

# Bill as Introduced

SB 450-FN - AS AMENDED BY THE SENATE

03/24/10 1113s

03/24/10 1174s

2010 SESSION

10-2705

01/10

SENATE BILL **450-FN**

AN ACT relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

SPONSORS: Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

COMMITTEE: Finance

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AMENDED ANALYSIS

This bill:

I. Consolidates the amount to be reduced by the department of health and human services, as required under HB 1-A of the 2009 legislative session, for the biennium instead of for each fiscal year.

II. Exempts certain rates for services, placements, and programs for children and families from RSA 541-A.

III. Clarifies the administration of the New Hampshire employment program.

IV. Makes the funded family assistance program (FANF) permissive rather than mandatory.

V. Requires recipients of medical assistance to name the state of New Hampshire as beneficiary of all life insurance policies, except under certain circumstances.

VI. Allows the department of health and human services to make a claim for recovery of assistance for a deceased recipient from the division of abandoned property.

VII. Authorizes the commissioner of the department of health and human services to transfer funds within and among all PAUs within the department, to address present or projected budget deficits, or to respond to changes in federal laws, regulations, or programs, and as otherwise necessary for the efficient management of the department.

VIII. Permits funds from the lead paint poisoning prevention fund to be used to support program staff and administrative costs.

IX. Transfers powers and duties for the New Hampshire refugee resettlement program from the governor's office to the department of health and human services.

X. Establishes a special account for civil fines collected by the department of health and human services under RSA 151.

XI. Clarifies criteria for determining eligibility for services under the Medicaid waiver.

XII. Changes the due date for the Medicaid enhancement tax.



**SB 450-FN – AS AMENDED BY THE SENATE**

XIII. Renames the “multiple DWI offender intervention detention center program” as the “multiple DWI offender intervention program,” and authorizes the commissioner of the department of health and human services to directly operate the program, to approve community-based providers of the program, or to contract with public or private entities to operate the program.

XIV. Requires the commission to examine driving while impaired education and intervention programs to study penalties for intoxication or under the influence of drugs offenses and submit a report of its findings.

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**Explanation:** Matter added to current law appears in *bold italics*.  
Matter removed from current law appears [~~in brackets and struckthrough.~~]  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Ten*

AN ACT relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1           1 Department; Powers and Duties; Publication of Rates of Reimbursement Exempt From  
2 Rulemaking. Amend RSA 170-G:4, XVII to read as follows:

3           XVII. Establish rates for all services, placements and programs which are paid for by the  
4 department pursuant to RSA 169-B:40, 169-C:27, 169-D:29, and any services required to be provided  
5 by the department pursuant to paragraph II of this section. When educational aspects are present in  
6 any service, placement or program subject to rate-setting by the department, rates for the educational  
7 component shall be addressed jointly by the department and the department of education.  
8 ***Publication of rates of reimbursement shall be exempt from the provisions of RSA 541-A.***

9           2 New Paragraph; Administrative Procedure Act; Exception Added. Amend RSA 541-A:21 by  
10 inserting after paragraph VI the following new paragraph:

11           VII. RSA 170-G:4, XVII, relative to the publication of rates for services, placements, and  
12 programs which are paid for by the department of health and human services pursuant to RSA 169-  
13 B:40, RSA 169-C:27, and RSA 169-D:29 shall be exempt from RSA 541-A.

14           3 Administration of the New Hampshire Employment Program; Duties; Rulemaking. Amend  
15 RSA 167:83, V to read as follows:

16           V. The commissioner [~~shall~~] ***may*** enter into an agreement or contract with the commissioner of  
17 the department of employment security to carry out the employment program and may delegate  
18 authority and duties for the employment program to the commissioner of the department of employment  
19 security and other state agencies. The commissioner shall adopt rules for the employment program [~~in~~  
20 ~~consultation with the commissioner of the department of employment security~~].

21           4 Non-TANF Funded Program for 2-Parent Families With Dependent Children. Amend  
22 RSA 167:77-e to read as follows:

23           167:77-e Assistance Program for 2-Parent Families with Dependent Children. [~~By October 1,~~  
24 ~~2008,~~] The department [~~shall~~] ***may*** establish a non-TANF, state-funded financial assistance program  
25 for 2-parent needy families with dependent children in which one parent is underemployed or  
26 unemployed. With the exception of parental underemployment or unemployment, client eligibility  
27 and program requirements and administration shall be in accordance with this chapter and the rules  
28 adopted under this chapter. In order to meet the federal work participation rate and avoid federally-

1 imposed penalties, the commissioner may add additional groups of families to this state-funded,  
2 financial assistance program as funding permits and also may transfer cases back to the TANF  
3 program, pursuant to rules adopted under RSA 541-A.

4 5 Eligibility for Medical Assistance. Amend RSA 167:4, IV(c) to read as follows:

5 (c) Notwithstanding any provision of law to the contrary, for purposes of medicaid  
6 eligibility, investment in life insurance policies with cash surrender, *benefit, or face* value in excess  
7 of \$1,500 shall be limited to policies that ensure payment to the state of New Hampshire of all the  
8 proceeds of the policy in excess of amounts spent on burial up to the total of medicaid expenditures  
9 made on behalf of the individual, *except that life insurance policies which name the Medicaid*  
10 *recipient's spouse who remains living in the community or recipient's disabled child who is*  
11 *under the age of 65 as the only beneficiary or beneficiaries shall be exempt from this*  
12 *eligibility requirement.*

13 6 Authorizing the Department of Health and Human Services to File Claims for Medical and  
14 Financial Assistance Against Abandoned Property Held by the Treasury; Filing of Claim With  
15 Administrator. Amend RSA 471-C:26, I(c)(2)(3) to read as follows:

16 (2) *Except as provided in subparagraphs (5)-(7),* in the case of a closed estate  
17 where the unclaimed property is valued at less than \$5,000 and does not include securities in share  
18 form, in accordance with the final distribution of assets as approved by the probate court.

19 (3) *Except as provided in subparagraphs (5)-(7),* in the absence of an open  
20 estate or probate court decree of final distribution, and the unclaimed property is valued at less than  
21 \$5,000 and does not include securities in share form, by the surviving spouse of the deceased owner,  
22 or, if there is no surviving spouse, then to the next of kin in accordance with the provisions of  
23 RSA 561:1.

24 7 New Subparagraphs; Filing of Claim With Administrator. Amend RSA 471-C:26, I(c) by  
25 inserting after subparagraph (4) the following new subparagraphs:

26 (5) Before distributing any unclaimed property pursuant to subparagraphs (2) and  
27 (3), the administrator shall first ensure that the department of health and human services does not  
28 have a claim for medical and or financial assistance paid on behalf of the deceased owner.

29 (6) In the event that the department of health and human services has a claim for  
30 medical and or financial assistance paid on behalf of the deceased owner, the department may submit a  
31 claim for such assistance using an affidavit developed by the administrator that ensures that:

32 (A) No individual has moved to probate the deceased owner's estate through  
33 which the department could assert its claim or probate administration for the deceased owner had  
34 been open and no individual has moved to reopen the estate through which the department could  
35 assert its claim;

36 (B) The department does not believe, based on the information available to it,  
37 there are known expenses for the deceased owner's necessary funeral and burial; and

1 (C) Based on all facts known to the department, its recovery of this abandoned  
2 property is not limited by the prohibitions to recovery as set forth in 42 U.S.C. section 1396p and  
3 RSA 167:16-a, IV.

4 (7) If the department of health and human services has made a claim against a  
5 deceased owner's unclaimed property as provided in subparagraph (6), under no circumstances shall  
6 the administrator distribute to the department more than the claimed amount.

7 8 Repeal. 2009, 144:211, relative to community mental health centers; administrative  
8 requirements suspended, is repealed.

9 9 Department of Health and Human Services; Transfer Among Accounts. Amend 2009, 144:39,  
10 III to read as follows:

11 III. Notwithstanding the provisions of RSA 9:17-a or any other provision of law to the  
12 contrary except RSA 9:17-c, and subject to the approval of the fiscal committee of the general court  
13 and governor and council, for the biennium ending June 30, 2011, the commissioner of the  
14 department of health and human services is hereby authorized to transfer funds within and among  
15 all PAUs within the department, as the commissioner deems necessary and appropriate to address  
16 present or projected budget deficits, or to respond to changes in federal laws, regulations, or  
17 programs, and otherwise as necessary for the efficient management of the department[~~with the~~  
18 ~~exception of class 60 transfers~~].

19 10 Lead Paint Poisoning Prevention and Control; Rulemaking. Amend RSA 130-A:10, IV to read  
20 as follows:

21 IV. Fees to be collected for the issuance of licenses to lead inspectors, lead risk assessors,  
22 lead abatement contractors, for certification of lead abatement workers and lead clearance testing  
23 technicians, for testing resulting from investigations, for certifications of training programs, *exam*  
24 *and training fees*, [and] for notifications under RSA 130-A, *and other environmental fees*.  
25 Property owners who own more than 4 but fewer than 7 dwelling units shall pay a fee for licensure  
26 which is 1/2 of that paid by other lead abatement contractor licensees. Such reduced fee license shall  
27 only be valid for work on dwellings or dwelling units owned by such license holder.

28 11 Lead Poisoning Prevention Fund. Amend RSA 130-A:15 to read as follows:

29 130-A:15 Lead Poisoning Prevention Fund. There is hereby established the lead poisoning  
30 prevention fund to be used to carry out the provisions of this chapter. The fund shall be composed of  
31 fees, fines, gifts, grants, donations, bequests, or other moneys from any public or private source and  
32 shall be used to implement and encourage lead paint removal and education, *and to support*  
33 *program staff and administrative costs*. The fund shall be nonlapsing and shall be continually  
34 appropriated to the commissioner of the department of health and human services for the purposes  
35 of this chapter.

36 12 New Paragraph; Department of Health and Human Services; Duties of the Department.  
37 Amend RSA 161:2 by inserting after paragraph XVII the following new paragraph:

1 XVIII. Refugee Resettlement. Administer the New Hampshire refugee resettlement  
2 program as funded by and in cooperation with the United States Department of Health and Human  
3 Services under the Refugee Act of 1980.

4 13 New Section; Special Fund; Civil Fines. Amend RSA 151 by inserting after section 16-a the  
5 following new section:

6 151:16-b Civil Fines. All administrative fines and other civil monetary penalties collected by the  
7 department from facilities licensed under this chapter shall be kept by the state treasurer in a  
8 separate, non-lapsing, interest bearing account. Interest earned on moneys deposited in the account  
9 shall be deposited into the account. The moneys in the account shall be used by the department for  
10 the protection of the health and property of residents of facilities licensed under this chapter.

11 14 New Subparagraph; Special Fund. Amend RSA 6:12, I(b) by inserting after subparagraph  
12 (299) the following new subparagraph:

13 (300) Civil fines collected under RSA 151:16-b, which shall be deposited as provided  
14 in such section.

15 15 Eligibility for Services Under the Medicaid Waiver. Amend RSA 151-E:3, II to read as  
16 follows:

17 II. A person is eligible for services under the medicaid waiver if the person has been  
18 determined *clinically* eligible under RSA 151-E:3, I(a), *and financially eligible pursuant to*  
19 *rules adopted by the commissioner under RSA 541-A.*

20 16 Medicaid Enhancement Tax; Due Date. Amend RSA 84-A:3, II-a to read as follows:

21 II-a. For the taxable period beginning July 1, 1993, and for every taxable period thereafter,  
22 each hospital shall pay 100 percent of its medicaid enhancement tax due and payable for the taxable  
23 period no later than the fifteenth day of the ~~[third]~~ *fourth* month of the taxable period.  
24 Notwithstanding any provision of this chapter or any other law, no penalty or interest shall be  
25 imposed for failure to make payment of tax when due if such payment is made on or before the last  
26 day of the month in which such payment is due.

27 17 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
28 I(a)(3) to read as follows:

29 (3) Required to furnish proof of successful completion of an impaired driver  
30 intervention program prior to the restoration of the person's driver's license or privilege to drive,  
31 provided that, if the person has previously completed, or been required by a court or the department  
32 of safety to complete, an impaired driver intervention program (I.D.I.P.) or any similar program in  
33 any jurisdiction, the person shall be required to furnish proof of successful completion of the multiple  
34 DWI offender intervention ~~[detention-center]~~ program (M.O.P.) or an equivalent 7-day residential  
35 intervention program approved by the commissioner of health and human services;

36 18 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
37 I(b)(3) to read as follows:

1           (3) Sentenced to a mandatory sentence of not less than 10 consecutive days of which  
2 3 consecutive 24-hour periods shall be served in the county correctional facility and 7 consecutive  
3 days shall be served at the ~~[state-operated]~~ 7-day multiple DWI offender intervention ~~[detention~~  
4 ~~center]~~ **program** established under RSA 265-A:40, which sentence shall begin no later than ~~[21]~~ **45**  
5 days after conviction. In the event that the ~~[state-operated]~~ 7-day multiple DWI offender  
6 intervention ~~[detention-center]~~ **program** has no available space, the person shall be assigned to an  
7 equivalent 7-day residential intervention program approved by the commissioner of health and  
8 human services. The person shall begin following any treatment recommendations arising out of the  
9 final evaluation given to the person at the multiple DWI offender intervention ~~[detention-center]~~  
10 **program** or equivalent program within 60 days after the person has completed serving the required  
11 7 consecutive days or such other time as the court may order;

12           19 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
13 I(c)(3) to read as follows:

14           (3) Sentenced to a mandatory sentence of not less than 21 consecutive days of which  
15 14 consecutive 24-hour periods shall be served in the county correctional facility followed by 7  
16 consecutive days served at the ~~[state-operated]~~ 7-day multiple DWI offender intervention ~~[detention~~  
17 ~~center]~~ **program** established under RSA 265-A:40, which sentence shall begin no later than 21 days  
18 after conviction. In the event that the ~~[state-operated]~~ 7-day multiple DWI offender intervention  
19 ~~[detention-center]~~ **program** has no available space the person shall be assigned to an equivalent 7-  
20 day residential intervention program approved by the commissioner of health and human services,  
21 and the remainder of the sentence may be deferred at the court's discretion. The person shall begin  
22 following any treatment recommendations arising out of the final evaluation given to the person at  
23 the multiple DWI offender intervention ~~[detention-center]~~ **program** or equivalent program within 60  
24 days after the person has completed serving the required 7 consecutive days or such other time as  
25 the court may order. The court may, at the satisfactory completion of any ordered treatment,  
26 suspend any remaining deferred sentence. Failure to successfully complete any court-ordered  
27 intervention program or recommended treatment shall result in the imposition of any remaining  
28 deferred sentence; and

29           20 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
30 IV(a)(3)-(5) to read as follows:

31           (3)(A) If the complaint alleges that the prior conviction occurred within 2 years  
32 preceding the date of the second offense, the person shall be sentenced to a mandatory sentence of  
33 not less than 37 consecutive days of which 30 consecutive 24-hour periods shall be served in the  
34 county correctional facility followed by 7 consecutive days to be served at the ~~[state-operated]~~ 7-day  
35 multiple DWI offender intervention ~~[detention-center]~~ **program** established under RSA 265-A:40  
36 within 21 days after conviction, except that in circumstances where the ~~[state-operated]~~ 7-day  
37 multiple DWI offender intervention ~~[detention-center]~~ **program** has no available space the person

1 shall be assigned to an equivalent 7-day residential intervention program approved by the  
2 commissioner of health and human services. The person shall begin following any treatment  
3 recommendations arising out of the final evaluation given to the person at the multiple DWI offender  
4 intervention [~~detention center~~] **program** or equivalent program within 60 days after the person has  
5 completed serving the required 30 consecutive 24-hour periods or such other time as the court may  
6 order.

7 (B) If the complaint alleges that the prior conviction occurred more than 2 but  
8 not more than 10 years preceding the date of the second offense, the person shall be sentenced to a  
9 mandatory sentence of not less than 10 consecutive days of which 3 consecutive 24-hour periods shall  
10 be served in the county correctional facility and 7 consecutive days shall be served at the [~~state-~~  
11 ~~operated~~] 7-day multiple DWI offender intervention [~~detention center~~] **program** established under  
12 RSA 265-A:40, which sentence shall begin no later than 21 days after conviction. In the event that  
13 the [~~state-operated~~] 7-day multiple DWI offender intervention [~~detention center~~] **program** has no  
14 available space the person shall be assigned to an equivalent 7-day residential intervention program  
15 approved by the commissioner of health and human services. The person shall begin following any  
16 treatment recommendations arising out of the final evaluation given to the person at the multiple  
17 DWI offender intervention [~~detention center~~] **program** or equivalent program within 60 days after  
18 the person has completed serving the required 7 consecutive days or such other time as the court  
19 may order.

20 (4) The person's driver's license or privilege to drive shall be revoked for not less  
21 than 3 years.

22 (5) The person shall pay a fee to the commissioner, as established under RSA 126-  
23 A:43, for the costs of the [~~state-operated~~] 7-day multiple DWI offender intervention [~~detention center~~]  
24 program prior to license restoration. If the person attends an approved equivalent 7-day residential  
25 intervention program, the fees and costs shall be paid to the program.

26 21 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
27 VI to read as follows:

28 VI. If any person is convicted of a violation of RSA 265-A:2, I or RSA 265-A:3, and the  
29 conviction is not based upon a complaint which alleges prior convictions as provided in paragraph IV,  
30 but the person is found to have had one or more such prior convictions in this state or in an out-of-  
31 state jurisdiction within 10 years preceding the date of the offense, the person's driver's license or  
32 privilege to drive shall be revoked for not less than one year nor more than 3 years. Except for good  
33 cause found by the court and noted in writing, the court may suspend up to 6 months of this  
34 sentence, provided that within 45 days after conviction the person has entered the 7-day program at  
35 the [~~state-operated~~] multiple DWI offender intervention [~~detention center~~] program or an equivalent  
36 7-day residential intervention program approved by the commissioner of health and human services,  
37 as provided in RSA 265-A:40 and RSA 265-A:42. The person's license shall not be restored until the

1 person has successfully completed the program. The court may further order attendance at a  
2 residential treatment center, for a period not to exceed 30 days, at the person's own expense.

3 22 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
4 XI to read as follows:

5 XI. Any person convicted of a violation of RSA 265-A:2, RSA 265-A:3, or RSA 265-A:19, II,  
6 and who at the time of driving or attempting to drive a vehicle or off highway recreational vehicle or  
7 operating or attempting to operate a boat was transporting a person under the age of 16, shall have  
8 the driver's license or privilege to drive revoked for the maximum time period under the section  
9 violated and the person's license or privilege to drive shall not be restored until the offender has  
10 successfully completed a 7-day program at the ~~[state-operated]~~ multiple DWI offender program or an  
11 equivalent 7-day residential intervention program approved by the commissioner at the person's own  
12 expense.

13 23 Penalties for Boating While Intoxicated. Amend RSA 265-A:19, II to read as follows:

14 II. Any person convicted of a violation of RSA 265-A:2, II who at the time of the violation  
15 was transporting a person under the age of 16 shall not operate a boat on the waters of this state  
16 until the offender has successfully completed a 7-day program at the ~~[state-operated]~~ multiple DWI  
17 offender program or an equivalent 7-day residential intervention program approved by the  
18 department of health and human services at the person's own expense. Any person operating a boat  
19 in violation of this paragraph is guilty of a misdemeanor.

20 24 Impaired Driver Intervention Programs. Amend RSA 265-A:39, I to read as follows:

21 I. Except as provided in paragraph IV, the commissioner of the department of health and  
22 human services shall be responsible for biennially approving the impaired driver intervention  
23 programs and 7-day residential intervention programs equivalent to the multiple DWI offender  
24 intervention ~~[detention-center]~~ program (M.O.P.) which persons convicted under RSA 265-A:2 or  
25 RSA 265-A:3 shall attend in order to regain their driver's licenses or driving privileges; but the  
26 commissioner of the department of health and human services shall not approve any impaired driver  
27 intervention program unless such program is conducted without cost to the state. Notwithstanding  
28 RSA 6:12, any fees collected under subparagraph IV(g) of this section shall be placed in a nonlapsing  
29 revolving account and shall be used by the commissioner for the purposes of this subdivision only.

30 25 Multiple DWI Offender Intervention Program. RSA 265-A:40 is repealed and reenacted to  
31 read as follows:

32 265-A:40 Multiple DWI Offender Intervention Program.

33 I. The commissioner of the department of health and human services shall be responsible for  
34 the establishment and administration of the 7-day multiple DWI offender intervention program  
35 which persons convicted under RSA 265-A:2 or RSA 265-A:3 or sentenced pursuant to RSA 651:2,  
36 V(h) may be required to attend. The commissioner shall have the authority to directly operate the  
37 program, to approve community-based providers to operate the program in accordance with rules



1 adopted pursuant to RSA 541-A, or to contract with public or private entities to operate the program.

2 II. Any person who attends the 7-day multiple DWI offender intervention program shall be  
3 required to pay the fees for the program to the department of health and human services. Full  
4 payment shall be made in advance unless the person has entered into a payment plan contract with  
5 the office of reimbursements prior to entry into the program. Payment of all fees shall be made no  
6 later than one year after completion of the program. The fees shall be sufficient to make the  
7 program self-supporting, exclusive of start-up costs. The fees collected shall be deposited in a special  
8 account in the office of the state treasurer and utilized as provided in RSA 265-A:41.

