistics in a moment.

So, in a nutshell, maybe to -- that was kind of a little bit of a high level plus a little bit of detail, but let me step back for a minute and maybe try to put all of this in context.

So the states that KPMG does single audits for, you know, how would you stack up against those other states? Are -- are your results better, worse, where in that spectrum?

I would say it's quite common for states to have qualified programs. So New Hampshire is not an outlier in the fact that you have qualified programs. Many states have material weaknesses and significant deficiencies. So New Hampshire is not an outlier relative to its peer groups in terms of the audit results. I think what's also instructive, and DAS will go over this, is kind of what has been the trend line within New Hampshire. How many programs have had qualifications, how many material weaknesses, how many findings, and I think when DAS walks you through that you'll see there's -- you're kind of in a steady state, I would describe, over the last several years.

So relative to your peer group, I would say you're kind of middle of the pack to better than other states in terms of compliance. And I would say relative to past performance with the State of New Hampshire you're kind of in a steady state.

So my goal this morning was to try to take something that's complicated and not make it more complicated. I don't know if I've succeeded in that exercise, but it was also meant to be high level. So I'll pause for a minute and see if there's any questions from the Committee.

CHAIRMAN WEYLER: Senator Daniels has a question.

SEN. DANIELS: Thank you. You continue to mention about 14 programs on F-2, but I can't seem to group things together to come up to 14.

MR. ROMANO: Yes, that's a good point. There's this concept in the Federal Government where they take light programs and they call it a cluster. So if we take the top of F-2 there's this highway planning and construction cluster. Even though it comprises several individual grants, it's in the eyes of the federal government that's one program. So cluster is a program and then we have individual programs that aren't clustered.

SEN. DANIELS: Got it. Thank you.

CHAIRMAN WEYLER: Senator D'Allesandro for a question.

SEN. D'ALLESANDRO: Thank you very much. What I gather from what you're saying is there's a consistency that -- that they're consistent in our performance and that we're -- we're not doing the same things fully over and over again. Are we getting better? You said in our peer group. I look at the little composite, the composite kind of tells you that things haven't changed that much.



MR. ROMANO: I -- I think there are some -- there are some --

CHAIRMAN WEYLER: Big improvement.

MR. ROMANO: There are some situations that are repeating and the way I like to describe an observation that appears in this report, in terms of timing, if you think of a context, by the time we do -- we're auditing this program, we're already in the next Fiscal Year. So your year ends on June, but we're doing our audit work in September, really through the following winter. So by the time that we identify something, it's already reoccurring in the next Fiscal Year.

So I like to say that just about every comment, most comments have at least a two-year life cycle in terms of -- in terms of appearing in a report. If you start to see something that's -- that's lingering for three, four years and beyond, those are the ones that I would focus on in terms of, you know, why aren't they being remedied. And sometimes there are occasions, and I'd have to go into details to see whether it's here or not, but there are occasions where sometimes a finding will be -- will be chronic in the sense that it continues for multiple years.

CHAIRMAN WEYLER: Further question.

SEN. D'ALLESANDRO: I noticed as we went through the budget cycle HHS has a problem, and they're being penalized about \$3.1 million. Now, I've been around a long time. That -- to me that seems to be a reoccurring process that we've not complied in the number of instances. And this 3 million thing stuck out to me because I think it relates to the MMIS Program. And that's been going on for the 20 years I've been around here. I don't like that. If I were -- if I were running the show, I mean, if I were the -- the CEO, I'd be very concerned about that, because I see it repeatedly.

MR. ROMANO: Yes.

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SEN. D'ALLESANDRO: Is that -- is that noted in your findings?

MR. ROMANO: Uh -- I don't believe we address your particular question. There are -- there are repeat findings. Some of them have gone beyond the two-year cycle that I would describe, and sometimes that is -- that is because there's a technological impediment to remedying a situation. Sometimes it's a staffing issue and sometimes there's a cost benefit analysis, right. So we -- we are somewhat academic in how we approach the results, right? So we follow the standards and I sometimes tell my clients if the cost to remedy is greater than the cost of compliance you need to make a business decision. So sometimes -- sometimes there can be a valid business reason for a finding that repeats because the cost to remedy might be prohibitive to the benefit that the State might get. And -- and us being academics, we -- we have to kind of note that in our report. And we have those discussions with management to try to nuance the findings, if you will.