9 III. The 7-day multiple DWI offender intervention program shall furnish to the courts a  
10 report indicating when a person has completed attendance at the program, and shall furnish to the  
11 division of motor vehicles, department of safety, a report indicating when a person who attends the  
12 program pursuant to RSA 265-A:18 has successfully completed the program and treatment or  
13 involvement in a substance abuse program when appropriate and warranted.

14 IV. The commissioner of the department of health and human services shall adopt rules,  
15 pursuant to RSA 541-A, relative to the operation of the 7-day multiple DWI offender intervention  
16 program with respect to:

17 (a) Program curriculum and content.

18 (b) Any other matter related to the proper administration of this section.

19 26 Impaired Driver Intervention Programs; Utilization of Funds. Amend RSA 265-A:41 to read  
20 as follows:

21 265-A:41 Utilization of Funds. All funds derived from the fees collected by the commissioner of  
22 the department of health and human services under RSA 265-A:18 shall be paid over to the state  
23 treasurer within 10 days of the subsequent month, or at an earlier date, for deposit into a separate  
24 account in the treasury known as the 7-day multiple DWI offender intervention [~~detention-center~~]  
25 program account. These funds are appropriated as indicated in the operating budget as a source of  
26 funds for the 7-day multiple DWI offender intervention [~~detention-center~~] program. Any funds  
27 remaining in the account over the appropriation indicated in the operating budget shall lapse into  
28 the general fund at the end of each fiscal year.

29 27 Impaired Driver Intervention Programs; Attendance Required. Amend RSA 265-A:42, IV(b)  
30 to read as follows:

31 (b) In the case of enrollment in the [~~state-operated~~] 7-day multiple DWI offender  
32 intervention [~~detention-center~~] **program**, a person shall provide such certified copy at the time of  
33 enrollment or prior to the issuance of a report under RSA 265-A:40, III and RSA 265-A:18, VIII.

34 28 Sentences and Limitations. Amend RSA 651:2, V(h) to read as follows:

35 (h) In cases of a person convicted of a felony or class A misdemeanor, a court may  
36 sentence such person to 7 consecutive 24-hour periods to be served at the [~~state-operated~~] 7-day  
37 multiple DWI offender intervention [~~detention-center~~] program established under RSA 265-A:40, if

1 the evidence demonstrates that alcohol was a contributing factor in the commission of the offense  
 2 and provided that space is available in the program and such person pays the fees for the program in  
 3 full prior to admission.

4 29 Report Required. The commission to examine driving while impaired education and  
 5 intervention programs shall, pursuant to the authority under 2008, 256:10, as extended by 2009,  
 6 202:5, study the penalties for intoxication or under the influence of drugs offenses, including but not  
 7 limited to the multiple DWI offender intervention program. Based upon available research and data,  
 8 the commission shall review and evaluate the merits of the penalties and the program in order to  
 9 develop recommendations on these issues. On or before November 1, 2010, the commission shall  
 10 report its findings to the governor's commission on alcohol and drug abuse prevention, intervention,  
 11 and treatment, the speaker of the house of representatives, the president of the senate, the  
 12 commissioner of the department of health and human services, the house clerk, the senate clerk, the  
 13 state library, and the governor and shall make recommendations, if appropriate, for future  
 14 legislation to address these issues.

15 30 State Treasurer; Application of Receipts. Amend RSA 6:12, I (b)(147) to read as follows:

16 (147) Moneys deposited in the 7-day multiple DWI offender intervention [~~detention~~  
 17 ~~center~~] program account under RSA 265-A:41.

18 31 Department of Health and Human Services; Office of Reimbursements; Duties. Amend RSA  
 19 126-A:34, I(a) to read as follows:

20 (a) Review and investigate all records of the New Hampshire hospital, Laconia  
 21 developmental services, the secure psychiatric unit, the Glencliff home, the Anna Philbrook center,  
 22 and the multiple DWI offender intervention [~~detention-center~~] program (M.O.P.), relative to  
 23 expenses incurred by patients, residents, or clients at such institutions, facilities, or programs or  
 24 expenses incurred by patients, residents, or clients receiving care, treatment, services, or  
 25 maintenance at the direction of the commissioner of health and human services, and make  
 26 recommendations to the commissioner and to the respective superintendents or directors of such  
 27 institutions, facilities, or programs as to the rates to be charged for the care, treatment, and  
 28 maintenance of such patients, residents, or clients.

29 32 Department of Health and Human Services; Office of Reimbursements; Financial  
 30 Statements. Amend RSA 126-A:38, II-III to read as follows:

31 II. Persons admitted to the multiple DWI offender intervention [~~detention-center~~] program  
 32 (M.O.P.) who do not pay program fees in full at the time of admission shall file a financial statement  
 33 under penalty of perjury on forms provided for this purpose by the office of reimbursements and  
 34 shall enter a payment contract for balance of fees due. The office of reimbursements shall be entitled  
 35 to recover reasonable attorneys fees and costs of collection for program fees not paid in accordance  
 36 with a payment contract.

37 III. Persons admitted to the multiple DWI offender intervention [~~detention-center~~] program

1 (M.O.P.) shall notify the office of reimbursements of each change of mail address and actual street  
2 address until that person has made payment in full of fees due in accordance with an M.O.P.  
3 payment contract. Whenever notice to a person subject to a payment contract is required, notice to  
4 the last mail address on file with the office of reimbursements shall be deemed notice to and binding  
5 on the payer.

6 33 Applicability. Section 5 of this act shall take effect on the first day of the following month  
7 upon certification by the secretary of state to the director of legislative services that increased  
8 funding under the American Recovery and Reinvestment Act has expired.

9 34 Authorization. The general court may authorize additional modifications to the 2010-2011  
10 state budget, 2009, 143, as may be required to accomplish a balanced budget in a time of fluctuating  
11 revenues.

12 35 Effective Date.

13 I. Section 5 of this act shall take effect as provided in section 33 of this act.

14 II. Sections 13, 14, and 16 of this act shall take effect July 1, 2010.

15 II. The remainder of this act shall take effect upon its passage.

LBAO  
10-2705  
Revised 01/21/10

**SB 450 FISCAL NOTE**

**AN ACT** relative to costs and expenditures at the department of health and human services.

**FISCAL IMPACT:**

The Department of Health and Human Services states this bill would have an indeterminable fiscal impact on state revenue and expenditures, and county revenue in FY 2010 and FY 2011. This bill will have no fiscal impact on county and local expenditures, or local revenue.

**METHODOLOGY:**

Section 1 - The Department of Health and Human Services (DHHS) states Chapter 143:9, Laws of 2009 (HB 1) requires the Department to reduce state general fund appropriations by \$7,359,331 in FY 2010 and \$12,199,900 in FY 2011. The proposed bill would remove the annual amounts, and require a reduction of \$19,559,231 over the FY 2010-2011 biennium. This would allow the Department flexibility in determining how much to reduce each year. State expenditures would be impacted to the extent annual reduction amounts differ from the amounts contained in Chapter 143.

Sections 2 and 3 - The Department states these sections would exempt publication of the rates for services placements and programs under RSA 169-B, C & D from the provisions of RSA 541-A and should have no fiscal impact on the Department.

Section 4 - The Department states RSA 167:83, V currently requires the commissioner of DHHS to enter into a contract with the Department of Employment Security (DES) to carry out the New Hampshire Employment Program (NHEP). This section would amend RSA 167:83, V to make such contracting optional at the discretion of the Commissioner of DHHS. The change, in and of itself, has no fiscal impact as it does not actually change the way NHEP is administered. If DHHS were to actually exercise the option to no longer contract with DES to carry out the NHEP, there could potentially be a fiscal impact at that time.

Section 5 - The Department states this section would make the Non-TANF Funded Program for 2-Parent Families with Dependent Children permissive rather than mandatory. This section may decrease state general fund expenditures to the extent the Department decides not to

continue the program. The FY 2010-FY 2011 operating budget includes state general fund appropriations of \$5,889,537 in each fiscal year for this program.

Section 6 – The Department states RSA 167:4, IV(c) currently requires recipients of medical assistance to name the state of New Hampshire as the beneficiary of any life insurance policy that has a cash surrender value greater than \$1,500 as a condition of eligibility. The proposed legislative change would amend RSA 167:4, IV(c) to require recipients of medical assistance to name the state of New Hampshire as primary beneficiary of any life insurance policy that has a cash surrender value, benefit or face value in excess of \$1,500 unless the recipient has a spouse who remains living in the community as the only beneficiary. Policies must ensure payment to the state of New Hampshire of all the proceeds of the policy in excess of amounts spent on burial up to the total of Medicaid expenditures made on behalf of the individual. There are currently 1,919 Medicaid recipients who own life insurance policies that currently have a cash surrender value, benefit or face value in excess of \$1,500 and who are not currently required to name the state of New Hampshire as primary beneficiary. It is assumed that approximately 4% of the 1,919 or 77 Medicaid recipients with life insurance have spouses that live in the community. These individuals will not be required to name the State of New Hampshire as primary beneficiary. As a result, the approximate number of recipients that will be affected by the change is 1,842 (1,919 - 77). The average face value of life insurance policies owned by the 1,919 Medicaid recipients is \$16,000. The Department estimates the average cost for a funeral would be \$6,000 which would result in \$10,000 in insurance available for recovery. The DHHS Office of Recoveries handled a total of 352 estates in FY 2009. Almost all of these estates were State Supplement Program Medicaid (Old Age Assistance, Aid to the Needy Blind, or Aid to the Permanently and Totally Disabled) recipients. The 352 estates represent 1.5% of the adult category caseload in any given state fiscal year. As a result, it is assumed that 1.5% of the 1,842 Medicaid recipients with life insurance (28) will be subject to recovery in any given state fiscal year. The Department estimates recovery revenue will increase by \$280,000 annually (28 recipients X \$10,000 average available insurance). In FY 2009, the Office of Recoveries recovered a total of \$4.9 million. Of the \$4.9 million, \$3.8 million (78%) represented long-term care cases and \$1.1 million (22%) represented recoveries from other Medicaid cases. Using these percentages, the Department estimates the additional recovery revenue will be distributed as follows -

- 78% of the additional revenue will be for long-term care cases:
  - Total revenue: \$218,400
  - Federal share: (50%): \$109,200
  - County share: (38.41%): \$83,887

**SB 450-FN – AS AMENDED BY THE SENATE**

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- State share (11.59%): \$25,313
  
- 22% of the additional revenue will be for other Medicaid cases:
  - Total revenue: \$61,600
  - Federal share (50%): \$30,800
  - State share (50%): \$30,800
  
- Total additional revenue:
  - Federal share: \$140,000
  - County share: \$83,887
  - State share: \$56,113

Sections 7 and 9 – The Department believes that Treatment Authorization for Program Services (TAPS) will reduce costs related to Children in Need of Services (CHINS) and delinquents rehabilitative services. Currently Judges vary from Division of Juvenile Justice Service (DJJS) recommended treatment plan for a significant number of youths served. Some of these variances could result in high, medium, and/or low cost savings if the original DJJS treatment plan was followed to begin with. Using calculations based on the FY 2010 average monthly expenditures of placements and other services currently provided by DJJS, the Department estimates the maximum monthly cost reduction for all levels of cost savings at \$69,588. Assuming that the proposed changes will be effective for only 2 months in FY 2010, and inflation of 2% annually, the Department estimates the fiscal impact as follows –

	Total	General	Federal	Other
	Funds	Funds (53%)	Funds (42%)	Funds (5%)
FY 2010	\$139,117	\$73,732	\$58,429	\$6,956
FY 2011	\$851,395	\$451,239	\$357,586	\$42,570
FY 2012	\$868,089	\$460,087	\$364,597	\$43,405
FY 2013	\$884,783	\$468,935	\$371,609	\$44,239
FY 2014	\$901,477	\$477,783	\$378,620	\$45,074

Section 8 – The Department states this section provides that the court shall adopt, in the first instance, the Department’s recommendations for services placements and programs at the dispositional hearing in cases under RSA 169-C. The fiscal impact of this change is difficult to estimate, as the type, number and cost of these services can vary significantly with any given case, and the difference between the services recommended by the Department and those that would otherwise have been ordered by the court is somewhat speculative. The Department,

however, assumes that the change will result in an indeterminate decrease in the costs for court ordered services.

Section 10 - The Department states this section requires the Department to file a report on the efficacy of the process established elsewhere in the bill for the timely and cost effective delivery of services placements and programs under RSA 169-B, C & D. The Department estimates that preparation of the report can be done with existing resources.

Sections 11 and 12 – The Department states these sections will make certain changes to RSA 471-C:26 relative to claims for abandoned property to allow the state to claim against abandoned property where the state has paid medical or financial assistance for the benefit of the deceased owner of the property. This change in the law would result in an increase in revenue of an indeterminable amount.

Section 13 – The Department states this section would repeal the Chapter 144:211, Laws of 2009 that requires the Commissioner of DHHS to provide a report to the HHS Oversight Committee detailing administrative and reporting requirements for community mental health centers that could be suspended without jeopardizing public health and safety. The report was to be submitted by September 30, 2009. The Commissioner submitted a report to the HHS Oversight Committee on September 29, 2009 that described an ongoing review of administrative requirements on the mental health centers. There will no fiscal impact as a result of this repeal.

# Amendments



Amendment to SB 450-FN

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT relative to costs and expenditures at the department of health and human  
4 services, establishing a special fund for certain civil fines collected by the  
5 department, relative to the due date for the Medicaid enhancement tax, and  
6 making certain general fund reductions and revenue changes.  
7

8 Amend the bill by replacing all after section 33 with the following:

9

10 34 Operating Budget; Lapse of Appropriation Reductions; Legislative Branch. Notwithstanding  
11 2009, 143:1, the legislative branch shall lapse an additional \$312,000 for the fiscal year ending June  
12 30, 2010 and lapse an additional \$398,000 for the fiscal year ending June 30, 2011. The reductions  
13 required by this section shall be in addition to the lapse required pursuant to 2009, 143:10 and in  
14 addition to the lapse required pursuant to 2010, 4:1.

15 35 Operating Budget; General Fund Appropriation Reduction; Judicial Branch;  
16 Notwithstanding 2009, 143:1, the state general fund appropriation for the judicial branch shall be  
17 reduced by an additional \$4,000,000 for the fiscal year ending June 30, 2011. The reduction required  
18 by this section shall be in addition to the reductions required of the judicial branch pursuant to 2009,  
19 143:18 and in addition to the lapse required pursuant to 2010, 4:2. The director of the  
20 administrative office of the courts shall submit to the fiscal committee of the general court and the  
21 commissioner of the department of administrative services an itemization of the reductions in  
22 expenditure classes made to implement this section on or before June 15, 2011.

23 36 Operating Budget; General Fund Appropriation Reductions; Department of Information  
24 Technology. Notwithstanding 2009, 143:1, the department of information technology, in consultation  
25 with the department of administrative services, shall reduce class lines of the department by an  
26 amount that will result in additional reductions of general funded agencies' appropriations for class  
27 27 totaling \$2,175,000 for the fiscal year ending June 30, 2011. The reductions required under this  
28 section shall be in addition to any reductions required pursuant to 2009, 143:12 and by Executive  
29 Order No. 2010-02. The commissioner of the department of information technology shall submit to  
30 the fiscal committee of the general court and the commissioner of the department of administrative  
31 services an itemization of the reductions in expenditure classes made to implement this section on or  
32 before June 15, 2011.

Amendment to SB 450-FN

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1       37 Operating Budget; General Fund Appropriation Reduction; Department of Administrative  
2 Services. Notwithstanding 2009, 143:1, the state general fund appropriations for the department of  
3 administrative services shall be reduced by an additional \$2,850,436 for the fiscal year ending June  
4 30, 2011. The reduction required by this section shall be in addition to any reductions required  
5 pursuant to Executive Order No. 2010-02. The commissioner of the department of administrative  
6 services shall submit to the fiscal committee of the general court an itemization of the reductions in  
7 expenditure classes made to implement this section on or before June 15, 2011.

8       38 Operating Budget; General Fund Appropriation Reduction; Department of State.  
9 Notwithstanding 2009, 143:1, the state general fund appropriations for the department of state shall  
10 be reduced by an additional \$149,000 for the fiscal year ending June 30, 2011. The reduction  
11 required by this section shall be in addition to any reductions required pursuant to Executive Order  
12 No. 2010-02. The secretary of state shall submit to the fiscal committee of the general court an  
13 itemization of the reductions in expenditure classes made to implement this section on or before  
14 June 15, 2011.

15       39 Operating Budget; General Fund Appropriation Reduction; Cultural Resources.  
16 Notwithstanding 2009, 143:1, the state general fund appropriations for the department of cultural  
17 resources shall be reduced by an additional \$275,311 for the fiscal year ending June 30, 2011. The  
18 reduction required by this section shall be in addition to any reductions required pursuant to 2009,  
19 143:19 and by Executive Order No. 2010-02. The commissioner of cultural resources shall submit to  
20 the fiscal committee of the general court an itemization of the reductions in expenditure classes  
21 made to implement this section on or before June 15, 2011.

22       40 Operating Budget; General Fund Appropriation Reduction; Department of Revenue  
23 Administration. Notwithstanding 2009, 143:1, the state general fund appropriations for the  
24 department of revenue administration shall be reduced by an additional \$1,024,351 for the fiscal  
25 year ending June 30, 2011. The reduction required by this section shall be in addition to any  
26 reductions required pursuant to 2009, 143:11 and by Executive Order No. 2010-02. The  
27 commissioner of revenue administration shall submit to the fiscal committee of the general court an  
28 itemization of the reductions in expenditure classes made to implement this section on or before  
29 June 15, 2011.

30       41 Operating Budget; General Fund Appropriation Reduction; Board of Tax and Land Appeals.  
31 Notwithstanding 2009, 143:1, the state general fund appropriations for the board of tax and land  
32 appeals shall be reduced by an additional \$41,454 for the fiscal year ending June 30, 2011. The  
33 reduction required by this section shall be in addition to any reductions required pursuant to  
34 Executive Order No. 2010-02. The chairman of the board of land and tax appeals shall submit to the  
35 fiscal committee of the general court an itemization of the reductions in expenditure classes made to  
36 implement this section on or before June 15, 2011.

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1       42 Operating Budget; General Fund Appropriation Reduction; Real Estate Commission.  
2 Notwithstanding 2009, 143:1, the state general fund appropriations for the real estate commission  
3 shall be reduced by an additional \$38,000 for the fiscal year ending June 30, 2011. The reduction  
4 required by this section shall be in addition to any reductions required pursuant to Executive Order  
5 No. 2010-02. The chairperson of the real estate commission shall submit to the fiscal committee of  
6 the general court an itemization of the reductions in expenditure classes made to implement this  
7 section on or before June 15, 2011.

8       43 Operating Budget; General Fund Appropriation Reduction; Real Estate Appraiser Board.  
9 Notwithstanding 2009, 143:1, the state general fund appropriations for the real estate appraiser  
10 board shall be reduced by an additional \$7,155 for the fiscal year ending June 30, 2011. The  
11 reduction required by this section shall be in addition to any reductions required pursuant to  
12 Executive Order No. 2010-02. The chairman of the real estate appraiser board shall submit to the  
13 fiscal committee of the general court an itemization of the reductions in expenditure classes made to  
14 implement this section on or before June 15, 2011.

15       44 Operating Budget; General Fund Appropriation Reduction; Board of Accountancy.  
16 Notwithstanding 2009, 143:1, the state general fund appropriations for the board of accountancy  
17 shall be reduced by an additional \$12,100 for the fiscal year ending June 30, 2011. The reduction  
18 required by this section shall be in addition to any reductions required pursuant to Executive Order  
19 No. 2010-02. The chairperson of the board of accountancy shall submit to the fiscal committee of the  
20 general court an itemization of the reductions in expenditure classes made to implement this section  
21 on or before June 15, 2011.

22       45 Operating Budget; General Fund Appropriation Reduction; Joint Board of Licensure and  
23 Certification. Notwithstanding 2009, 143:1, the state general fund appropriations for the joint board  
24 of licensure and certification shall be reduced by an additional \$57,401 for the fiscal year ending  
25 June 30, 2011. The reduction required by this section shall be in addition to any reductions required  
26 pursuant to Executive Order No. 2010-02. The executive director of the joint board of licensure and  
27 certification shall submit to the fiscal committee of the general court an itemization of the reductions  
28 in expenditure classes made to implement this section on or before June 15, 2011.

29       46 Operating Budget; General Fund Appropriation Reduction; Board of Manufactured Housing.  
30 Notwithstanding 2009, 143:1, the state general fund appropriations for the board of manufactured  
31 housing shall be reduced by an additional \$1,711 for the fiscal year ending June 30, 2011. The  
32 reduction required by this section shall be in addition to any reductions required pursuant to  
33 Executive Order No. 2010-02. The chairperson of the board of manufactured housing shall submit to  
34 the fiscal committee of the general court an itemization of the reductions in expenditure classes  
35 made to implement this section on or before June 15, 2011.

36       47 Operating Budget; General Fund Appropriation Reduction; Executive Council.  
37 Notwithstanding 2009, 143:1, the state general fund appropriations for the executive council shall be

Amendment to SB 450-FN

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1 reduced by an additional \$4,795 for the fiscal year ending June 30, 2011. The reduction required by  
2 this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02.  
3 The executive council shall submit to the fiscal committee of the general court an itemization of the  
4 reductions in expenditure classes made to implement this section on or before June 15, 2011.

5 48 Operating Budget; General Fund Appropriation Reduction; Adjutant General.  
6 Notwithstanding 2009, 143:1, the state general fund appropriations for the adjutant general shall be  
7 reduced by an additional \$339,000 for the fiscal year ending June 30, 2011. The reduction required  
8 by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-  
9 02. The adjutant general shall submit to the fiscal committee of the general court an itemization of  
10 the reductions in expenditure classes made to implement this section on or before June 15, 2011.

11 49 Operating Budget; General Fund Appropriation Reduction; Department of Agriculture,  
12 Markets and Food. Notwithstanding 2009, 143:1, the state general fund appropriations for the  
13 department of agriculture, markets and food shall be reduced by an additional \$233,000 for the fiscal  
14 year ending June 30, 2011. The reduction required by this section shall be in addition to any  
15 reductions required pursuant to Executive Order No. 2010-02. The commissioner of agriculture,  
16 markets and food shall submit to the fiscal committee of the general court an itemization of the  
17 reductions in expenditure classes made to implement this section on or before June 15, 2011.

18 50 Operating Budget; General Fund Appropriation Reduction; Department of Justice.  
19 Notwithstanding 2009, 143:1, the state general fund appropriations for the department of justice  
20 shall be reduced by an additional \$786,634 for the fiscal year ending June 30, 2011. The reduction  
21 required by this section shall be in addition to any reductions required pursuant to Executive Order  
22 No. 2010-02. The attorney general shall submit to the fiscal committee of the general court an  
23 itemization of the reductions in expenditure classes made to implement this section on or before  
24 June 15, 2011.

25 51 Operating Budget; General Fund Appropriation Reduction; Public Employee Relations  
26 Board. Notwithstanding 2009, 143:1, the state general fund appropriations for the public employee  
27 relations board shall be reduced by an additional \$22,501 for the fiscal year ending June 30, 2011.  
28 The reduction required by this section shall be in addition to any reductions required pursuant to  
29 Executive Order No. 2010-02. The chairman of the public employee relations board shall submit to  
30 the fiscal committee of the general court an itemization of the reductions in expenditure classes  
31 made to implement this section on or before June 15, 2011.

32 52 Operating Budget; General Fund Appropriation Reduction; Racing and Charitable Gaming  
33 Commission. Notwithstanding 2009, 143:1, the state general fund appropriations for the racing and  
34 charitable gaming commission shall be reduced by an additional \$56,500 for the fiscal year ending  
35 June 30, 2011. The reduction required by this section shall be in addition to any reductions required  
36 pursuant to Executive Order No. 2010-02. The chairperson of the racing and charitable gaming

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1 commission shall submit to the fiscal committee of the general court an itemization of the reductions  
2 in expenditure classes made to implement this section on or before June 15, 2011.

3 53 Operating Budget; General Fund Appropriation Reduction; Department of Labor.  
4 Notwithstanding 2009, 143:1, the state general fund appropriations for the department of labor shall  
5 be reduced by an additional \$108,000 for the fiscal year ending June 30, 2011. The reduction  
6 required by this section shall be in addition to any reductions required pursuant to Executive Order  
7 No. 2010-02. The labor commissioner shall submit to the fiscal committee of the general court an  
8 itemization of the reductions in expenditure classes made to implement this section on or before  
9 June 15, 2011.

10 54 Operating Budget; Appropriation Reduction; Liquor Commission. Notwithstanding 2009,  
11 143:1, the appropriations for the liquor commission shall be reduced by an additional \$505,000 for  
12 the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to  
13 any reductions required pursuant to Executive Order No. 2010-02. The liquor commission shall  
14 submit to the fiscal committee of the general court an itemization of the reductions in expenditure  
15 classes made to implement this section on or before June 15, 2011.

16 55 Operating Budget; General Fund Appropriation Reduction; Department of Corrections.  
17 Notwithstanding 2009, 143:1, the state general fund appropriations for the department of corrections  
18 shall be reduced by an additional \$1,711,628 for the fiscal year ending June 30, 2011. The reduction  
19 required by this section shall be in addition to any reductions required pursuant to Executive Order  
20 No. 2010-02. The commissioner of corrections shall submit to the fiscal committee of the general  
21 court an itemization of the reductions in expenditure classes made to implement this section on or  
22 before June 15, 2011.

23 56 Operating Budget; General Fund Appropriation Reduction; Commission for Human Rights.  
24 Notwithstanding 2009, 143:1, the state general fund appropriations for the commission for human  
25 rights shall be reduced by an additional \$11,221 for the fiscal year ending June 30, 2011. The  
26 reduction required by this section shall be in addition to any reductions required pursuant to  
27 Executive Order No. 2010-02. The commission for human rights shall submit to the fiscal committee  
28 of the general court an itemization of the reductions in expenditure classes made to implement this  
29 section on or before June 15, 2011.

30 57 Operating Budget; General Fund Appropriation Reduction; Department of Resources and  
31 Economic Development. Notwithstanding 2009, 143:1, the state general fund appropriations for the  
32 department of resources and economic development shall be reduced by an additional \$808,900 for  
33 the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to  
34 any reductions required pursuant to Executive Order No. 2010-02. The commissioner of resources  
35 and economic development shall submit to the fiscal committee of the general court an itemization of  
36 the reductions in expenditure classes made to implement this section on or before June 15, 2011.

1       58 Operating Budget; General Fund Appropriation Reduction; Department of Environmental  
2 Services. Notwithstanding 2009, 143:1, the state general fund appropriations for the department of  
3 environmental services shall be reduced by an additional \$1,847,000 for the fiscal year ending June  
4 30, 2011. The reduction required by this section shall be in addition to any reductions required  
5 pursuant to Executive Order No. 2010-02. The commissioner of environmental services shall submit  
6 to the fiscal committee of the general court an itemization of the reductions in expenditure classes  
7 made to implement this section on or before June 15, 2011.

8       59 Operating Budget; General Fund Appropriation Reduction; Department of Transportation.  
9 Notwithstanding 2009, 143:1, the state general fund appropriations for the department of  
10 transportation shall be reduced by an additional \$91,670 for the fiscal year ending June 30, 2011.  
11 The reduction required by this section shall be in addition to any reductions required pursuant to  
12 Executive Order No. 2010-02. The commissioner of the department of transportation shall submit to  
13 the fiscal committee of the general court an itemization of the reductions in expenditure classes  
14 made to implement this section on or before June 15, 2011.

15       60 Operating Budget; General Fund Appropriation Reduction; Health and Human Services.  
16 Notwithstanding 2009, 143:1, the state general fund appropriations for the department of health and  
17 human services shall be reduced by an additional \$22,977,000 for the fiscal year ending June 30,  
18 2011. The reduction required by this section shall be in addition to any reductions required  
19 pursuant to 2009, 143:9, as amended by 2010, 4:3, and 2009, 143:13 and in addition to the reductions  
20 required by Executive Order No. 2010-02. The commissioner of the department of health and human  
21 services shall submit to the fiscal committee of the general court an itemization of the reductions in  
22 expenditure classes made to implement this section on or before June 15, 2011.

23       61 Operating Budget; General Fund Appropriation Reduction; New Hampshire Veterans'  
24 Home. Notwithstanding 2009, 143:1, the state general fund appropriations for the New Hampshire  
25 veterans' home shall be reduced by an additional \$1,550,360 for the fiscal year ending June 30, 2011.  
26 The reduction required by this section shall be in addition to any reductions required by Executive  
27 Order No. 2010-02. The New Hampshire veterans' home shall submit to the fiscal committee of the  
28 general court an itemization of the reductions in expenditure classes made to implement this section  
29 on or before June 15, 2011.

30       62 Operating Budget; General Fund Appropriation Reduction; Health and Human Services  
31 Administratively Attached Boards. Notwithstanding 2009, 143:1, the total state general fund  
32 appropriations for health and human services administratively attached boards shall be reduced by  
33 an additional \$153,766 for the fiscal year ending June 30, 2011. The reduction required by this  
34 section shall be in addition to any reductions required by Executive Order No. 2010-02. The  
35 chairman of the affected boards shall submit to the fiscal committee of the general court an  
36 itemization of the reductions in expenditure classes made to implement this section on or before  
37 June 15, 2011.

Amendment to SB 450-FN

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1       63 Operating Budget; General Fund Appropriation Reduction; Postsecondary Education  
2 Commission. Notwithstanding 2009, 143:1, the total state general fund appropriations for the  
3 postsecondary education commission shall be reduced by an additional \$212,001 for the fiscal year  
4 ending June 30, 2011. The reduction required by this section shall be in addition to any reductions  
5 required by 2009, 143:21 and Executive Order No. 2010-02. The executive director of the  
6 postsecondary education commission shall submit to the fiscal committee of the general court an  
7 itemization of the reductions in expenditure classes made to implement this section on or before  
8 June 15, 2011.

9       64 Operating Budget; General Fund Appropriation Reduction; Department of Education.  
10 Notwithstanding 2009, 143:1, the total state general fund appropriations for the department of  
11 education shall be reduced by an additional \$9,923,000 for the fiscal year ending June 30, 2011. The  
12 reduction required by this section shall be in addition to any reductions required by Executive Order  
13 No. 2010-02. The commissioner of the department of education shall submit to the fiscal committee  
14 of the general court an itemization of the reductions in expenditure classes made to implement this  
15 section on or before June 15, 2011.

16       65 Operating Budget; Appropriation Reduction; The Lottery Commission. Notwithstanding  
17 2009, 143:1, the total appropriations for the lottery commission shall be reduced by an additional  
18 \$650,000 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in  
19 addition to any reductions required by Executive Order No. 2010-02. The chairman of the lottery  
20 commission shall submit to the fiscal committee of the general court an itemization of the reductions  
21 in expenditure classes made to implement this section on or before June 15, 2011.

22       66 Operating Budget; General Fund Appropriation Reduction; McAuliffe-Shepard Discovery  
23 Center. Notwithstanding 2009, 143:1, the total state general fund appropriations for the McAuliffe-  
24 Shepard Discovery Center shall be reduced by an additional \$45,000 for the fiscal year ending June  
25 30, 2011. The reduction required by this section shall be in addition to any reductions required by  
26 Executive Order No. 2010-02. The chairman of the center shall submit to the fiscal committee of the  
27 general court an itemization of the reductions in expenditure classes made to implement this section  
28 on or before June 15, 2011.

29       67 Department of Health and Human Services; Suspension of Home Health Rate Setting Rule.  
30 Notwithstanding any provision of the law or rule to the contrary, for the biennium ending June 30,  
31 2011, He-W 553 relative to the home health services rate setting is suspended. Payments for home  
32 health services shall be limited to appropriations for home health services as may be restricted or  
33 reduced by action by the fiscal committee of the general court or other legislative action. The  
34 commissioner shall retain the discretion to prioritize within the line items.

35       68 Department of Health and Human Services; Suspension of Catastrophic Illness Program.  
36 Notwithstanding any provision of law or rule to the contrary, for the fiscal year ending June 30,  
37 2011, the catastrophic illness program under RSA 137-G is suspended.

1 69 Department of Health and Human Services; Suspension of Senior Volunteer Grant Program.  
2 Notwithstanding any provision of law or rule to the contrary, for the fiscal year ending June 30,  
3 2011, the senior volunteer grant program under RSA 161-F:40 is suspended.

4 70 Department of Health and Human Services. Alcohol Abuse Prevention and Treatment Fund.  
5 Amend RSA 176-A:1, III to read as follows:

6 III. Moneys shall be disbursed from the fund upon the authorization of the [governor's  
7 ~~commission on alcohol and drug abuse prevention, intervention, and treatment established pursuant~~  
8 ~~to RSA 12-J:1] *commissioner of the department of health and human services*. Funds  
9 disbursed shall be used for alcohol and other drug abuse prevention, intervention, and treatment  
10 services, and [~~other purposes related to the duties of the commission under RSA 12-J:3~~] *for costs*  
11 *related to the administration of this fund*.~~

12 71 Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention, and Treatment;  
13 Duties. Amend RSA 12-J:3 to read as follows:

14 12-J:3 Duties. The duties of the commission shall be to:

15 I. *Collaborate with the department of health and human services* to develop and  
16 revise, as necessary, a statewide plan for the effective prevention of alcohol and drug abuse,  
17 particularly among youth, and a comprehensive system of intervention and treatment for individuals  
18 and families affected by alcohol and drug abuse. The statewide plan shall:

19 (a) Identify the causes, nature and scope, and the impact of alcohol and drug abuse in  
20 New Hampshire.

21 (b) Identify and prioritize unmet needs for prevention, intervention, and treatment.

22 (c) Recommend initiatives to reduce the incidence of alcohol and drug abuse in New  
23 Hampshire.

24 (d) Identify and quantify public and private resources available to support alcohol and  
25 drug abuse prevention, intervention and treatment.

26 (e) Specify additional resources necessary to address unmet needs for prevention,  
27 intervention, and treatment.

28 (f) Specify evaluation and monitoring methodology.

29 II. Promote collaboration between and among state agencies and communities to foster the  
30 development of effective community-based alcohol and drug abuse prevention programs.

31 III. Promote the development of treatment services to meet the needs of citizens addicted to  
32 alcohol or other drugs.

33 IV. Identify unmet needs and the resources required to reduce the incidence of alcohol and  
34 drug abuse in New Hampshire and to make recommendations to the governor regarding legislation  
35 and funding to address such needs.

36 [~~V. Authorize the disbursement of moneys from the alcohol abuse prevention and treatment~~  
37 ~~fund, pursuant to RSA 176-A:1, III.~~]



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1 72 Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention, and Treatment;  
2 Meetings and Reports. Amend RSA 12-J:4, II(b) to read as follows:

3 (b) Indicate the progress made during the prior year toward the implementation of the  
4 statewide plan developed [~~by the commission~~] pursuant to RSA 12-J:3, I;

5 73 Services for Children, Youth, and Families; Suspension of Incentive Funds. Notwithstanding  
6 any provision of law or rule to the contrary, for the fiscal year ending June 30, 2011 the requirement  
7 for the department of health and human services to distribute incentive funds for juvenile placement  
8 programs pursuant to RSA 170-G:4, XVI is suspended.

9 74 Department of Health and Human Services; Suspension of Residential Rate Setting Rule.  
10 Amend 2009, 144:32 to read as follows:

11 144:32 Department of Health and Human Services; Suspension of Residential Rate Setting  
12 Rule. Notwithstanding any provision of the law or rule to the contrary, for the biennium ending  
13 June 30, 2011, He-C 6422 relative to the residential child care facilities rate setting is suspended.  
14 The base rate for residential providers for the [~~biennium~~] *state fiscal year* ending June 30, [~~2011~~]  
15 *2010* shall be the rate in effect on June 30, 2009. *For the state fiscal year ending June 30, 2011,*  
16 *the rate paid to residential providers subject to the rate setting rule as of June 30, 2009*  
17 *shall be reduced by 2 percent. The base rate for the calculation of the 2 percent rate*  
18 *reduction shall be the rate in effect on June 30, 2009. Notwithstanding any provision of*  
19 *law or rule to the contrary, for state fiscal year 2011, the rate established pursuant to RSA*  
20 *170-G:4, XVII for all other services and programs which are paid for by the department*  
21 *pursuant to RSA 169-B:40, 169-C:27, and 169-D:29 shall be reduced by 2 percent. The base*  
22 *rate for the calculation of the 2 percent rate reduction shall be the rate in effect on July 1,*  
23 *2009.*

24 75 Department of Health and Human Services; Direct Graduate Medical Education; Suspension.  
25 Amend 2009, 144:24 to read as follows:

26 144:24 Department of Health and Human Services; Direct Graduate Medical Education.  
27 The commissioner of the department of health and human services shall submit a Title XIX Medicaid  
28 state plan amendment to the federal Centers for Medicare and Medicaid Services to suspend the  
29 provision of direct graduate medical education payments to hospitals as contemplated at 42 U.S.C.  
30 section 1396a(a)(30)(A) to be effective July 1, 2009. Upon approval of the state plan amendment, and  
31 as of the effective date of the state plan amendment, any obligations for payment of direct graduate  
32 medical education are suspended until [~~June 30, 2011~~] *July 1, 2011.*

33 76 Department of Health and Human Services; Indirect Graduate Medical Education  
34 Suspension. The commissioner of the department of health and human services shall submit a Title  
35 XIX Medicaid state plan amendment to the federal Centers for Medicare and Medicaid Services to  
36 suspend the provision of indirect graduate medical education payments to hospitals effective June  
37 15, 2010. Upon approval of the state plan amendment, and as of the effective date of the state plan

1 amendment, any obligations for payment of indirect graduate medical education shall be suspended  
2 until July 1, 2011.

3 77 Department of Health and Human Services; Suspension of Catastrophic Aid Payment.  
4 Notwithstanding 2009, 144:160, the commissioner of the department of health and human services  
5 shall submit a Title XIX Medicaid state plan amendment to the federal Centers for Medicare and  
6 Medicaid Services to suspend all catastrophic aid payments to hospitals effective April 1, 2010 and  
7 continuing through June 30, 2011.

8 78 Department of Health and Human Services. Temporary Assistance to Needy Families.  
9 Amend 2009, 143 in PAU 05, 95,45, 450010, 6146, Class Notes to read as follows:

10 CLASS NOTES

11 041 D. The funds in this appropriation shall not be transferred or expended for any other purpose  
12 [~~502 From amounts appropriated herein, the division of family assistance shall expend \$400,000 in~~  
13 ~~FY 2010, and \$400,000 in FY 2011 for the home visiting~~  
14 ~~program.]~~

15 79 Department of Health and Human Services; Public Assistance; Definitions. Amend  
16 RSA 167:6, VI to read as follows:

17 VI. For the purposes hereof, a person shall be eligible for aid to the permanently and totally  
18 disabled who is between the ages of 18 and 64 years of age inclusive; is a resident of the state; and is  
19 disabled as defined in the federal Social Security Act, Titles II and XVI and the regulations adopted  
20 under such act, except that the minimum required duration of the impairment shall be 48 months,  
21 unless and until the department adopts a 12-month standard in accordance with RSA 167:3-j. In  
22 determining disability, the standards for "substantial gainful activity" as used in the Social Security  
23 Act shall apply, including all work incentive provisions including Impairment Related Work  
24 Expenses, Plans to Achieve Self Support, and subsidies. *Notwithstanding any provision of law*  
25 *to the contrary, eligibility for cash assistance and medical assistance shall be conditioned*  
26 *upon the recipient filing an application or applications for any federal cash assistance*  
27 *benefits for which the individual may be entitled and pursuing any appeals available for*  
28 *those federal benefits. Cash assistance shall terminate upon a finding of clinical*  
29 *ineligibility for such federal benefits, except that any individual receiving cash assistance*  
30 *on July 1, 2010 shall only be ineligible for cash assistance upon a second finding of clinical*  
31 *ineligibility. Notwithstanding any provision of law to the contrary, an individual who*  
32 *appeals the closure of cash assistance, pursuant to RSA 161:4, IV for the reasons set forth*  
33 *in this paragraph shall not continue to receive such cash assistance benefits during the*  
34 *pendency of such appeal. No person shall be eligible to receive such aid while receiving old age*  
35 *assistance, aid to the needy blind, or aid to families with dependent children.*

36 80 Rooms and Meals Tax; Distribution to Cities and Towns. Notwithstanding any provision of  
37 law, for the fiscal year ending June 30, 2011, the state treasurer shall reduce the total revenue

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1 distributed to cities and towns authorized by 2009, 143:1 and 2009, 144:8 by the sum of \$6,019,930.  
2 The remaining funds shall be distributed to cities and towns pursuant to the formula for  
3 determining the amount of revenue returnable to cities and towns under RSA 78-A:26, I and II.

4 81 Meals and Rooms Tax; Definition of Hotel; Campsites. Amend the introductory paragraph of  
5 RSA 78-A:3, III to read as follows:

6 III. "Hotel" means an establishment which holds itself out to the public by offering sleeping  
7 accommodations for rent, whether or not the major portion of its operating receipts is derived from  
8 sleeping accommodations. The term includes, but is not limited to, inns, motels, tourist homes and  
9 cabins, ski dormitories, ski lodges, lodging homes, rooming houses, furnished room houses, boarding  
10 houses, private clubs, hostels, cottages, camps, [~~campsites,~~] chalets, barracks, dormitories, and  
11 apartments. The term does not include the following:

12 82 Authorization for Debt Restructuring. The state treasurer is hereby authorized to refinance  
13 all or a portion of the state's fiscal year 2011 debt service obligations by the issuance at one time or  
14 from time to time of up to \$55,000,000 aggregate principal amount of general obligation refunding  
15 bonds, which shall mature in such amounts and at such time as the state treasurer, with the  
16 approval of the governor and council, shall determine; provided that the final maturity of such bonds  
17 shall not be later than June 30, 2021. The issue of such bonds shall be subject to the same  
18 requirements and provisions of law as would then be applicable to the issue of the bonds being  
19 refunded, except as provided in this section. Such refinancing is intended to result in a general fund  
20 reduction of the required debt service for the biennium ending June 30, 2011 of approximately  
21 \$40,000,000. The amount of general fund debt service so refinanced shall lapse to the general fund  
22 on or before June 30, 2011.

23 83 Capital Appropriation Increased; University System of New Hampshire; KEEP NH. Amend  
24 the introductory paragraph of 2005, 259:2, I to read as follows:

25 I. The Knowledge Economy Education Plan (KEEP NH) documents the need for investment  
26 in university system of New Hampshire projects primarily to renovate and expand science,  
27 engineering and technology facilities. The sum of [~~\$100,500,000~~] **\$134,500,000** is hereby committed  
28 and appropriated to the university system of New Hampshire (USNH) for the KEEP NH plan,  
29 effective July 1, 2005 but limited to the drawdown of funds as stated in this section. The  
30 appropriation is for the following capital projects:

31 84 Capital Appropriation; University System of New Hampshire; KEEP NH. Amend 2005,  
32 259:2, II, C and D to read as follows:

33 C. [~~\$74,500,000~~] **\$99,500,000** through the biennium ending June 30, 2011 (~~(\$35,000,000)~~  
34 **\$60,000,000** in new authorization for the biennium).