CHARLES ARLINGHAUS, Commissioner, Department of Administrative Services: Can I -- Charlie Arlinghaus from Admin Services. I want to just to add to that, you can't have observed the budget for any length of time in New Hampshire without, you know, realizing that HHS has stuff going on a lot. You know, going back to, you know, 20 years ago we had to pay a whole bunch of money back.

Yes. I would just say in terms of the Single Audit, you know, obviously, for the Single Audit people, you know, on our staff, the relationship with HHS is the one that is most dominant. It's where the money is. It's like there's a lot of programs and it's not like anything else isn't important, too. That's where the money is. And are things happening? Yes. Are there findings? Yes.

I would say that I would suggest to you that a few years back from an auditing standpoint our relationship with HHS was, I would say not strong, and there was some hostility in it. And

there was some tension in that relationship, where -- where, I mean, it's just natural, right? Because after there's always corrective action plans and we send out e-mails to people and they get annoyed because they're getting an e-mail and the Commissioner is cc'd and all that kind of stuff and nobody likes to have a e-mail with the subject line "Corrective Action Plan". But I would tell you today our relationship -- actually, I was talking with Kerrin Rounds about this some Committee of Conference statement here Tuesday and about the relationship between Steve Giovinelli and her staff that she deals with which they're getting along fabulously.

And so I -- the only reason I say that is not to say that there aren't still things we need to look at, but I would tell you that I think there's significantly -- there's more attention, people are doing better. People are taking it more seriously than they -- and I don't mean to imply people didn't take it seriously, but good things are happening.

CHAIRMAN WEYLER: Follow-up.

SEN. D'ALLESANDRO: I think one of the problems that we have had over the years is staffing. That's been a major concern. I appreciate the staffing over at HHS now in terms of the findings. I think it's as good now as it's been in a long, long time. I think when Fredyma was here, it was probably the best. It was really the best because he had been around a long time. He was very experienced. I mean, he was (Inaudible) in all sectors. It seems to me that one of the things that fell this way was communication. That's been restored. We now have a Comptroller. Thank God that you're still here and you're not going to leave us.

DANA CALL, State Comptroller, Department of Administrative Services: I'm still here.

MR. ARLINGHAUS: Make her say that out loud.

MS. CALL: I'm still here.

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SEN. D'ALLESANDRO: So I think staffing is really the key issue. That's -- that's always been a concern of mine when we have all of these vacancies in very key positions and as a result problems develop. So I just wanted to make that point. Because, as I say, I've been listening to this for a long time and, Brock, I think you do the best job. I think your precursor was awful.

MR. ROMANO: Well, I was a precursor before so was my second tour of duty. Maybe you remember me in a younger state.

SEN. D'ALLESANDRO: I remember the guy. Believe me.

MR. ROMANO: Thank you.

CHAIRMAN WEYLER: Thank you.

SEN. D'ALLESANDRO: I've made my point.

CHAIRMAN WEYLER: Any further questions from the Committee? Thank you to the LBA for giving us this -- this page showing us that we really have improved in the number of total number of findings which were 2016, 55, and now 25. So yes, thank you very much, you've made a difference here.

MR. ARLINGHAUS: I just want to say in Dana's defense thank you to the LBA for passing out the documents, but Dana prepared it and they both do a wonderful job.

MS. CALL: And Steve Giovinelli.

MR. ARLINGHAUS: And Steve Giovinelli. I want to say I don't want to leave without saying --

CHAIRMAN WEYLER: So who prepared it? You did?

MS. CALL: Steve Giovinelli.

MR. ARLINGHAUS: Dana's staff.

CHAIRMAN WEYLER: Another alumni of the LBA.

MR. ARLINGHAUS: We're very well served by the staff that we and the Single Audit is one of those things that it is -- it is incredibly boring and annoying to a lot of people and critically important to the honesty and transparency of the financial operations of the state. And there is a group of people in this room, I think it's ten of you, I might have miscounted, who care -- who care about this. And there are probably hundreds and hundreds of other people who don't. I say that to Dana all the time. But it's -- we can't be -- we can't run a business without it. The State is very well served by having perhaps the most efficient Comptroller we've had in modern history. And then (Applause). Exactly. Wait a minute. But we have -- we have a very good staff. And Steve Giovinelli is in charge of the Single Audit and he did prepare the document. Steve has been on GOFERR for more than a year. He just came back. In his absence Matt Johnson, who was thrown into the deep end of the pool, and Matt did a stellar job in getting stuff done, getting stuff done on time, getting it done efficiently and managing to not turn every Department of State Government against him. And so I doubt he's listening because there's no Zoom function anymore, but we need to acknowledge that.

CHAIRMAN WEYLER: Representative Ober for a question.

REP. OBER: Thank you, Mr. Chairman. Just -- just a statement. And I think I'm like everybody, we love this no matter who did it. But I think one of the remarkable things on here if you look at 2016 and then you look forward to 2020, given the year we've just gone through in 2020, you might have expected us to look more like 2016, but we didn't, and that in my mind is remarkable. So kudos to everybody involved in this.

CHAIRMAN WEYLER: Yes, very much so. And forgive us if we didn't read every single page.

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MR. ARLINGHAUS: Page 47 is particularly good.

CHAIRMAN WEYLER: Oh, I'll look forward to that. Any further questions on the audit?

REP. OBER: Does Karen have that (Inaudible) motion?

REP. UMBERGER: Yes, I do.

REP. OBER: Whatever she says I'll move it.

CHAIRMAN WEYLER: I'll recognize Representative Umberger.

**\*\*** REP. UMBERGER: I move to accept the report, place on file, and release in the usual manner the Single Audit of several financial assistance programs.

REP. OBER: Second.

CHAIRMAN WEYLER: Motion and second. Further discussion? Seeing none. All in favor raise your hand? Okay. It's unanimous. All in favor.

**\*\*\* {MOTION ADOPTED}**

CHAIRMAN WEYLER: Thank you very much. And please stay on the job.

MS. CALL: You got me.

CHAIRMAN WEYLER: All right. And we did have a question from Senator Daniels. We kind of skipped over the replies of those previous audits that we've asked people to send us. And is there anyone here from Education? Yes, thank you for staying. Senator Daniels.

SEN. DANIELS: Thank you, Mr. Chairman. Thank you for being here today. Looking at your update, there's a column called anticipated completion date, and there are a number of items in

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there that the previous column indicates that June would be your target date on that and your completion date says June 2021 and QA work.

CHRISTINE BRENNAN, Deputy Commissioner, Department of Education: Hm-hum.

SEN. DANIELS: And my question is what is QA work? How long does it last? And at what point in time would you be able to mark complete?

MS. BRENNAN: Sure. Hi, everyone. I'm Christine Brennan, Deputy Commissioner. This is our Director of Vocational Rehab, Lisa Hinson-Hatz, and our Commissioner regrets that he is not here 'cause I know that that was one of the expectations since the audit has happened.

The QA is the Quality Assurance work that we are doing. It was just approved by G & C on Wednesday. And, basically, it takes all of the work that was all of the recommendations that were given from the audit and makes -- we have hired and contracted Stevens Group to help us with our training, with our policy, to make sure that we are providing quality services to our customers. And I'm sure Lisa wants to say something if that doesn't answer the question. And I think while you see some of these things that are not answered, are because of policies. And our policies just before this meeting was approved by JLCAR. And the rules will be going to the State Board in July to make sure that they're adopted and they'll be moving forward.

So I think that that's what -- I think I answered your question but in case we have Lisa here as well.

LISA HINSON-HATZ, Director of Vocational Rehabilitation, Department of Education: I do just want to comment -- thank you for the question and for the opportunity. We're really excited about that contract getting started. I already had a call with them yesterday to set up our kick-off meeting on June 30<sup>th</sup>. But in reference to the June dates, just to follow-up on that, we

have moved most of those days to December. And the reason why we moved them to December was because we had put our responses in and the dates of that commitment in the response to the audit which took a few months to get -- to get through and get approved. And then we had to go through the G & C process for the contracts. So that's why we're a little bit behind in terms of those dates. But the work is -- is moving forward. So we're excited to get started. That is a two-year contract with them. So it will take us about two years to complete everything, but the first six months are the most intense work.

SEN. DANIELS: Follow-up.

CHAIRMAN WEYLER: Follow-up.

SEN. DANIELS: So is it possible then to include the estimated time it's going to take you to do QA so that you put down the audit commitment date as December if that is the case? As I look at it now, and something says in progress, and it's June, it's like this open-ended and I have no idea at what point in time things should be completed. If you were to have another audit done --

MS. HINSON-HATZ: Yeah.

SEN. DANIELS: -- how would somebody know if that was complete or not?

MS. HINSON-HATZ: Yes.

SEN. DANIELS: So I just ask if maybe you could update those commitment dates to reflect the time that it would take to do the QA as well.