35 D. [~~\$100,500,000~~] **\$134,500,000** through the biennium ending June 30, 2013  
36 (~~\$35,000,000~~ in new authorization for the biennium).

37 85 Capital Budget; Bonds Authorized; University System of New Hampshire; KEEP. Amend

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1 2005, 259:8, II to read as follows:

2 II. To provide funds for the appropriation made in section 2, paragraphs I and II, the state  
3 treasurer is hereby authorized to borrow upon the credit of the state not exceeding the sum of  
4 ~~[\$100,500,000]~~ **\$134,500,000** and for said purposes may issue bonds and notes in the name of and on  
5 behalf of the state of New Hampshire in accordance with RSA 6-A; provided the cumulative bonds or  
6 notes shall not be issued in excess of:

- 7 (1) \$4,500,000 through the biennium ending June 30, 2007.  
8 (2) \$39,500,000 through the biennium ending June 30, 2009.  
9 (3) ~~[\$74,500,000]~~ **\$99,500,000** through the biennium ending June 30, 2011.  
10 (4) ~~[\$100,500,000]~~ **\$134,500,000** through the biennium ending June 30, 2013.

11 86 Tobacco Tax. Rate Increased. Amend RSA 78:7 to read as follows:

12 78:7 Tax Imposed. A tax upon the retail consumer is hereby imposed at the rate of ~~[\$1.78]~~ **\$1.98**  
13 for each package containing 20 cigarettes or at a rate proportional to such rate for packages  
14 containing more or less than 20 cigarettes, on all cigarettes sold at retail in this state. The payment  
15 of the tax shall be evidenced by affixing stamps to the smallest packages containing the cigarettes in  
16 which such products usually are sold at retail. The word "package" as used in this section shall not  
17 include individual cigarettes. No tax is imposed on any transactions, the taxation of which by this  
18 state is prohibited by the Constitution of the United States.

19 87 Applicability; Tobacco Tax. Section 86 of this act shall apply to all persons licensed under  
20 RSA 78:2. Such persons shall inventory all taxable tobacco products in their possession and file a  
21 report of such inventory with the department of revenue administration on a form prescribed by the  
22 commissioner within 20 days after the effective date of this section. The tax rate effective on the  
23 effective date of this section shall apply to such inventory and the difference, if any, in the amount  
24 paid previously on such inventory and the current effective rate of tax shall be paid with the  
25 inventory form. The inventory form shall be treated as a tax return for the purpose of computing  
26 penalties under RSA 21-J.

27 88 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other  
28 law to the contrary, for the fiscal year ending June 30, 2010 and with the prior approval of the fiscal  
29 committee of the general court, the department of administrative services is authorized to transfer to  
30 the general fund up to \$2,000,000 from accounts or funds maintained separately on the books of the  
31 state.

32 89 Operating Budget; Lapse of Appropriation. New Hampshire Retirement System; Retirement  
33 Pension Benefit; Health Insurance. Amend 2009, 143:1, 01, 59, 59, 590510, 1052, class 064, footnote  
34 F to read as follows:

35 [~~\*064—F. This appropriation shall not lapse until June 30, 2011.~~]

36 90 Operating Budget. Lapse of Appropriation. Judicial Council; Contracts for Program  
37 Services. Amend 2009, 143:1, 02, 07, 070010, 1094, class 102, footnote F to read as follows:

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1  ~~[\*102 F. This appropriation shall not lapse until June 30, 2011]~~

2 91 Department of Treasury. Lapse of Appropriation for Debt Service. Amend 2009, 143:1, 01,  
3 38, 38, 380010, 2076, class 043, footnote F and class 044, footnote F to read as follows:

4  ~~[Class Notes, 043 F. This appropriation shall not lapse until on June 30, 2011.~~

5  ~~Class Notes, 044 F. This appropriation shall not lapse until on June 30, 2011.]~~

6 92 Taxation of Interest and Dividends; Who Taxable. Amend RSA 77:3, I(b) to read as follows:

7 (b) *Partnerships, limited liability companies, associations, and* trusts, the  
8 beneficial interest in which is not represented by transferable shares, whose gross interest and  
9 dividend income from all sources exceeds \$2,400 during the taxable year, but not including a  
10 qualified investment company as defined in RSA 77-A:1, XXI, or a trust comprising a part of an  
11 employee benefit plan, as defined in the Employee Retirement Income Security Act of 1974, section  
12 3.

13 93 Taxation of Interest and Dividends; What Taxable. RSA 77:4, III is repealed and reenacted  
14 to read as follows:

15 III. Dividends, other than stock dividends paid in new stock of the partnership, limited  
16 liability company, association, or trust issuing the same, on shares in partnerships, limited liability  
17 companies, associations, or trusts the beneficial interest in which is represented by transferable  
18 shares.

19 94 New Sections; Taxation of Interests and Dividends; Partnerships and Limited Liability  
20 Companies. Amend RSA 77 by inserting after section 14 the following new sections:

21 77:14-a Partnerships and Limited Liability Companies. Partnerships and limited liability  
22 companies having a usual place of business in this state, any member of which is an inhabitant  
23 thereof, shall be subject to taxes imposed by this chapter. If any of the members of the partnership  
24 or limited liability company are not inhabitants of this state only so much of the income thereof as is  
25 proportionate to the aggregate interest of the partners or members who are inhabitants of this state  
26 in the profits of the partnership or limited liability company shall be taxed.

27 77:14-b Partners and Members. The tax shall be assessed on such a partnership or limited  
28 liability company by the name under which it does business, and the partners or members shall not  
29 be taxed with respect to the taxable income derived by them from such a partnership or limited  
30 liability company.

31 77:14-c Members of Partnership or Limited Liability Company Outside the State. An inhabitant  
32 of this state who is a member of a partnership or limited liability company having no usual place of  
33 business in this state, who receives income from such partnership or limited liability company  
34 derived from such a source that it would be taxable if received directly from such source by such  
35 partner or member, shall as to such income be subject to the taxes imposed by this chapter.

36 77:14-d Application of Sections. RSA 77:14-a to 14-d shall apply, so far as apt, to associations  
37 and trusts, but not to partnerships, limited liability companies, associations, and trusts the



1 beneficial interest in which is represented by transferable shares.

2 95 Repeal. RSA 77:1-a, relative to definitions, is repealed.

3 96 Applicability. Sections 92-95 shall apply to taxable periods ending on or after December 31,  
4 2010.

5 97 Commission Established. There is a commission established to study business taxes and safe  
6 harbor deductions for the reasonable compensation deduction under the business profits tax.

7 I. The members of the commission shall be as follows:

8 (a) Three members of the senate, appointed by the president of the senate.

9 (b) Four members of the house of representatives, appointed by the speaker of the house  
10 of representatives.

11 (c) Five members of the public appointed by the governor, representing the following  
12 groups and interests:

13 (1) Tax experts and accountants;

14 (2) Small business;

15 (3) Real estate, finance, and investment; and

16 (4) Business trade associations.

17 II. The commission shall study and evaluate:

18 (a) The present system of business taxation in New Hampshire, including but not  
19 limited to the rates and allocation among taxpayers of the business enterprise tax, the business  
20 profits tax, and the interest and dividends tax.

21 (b) Whether there are changes to the present system of business taxes and rates of  
22 assessment that should be considered by the legislature in order to:

23 (1) Ensure fairness and equity in the allocation of business taxes including among  
24 similarly situated business entities and taxpayers;

25 (2) Ensure clear tax laws; and

26 (3) Continue to provide a business tax environment that enhances the growth of jobs  
27 and income in the state.

28 (c) Safe harbors for the reasonable compensation deduction under the business profits  
29 tax, including but not limited to:

30 (1) Safe harbors based on the percentage of the gross selling price on the sale of  
31 business assets other than inventory;

32 (2) The percentage of gross revenues and the percentage of gross business profits  
33 using the independent investor return test;

34 (3) The federal self-employment tax; and

35 (4) Any other issue related to the reasonable compensation deduction.

36 III. The commission may solicit and receive testimony and other information from any  
37 person or organization with information or expertise relevant to the committee's objective. State

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1 agencies shall cooperate with the commission, and provide data, information, reports and testimony  
2 to the commission upon request.

3 IV. The governor shall appoint a chair from among the members. The first meeting of the  
4 commission shall be called by the chair and shall be held within 45 days of the effective date of this  
5 section. Seven members of the commission shall constitute a quorum.

6 V. Legislative members of the commission shall receive mileage at the legislative rate when  
7 attending meetings of the commission.

8 VI. The commission shall, following a public hearing on a draft final report, submit a final  
9 report on or before December 1, 2010, containing its findings and any recommendations for proposed  
10 legislation, to the governor, the president of the senate, the speaker of the house of representatives,  
11 the house and senate clerks, and the state librarian.

12 98 New Hampshire Retirement System; Employer Contributions; State Payment. Amend  
13 RSA 100-A:16, II(b)-(c) to read as follows:

14 (b) The contributions of each employer for benefits under the retirement system on  
15 account of group II members shall consist of a percentage of the earnable compensation of its  
16 members to be known as the "normal contribution," and an additional amount to be known as the  
17 "accrued liability contribution;" provided that any employer, other than the state, shall pay 70  
18 percent of such total contributions for state fiscal year 2010, and 30 percent thereof shall be paid by  
19 the state for state fiscal year 2010, and that beginning with state fiscal year 2011 any employer,  
20 other than the state, shall pay [75] 80 percent of such total contributions, and [25] 20 percent thereof  
21 shall be paid by the state, and that beginning with state fiscal year 2012, and every state fiscal year  
22 thereafter, any employer, other than the state, shall pay 65 percent of such total contributions, and  
23 35 percent thereof shall be paid by the state; and provided that, in the case of compensation  
24 attributable to extra or special duty, the employer shall pay the full amount of such total  
25 contributions; and provided further that, in case of group II members employed by the state, the  
26 state shall pay both normal and accrued liability contributions. The rate percent of such normal  
27 contribution, including contributions on behalf of group II members whose group II creditable service  
28 is in excess of 40 years, in each instance shall be fixed on the basis of the liabilities of the system  
29 with respect to the particular members of the various member classifications as shown by actuarial  
30 valuations, except as provided in subparagraphs (h) and (i).

31 (c) The contributions of each employer for benefits under the retirement system on  
32 account of group I members shall consist of a percentage of the earnable compensation of its  
33 members to be known as the "normal contribution," and an additional amount to be known as the  
34 "accrued liability contribution;" provided that, in the case of teachers, any employer, other than the  
35 state, shall pay 70 percent of such total contributions for state fiscal year 2010, and 30 percent  
36 thereof shall be paid by the state for state fiscal year 2010, and that beginning with state fiscal year  
37 2011 any employer, other than the state, shall pay [75] 80 percent of such total contributions, and

1 [25] 20 percent thereof shall be paid by the state, and that beginning with state fiscal year 2012, and  
2 every state fiscal year thereafter, any employer, other than the state, shall pay 65 percent of such  
3 total contributions, and 35 percent thereof shall be paid by the state; and provided further that in  
4 case of teacher members employed by the state the state shall pay both normal and accrued liability  
5 contributions. The rate percent of such normal contribution in each instance shall be fixed on the  
6 basis of the liabilities of the system with respect to the particular members of the various member  
7 classifications as shown by actuarial valuation, except as provided in subparagraphs (h) and (i).

8 99 Department of Agriculture; Licenses; Transfers of Animals and Birds. Amend RSA 437:3 to  
9 read as follows:

10 437:3 Licenses. Applications for licenses shall be made annually in writing to the department  
11 accompanied by a license fee of [~~\$200~~] \$350. After January 1, the license fee shall be [~~\$100~~] \$175. If  
12 after inspection the department finds that the premises, cages and facilities thereon meet the proper  
13 standards for health and sanitation and that their use will not result in inhumane treatment of said  
14 animals or birds, and proof is provided with the application that the zoning enforcement official of  
15 the municipality wherein such facility is to be maintained has certified that the facility conforms to  
16 the municipal zoning regulations, a license shall be issued. Licenses shall expire on June 30  
17 following issue, and may be renewed on application to the department accompanied by a renewal fee  
18 of [~~\$200~~] \$350. Such licenses shall be in the form prescribed by the department, shall be publicly  
19 displayed at the premises covered by them and adjacent to animal display cages. Each such license  
20 shall be subject to revocation at any time by the department, if in the judgment of the department  
21 the conditions under which it was issued are not being maintained. Each licensee shall be inspected  
22 by an employee of the department or by a person appointed by the department no less frequently  
23 than every 6 months. Upon receipt of a written complaint alleging violation of this subdivision, the  
24 department shall investigate said complaint within a reasonable time. All license fees shall be  
25 deposited in the state treasury.

26 100 Lottery Commission; Report Required. The lottery commission shall submit to the  
27 governor, the president of the senate, and the speaker of the house of representatives, no later than  
28 November 15, 2010, a comprehensive report describing how it proposes to modernize and update its  
29 products within the next 5 years in order to maximize revenues in a competitive lottery environment.  
30 The report shall address, among other products, the feasibility of offering online fantasy sports  
31 games. The commission's evaluation of online fantasy sports games shall include: a 5-year financial  
32 analysis of the costs and revenues associated with sponsoring fantasy sports as a New Hampshire  
33 lottery product; a detailed explanation of how fantasy sports games would be implemented and  
34 conducted, and the rules under which such games would be offered; how fantasy sports games would  
35 be advertised and marketed, including how the content of third-party advertising would be  
36 controlled; how age verification for participation would be assured; and how participation in New  
37 Hampshire lottery sponsored on-line fantasy sports games would be undertaken consistent with all



1 applicable state and federal laws regulating on-line gaming.

2 101 Operating Budget; Transfer of Appropriations; Adequate Education Grants; Funds From  
3 Education Trust Fund Transferred to General Fund.

4 I. The commissioner of the department of administrative services is authorized to transfer  
5 up to \$80,000,000 from the appropriation in account 06-56-56-560010-7550 class line 086 for fiscal  
6 year 2011 into account 06-56-56-560010-7550, class line 086 for fiscal year 2010 on or before June 30,  
7 2010. Account 06-56-56-560010-7550, class line 079 for fiscal year 2010 shall be reduced by the same  
8 amount that is transferred into account 06-56-56-560010-7550, class line 086 for fiscal year 2010,  
9 and account 06-56-56-560010-7550, class line 079 for fiscal year 2011 shall be increased by the  
10 corresponding amount.

11 II. Notwithstanding RSA 198:39, any funds remaining in the education trust fund as of June  
12 30, 2010 shall be transferred to the general fund as undesignated surplus.

13 102 Application; Appropriations Reductions; All State Agencies. The reductions required by this  
14 act shall be in addition to the reductions required by 2009, 143:22, I and 2009, 144:289.

15 103 Effective Date.

16 I. Section 5 of this act shall take effect as provided in section 33 of this act.

17 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.

18 III. Sections 75 and 76 shall take effect June 15, 2010.

19 IV. The remainder of this act shall take effect upon its passage.



2010-1311h

AMENDED ANALYSIS

This bill:

1. Exempts certain rates for services, placements, and programs for children and families from RSA 541-A.
2. Clarifies the administration of the New Hampshire employment program.
3. Makes the funded family assistance program (FANF) permissive rather than mandatory.
4. Requires recipients of medical assistance to name the state of New Hampshire as beneficiary of all life insurance policies, except under certain circumstances.
5. Allows the department of health and human services to make a claim for recovery of assistance for a deceased recipient from the division of abandoned property.
6. Authorizes the commissioner of the department of health and human services to transfer funds within and among all PAUs within the department, to address present or projected budget deficits, or to respond to changes in federal laws, regulations, or programs, and as otherwise necessary for the efficient management of the department.
7. Permits funds from the lead paint poisoning prevention fund to be used to support program staff and administrative costs.
8. Transfers powers and duties for the New Hampshire refugee resettlement program from the governor's office to the department of health and human services.
9. Establishes a special account for civil fines collected by the department of health and human services under RSA 151.
10. Clarifies criteria for determining eligibility for services under the Medicaid waiver.
11. Changes the due date for the Medicaid enhancement tax.
12. Renames the "multiple DWI offender intervention detention center program" as the "multiple DWI offender intervention program," and authorizes the commissioner of the department of health and human services to directly operate the program, to approve community-based providers of the program, or to contract with public or private entities to operate the program.
13. Requires the commission to examine driving while impaired education and intervention programs to study penalties for intoxication or under the influence of drugs offenses and submit a report of its findings.
14. Makes further reductions in the operating budget for the legislative, judicial, and executive branches for fiscal years 2010 and 2011.
15. Suspends the home health service rate setting rule for the biennium ending June 30, 2011.
16. Suspends the catastrophic illness program in the department of health and human services for the fiscal year ending June 30, 2011.

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17. Suspends the senior volunteer grant program in the department of health and human services for the fiscal year ending June 30, 2011.
18. Authorizes the commissioner of the department of health and human services to disburse funds from the alcohol abuse prevention and treatment fund.
19. Amends the duties of the governor's commission on alcohol and drug abuse prevention, intervention, and treatment and deletes the authority for disbursement of funds from the alcohol abuse prevention and treatment fund.
20. Suspends the requirement for the department of health and human services to distribute incentive funds for juvenile placement programs.
21. Reduces the rate paid to residential providers subject to the rate setting rule of the department of health and human services by 2 percent.
22. Extends the suspension of direct graduate medical education payments to hospitals until July 1, 2011.
23. Suspends the provision of indirect graduate medical education payments to hospitals through June 30, 2011.
24. Suspends catastrophic aid payments to hospitals effective April 1, 2010 through June 30, 2011.
25. Amends the state operating budget by deleting expenditures in fiscal years 2010 and 2011 for the home visiting program.
26. Conditions eligibility for cash assistance and medical assistance benefits on the recipient filing an application for any federal cash assistance benefits for which the individual may be entitled.
27. Reduces rooms and meals tax revenue distributions to towns and cities an additional \$6,019,930.
28. Removes the application of the rooms and meals tax to campsites.
29. Authorizes the state treasurer to refinance certain debt service obligations.
30. Increases the bonded appropriation for the university system of New Hampshire KEEP NH program by \$25,000,000 for the biennium ending June 30, 2011.
31. Increases the tobacco tax rate by \$.20 for each package containing 20 cigarettes.
32. Authorizes the department of administrative services to transfer \$2,000,000 from certain dedicated funds or accounts maintained separately on the books of the state.
33. Requires the lapse of certain retirement pension benefit-health insurance funds.
34. Requires the lapse of certain judicial council funds for contracts for program services.
35. Requires the lapse of certain appropriations to the state treasurer for debt service.
36. Makes distributions from limited liability companies, partnerships, and associations subject to the interest and dividends tax only if they have transferable shares.

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37. Establishes a commission to study business taxes and safe harbor deductions for the reasonable compensation deduction under the business profits tax.

38. Reduces the state's contribution for benefits under the New Hampshire retirement system for fiscal year 2011.

39. Increases the license fees for selling animals and birds.

40. Requires the lottery commission to submit a report to the governor and the legislature on the feasibility of offering online fantasy sports games.

41. Transfers certain appropriations relating to adequate education grants.

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1 Amend the bill by replacing all after section 102 with the following:

2

3 103 New Chapter; Electricity Generation Tax. Amend RSA by inserting after chapter 83-F the  
4 following new chapter:

5

CHAPTER 83-G

6

ELECTRICITY GENERATION TAX

7

83-G:1 Definitions. In this chapter:

8

I. "Commissioner" means the commissioner of the department of revenue administration.

9

II. "Department" means the department of revenue administration.

10

III. "Taxable month" means a calendar month in which electricity is generated.

11

IV. "Taxpayer" means any person generating electricity in this state, except for:

12

(a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;

13

(b) A person generating electricity exclusively through a "renewable energy source" as

14

defined in RSA 362-F:2, XV; or

15

(c) A person generating electricity exclusively in a manner that the electricity generated

16

is not interconnected to the electric distribution grid.

17

83-G:2 Imposition of Tax. Each taxpayer is liable for a tax of \$.00055 per kilowatt hour of  
18 electricity generated within the state.

19

83-G:3 Collection of Tax. Every taxpayer shall collect and monthly remit the tax to the state as  
20 provided in RSA 83-G:4.

21

83-G:4 Tax Returns.

22

I. Except as provided in this section, on or before the fifteenth day of each second month  
23 following a taxable month, each taxpayer shall make a return to the department for the taxable  
24 month on a form prescribed by the department.

25

II. Any taxpayer who ceases to engage in generating electricity, and is thereby not  
26 responsible for filing returns under this chapter, shall file a final return with the department not  
27 more than one month after discontinuing such activity. This requirement shall apply  
28 notwithstanding any other provision of this chapter regarding the time within which to file a return.

29

III. If the commissioner finds that the information required for the making of an accurate  
30 return cannot reasonably be compiled by a taxpayer within one month and 15 days after the close of  
31 the taxable month for which a return is to be made, the commissioner may grant an extension of  
32 time for the filing of such return. Any such extension shall be granted for a period not to exceed 31

1 calendar days. The granting of such extension may be conditioned upon the payment by the  
2 taxpayer of an amount of money equal to the amount estimated by the commissioner to be due with  
3 the return when filed under extension. All such estimated payments shall be credited against the  
4 taxpayer's liabilities under this chapter.