MS. HINSON-HATZ: Yes. And that actually will be sent to you I think on Monday for the July update for you guys so you'll see all of those reflected and that December date. Yes, thank you.



SEN. DANIELS: Thank you.

MS. BRENNAN: Thank you.

CHAIRMAN WEYLER: Representative Umberger.

REP. UMBERGER: Yes. I -- I assume Quality Assurance is -- I mean, that's -- oh, is it? They told me I didn't. That's an ongoing program. So I just want to make sure that we don't go through this one-time and two years from now we're right back to where we are.

MS. BRENNAN: Yes, good point.

REP. UMBERGER: Thank you.

MS. HINSON-HATZ: Thank you.

CHAIRMAN WEYLER: Committee Members, we've had very lengthy reports for the last few months from both Liquor and from Education. Do we need these every month or can we go to some different schedule?

REP. EMERICK: Mr. Chairman.

CHAIRMAN WEYLER: Representative Emerick.

REP. EMERICK: In my review of this process, it became very obvious that monthly is too frequent.

CHAIRMAN WEYLER: I agree.

REP. EMERICK: Because they don't have enough time between meetings to refile for the next meeting. So we might bring up a point that they can't even deal with because they got to get the next meeting --

CHAIRMAN WEYLER: Right.

REP. EMERICK: -- results in. So I think quarterly would be perfectly acceptable.

REP. OBER: Agreed.

CHAIRMAN WEYLER: All right. So motion to do quarterly reports for both -- are you from Liquor? Oh, you're with them. Okay. Quarterly reports from both Liquor and Education. I didn't mean to be insulting. I just thought somebody from Liquor might have been --

UNIDENTIFIED SPEAKER: It just comes naturally.

CHAIRMAN WEYLER: All right. Motion to do quarterly -- to do quarterly from now on on these -- on these responses. Question? Discussion?

SEN. D'ALLESANDRO: So it's like a good idea.

SEN. GIUDA: Thank you, Mr. Chairman. I was the sponsor of the monthly requirement and it was put forward because repeatedly year after year we would see audits that were done and items from audits done years before that had not even been addressed. Certainly, if the process isn't effective, I would favor moving it to a time frame that is. So for that reason, not to relinquish the requirement to get these things done, but to make it administratively possible I would support this. Thank you.

CHAIRMAN WEYLER: So you are in support?

SEN. GIUDA: Yes.

CHAIRMAN WEYLER: Senator Birdsell.

SEN. BIRDSELL: I was raising my hand, yes.

CHAIRMAN WEYLER: Very good. Any other comments?

REP. UMBERGER: That means she's making the motion.

REP. OBER: Tracy made the motion.

CHAIRMAN WEYLER: This is the motion. Senator Daniels.

SEN. DANIELS: I just want to comment for my purposes and others may feel differently, but I'm more interested in seeing the things that are not done. I mean, there's -- there's a pretty good document here, but there's a lot of this already complete. Those things, if it's not on the list, you know I'm more interested in seeing what hasn't been done in the past, where you are in the process and when it will be completed. Once it gets completed, I have no problem with it being dropped off the list.

CHAIRMAN WEYLER: I agree. Agreed.

REP. EMERICK: And, Mr. Chairman, my motion also included the June report was the quarterly report for this.

CHAIRMAN WEYLER: So the next report won't be due till the next quarter.

REP. EMERICK: September.

CHAIRMAN WEYLER: Representative Edwards.

REP. EDWARDS: If I could just to comment on Senator Daniels' comment. When I've looked at these kind of documents in the past, there was some value, some utility to keeping the completed items on for at least one cycle so that you had visibility of when things --

CHAIRMAN WEYLER: Right.

REP. EDWARDS: -- moved from in progress to done, because if it's just missing some day you don't know did they forget it or --

CHAIRMAN WEYLER: Right. So once it's -- once it's been incomplete on an earlier report and it's complete on this report, we'd want to see it has changed status. But after we've seen it, and we've read that it's completed, then we don't need to have -- keep seeing it again. Is that -- is that clear? Okay. Thank you for staying on the job on this.

MS. BRENNAN: No problem.

CHAIRMAN WEYLER: All right. All in favor of that motion to go to quarterly reports?

REP. OBER: As described.

CHAIRMAN WEYLER: As described. Any opposed? It's unanimous.

**\*\*\* {MOTION ADOPTED}**

CHAIRMAN WEYLER: Thank you very much.

MS. BRENNAN: Thank you.

**(13) Date of Next Meeting and Adjournment:**

CHAIRMAN WEYLER: All right. I guess our next thing is the next date which we'll discuss with the LBA.

MR. KANE: Yes. So the date of the next meeting, if you stayed with --

REP. OBER: Do we meet in July?

MR. KANE: What's that?

REP. OBER: Do we meet in July?

MR. KANE: It goes back and forth. Usually there's one summer month you can skip. So if you skip July you'd want to meet early August. If you skip -- but I'll leave it up to you.

CHAIRMAN WEYLER: What's the month you're gone, both July and August?

REP. OBER: No, I'm gone July. My suggestion would be we skip a regular month. But if we have some ARPA guidance that comes in, we may have to understand that we would meet in that month for just ARPA. Because the guidance now is coming in. You don't know what's going to come up. I wouldn't want us to go two months without having --

CHAIRMAN WEYLER: Yep.

REP. OBER: -- a meeting if they had some time sensitive things. So I'm -- I'm fine. I'm gone July 9<sup>th</sup> through the 18<sup>th</sup>, but I'm here the rest of the time. I'm going to Iceland.

CHAIRMAN WEYLER: Any other preference, July or August for skipping?

SEN. D'ALLESANDRO: Let's skip July.

CHAIRMAN WEYLER: Let's skip July. Yeah, I have things I've got to go to in July as well. So we'll -- have you got a date for August?

MR. KANE: It's up to you. You could -- if you stayed with the third week wouldn't be just 20<sup>th</sup> but since you're skipping July the 13<sup>th</sup> might be a good date. It's the second week in August.

CHAIRMAN WEYLER: Friday the 13<sup>th</sup>, such a fortunate day.

MR. KANE: I love Friday the 13<sup>th</sup>.

CHAIRMAN WEYLER: Whose birthday?

REP. OBER: Russ'.

CHAIRMAN WEYLER: It doesn't come on Friday every year?

REP. OBER: No, it doesn't. He wasn't born on a Friday either.

SEN. DANIELS: What was the reason for not going to the 20<sup>th</sup>?

MR. KANE: You could go the 20<sup>th</sup> and if you just left it open. Obviously, if there's an emergency or there's some ARPA funds that it's some timeliness that we'll have agencies reach out to the Chair. So if you want to stay with the third Friday that be August 20<sup>th</sup>.

CHAIRMAN WEYLER: Because normally we're four weeks in-between; but if we're skipping July it be five or six weeks to Friday the 13<sup>th</sup>.

SEN. DANIELS: I'm only saying that because that week I am gone.

CHAIRMAN WEYLER: You're gone. All right.

REP. UMBERGER: Make it the 20<sup>th</sup>.

CHAIRMAN WEYLER: The 20<sup>th</sup>.

REP. OBER: 20<sup>th</sup> works for me.

CHAIRMAN WEYLER: Not a problem.

MR. KANE: All right.

REP. UMBERGER: Ken.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: On this motion do we have to say that the LBA can contact us if there are things that --

CHAIRMAN WEYLER: Yes.

**\*\*** REP. OBER: Mr. Chairman, I would move that Fiscal meet August 20<sup>th</sup> as needed, but are available to the call of the Chair if ARPA money is needed.

CHAIRMAN WEYLER: Okay. That's the motion we have before us. Is there a second?

SEN. DANIELS: Second.

CHAIRMAN WEYLER: Second by Senator Daniels. Any further discussion? Seeing none. All in favor raise your hand? Opposed? There are none.

**\*\*\*** **{MOTION ADOPTED}**

CHAIRMAN WEYLER: Okay. Very good. We appreciate all the fine work of the LBA, especially Pam Ellis who takes the minutes.

SEN. D'ALLESANDRO: It's terrific. I want to say that without a moment's hesitation. She makes team work.

REP. UMBERGER: She does what?

SEN. D'ALLESANDRO: She makes team work.

REP. UMBERGER: Oh! I thought you said she took her cane out and make them work.

CHAIRMAN WEYLER: All right. Representative Daniels moves to adjourn.

UNIDENTIFIED SPEAKER: Second.

CHAIRMAN WEYLER: All in favor? We are adjourned.

(Meeting adjourned.)

**CERTIFICATION**

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

Cecelia A. Trask, RMR, CSR  
NH Licensed Shorthand Reporter #00047

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