5 IV. The taxpayer shall pay to the department the amount of tax imposed by this chapter at  
6 the time it makes a return.

7 83-G:5 Exemptions.

8 I. It is in the public interest to foster the generation of electricity from both renewable  
9 energy sources and from small scale distributed energy resources.

10 II. Electricity generated from the following sources shall not be subject to taxation under  
11 this chapter:

12 (a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;

13 (b) A "renewable energy source" as defined in RSA 362-F:2, XV; or

14 (c) Electricity generated which is not interconnected to the electric distribution grid.

15 83-G:6 Instruments, Books, Records, Papers, and Other Documents.

16 I. Every taxpayer shall provide and keep the necessary instruments and records to show the  
17 amount expressed in kilowatt hours of electricity generated by such person.

18 II. Every taxpayer required to file or actually filing under this chapter shall keep books,  
19 records, papers, and other documents which are adequate to reflect the information required by this  
20 chapter to be reported to the department by the filing of timely returns with the department.

21 III. All instruments, books, records, and other papers and documents required to be kept by  
22 this chapter shall, at all times during business hours of the day, be subject to inspection by the  
23 department.

24 83-G:7 Additional Returns. When the commissioner has reason to believe that a taxpayer has  
25 failed to file a return or to include any part of the total kilowatt hours electricity generated in a filed  
26 return, the commissioner may require the taxpayer to file a return or a supplementary return  
27 showing such additional information as the commissioner prescribes. Upon the receipt of the  
28 supplementary return, or if none is received within the time set by the commissioner, the  
29 commissioner may find and assess the amount due upon the information that is available. The  
30 making of such additional return does not relieve the taxpayer of any penalty for failure to make a  
31 correct original return, or relieve such person from liability for interest imposed under RSA 21-J:28  
32 or for any other additional charges imposed by the commissioner. This section shall not be construed  
33 to modify or extend the statute of limitations provided in RSA 21-J:29.

34 83-G:8 Administration; Rulemaking.

35 I. The commissioner shall collect the taxes imposed under this chapter, interest on tax,  
36 additions to tax, and penalties imposed, and pay over to the state treasurer the amount of funds  
37 collected under this chapter.

1 II. The commissioner shall adopt rules, under RSA 541-A, relative to:

2 (a) The form of the return and the data which it must contain for the correct  
3 computation of the number of kilowatt hours of electricity generated in this state and the tax  
4 assessed.

5 (b) The administration of the electricity generation tax.

6 (c) The recovery of any tax, interest on tax, additions to tax, or penalties imposed by RSA  
7 83-G or RSA 21-J.

8 83-G:9 Tax Sales. The provisions of RSA 80:26 apply to the sale of land for the payment of taxes  
9 due under this chapter, and the state treasurer is authorized to purchase the land for the state. If  
10 the state purchases the land, the state treasurer shall certify the purchase to the governor, and the  
11 governor shall draw a warrant for the purchase price out of any money in the treasury not otherwise  
12 appropriated.

13 83-G:10 Severability. If any provision of this chapter or the application thereof to any person or  
14 circumstance is held to be invalid, the invalidity shall not affect other provisions or applications of  
15 the chapter which can be given effect without the invalid provision or application, and to this end the  
16 provisions of this chapter are severable.

17 104 Reference Change. Amend RSA 21-J:31 to read as follows:

18 21-J:31 Penalty for Failure to File. Any taxpayer who fails to file a return when due, unless an  
19 extension has been granted by the department, shall pay a penalty equal to 5 percent of the amount  
20 of the tax due or \$10, whichever is greater, for each month or part of a month during which the  
21 return remains unfiled. The total amount of any penalty shall not, however, exceed 25 percent of the  
22 amount of the tax due or \$50, whichever is greater. This penalty shall not be applied in any case in  
23 which a return is filed within the extended filing period as provided in RSA 77:18-b, RSA 77-A:9,  
24 RSA 77-E:8, RSA [~~83-C:6, RSA 83-E:5~~] 83-G:4, RSA 84-A:7, or RSA 84-C:7, or the failure to file was  
25 due to reasonable cause and not willful neglect of the taxpayer. The amount of the penalty is  
26 determined by applying the percentages specified to the net amount of any tax due after crediting  
27 any timely payments made through estimating or other means.

28 105 Reference Change. Amend RSA 21-J:33-a, I to read as follows:

29 I. If there is a substantial understatement of tax imposed under RSA 77, RSA 77-A, RSA 77-  
30 E, RSA 78-A, RSA 78-C, RSA 82-A [~~or RSA 83-C~~], or RSA [~~83-E~~] 83-G, for any taxable period, there  
31 shall be added to the tax an amount equal to 25 percent of the amount of any underpayment  
32 attributable to such understatement.

33 106 Repeal. RSA 83-E, relative to the electricity consumption tax, is repealed.

34 107 Effective Date.

35 I. Section 5 of this act shall take effect as provided in section 33 of this act.

36 II. Sections 13, 14, 16, 67-74, 77-80, 92-99, and 103-106 of this act shall take effect July 1,  
37 2010.

Amendment to SB 450-FN  
- Page 4 -

- 1 III. Sections 75 and 76 shall take effect June 15, 2010.
- 2 IV. The remainder of this act shall take effect upon its passage.



2010-1401h

AMENDED ANALYSIS

42. Replaces the electricity consumption tax paid by consumers with an electricity generation tax paid by generation facilities.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 106:

3  
4 103 Insurance Department; Lapse of Funds. Notwithstanding RSA 400-A:39, or any other  
5 provision of law or rule to the contrary, for the fiscal year ending June 30, 2011, the insurance  
6 department shall lapse a total of \$850,000 from the administration fund to the state general fund.

7 104 Banking Department; Lapse of Funds. Notwithstanding RSA 383:11, RSA 399-A:5, or any  
8 other provision of law or rule to the contrary, for the fiscal year ending June 30, 2011, the banking  
9 department shall lapse a total of \$400,000 to the state general fund.

10 105 Public Utilities Commission; Lapse of Funds. Notwithstanding RSA 363-A, or any other  
11 provision of law or rule to the contrary, for the fiscal year ending June 30, 2011, the public utilities  
12 commission shall lapse a total of \$500,000 to the state general fund.

Draft Amendment to SB 450-FN  
- Page 2 -

2010-1437h

AMENDED ANALYSIS

42. Requires the insurance department to lapse a total of \$850,000 for the fiscal year ending June 30, 2011 to the general fund.

43. Requires the banking department to lapse a total of \$400,00 for the fiscal year ending June 30, 2011 to the general fund.

44. Requires the public utilities commission to lapse a total of \$500,000 for the fiscal year ending June 30, 2011 to the general fund.



Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2  
3 103 New Subdivision; Optional Local Meals and Rooms Tax. Amend RSA 78-A by inserting  
4 after section 26 the following new subdivision:

5 Optional Local Meals and Rooms Tax

6 78-A:27 Local Meals and Rooms Tax.

7 I. A municipality may, in accordance with the procedures under RSA 78-A:28, adopt an  
8 addition to the meals and rooms tax rate imposed under RSA 78-A:6, to be known as the local meals  
9 and rooms tax, at a rate to be established by the municipality.

10 II. The commissioner shall assess, collect, administer, and enforce the local meals and rooms  
11 tax in accordance with the applicable provisions of this chapter relative to the state meals and rooms  
12 tax; except that the revenue collected from the local meals and rooms tax shall, after deduction of  
13 administrative expenses, be remitted to the treasurer of the municipality imposing the local tax.

14 78-A:28 Procedure for Adoption and Modification of Local Meals and Rooms Tax.

15 I. Any town or city may adopt the provisions of RSA 78-A:27 in the following manner:

16 (a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the  
17 question shall be placed on the warrant of a special or annual town meeting, by the governing body  
18 or by petition pursuant to RSA 39:3.

19 (b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the  
20 legislative body may consider and act upon the question in accordance with its normal procedures for  
21 passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of  
22 such municipality may vote to place the question on the official ballot for any regular municipal  
23 election.

24 II. The vote shall specify the provisions of the local meals and rooms tax, the amount of such  
25 tax, and the manner of its determination, as listed in RSA 78-A:27. If a majority of those voting on  
26 the question vote "yes," the tax shall take effect within the town or city, on the date set by the  
27 governing body following its adoption.

28 III. A municipality may modify or rescind the tax provided in RSA 78-A:27 in the manner  
29 described in this section.

30 104 Effective Date.

31 I. Section 5 of this act shall take effect as provided in section 33 of this act.

32 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.

1  
2

- III. Sections 75 and 76 shall take effect June 15, 2010.
- IV. The remainder of this act shall take effect upon its passage.

2010-1438h

AMENDED ANALYSIS

- 42. Allows a municipality, with the approval of its legislative body, to adopt a local meals and rooms tax in addition to the state meals and rooms tax.

Rep. Buco, Carr. 1  
April 19, 2010  
2010-1467h  
09/01

Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 60 with the following:

2

3       60 Operating Budget; General Fund Appropriation Reduction; Health and Human Services.  
4 Notwithstanding 2009, 143:1, the state general fund appropriations for the department of health and  
5 human services shall be reduced by an additional \$22,977,000 for the fiscal year ending June 30,  
6 2011. The reduction required by this section shall be in addition to any reductions required  
7 pursuant to 2009, 143:9, as amended by 2010, 4:3, and 2009, 143:13 and in addition to the reductions  
8 required by Executive Order No. 2010-02. The commissioner of the department of health and human  
9 services shall submit to the fiscal committee of the general court an itemization of the reductions in  
10 expenditure classes made to implement this section on or before June 15, 2011. The retired senior  
11 volunteer program in accounting unit 05, 95, 48, 481010, 8919 shall not be included in the reductions  
12 required by this section.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section  
2 103 to read as 104:

3

4 103 New Hampshire Medical Malpractice Joint Underwriting Association; Resolution of  
5 Matters.

6 I. The general court hereby finds that in light of the New Hampshire supreme court's  
7 determination that the proposed transfer of surplus funds from the New Hampshire Medical  
8 Malpractice Joint Underwriting Association (NHMMJUA) to the general fund pursuant to RSA 144:1  
9 would constitute an unconstitutional impairment of policyholder contract rights, any attempt to  
10 transfer these funds to the general fund without agreement of the policyholders will inevitably result  
11 in further litigation and delay, and that therefore it is in the best interest of the state of New  
12 Hampshire and its citizens to expeditiously resolve matters to allow for an immediate transfer to the  
13 general fund.

14 II. Notwithstanding any other provision of law, the NHMMJUA, by and through its board of  
15 directors, and the insurance commissioner are hereby:

16 (a) Directed to take no action which impairs or could impair the rights of current or  
17 former policyholders of the NHMMJUA with respect to funds held in surplus with respect to the  
18 period from 1986 to 2009, whether such right is established by contract, law, regulation or otherwise.

19 (b) Authorized and directed to negotiate and enter into a settlement with the class of  
20 policyholders of the NHMMJUA with respect to the period from 1986 to 2009:

21 (1) To secure a transfer to the general fund of up to \$25,000,000 on or before July 1,  
22 2010 with one dollar going to the general fund for each \$3 distributed to policyholders of the  
23 NHMMJUA. The amount received by the general fund shall be used for the purpose of supporting  
24 programs that promote access to needed health care for underserved persons;

25 (2) To assist in securing court approval for a class action settlement that may be  
26 necessary or appropriate; and

27 (3) To resolve and release all related issues.

28 (c) Authorized and directed to approve the payment by the NHMMJUA of amounts in  
29 excess of those reasonably necessary as reserves for existing and potential claims with respect to the  
30 period from 1986 to 2009.

2010-1484h

AMENDED ANALYSIS

42. Requires the New Hampshire Medical Malpractice Joint Underwriting Association and the insurance commissioner to settle a lawsuit for up to \$25,000,000.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section  
2 103 to read as 104:

3  
4 103 New Hampshire Medical Malpractice Joint Underwriting Association; Resolution of  
5 Matters.

6 I. The general court hereby finds that in light of the New Hampshire supreme court's  
7 determination that the proposed transfer of surplus funds from the New Hampshire Medical  
8 Malpractice Joint Underwriting Association (NHMMJUA) to the general fund pursuant to RSA 144:1  
9 would constitute an unconstitutional impairment of policyholder contract rights, any attempt to  
10 transfer these funds to the general fund without agreement of the policyholders will inevitably result  
11 in further litigation and delay, and that therefore it is in the best interest of the state of New  
12 Hampshire and its citizens to expeditiously resolve matters to allow for an immediate transfer to the  
13 general fund.

14 II. Notwithstanding any other provision of law, the NHMMJUA, by and through its board of  
15 directors, and the insurance commissioner are hereby:

16 (a) Directed to take no action which impairs or could impair the rights of current or  
17 former policyholders of the NHMMJUA with respect to funds held in surplus with respect to the  
18 period from 1986 to 2009, whether such right is established by contract, law, regulation or otherwise.

19 (b) Authorized and directed to negotiate and enter into a settlement with the class of  
20 policyholders of the NHMMJUA with respect to the period from 1986 to 2009:

21 (1) To secure a transfer to the general fund of up to \$25,000,000 on or before July 1,  
22 2010 with one dollar going to the general fund for each \$3 distributed to policyholders of the  
23 NHMMJUA. The amount received by the general fund shall be used for the purpose of supporting  
24 programs that promote access to needed health care for underserved persons;

25 (2) To assist in securing court approval for a class action settlement that may be  
26 necessary or appropriate; and

27 (3) To resolve and release all related issues.

28 (c) Authorized and directed to approve the payment by the NHMMJUA of amounts in  
29 excess of those reasonably necessary as reserves for existing and potential claims with respect to the  
30 period from 1986 to 2009.



2010-1484h

AMENDED ANALYSIS

42. Requires the New Hampshire Medical Malpractice Joint Underwriting Association and the insurance commissioner to settle a lawsuit for up to \$25,000,000.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104.

3  
4 103 Operating Budget; General Fund Appropriation. Reduction; Executive Office.  
5 Notwithstanding 2009, 143:1, the state general fund appropriations for the executive office shall be  
6 reduced by an additional \$250,722 for the fiscal year ending June 30, 2011. The reductions required  
7 by this section shall be in addition to any reductions required by 2009, 144:289 and by Executive  
8 Order No. 2010-02 and shall not reduce the general fund appropriations contained in appropriation  
9 unit 01-02-02-024010-4096, class 068, for the Connecticut River Valley resource commission. The  
10 executive office shall submit to the fiscal committee of the general court and the commissioner of  
11 administrative services an itemization of the reductions in expenditure classes made to implement  
12 this section on or before June 15, 2011.

Rep. M. Smith, Straf. 7  
April 21, 2010  
2010-1533h  
09/10



Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3

4 103 Fine Revenues. Notwithstanding the provisions of RSA 262:44, the state treasurer shall  
5 deposit into the general fund \$185,000 for fiscal year 2010 and \$760,000 for fiscal year 2011 from  
6 fine revenues received under RSA 262:44, I.

Rep. Emerton, Hills. 7  
April 23, 2010  
2010-1564h  
04/09

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3  
4 103 Medicaid Rates for Durable Medical Equipment. Notwithstanding any provision of law to  
5 the contrary, for the biennium ending June 30, 2011, Medicaid rates paid by the department of  
6 health and human services for durable medical equipment which is currently priced at cost plus 30  
7 percent shall not be reduced below cost plus 20 percent.

Rep, Smith, Straf. 7  
April 26, 2010  
2010-1581h  
01/09



Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3  
4 103 Operating Budget; General Fund Appropriation Reduction; Executive Office.  
5 Notwithstanding 2009, 143:1, the state general fund appropriation for the executive office shall be  
6 reduced by an additional \$250,722 for the fiscal year ending June 30, 2011. The reductions required  
7 by this section shall be in addition to the reductions required by 2009, 144:289 and by Executive  
8 Order No. 2010-02. The executive office shall submit to the fiscal committee of the general court and  
9 the commissioner of administrative services an itemization of the reductions in expenditure classes  
10 made to implement this section on or before June 15, 2011.

Amendment to SB 450-FN

1 Amend the bill by replacing section 88 with the following:

2

3 88 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other  
4 law to the contrary, for the fiscal year ending June 30, 2010, the department of administrative  
5 services shall transfer funds from the following accounts or funds maintained separately on the  
6 books of the state to the general fund in the following amounts:

7	Account/Fund	Amount Transferred to General Fund
8	Statewide Public Boat Access Fund, RSA 233-A:13	\$500,000
9	Nitrogen Oxide Emissions Reduction Fund,	\$90,000
10	RSA 125-J:13, II	
11	Laboratory Equipment Fund, RSA 131:3-a, II	\$100,000
12	New Hampshire Hazardous Waste Cleanup Fund,	\$100,000
13	RSA 147-B:3	
14	Default Bench Warrant Fund, RSA 263:56-d	\$100,000
15	Fire Standards and Training and Emergency Medical	
16	Services Fund, RSA 21-P:12-d	\$1,000,000
17	Recount Administrative and Fee Account,	\$110,000
18	RSA 660:31	

Rep. M. Smith, Straf. 7  
April 26, 2010  
2010-1592h  
01/09



Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3  
4 103 Department of Health and Human Services; Reduction in Appropriation. Amend 2009,  
5 143:9, as amended by 2010, 4:3 to read as follows:

6 143:9 Department of Health and Human Services; Reduction in Appropriation. The department  
7 of health and human services is hereby directed to reduce state general fund appropriations from  
8 any line by [~~\$19,559,231~~] **\$8,676,231** for the biennium ending June 30, 2011. Any direct services to  
9 New Hampshire citizens shall be excluded from these reductions unless expressly approved by the  
10 fiscal committee of the general court and the governor and council. The department shall provide a  
11 quarterly report of reductions made under this section to the fiscal committee of the general court  
12 and the governor and council.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2  
3 103 Retirement System; Earnable Compensation. Amend RSA 100-A:1, XVII to read as follows:

4 XVII. "Earnable compensation" shall mean ~~[for all members]~~:

5 (a) For members who began service on or before June 30, 2010, the full base rate of  
6 compensation paid plus any overtime pay, holiday and vacation pay, sick pay, longevity or severance  
7 pay, cost of living bonus, additional pay for extracurricular and instructional activities or for other  
8 extra or special duty, and any military differential pay, plus the fair market value of non-cash  
9 compensation paid to, or on behalf of, the member for meals or living quarters if subject to federal  
10 income tax, but excluding other compensation except cash incentives paid by an employer to  
11 encourage members to retire, supplemental pay paid by the employer while the member is receiving  
12 workers' compensation, and teacher development pay that is not part of the contracted annual  
13 salary. However, earnable compensation in the final 12 months of creditable service prior to  
14 termination of employment shall be limited to 1-1/2 times the higher of the earnable compensation in  
15 the 12-month period preceding the final 12 months or the highest compensation year as determined  
16 for the purpose of calculating average final compensation, but excluding the final 12 months. Any  
17 compensation received in the final 12 months of employment in excess of such limit shall not be  
18 subject to member or employer contributions to the retirement system and shall not be considered in  
19 the computation of average final compensation. Provided that, the annual compensation limit for  
20 members of governmental defined benefit pension plans under section 401(a)(17) of the United  
21 States Internal Revenue Code of 1986, as amended, shall apply to earnable compensation for all  
22 employees, teachers, permanent firemen, and permanent policemen who first become eligible for  
23 membership in the system on or after July 1, 1996. Earnable compensation shall not include  
24 compensation in any form paid later than 120 days after the member's termination of employment  
25 from a retirement eligible position, with the limited exceptions of disability related severance pay  
26 paid to a member or retiree no later than 120 days after a decision by the board of trustees granting  
27 the member or retiree disability retirement benefits pursuant to RSA 100-A:6 and of severance pay  
28 which a member was entitled to be paid within 120 days after termination but which, without the  
29 consent of the member and not through any fault of the member, was paid more than 120 days after  
30 the member's termination. The member shall have the burden of proving to the board of trustees  
31 that any severance payment paid later than 120 days after the member's termination of employment  
32 is earnable compensation and meets the requirements of an asserted exception to the 120-day post-



1 termination payment requirement.

2           (b) *For members who began service on or after July 1, 2010, the full base rate of*  
3 *compensation paid and any military differential pay. The base rate of compensation shall*  
4 *not include overtime pay, holiday or vacation pay, sick pay, longevity or severance pay, cost*  
5 *of living bonus, additional pay for extra curricular and instructional activities or for*  
6 *extra or special duty, or the value of non-cash compensation paid to, or on behalf of, the*  
7 *member for meals or living quarters. Any compensation received in the final 12 months of*  
8 *employment in excess of such limit shall not be subject to member or employer*  
9 *contributions to the retirement system and shall not be considered in the computation of*  
10 *average final compensation. Provided that, the annual compensation limit for members of*  
11 *governmental defined benefit pension plans under section 401(a)(17) of the United States*  
12 *Internal Revenue Code of 1986, as amended, shall apply to earnable compensation for all*  
13 *employees, teachers, permanent firemen, and permanent policemen. Earnable*  
14 *compensation shall not include compensation in any form paid later than 120 days after*  
15 *the member's termination of employment from a retirement eligible position.*

16           104 New Sections; Legislative Authority; Decennial Adjustment Required. Amend RSA 100-A  
17 by inserting after section 1 the following new sections:

18           100-A:1-a Legislative Authority. The legislature reserves the right to amend the provisions of  
19 this chapter including the contribution requirements of members and employers when such  
20 amendment is reasonable and necessary to serve an important public purpose, including the  
21 actuarial soundness of the retirement system. No member in active status shall have a contractual  
22 claim under this chapter except where the unmistakable intent of the legislature is to limit  
23 subsequent exercise of legislative authority to amend the provisions of this chapter.

24           100-A:1-b Decennial Adjustment Required. Beginning July 1, 2020 and on every subsequent 10-  
25 year anniversary thereafter, the executive director shall adjust, for members who began service on or  
26 after July 1, 2010, the age for a member and the years of service as a member required in this  
27 chapter for any retirement benefit eligibility proportionally according to the change of the average  
28 life expectancy at birth for persons born in the United States as reported in that year by the United  
29 States Census Bureau. The board of trustees, following each such 10-year anniversary, shall certify  
30 to the executive director the proportional change to be used in adjusting the age and years of service  
31 requirements in this chapter for members who began service on or after July 1, 2010.

32           105 Service Retirement; Age; Years of Service; July 1 2010. Amend RSA 100-A:5 to read as  
33 follows:

34           100-A:5 Service Retirement Benefits.

35           I. Group I Members.

36           (a) Any group I member may retire on a service retirement allowance upon written  
37 application to the board of trustees setting forth at what time, not less than 30 days nor more than

1 90 days subsequent to the filing thereof, the member desires to be retired, provided the member at  
2 the time so specified for retirement has attained age 60 *if the member began service prior to*  
3 *July 1, 2010 and 65 if the member began service on or after July 1, 2010* and notwithstanding  
4 that during such period of notification the member may have separated from service. For the  
5 purposes of this section, a teacher member of group I who remains in service throughout a school  
6 year shall be deemed to be in service during July and August at the end of such school year.

7 (b) Upon service retirement, an employee member or teacher member of group I shall  
8 receive a service retirement allowance which shall consist of a member annuity which shall be the  
9 actuarial equivalent of the member's accumulated contributions at the time of retirement, and a  
10 state annuity. Prior to the member's attainment of age 65, the state annuity, together with the  
11 member annuity, shall be equal to 1/60 of the member's average final compensation multiplied by  
12 the number of years of creditable service. After attainment of age 65, the state annuity, together  
13 with the member annuity, shall be equal to 1/66 of the member's average final compensation  
14 multiplied by the number of years of creditable service.

15 (c)(1) *For members who began service prior to July 1, 2010*, notwithstanding any  
16 other provision of law, any group I member who meets the requirements of RSA 100-A:10, I(a), and  
17 who has either completed at least 20 years of creditable service which, when combined with his age  
18 equals at least 70 years, or who has attained the age of 50, but not the age of 60, may elect to retire  
19 and have benefits commence immediately as a reduced service retirement allowance upon written  
20 application to the board of trustees setting forth the time, not less than 30 days nor more than  
21 90 days subsequent to the filing thereof, at which the member desires to have benefits commence.  
22 The service retirement allowance shall be determined in accordance with RSA 100-A:5, I(b) and shall  
23 be reduced, for each month by which the date on which benefits commence precedes the month after  
24 which the member attains 60 years of age, by 1/8 of one percent if the member has 35 years or more  
25 of creditable service, by 1/4 of one percent if the member has 30 years but less than 35 years of  
26 creditable service, by 1/3 of one percent if the member has at least 25 years but less than 30 years of  
27 creditable service, by 5/12 of one percent if the member has at least 20 years but less than 25 years  
28 of creditable service, and by 5/9 of one percent if the member has less than 20 years of creditable  
29 service.

30 (2) *For members who began service after July 1, 2010*, notwithstanding any  
31 other provision of law, any group I member who meets the requirements of RSA 100-A:10,  
32 I(a), and who has either completed at least 25 years of creditable service which, when  
33 combined with his age equals at least 75 years, or who has attained the age of 55, but not  
34 the age of 65, may elect to retire and have benefits commence immediately as a reduced  
35 service retirement allowance upon written application to the board of trustees setting forth  
36 the time, not less than 30 days nor more than 90 days subsequent to the filing thereof, at  
37 which the member desires to have benefits commence. The service retirement allowance

1 shall be determined in accordance with RSA 100-A:5, I(b) and shall be reduced, for each  
2 month by which the date on which benefits commence precedes the month after which the  
3 member attains 65 years of age, by 1/8 of one percent if the member has 35 years or more of  
4 creditable service, by 1/4 of one percent if the member has 30 years but less than 35 years of  
5 creditable service, by 1/3 of one percent if the member has at least 25 years but less than  
6 30 years of creditable service, by 5/12 of one percent if the member has at least 20 years but  
7 less than 25 years of creditable service, and by 5/9 of one percent if the member has less  
8 than 20 years of creditable service. Service retirement allowances shall be subject to the  
9 maximum benefit amount under RSA 100-A:6-a.

10 (d) [Repealed.]

11 II. Group II Members.

12 (a) Any group II member in service who *began service prior to July 1, 2010 and who*  
13 *has attained age 45 and completed 20 years of creditable service, or who has attained age 60*  
14 *regardless of the number of years of creditable service, or any group II member in service who*  
15 *began service on or after July 1, 2010 and who has attained age 50 and completed 25 years*  
16 *of creditable service, or who has attained age 65 regardless of the number of years of*  
17 *creditable service,* may retire on a service retirement allowance upon written application to the  
18 board of trustees setting forth at what time not less than 30 days nor more than 90 days subsequent  
19 to the filing thereof the member desires to be retired, notwithstanding that during such period of  
20 notification the member may have separated from service.

21 (b) Upon service retirement, a group II member shall receive a service retirement  
22 allowance which shall consist of:

23 (1) A member annuity which shall be the actuarial equivalent of his *or her*  
24 accumulated contributions at the time of retirement; and

25 (2) A state annuity which, together with his *or her* member annuity, shall be equal  
26 to 2-1/2 percent of [his] *the member's* average final compensation *if the member's service began*  
27 *before July 1, 2010 or 2 percent if the member's service began on or after July 1, 2010*  
28 multiplied by the number of years of his *or her* creditable service not in excess of 40 years, *subject*  
29 *to the maximum benefit amount under RSA 100-A:6-a.*

30 (c)(1) Notwithstanding any provision of RSA 100-A to the contrary, any group II member  
31 who has retired on or after the effective date of this subparagraph after attaining the age of 45 with  
32 at least 20 years of creditable service shall receive a minimum annual service retirement allowance  
33 of \$10,000. If such group II member has elected to convert the retirement allowance into an optional  
34 allowance for the surviving spouse under RSA 100-A:13, the surviving spouse shall be entitled to a  
35 proportional share of the \$10,000.

36 (2) [Repealed.]

37 (3) [Repealed.]

1 106 Vested Deferred Retirement Age; Group I. Amend RSA 100-A:10, I(b) to read as follows:

2 (b) At any time after attainment of age 50 *if the member began service prior to*  
3 *July 1, 2010 and 55 if the member began service on or after July 1, 2010*, a group I member  
4 who meets the requirement of subparagraph (a) may make application on a form prescribed by the  
5 board of trustees and receive a vested deferred retirement allowance which shall consist of a member  
6 annuity which shall be the actuarial equivalent of the member's accumulated contributions on the  
7 date of retirement and a state annuity which, together with the member annuity, shall be equal to  
8 either the service retirement allowance payable under RSA 100-A:5, I(a) and I(b) or the reduced  
9 early service retirement allowance payable under RSA 100-A:5, I(c), based on the member's age  
10 when the vested deferred retirement allowance begins and on the member's average final  
11 compensation and creditable service at the time service is terminated.

12 107 Vested Deferred Retirement Age; Group II. Amend RSA 100-A:10, II(b) to read as follows:

13 (b) Upon the member's attainment of age 45 *if the member began service prior to*  
14 *July 1, 2010 and 50 if the member began service on or after July 1, 2010*, provided the member  
15 would then have completed 20 years of creditable service, otherwise the subsequent date on which  
16 such 20 years would have been completed, or at any time after age 60 *if the member began service*  
17 *prior to July 1, 2010 and 65 if the member began service on or after July 1, 2010*, a group II  
18 member who meets the requirement of subparagraph (a) may make application on a form prescribed  
19 by the board of trustees and receive a vested deferred retirement allowance which shall consist of: (1)  
20 A member annuity which shall be the actuarial equivalent of accumulated contributions on the date  
21 the member's retirement allowance commences; and (2) A state annuity which, together with the  
22 member annuity, shall be equal to a service retirement allowance based on the member's average  
23 final compensation and creditable service at the time the member's service is terminated.

24 108 Split Benefits; Minimum Age. Amend RSA 100-A:19-b to read as follows:

25 100-A:19-b Minimum Age. For the purposes of this subdivision only, minimum age shall mean:

26 I. *For members who began service prior to July 1, 2010:*

27 (a) For a member who has completed less than 20 years combined creditable service in  
28 both group I and group II, 60 years.

29 ~~II.~~ (b) For a member who has completed 20 or more years of combined creditable service,  
30 one year shall be deducted from age 60 for each year of creditable group II service, provided that the  
31 age shall not be less than 45 years.

32 II. *For members who began service on or after July 1, 2010:*

33 (a) *For a member who has completed less than 25 years combined creditable*  
34 *service in both group I and group II, 65 years.*

35 (b) *For a member who has completed 25 or more years of combined creditable*  
36 *service, one year shall be deducted from age 65 for each year of creditable group II service,*  
37 *provided that the age shall not be less than 50 years.*

1 109 Split Benefits; Reduced Early Retirement. Amend RSA 100-A:19-d to read as follows:

2 100-A:19-d Reduced Early Retirement. Notwithstanding any other provision of law, any  
3 retirement system member who has creditable service in both group I and group II with at least  
4 10 years combined creditable service, and who has attained an age which is at least 45 *if the*  
5 *member began service prior to July 1, 2010 and 50 if the member began service on or after*  
6 *July 1, 2010*, and is within 10 years of the minimum age set forth in RSA 100-A:19-b, may elect to  
7 retire and have benefits commence immediately as a reduced split-benefit service retirement  
8 allowance. Application shall be as provided in RSA 100-A:5, I(c). The allowance shall be determined  
9 as a split-benefit service retirement allowance in accordance with RSA 100-A:19-c, and the total  
10 combined split-benefit service allowance shall be reduced by the percentages shown in RSA 100-A:5,  
11 I(c), based on the total combined length of creditable service, for each month by which the date on  
12 which benefits commence precedes the month after which the member attains the minimum age set  
13 forth in RSA 100-A:19-b.

14 110 Maximum Benefit Amount. Amend RSA 100-A:6-a to read as follows:

15 100-A:6-a Maximum Retirement Benefit.

16 I. Notwithstanding any other provision of this chapter to the contrary, for members who  
17 commenced service before July 1, 2009, a member's initial calculation of the retirement benefit  
18 granted under the provisions of RSA 100-A:5 or RSA 100-A:6 shall not exceed 100 percent of the  
19 member's highest year of earnable compensation.

20 II. For members who commenced service on or after July 1, 2009 *but prior to July 1, 2010*,  
21 a member's maximum retirement benefit granted under the provisions of RSA 100-A:5 or RSA 100-  
22 A:6 shall not exceed \$120,000.

23 III. *For members who commenced service on or after July 1, 2109, a member's*  
24 *maximum retirement benefit granted under the provisions of RSA 100-A:5 or RSA 100-A:6*  
25 *shall not exceed 75 percent of the member's average final compensation*

26 IV. Nothing in this section shall affect the ability of a member to receive disability benefits  
27 pursuant to RSA 100-A:6, II(b) and (c). This provision shall not limit the application of supplemental  
28 allowances under RSA 100-A:41-a.

29 111 Employee Contribution Rates. Amend RSA 100-A:16, I, (a) to read as follows:

30 (a)(I) The member annuity savings fund shall be a fund in which shall be accumulated  
31 the contributions deducted from the compensation of members to provide for their member annuities  
32 together with any amounts transferred thereto from a similar fund under one or more of the  
33 predecessor systems. Such contribution shall be, for each member, dependent upon the member's  
34 employment classification at the rate determined in accordance with the following table:

35 (A) *For all members who began service on or before June 30, 2010:*

36 Employees of employers other than the state	5.00
37 Employees of the state hired on or before June 30, 2009	5.00

1	Employees of the state hired after June 30, 2009	7.00
2	Teachers	5.00
3	Permanent Policemen	9.30
4	Permanent Firemen	9.30

5 *(B) For all members who began service on or after July 1, 2010:*

6 *Group I 7.00*

7 *Group II 13.00*

8 (2) The board of trustees shall certify to the proper authority or officer responsible  
 9 for making up the payroll of each employer, and such authority or officer shall cause to be deducted  
 10 from the compensation of each member, except group II members with creditable service in excess of  
 11 40 years as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such  
 12 employer for each and every payroll period, the percentage of earnable compensation applicable to  
 13 such member. No deduction from earnable compensation under this paragraph shall apply to any  
 14 group II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and  
 15 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining  
 16 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable  
 17 by a member in a payroll period, the board may consider the rate of compensation payable to such  
 18 member on the first day of a payroll period as continuing throughout the payroll period and it may  
 19 omit deduction from compensation for any period less than a full payroll period if such person was  
 20 not a member on the first day of the payroll period, and to facilitate the making of deductions it may  
 21 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one  
 22 percent of the annual earnable compensation upon the basis of which such deduction is made. The  
 23 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,  
 24 shall be paid to the retirement system at such times as may be designated by the board of trustees  
 25 and credited to the individual account, in the member annuity savings fund, of the member from  
 26 whose compensation the deduction was made.

27 112 Effective Date.

28 I. Section 5 of this act shall take effect as provided in section 33 of this act.

29 II. Sections 13, 14, 16, 67-74, 77-80, 92-99, and 103-111 of this act shall take effect  
 30 July 1, 2010.

31 III. Sections 75 and 76 shall take effect June 15, 2010.

32 IV. The remainder of this act shall take effect upon its passage.

2010-1593h

AMENDED ANALYSIS

42. Establishes new retirement system requirements for members who began service on or after July 1, 2010, including:

- I. Requiring an additional 5 years of age and 5 years of service for retirement benefit eligibility.
- II. Limiting earnable compensation to base pay plus certain mandatory pay.
- III. Providing that the maximum benefit amount shall not exceed 75 percent of average final compensation.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2  
3 103 Retirement System; Earnable Compensation. Amend RSA 100-A:1, XVII to read as follows:

4 XVII. "Earnable compensation" shall mean ~~[for all members]~~:

5 *(a) For members who began service on or before June 30, 2010,* the full base rate of  
6 compensation paid plus any overtime pay, holiday and vacation pay, sick pay, longevity or severance  
7 pay, cost of living bonus, additional pay for extracurricular and instructional activities or for other  
8 extra or special duty, and any military differential pay, plus the fair market value of non-cash  
9 compensation paid to, or on behalf of, the member for meals or living quarters if subject to federal  
10 income tax, but excluding other compensation except cash incentives paid by an employer to  
11 encourage members to retire, supplemental pay paid by the employer while the member is receiving  
12 workers' compensation, and teacher development pay that is not part of the contracted annual  
13 salary. However, earnable compensation in the final 12 months of creditable service prior to  
14 termination of employment shall be limited to 1-1/2 times the higher of the earnable compensation in  
15 the 12-month period preceding the final 12 months or the highest compensation year as determined  
16 for the purpose of calculating average final compensation, but excluding the final 12 months. Any  
17 compensation received in the final 12 months of employment in excess of such limit shall not be  
18 subject to member or employer contributions to the retirement system and shall not be considered in  
19 the computation of average final compensation. Provided that, the annual compensation limit for  
20 members of governmental defined benefit pension plans under section 401(a)(17) of the United  
21 States Internal Revenue Code of 1986, as amended, shall apply to earnable compensation for all  
22 employees, teachers, permanent firemen, and permanent policemen who first become eligible for  
23 membership in the system on or after July 1, 1996. Earnable compensation shall not include  
24 compensation in any form paid later than 120 days after the member's termination of employment  
25 from a retirement eligible position, with the limited exceptions of disability related severance pay  
26 paid to a member or retiree no later than 120 days after a decision by the board of trustees granting  
27 the member or retiree disability retirement benefits pursuant to RSA 100-A:6 and of severance pay  
28 which a member was entitled to be paid within 120 days after termination but which, without the  
29 consent of the member and not through any fault of the member, was paid more than 120 days after  
30 the member's termination. The member shall have the burden of proving to the board of trustees  
31 that any severance payment paid later than 120 days after the member's termination of employment  
32 is earnable compensation and meets the requirements of an asserted exception to the 120-day post-



1 termination payment requirement.

2 *(b) For members who began service on or after July 1, 2010, the full base rate of*  
3 *compensation paid and any military differential pay. The base rate of compensation shall*  
4 *not include overtime pay, holiday or vacation pay, sick pay, longevity or severance pay, cost*  
5 *of living bonus, additional pay for extra curricular and instructional activities or for*  
6 *extra or special duty, or the value of non-cash compensation paid to, or on behalf of, the*  
7 *member for meals or living quarters. Any compensation received in the final 12 months of*  
8 *employment in excess of such limit shall not be subject to member or employer*  
9 *contributions to the retirement system and shall not be considered in the computation of*  
10 *average final compensation. Provided that, the annual compensation limit for members of*  
11 *governmental defined benefit pension plans under section 401(a)(17) of the United States*  
12 *Internal Revenue Code of 1986, as amended, shall apply to earnable compensation for all*  
13 *employees, teachers, permanent firemen, and permanent policemen. Earnable*  
14 *compensation shall not include compensation in any form paid later than 120 days after*  
15 *the member's termination of employment from a retirement eligible position.*

16 104 New Sections; Legislative Authority; Decennial Adjustment Required. Amend RSA 100-A  
17 by inserting after section 1 the following new sections:

18 100-A:1-a Legislative Authority. The legislature reserves the right to amend the provisions of  
19 this chapter including the contribution requirements of members and employers when such  
20 amendment is reasonable and necessary to serve an important public purpose, including the  
21 actuarial soundness of the retirement system. No member in active status shall have a contractual  
22 claim under this chapter except where the unmistakable intent of the legislature is to limit  
23 subsequent exercise of legislative authority to amend the provisions of this chapter.

24 100-A:1-b Decennial Adjustment Required. Beginning July 1, 2020 and on every subsequent 10-  
25 year anniversary thereafter, the executive director shall adjust, for members who began service on or  
26 after July 1, 2010, the age for a member and the years of service as a member required in this  
27 chapter for any retirement benefit eligibility proportionally according to the change of the average  
28 life expectancy at birth for persons born in the United States as reported in that year by the United  
29 States Census Bureau. The board of trustees, following each such 10-year anniversary, shall certify  
30 to the executive director the proportional change to be used in adjusting the age and years of service  
31 requirements in this chapter for members who began service on or after July 1, 2010.

32 105 Service Retirement; Age; Years of Service; July 1 2010. Amend RSA 100-A:5 to read as  
33 follows:

34 100-A:5 Service Retirement Benefits.

35 I. Group I Members.

36 (a) Any group I member may retire on a service retirement allowance upon written  
37 application to the board of trustees setting forth at what time, not less than 30 days nor more than

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1 106 Vested Deferred Retirement Age; Group I. Amend RSA 100-A:10, I(b) to read as follows:

2 (b) At any time after attainment of age 50 *if the member began service prior to*  
3 *July 1, 2010 and 55 if the member began service on or after July 1, 2010*, a group I member  
4 who meets the requirement of subparagraph (a) may make application on a form prescribed by the  
5 board of trustees and receive a vested deferred retirement allowance which shall consist of a member  
6 annuity which shall be the actuarial equivalent of the member's accumulated contributions on the  
7 date of retirement and a state annuity which, together with the member annuity, shall be equal to  
8 either the service retirement allowance payable under RSA 100-A:5, I(a) and I(b) or the reduced  
9 early service retirement allowance payable under RSA 100-A:5, I(c), based on the member's age  
10 when the vested deferred retirement allowance begins and on the member's average final  
11 compensation and creditable service at the time service is terminated.

12 107 Vested Deferred Retirement Age; Group II. Amend RSA 100-A:10, II(b) to read as follows:

13 (b) Upon the member's attainment of age 45 *if the member began service prior to*  
14 *July 1, 2010 and 50 if the member began service on or after July 1, 2010*, provided the member  
15 would then have completed 20 years of creditable service, otherwise the subsequent date on which  
16 such 20 years would have been completed, or at any time after age 60 *if the member began service*  
17 *prior to July 1, 2010 and 65 if the member began service on or after July 1, 2010*, a group II  
18 member who meets the requirement of subparagraph (a) may make application on a form prescribed  
19 by the board of trustees and receive a vested deferred retirement allowance which shall consist of: (1)  
20 A member annuity which shall be the actuarial equivalent of accumulated contributions on the date  
21 the member's retirement allowance commences; and (2) A state annuity which, together with the  
22 member annuity, shall be equal to a service retirement allowance based on the member's average  
23 final compensation and creditable service at the time the member's service is terminated.

24 108 Split Benefits; Minimum Age. Amend RSA 100-A:19-b to read as follows:

25 100-A:19-b Minimum Age. For the purposes of this subdivision only, minimum age shall mean:

26 I. *For members who began service prior to July 1, 2010:*

27 (a) For a member who has completed less than 20 years combined creditable service in  
28 both group I and group II, 60 years.

29 [H.] (b) For a member who has completed 20 or more years of combined creditable service,  
30 one year shall be deducted from age 60 for each year of creditable group II service, provided that the  
31 age shall not be less than 45 years.

32 II. *For members who began service on or after July 1, 2010:*

33 (a) *For a member who has completed less than 25 years combined creditable*  
34 *service in both group I and group II, 65 years.*

35 (b) *For a member who has completed 25 or more years of combined creditable*  
36 *service, one year shall be deducted from age 65 for each year of creditable group II service,*  
37 *provided that the age shall not be less than 50 years.*

1 109 Split Benefits; Reduced Early Retirement. Amend RSA 100-A:19-d to read as follows:

2 100-A:19-d Reduced Early Retirement. Notwithstanding any other provision of law, any  
3 retirement system member who has creditable service in both group I and group II with at least  
4 10 years combined creditable service, and who has attained an age which is at least 45 *if the*  
5 *member began service prior to July 1, 2010 and 50 if the member began service on or after*  
6 *July 1, 2010*, and is within 10 years of the minimum age set forth in RSA 100-A:19-b, may elect to  
7 retire and have benefits commence immediately as a reduced split-benefit service retirement  
8 allowance. Application shall be as provided in RSA 100-A:5, I(c). The allowance shall be determined  
9 as a split-benefit service retirement allowance in accordance with RSA 100-A:19-c, and the total  
10 combined split-benefit service allowance shall be reduced by the percentages shown in RSA 100-A:5,  
11 I(c), based on the total combined length of creditable service, for each month by which the date on  
12 which benefits commence precedes the month after which the member attains the minimum age set  
13 forth in RSA 100-A:19-b.

14 110 Maximum Benefit Amount. Amend RSA 100-A:6-a to read as follows:

15 100-A:6-a Maximum Retirement Benefit.

16 I. Notwithstanding any other provision of this chapter to the contrary, for members who  
17 commenced service before July 1, 2009, a member's initial calculation of the retirement benefit  
18 granted under the provisions of RSA 100-A:5 or RSA 100-A:6 shall not exceed 100 percent of the  
19 member's highest year of earnable compensation.

20 II. For members who commenced service on or after July 1, 2009 *but prior to July 1, 2010*,  
21 a member's maximum retirement benefit granted under the provisions of RSA 100-A:5 or RSA 100-  
22 A:6 shall not exceed \$120,000.

23 III. *For members who commenced service on or after July 1, 2109, a member's*  
24 *maximum retirement benefit granted under the provisions of RSA 100-A:5 or RSA 100-A:6*  
25 *shall not exceed 75 percent of the member's average final compensation*

26 IV. Nothing in this section shall affect the ability of a member to receive disability benefits  
27 pursuant to RSA 100-A:6, II(b) and (c). This provision shall not limit the application of supplemental  
28 allowances under RSA 100-A:41-a.

29 111 Employee Contribution Rates. Amend RSA 100-A:16, I, (a) to read as follows:

30 (a)(I) The member annuity savings fund shall be a fund in which shall be accumulated  
31 the contributions deducted from the compensation of members to provide for their member annuities  
32 together with any amounts transferred thereto from a similar fund under one or more of the  
33 predecessor systems. Such contribution shall be, for each member, dependent upon the member's  
34 employment classification at the rate determined in accordance with the following table:

35 (A) *For all members who began service on or before June 30, 2010:*

36 Employees of employers other than the state	5.00
37 Employees of the state hired on or before June 30, 2009	5.00

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- Page 7 -

1	Employees of the state hired after June 30, 2009	7.00
2	Teachers	5.00
3	Permanent Policemen	9.30
4	Permanent Firemen	9.30

5                    *(B) For all members who began service on or after July 1, 2010:*

6	<i>Group I</i>	<i>7.00</i>
7	<i>Group II</i>	<i>13.00</i>

8                    (2) The board of trustees shall certify to the proper authority or officer responsible  
9 for making up the payroll of each employer, and such authority or officer shall cause to be deducted  
10 from the compensation of each member, except group II members with creditable service in excess of  
11 40 years as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such  
12 employer for each and every payroll period, the percentage of earnable compensation applicable to  
13 such member. No deduction from earnable compensation under this paragraph shall apply to any  
14 group II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and  
15 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining  
16 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable  
17 by a member in a payroll period, the board may consider the rate of compensation payable to such  
18 member on the first day of a payroll period as continuing throughout the payroll period and it may  
19 omit deduction from compensation for any period less than a full payroll period if such person was  
20 not a member on the first day of the payroll period, and to facilitate the making of deductions it may  
21 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one  
22 percent of the annual earnable compensation upon the basis of which such deduction is made. The  
23 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,  
24 shall be paid to the retirement system at such times as may be designated by the board of trustees  
25 and credited to the individual account, in the member annuity savings fund, of the member from  
26 whose compensation the deduction was made.

27                    112 Effective Date.

28                    I. Section 5 of this act shall take effect as provided in section 33 of this act.

29                    II. Sections 13, 14, 16, 67-74, 77-80, 92-99, and 103-111 of this act shall take effect  
30 July 1, 2010.

31                    III. Sections 75 and 76 shall take effect June 15, 2010.

32                    IV. The remainder of this act shall take effect upon its passage.

2010-1593h

AMENDED ANALYSIS

42. Establishes new retirement system requirements for members who began service on or after July 1, 2010, including:

- I. Requiring an additional 5 years of age and 5 years of service for retirement benefit eligibility.
- II. Limiting earnable compensation to base pay plus certain mandatory pay.
- III. Providing that the maximum benefit amount shall not exceed 75 percent of average final compensation.

Rep. DeJoie, Merr. 11  
Rep. Baroody, Hills. 17  
Rep. Bucu, Carr. 1  
Rep. Wendelboe, Belk. 1  
Rep. Benn, Graf. 9  
April 26, 2010  
2010-1595h  
04/09

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 Findings and Intent. The general court finds and declares that using private contractors to  
4 provide public services formerly provided by public employees does not always promote the public  
5 interest. To ensure that citizens of this state receive high quality public services at low cost, with  
6 due regard for the taxpayers of this state, the service recipients, and the needs of public and private  
7 workers, the general court finds it necessary to regulate such privatization contracts, and to protect  
8 those workers who report conditions and practices which impact on the efficiency and quality of  
9 public services provided by private contractors. The general court further finds it necessary to  
10 ensure that access to public information guaranteed by the Freedom of Information Act is not in any  
11 way hindered by the fact that public services are provided by private contractors.

12 104 New Chapter; Public Oversight and Accountability of Privatization Contracts. Amend  
13 RSA by inserting after chapter 96 the following new chapter:

14

CHAPTER 96-A

15

PUBLIC OVERSIGHT AND ACCOUNTABILITY OF PRIVATIZATION CONTRACTS

16

96-A:1 Definitions. In this chapter:

17

I. "Agency" means any executive office, department, division, board, commission, or other  
18 office or officer in the executive branch of the government.

19

II. "Employee of a private contractor" means a worker directly employed by a private  
20 contractor, as defined in this section, as well as an employee of a subcontractor or an independent  
21 contractor that provides supplies or services to a private contractor. Such term includes former  
22 employees of a private contractor or subcontractor and former independent contractors.

23

III. "Discrimination or retaliation" means a threat, intimidation, or any adverse change in  
24 an employee's wages, benefits, or terms or conditions of employment. In the case of a person who is  
25 not an employee of the private contractor, such term includes any adverse action taken against the  
26 person or the person's employer, including the cancellation of or refusal to renew a contract with the  
27 person or the person's employer.

28

IV. "Person" means an individual, institution, federal, state, or local governmental entity, or  
29 any other public or private entity.

1 V. "Privatization contract" means an agreement or combination or series of agreements by  
2 which a non-governmental person or entity agrees with an agency to provide services, valued at  
3 \$100,000 or more, which are substantially similar to and in lieu of, services heretofore provided, or  
4 that could have been provided, in whole or in part, by regular employees of an agency.

5 VI. "Private contractor" means any entity which enters into a privatization contract as  
6 defined in paragraph V.

7 VII. "Public employee" means an employee as defined in RSA 281-A:2, VII.

8 VIII. "Public record" means all public records pursuant to RSA 91-A, and also includes any  
9 document relating to the privatization contract or performance under the contract, prepared,  
10 received, or retained by a contractor or subcontractor whether such document is handwritten, typed,  
11 tape-recorded, printed, photocopied, photographed, or recorded by any other method.

12 IX. "Services" means, with respect to a private contractor, all aspects of the provision of  
13 services provided by a private contractor pursuant to a privatization contract, or any services  
14 provided by a subcontractor of a private contractor.

15 X. "Subcontractor" means a subcontractor of a private contractor for work under a  
16 privatization contract or an amendment to a privatization contract.

17 96-A:2 Privatization Contracts; Requirements.

18 I. No agency shall make any privatization contract and no such contract shall be valid  
19 unless the agency and the contractor comply with the requirements of this section and RSA 96-A:3  
20 through RSA 96-A:6 and include the specified provisions in the privatization contract.

21 II. The agency shall prepare a specific written statement of the services proposed to be the  
22 subject of the privatization contract, including the specific quantity and standard of quality of the  
23 subject services. The agency shall solicit competitive sealed bids for the privatization contracts  
24 based upon this statement. The day designated by the agency upon which it will accept these sealed  
25 bids shall be the same for any and all parties. This statement shall be a public record, shall be filed  
26 in the agency, and available for public inspection not later than 30 business days prior to the date on  
27 which bids are due.

28 III. Every bid shall detail:

29 (a) The length of continuous employment of current employees with the contractor by job  
30 classification without identifying employee names. In addition, the contractor may submit  
31 information detailing the relevant prior experience of employees within each job classification. If the  
32 positions identified by the bidder shall be newly created, the bid shall identify the minimum  
33 requirements for prospective applicants for each such position.

34 (b) The annual rate of current staff turnover.

35 (c) The number of hours of training planned for each employee in subject matters  
36 directly related to providing services to state residents and clients.

37 (d) Any legal complaints issued by an enforcement agency for alleged violations of



1 applicable federal, state, or local rules, regulations or laws, including laws governing employee safety  
2 and health, labor relations, and other employment requirements, and any citations, court findings,  
3 or administrative findings for violations of such federal, state, or local rules, regulations, or laws.  
4 The information shall include the date, enforcement agency, the rule, law, or regulation involved,  
5 and any additional information the contractor may wish to submit.

6 (e) Any collective bargaining agreements or personnel policies covering the employees to  
7 provide services to the state.

8 (f) Political contributions made by the bidder or any employee in a management position  
9 with the bidding company, to any elected officer of the state or member of the state legislature,  
10 during the 4 years prior to the due date of the bid.

11 IV. For each position in which a contractor will employ any person pursuant to the  
12 privatization contract, the minimum compensation to be paid for said position shall be the greater of  
13 the wage rate paid at step one of the grade or classification under which an agency employee whose  
14 duties are most similar is paid, plus the cash value of health and other benefits provided to such  
15 state employees, or the average private sector compensation rate, including the value of health and  
16 other benefits, for the position as determined by the state department of labor.

17 V. The term of any privatization contract shall not exceed 2 years. No amendment to a  
18 privatization contract shall be valid if it has the purpose or effect of avoiding any requirement of any  
19 section of this chapter.

20 VI. Every privatization contract shall contain provisions requiring the contractor to offer  
21 available employee positions pursuant to the contract to qualified regular employees of the agency  
22 whose state employment is terminated because of the privatization contract. Every such contract  
23 shall also contain provisions requiring the contractor to comply with a policy of nondiscrimination  
24 and equal opportunity for all persons, and to take affirmative steps to provide such equal  
25 opportunity for all such persons.

26 VII. State funds shall not be used to support or oppose unionization, including but not  
27 limited to:

28 (a) Preparation and distribution of materials which advocate for or against unionization;

29 (b) Hiring or consulting legal counsel or other consultants to advise the contractor about  
30 how to assist, promote, or deter union organizing or how to impede a union which represents the  
31 contractor's employees from fulfilling its representational responsibilities;

32 (c) Holding meetings to influence employees about unionization;

33 (d) Planning or conducting activities by supervisors to assist, promote, or deter union  
34 activities; or

35 (e) Defending against unfair labor practice charges brought by federal or state  
36 enforcement agencies.

1 I. Any agency considering whether to enter into a privatization contract shall prepare a  
2 comprehensive written estimate of the costs of regular agency employees providing the subject  
3 services in the most cost-efficient manner. The estimate shall include all direct and indirect costs of  
4 regular agency employees providing the subject services, including but not limited to, pension,  
5 insurance, and other employee benefit costs. For the purpose of this estimate, any employee  
6 organization may, at any time before the final day for the agency to receive sealed bids pursuant to  
7 RSA 96-A:2, II, propose amendments to any relevant collective bargaining agreement to which it is a  
8 party. Any such amendments shall take effect only if necessary to reduce the cost estimate pursuant  
9 to this paragraph below the contract cost. Such estimate shall remain confidential until after the  
10 final day for the agency to receive sealed bids for the privatization contract at which time the  
11 estimate shall become a public record, shall be filed in the agency, and shall be published in the state  
12 register.

13 II. After soliciting and receiving bids, the agency shall publicly designate the bidder to which  
14 it proposes to award the privatization contract. In selecting a contractor, the agency shall consider  
15 the contractor's past performance and its record of compliance with federal, state, and local laws,  
16 including the disclosures as required in RSA 96-A:2, III. The agency shall prepare a comprehensive  
17 written analysis of the contract cost based upon the designated bid, specifically including the costs of  
18 transition from public to private operation, of additional unemployment and retirement benefits, if  
19 any, and of monitoring and otherwise administering contract performance.

20 III. The head of the agency shall certify in writing that:

21 (a) He or she has complied with all provisions of this chapter and of all other applicable  
22 laws.

23 (b) The quality of the services to be provided by the designated bidder is likely to satisfy  
24 the quality requirements of the statement prepared pursuant to RSA 96-A:2, II, and to equal or  
25 exceed the quality of services which could be provided by regular agency employees.

26 (c) The contract cost will be at least 10 percent less than the estimated cost pursuant to  
27 RSA 96-A:3, I, taking into account all comparable types of costs and all the additional costs of the  
28 contract as specified in RSA 96-A:3, II.

29 (d) The proposed privatization contract is in the public interest, in that it meets the  
30 applicable quality and fiscal standards set forth in this chapter.

31 IV. Any privatization contract entered into by a state agency and the agency certification  
32 described in paragraph III shall be public records subject to disclosure pursuant to RSA 91-A.

33 96-A:4 Monitoring and Enforcement of Privatization Contracts.

34 I.(a) No contractor shall award a subcontract for work under a contract or for work under an  
35 amendment to a contract without the approval of the agency head, or his or her designee, of:

36 (1) The selection of the subcontractor;

37 (2) The provisions of the subcontract.

1 (b) Each such contractor shall file a copy of each executed subcontract or amendment to  
2 the subcontract with the agency, which shall maintain the subcontract or amendment as a public  
3 record, pursuant to RSA 91-A.

4 II. Any private contractor awarded a privatization contract, and any subcontractor to a  
5 private contractor subject to this chapter, shall file with the agency head copies of financial audits of  
6 the private contractor prepared at least annually during the course of the contract term.

7 III. All privatization contracts shall include a contract provision specifying that in order to  
8 determine compliance with these principles as well as the contract, the private contractor shall be  
9 required to provide the state or its agents, except where prohibited by federal or state laws,  
10 regulations, or rules, reasonable access, through representatives of the private contractor, to  
11 facilities, records, and employees that are used in conjunction with the provisions of contract  
12 services.

13 IV. The private contractor shall submit a report, not less than annually during the term of  
14 the privatization contract, detailing the extent to which the contractor has achieved the specific  
15 quantity and standard of quality of the subject services as specified by the agency pursuant to  
16 RSA 96-A:2, II and its compliance with all federal, state, and local laws, including any complaints,  
17 citations, or findings issued by administrative agencies or courts.

18 V. The agency may seek contractual remedies for any violation of a privatization contract.  
19 In addition, if a contractor fails to comply with RSA 96-A:2, IV, VI, or VII, any person or entity  
20 aggrieved by the violation may bring a claim for equitable and other relief, including backpay. In  
21 such a suit, an aggrieved person or entity shall be entitled to costs and attorney fees.

22 96-A:5 Compliance with Freedom of Information Act, Privacy Provisions.

23 I.(a) No contractor or subcontractor, or employee or agent of a contractor or subcontractor,  
24 shall have any ownership rights or interest in any public records which the contractor,  
25 subcontractor, employee, or agent possesses, modifies, or creates pursuant to a contract, subcontract,  
26 or amendment to a contract or subcontract.

27 (b) No contractor or subcontractor, or employee or agent of a contractor or subcontractor,  
28 shall impair the integrity of any public records which the contractor, subcontractor, employee, or  
29 agent possesses or creates.

30 (c) Public records which a contractor, subcontractor, or employee, or agent of a  
31 contractor or subcontractor, possesses, modifies, or creates pursuant to a contract or subcontract  
32 shall at all times and for all purposes remain the property of the state.

33 II.(a) Any public record which a state agency provides to a contractor or subcontractor or  
34 which a contractor or subcontractor creates shall be and remain a public record for the purposes of  
35 RSA 91-A, and the enforcement provisions of that law shall apply to any failure to disclose records  
36 under this section.

37 (b) With regard to any public record, the state agency and the contractor or

1 subcontractor shall have a joint and several obligation to comply with the obligations of the state  
2 agency under RSA 91-A, as amended, provided the determination of whether or not to disclose a  
3 particular record or type of record shall be made solely by such state agency.

4 (c) No contractor or subcontractor, or employee or agent of a contractor or subcontractor,  
5 shall disclose to the public any public records:

6 (1) Which it possesses, modifies, or creates pursuant to a contract, subcontract, or  
7 amendment to a contract or subcontract; and

8 (2) Which the state agency:

9 (A) Is prohibited from disclosing pursuant to state or federal law in all cases;

10 (B) May disclose pursuant to state or federal law only to certain entities or  
11 individuals or under certain conditions; or

12 (C) May withhold from disclosure pursuant to state or federal law.

13 (d) Subparagraph II(c)(2) shall not be construed to prohibit any such contractor from  
14 disclosing such public records to any of its subcontractors to carry out the purposes of its  
15 subcontract.

16 (e) No contractor or subcontractor, or employee or agent of a contractor or subcontractor,  
17 shall sell, market, or otherwise profit from the disclosure or use of any public records which are in its  
18 possession pursuant to a contract, subcontract, or amendment to a contract or subcontract, except as  
19 authorized in the contract, subcontract, or amendment.

20 (f) Any contractor or subcontractor, or employee or agent of a contractor or  
21 subcontractor, which learns of any violation of the provisions of this section act shall, no later than 7  
22 calendar days after learning of such violation, notify the agency head and the attorney general of  
23 such violation.

24 III.(a) If any person violates this section, the attorney general may bring an action against  
25 such person seeking:

26 (1) Damages on behalf of the state for such violations;

27 (2) Restitution for damages suffered by any person as a result of the violation; or

28 (3) Imposition and recovery of a civil penalty of not more than \$50,000 for the  
29 violation.

30 (b) In addition to the remedies under the preceding subparagraph, any person aggrieved  
31 by a violation of this section may bring an action in any state court to recover any damages suffered  
32 as a result of such violation.

33 (c) In any action brought under this paragraph, the court may:

34 (1) Order disgorgement of any profits or other benefits derived as a result of a  
35 violation of this section.

36 (2) Award punitive damages, costs, and reasonable attorneys fees.

37 (3) Order injunctive or other equitable relief.

1 (d) Proof of public interest or public injury shall not be required in any action brought  
2 under this paragraph. No action may be brought under this paragraph more than 3 years after the  
3 occurrence of such violation.

4 (e) Any person who knowingly and willfully violates this section shall, for each such  
5 violation, be fined not more than \$5,000 or imprisoned not less than one year nor more than 5 years,  
6 or be both fined and imprisoned.

7 96-A:6 Prohibition Against Discrimination or Retaliation for Disclosure of Information;  
8 Enforcement.

9 I. No person shall retaliate or discriminate in any manner against any public employee or  
10 employee of a private contractor because that employee, or any person acting on behalf of the  
11 employee, in good faith:

12 (a) Engaged in any disclosure of information relating to the services provided by a  
13 private contractor pursuant to a privatization contract.

14 (b) Advocated on behalf of service recipients with respect to the care or services provided  
15 by the private contractor.

16 (c) Initiated, cooperated, or otherwise participated in any investigation or proceeding of  
17 any governmental entity relating to the services provided pursuant to a privatization contract.

18 II. No person shall retaliate or discriminate in any manner against any public employee or  
19 employee of a private contractor because the employee has attempted or has an intention to engage  
20 in an action described in paragraph I.

21 III. No person shall by contract, policy, or procedure prohibit or restrict any employee of a  
22 private contractor from engaging in any action for which a protection against discrimination or  
23 retaliation is provided under paragraph I.

24 IV. This section does not protect disclosures that would violate federal or state law or  
25 diminish or impair the rights of any person to the continued protection of confidentiality of  
26 communications provided by state or federal law.

27 V. With respect to the conduct described in paragraph I, an employee of a private contractor  
28 shall be considered to be acting in good faith if the employee reasonably believes that:

29 (a) The information is true; and

30 (b) The information disclosed by the employee:

31 (1) Evidences a violation of any law, rule, or regulation, or of a generally recognized  
32 professional or clinical standard; or

33 (2) Relates to the care, services, or conditions which potentially endanger one or  
34 more recipients of service or employees pursuant to a privatization contract.

35 VI. The identity of an employee of a private contractor who complains in good faith to a  
36 government agency or department or any member or employee of the state legislature about the  
37 quality of services provided by a private contractor shall remain confidential and shall not be

1 disclosed by any person except upon the knowing written consent of the employee of the private  
2 contractor and except in the case in which there is imminent danger to health or public safety or an  
3 imminent violation of criminal law.

4 VII.(a) Any current or former public employee or employee of a private contractor who  
5 believes that he or she has been retaliated or discriminated against in violation of this section may  
6 file a civil action in any state court of competent jurisdiction.

7 (b) If the court determines that a violation of this section has occurred, the court shall  
8 award such damages which result from the unlawful act or acts, including compensatory damages,  
9 reinstatement, reimbursement of any wages, salary, employment benefits, or other compensation  
10 denied or lost to such employee by reason of the violation, as well as punitive damages, attorneys'  
11 fees, and costs, including expert witness fees. The court shall award interest on the amount of  
12 damages awarded at the prevailing rate.

13 (c) The court may issue temporary, preliminary, and permanent injunctive relief  
14 restraining violations of this law; including the restraint of any withholding of the payment of wages,  
15 salary, employment benefits, or other compensation, plus interest, found by the court to be due and  
16 the restraint of any other change in the terms and conditions of employment and may award such  
17 other equitable relief as may be appropriate, including employment, reinstatement, and promotion.

18 (d) An action may be brought under this paragraph not later than 2 years after the date  
19 of the last event constituting the alleged violation for which the action is brought.

20 (e) Any person who violates this section may be subject to a civil penalty not to exceed  
21 \$10,000 for each violation. In determining the amount of any penalty, the appropriateness of such  
22 penalty to the size of the business of the person charged and the gravity of the violation shall be  
23 considered. The amount of any penalty when finally determined, may be:

24 (1) Deducted from any sums owing by the state to the person charged.

25 (2) Ordered by the court, in an action brought for a violation of this section by the  
26 employee, or employees, who suffered retaliation or discrimination.

27 VIII. In any civil action brought under this chapter, the complainant shall have the initial  
28 burden of making a prima facie showing that any behavior described in paragraphs I, II, or III was a  
29 contributing factor in the adverse action or inaction alleged in the complaint. A prima facie case  
30 shall be established if the complainant shows that:

31 (a) The respondent knew of the complainant's protected activities at the time that the  
32 alleged unfavorable action or inaction was taken.

33 (b) The discriminatory action occurred within a period of time that a reasonable person  
34 could conclude that an activity protected by paragraph I was a contributing factor in the  
35 discriminatory treatment.

36 IX. Once the complainant establishes a prima facie case, the burden shifts to the respondent  
37 to demonstrate, by clear and convincing evidence, that the respondent would have taken the same

1 adverse action or inaction in the absence of such behavior.

2 X. Each private contractor shall post, in conspicuous places on its premises where notices to  
3 employees and applicants for employment are customarily posted, a notice, to be prepared or  
4 approved by the attorney general, setting forth excerpts from, or summaries of, the pertinent  
5 provisions of this chapter and information pertaining to the filing of a charge under this section.  
6 Any employer that willfully violates this paragraph may be assessed a civil penalty not to exceed  
7 \$100 for each separate offense.

8 96-A:7 Nonpreemption. Nothing in this chapter preempts any other law, and nothing in this  
9 chapter shall be construed or interpreted to impair or diminish in any way the authority of any  
10 locality, municipality, or subdivision to enact and enforce any law which provides, equivalent or  
11 greater protections for its employees.

12 96-A:8 Severability. If any provision of this chapter or the application thereof to any person or  
13 circumstance is held invalid, the invalidity does not affect other provisions or applications of the  
14 chapter which can be given effect without the invalid provisions or applications, and to this end the  
15 provisions of this chapter are severable.

16 105 Effective Date.

17 I. Section 5 of this act shall take effect as provided in section 33 of this act.

18 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.

19 III. Sections 75 and 76 shall take effect June 15, 2010.

20 IV. Section 104 of this act shall take effect January 1, 2011.

21 V. The remainder of this act shall take effect upon its passage.

2010-1595h

AMENDED ANALYSIS

42. Regulates the process by which the state may use private contractors to perform state functions.



Rep. DeJoie, Merr. 11  
Rep. Wendelboe, Belk. 1  
April 26, 2010  
2010-1596h  
04/10

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3

4 103 New Section; Certain Transfers Prohibited. Amend RSA 9 by inserting after section 16-b  
5 the following new section:

6 9:16-c Certain Transfers Prohibited. Notwithstanding any other provision of law to the  
7 contrary, no funds shall be transferred out of any class line which is the source of payment for  
8 Medicaid providers whose reimbursement rates are set by the department of health and human  
9 services and whose rates have been reduced by the department of health and human services  
10 through the use of a budget neutrality factor, a proportionate discount factor, or any similar  
11 reduction device.

Draft Amendment to SB 450-FN  
- Page 2 -

2010-1596h

AMENDED ANALYSIS

42. Prohibits certain transfers of funds out of any class line which is the source of payment for Medicaid providers whose reimbursement rates are set by the department of health and human services and whose rates have been reduced by the department of health and human services through the use of a budget neutrality factor, a proportionate discount factor, or any similar reduction device.

Draft Amendment to SB 450-FN

1 Amend the bill by deleting section 80, relative to the rooms and meals tax; distribution to cities and  
2 towns.

3  
4 Amend the bill by replacing section 103 with the following:

5  
6 103 Effective Date.

7 I. Section 5 of this act shall take effect as provided in section 33 of this act.

8 II. Sections 13, 14, 16, 67-74, 77-79, and 92-99 of this act shall take effect July 1, 2010.

9 III. Sections 75 and 76 shall take effect June 15, 2010.

10 IV. The remainder of this act shall take effect upon its passage.

Draft Amendment to SB 450-FN  
- Page 2 -

2010-1599h

AMENDED ANALYSIS

Delete paragraph 27.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2  
3 103 2011 Operating Budget. Amend the following classes and estimated sources of funds for  
4 accounting unit 01, 38, 38, 380010, 2076 for fiscal year 2011 to read as follows:

5  
6 FY 2011  
7 01 GENERAL GOVERNMENT (CONT.)  
8 38 STATE TREASURY (CONT.)  
9 38 TREASURY- DEPT OF (CONT.)  
10 380010 TREASURY DEPARTMENT (CONT.)  
11 2076 DEBT SERVICE (CONT.)  
12  
13 044 Debt Service Other Agencies \* [20,748,880] 0  
14  
15 TOTAL [108,821,737] 88,072,857  
16 ESTIMATED SOURCE OF FUNDS FOR  
17 DEBT SERVICE  
18  
19 GENERAL FUND [102,821,737] 82,072,857  
20 TOTAL [108,821,737] 88,072,857

21 104 University System of New Hampshire; Fiscal Year 2011 Debt Service. The university  
22 system of New Hampshire shall pay, from non-state sources of funds, the sum of \$20,748,880  
23 representing debt service costs for the fiscal year ending June 30, 2011 for general obligation bonds  
24 issued by the state in accordance with the original terms of issuance.

25 105 Effective Date.

- 26 I. Section 5 of this act shall take effect as provided in section 33 of this act.  
27 II. Sections 13, 14, 16, 67-74, 77-80, 92-99, and 103-104 of this act shall take effect July 1,  
28 2010.  
29 III. Sections 75 and 76 shall take effect June 15, 2010.  
30 IV. The remainder of this act shall take effect upon its passage.

2010-1608h

AMENDED ANALYSIS

42. Requires that the university system of New Hampshire pay, from non-state sources of funds, the debt service costs for fiscal year ending June 30, 2011 for general obligation bonds issued by the state.

Rep. Kurk, Hills. 7  
April 26, 2010  
2010-1611h  
01/09



Draft Amendment to HB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3

4 103 Furloughs Required for Certain State Employees. Nonclassified and unclassified state  
5 employees shall take 12 furlough days during fiscal year 2011.

Draft Amendment to HB 450-FN  
- Page 2 -

2010-1611h

AMENDED ANALYSIS

42. Requires nonclassified and unclassified state employees to take 12 furlough days during fiscal year 2011.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 104  
2 to read as 110:

3  
4 103 New Chapter; Gaming Oversight Authority and Video Lottery. Amend RSA by inserting  
5 after chapter 287-G the following new chapter:

6 CHAPTER 287-H

7 GAMING OVERSIGHT AUTHORITY AND VIDEO LOTTERY

8 287-H:1 Definitions. In this chapter:

9 I. "Centralized data provider" means a provider of centralized gambling data, selected by the  
10 gaming oversight authority.

11 II. "Currency" means legal tender in the form of coins or paper which is officially issued by  
12 the United States Treasury, but it does not include any type of credit or debit card.

13 III. "Facility applicant" means the entity, which will participate and apply for a facility  
14 license, as applicable.

15 IV. "Facility license" means the license issued by the gaming oversight authority to a facility  
16 licensee.

17 V. "Facility licensee" means an applicant who is issued a license by the gaming oversight  
18 authority to provide facilities and support to state operated video lottery locations.

19 VI. "Gaming oversight authority" means the authority established by RSA 287-H:2.

20 VII. "Net machine income" means all cash or other consideration utilized to play a video  
21 lottery machine, less all cash or other consideration paid to players of video lottery machines as  
22 winnings. Non cashable promotional credits shall be excluded from the calculation.

23 VIII. "Technology provider" means any person or entity which designs, manufactures,  
24 installs, distributes, or supplies video lottery machines for lease to the state for conducting video  
25 lottery games in accordance with this chapter.

26 IX. "Token" means the coin, which is not legal tender, sold by a cashier in a face amount  
27 equal to the currency paid by a player for the sole purpose of playing a video lottery machine at a  
28 licensed facility, which can be exchanged for currency at the same facility where the video lottery  
29 machines are located, but it does not include any type of credit or debit card.

30 X. "Video lottery employee" means a person employed by the state in the operation of a video  
31 lottery location, including without limitation, cashiers; floormen; machine mechanics; security

1 personnel or inspectors; and supervisors or managers. Video lottery employees shall be hired, fired,  
2 trained, managed, and supervised by the division of gaming enforcement.

3 XI. "Video lottery location" means a state operated facility, within a location provided by the  
4 facility licensee, authorized by the local community that contains video lottery machines operated in  
5 accordance with this chapter.

6 XII. "Video lottery machines" means an electronic, mechanical, or computerized machine  
7 licensed by the lottery commission, which upon the insertion of bills, coins, tokens, or any  
8 representative of value is available to be played where, by chance or skill, or both, the player may  
9 receive cash, cash equivalents, or tokens. Video lottery machines include, but are not limited to, slot  
10 machines, video poker machines, and other lottery machines. A machine shall be considered a video  
11 lottery machine notwithstanding the use of an electronic credit system making the deposit of bills,  
12 coins, or tokens unnecessary. Video lottery machines do not include any redemption slot machines  
13 and redemption poker machines as defined in RSA 647 or video poker machines or other similar  
14 machines used for amusement purposes only.

15 287-H:2 Gaming Oversight Authority.

16 I. There is hereby established the New Hampshire gaming oversight authority. The gaming  
17 oversight authority shall consist of the commissioner of the department of safety, the commissioner  
18 of the department of resources and economic development, and the commissioner of the department  
19 of revenue administration, or their respective designees. The commissioner of the department of  
20 safety shall serve as the chairperson of the gaming oversight authority.

21 II. The gaming oversight authority through delegation to the division of gaming enforcement  
22 shall exclusively establish, staff, manage, and operate video lottery locations at facilities licensed  
23 under the provisions of this chapter. Facilities provided by the facility licensee shall contain non-  
24 gaming resources such as, dining, liquor, hotel, and any other support resource approved by the  
25 gaming oversight authority. The facility licensee shall, at a minimum, provide and pay for heat,  
26 electricity, water, sewer, maintenance, and security surveillance infrastructure for the video lottery  
27 location for which the facility licensee shall receive remuneration pursuant to RSA 287-H:17, III.

28 287-H:3 Duties of the Gaming Oversight Authority. The gaming oversight authority shall:

29 I. Issue licenses only after completion of the investigations set forth in this chapter. All  
30 license applications shall be approved or denied no later than 150 days from the date of application.  
31 No license issued under the provisions of this chapter shall be assigned, transferred, or sold without  
32 a complete application and the approval of the gaming oversight authority and payment of a  
33 \$150,000 application fee. No person or entity may own or have an interest in more than one facility  
34 license.

35 II. Collect all license fees imposed upon any applicant and all fees imposed by this chapter.

36 III. Certify net machine income by inspecting records, conducting audits, having its agents  
37 on site, or by other reasonable means.

1 IV. Establish a central computer system at a location of its choosing linking all video lottery  
2 machines to a central computer to ensure control over the video lottery machines.

3 V. Enter into lease agreements with up to 3 technology providers to provide video lottery  
4 machines to the state. Lease agreements shall provide that the technology provider supply the  
5 quantity and quality of video lottery machines determined by the gaming oversight authority in a  
6 timely and efficient manner, and shall be paid with a percentage of the net machine income, as  
7 provided in RSA 287-H:17, IV. The technology provider shall provide all maintenance and service of  
8 its video lottery machines at no additional charge or fee to the state. Each agreement shall also  
9 provide that the technology provider shall be required to replace 30 percent of its video lottery  
10 machines on a yearly basis.

11 VI. Establish technical standards for approval of video lottery machines, including  
12 mechanical and electrical reliability and security against tampering, as it may deem necessary to  
13 protect the public from fraud or deception and to ensure the integrity of the operation.

14 VII. No later than November 1 in each calendar year of this program, provide a report to the  
15 fiscal committee of the general court regarding the generation of revenue of video lottery machines.  
16 Such report shall include any recommendations for legislation and any community concerns.

17 VIII. Have the authority to issue subpoenas and compel the attendance of witnesses, to  
18 administer oaths, and require testimony of witnesses under oath.

19 IX. Make and keep records of all proceedings of its public meetings. A copy of the transcript  
20 shall be made available to any person upon request and payment of the costs of preparing a copy.

21 X. Keep and maintain a list of all license applicants and a record of all actions taken with  
22 respect to each applicant. A file and record of the actions by the gaming oversight authority shall be  
23 open to the public.

24 XI. Maintain such other files and records as it deems necessary. All records maintained by  
25 the gaming oversight authority may be maintained in digital format or other technology, provided  
26 that such information is capable of being produced in written form.

27 XII. Maintain the confidentiality of all information and data obtained by the gaming  
28 oversight authority. Such information shall not be revealed in whole or in part except as otherwise  
29 provided by law, upon the lawful order of a court of competent jurisdiction, lawfully executed and  
30 served grand jury subpoenas, or with the approval of the attorney general, to a duly authorized law  
31 enforcement agency.

32 XIII. Provide notice of the contents of any information or data released, except to a duly  
33 authorized law enforcement agency or grand jury subpoena pursuant to paragraph XII, shall be  
34 given to any applicant, registrant, or licensee in a manner prescribed by the rules adopted by the  
35 gaming oversight authority.

36 XIV. If necessary, contract for and procure financial, economic, or security consultants and  
37 any other technical and professional services as the authority deem necessary.



1 XV. Develop and provide an employee training program which shall include, but not be  
2 limited to, information on state law, criminal and civil liability, and management practices.

3 287-H:4 Rulemaking.

4 I. The gaming oversight authority shall have general responsibility for the implementation  
5 of this chapter and shall adopt rules under RSA 541-A relative to:

6 (a) Hearing and deciding all license applications or recommendations for the suspension  
7 or revocation of any license.

8 (b) Conducting all investigations required with regard to the application, suspension, or  
9 revocation of any licensee or applicant.

10 (c) Conducting hearings pertaining to administrative violations or rules and collecting  
11 all penalties assessed under the provisions of this chapter.

12 (d) Establishing standards and a reasonable fee structure for the licensing and renewal  
13 of licenses for technology providers.

14 (e) Establishing technical standards for approval of video lottery machines, including  
15 mechanical and electrical reliability and security against tampering, as it may deem necessary to  
16 protect the public from fraud or deception and to ensure the integrity of operation.

17 (f) Establishing criteria for licensing, suspension, and revocation and the bidding process  
18 under RSA 287-H:12.

19 (g) The value of prizes, which may be awarded, and the cost of play for each video lottery  
20 game played on a video lottery machine, as recommended by the technology provider.

21 (h) Establishing employee qualifications, training, and background investigations for  
22 prospective employees.

23 (i) Standards for the management, and operation, of all video lottery locations.

24 II. Pending the adoption of rules under RSA 541-A, and notwithstanding RSA 541-A:2, the  
25 gaming oversight authority shall adopt interim rules including provisions for the publication of  
26 public notice of the period of time for the submission of facility license applications and after public  
27 hearing and within 60 days of the effective date of this chapter. Such interim rules shall  
28 automatically expire upon the adoption of rules under RSA 541-A.

29 287-H:5 Restrictions. No member or employee of the gaming oversight authority, the  
30 department of revenue administration, the department of resources and economic development, or  
31 the department of safety shall have a fiduciary interest in any technology provider, facility licensee,  
32 or centralized data provider.

33 287-H:6 Licensure of Technology Provider and Centralized Data Provider. No technology  
34 provider or centralized data provider shall engage in the business of providing, installing, or  
35 repairing video lottery machines used in this program without a license issued by the gaming  
36 oversight authority.

37 287-H:7 Restriction on Technology and Centralized Data Provider. No technology provider or

1 centralized data provider or their employees shall be entitled to operate video lottery machines  
2 within the state.

3 287-H:8 Restriction of Minors.

4 I. No person under the age of 21 shall play a video lottery machine authorized by this  
5 chapter.

6 II. No member or employee of any video lottery location, department of safety, the attorney  
7 general's office, or the gaming oversight authority shall knowingly permit a person under the age of  
8 21 to play or participate in any aspect of the playing of a video lottery machine.

9 III. Each violation of this section shall be punishable by a fine of no more than \$1,000 and  
10 shall be payable by such person, employee, or facility licensee who violates paragraph I or II. If such  
11 violator is a state employee, then the employee shall also be subject to appropriate sanctions in  
12 conformance with the adopted policies and procedures of the division of gaming enforcement, and the  
13 department of administrative services, division of personnel.

14 287-H:9 Person Misrepresenting Age.

15 I. A person who falsely represents his age for the purpose of playing video lottery machines  
16 shall be guilty of a misdemeanor. Any person who violates any of the provisions of this section shall  
17 be fined for his or her first offense a minimum of \$250. No portion of this mandatory minimum fine  
18 shall be waived, continued for sentencing, or suspended by the court. A second or subsequent offense  
19 shall carry a \$500 minimum fine.

20 II. Notwithstanding paragraph I or any other law to the contrary, any person who possesses  
21 or uses or displays in any manner an identification card, document, license or any other document  
22 which falsely represents such person's age for the purpose of playing video lottery machines shall be  
23 fined a minimum of \$250. No portion of this mandatory minimum fine shall be waived, continued for  
24 sentencing, or suspended by the court. The provisions of this paragraph shall not reduce the  
25 maximum penalty which may be imposed for such an offense pursuant to paragraph I. A second or  
26 subsequent offense shall carry a \$500 minimum fine.

27 III. An identification card issued under the provisions of RSA 260:21 shall be withdrawn for  
28 violation of this section for 90 days. In addition, the director of the division of motor vehicles shall  
29 withdraw, for 90 days, the identification card of any person who allows his or her card to be used or  
30 displayed by another person for the purpose of playing video lottery machines.

31 287-H:10 Penalty for Tampering or Manipulating. Any person who, with the intent to  
32 manipulate the outcome, payoff, or operation of a video lottery machine, manipulates the outcome,  
33 payoff, or operation of any video lottery machine by physical, electronic, or mechanical means, shall  
34 be guilty of a class A felony.

35 287-H:11 Video Lottery Machine Requirements.

36 I. No video lottery machine shall be used to conduct gaming unless it is identical in all  
37 electrical, mechanical, and other aspects to a model, which has been specifically tested and licensed

1 for use by the gaming oversight authority.

2 II. All video lottery machines in operation shall pay out as winnings at least 92 percent on  
3 an annual basis.

4 III. The gaming oversight authority shall establish the days and hours of operation of video  
5 lottery locations and shall not be restricted by the facility licensee.

6 IV. No automatic teller machines shall be located within 150 feet of a video lottery machine.

7 287-H:12 Licenses; Number of Video Lottery Machines.

8 I. From the effective date of this chapter, the number of video lottery machines statewide  
9 shall be limited to 6,000 to be distributed at the discretion and judgment of the gaming oversight  
10 authority.

11 II. The gaming oversight authority shall issue not more than a total of 6 facility licenses in  
12 the state of New Hampshire. Four facility licensees shall have 1,200 video lottery machines and 2  
13 facility licensees shall have 600 video lottery machines. Prior to issuing any facility licenses and  
14 when there are fewer than 6 facility licenses, the gaming oversight authority shall issue facility  
15 licenses pursuant to the bidding process described in paragraph III. Eligibility shall be based on, but  
16 not limited to the following:

17 (a) Evidence provided by the applicant that the applicant has received any required local  
18 approval.

19 (b) Regional location of prospective facility licensee.

20 (c) A detailed economic plan, filed with the gaming oversight authority, for the  
21 municipality and the surrounding region where the prospective facility licensee is located with  
22 supporting documentation to explain the following:

23 (1) Unemployment in the area.

24 (2) Direct and indirect employment gain.

25 (3) Effect on tourism-based economy.

26 (4) Effect on regional economic development.

27 (5) Tourist trends.

28 (d) A business plan, filed with the gaming oversight authority, to support video lottery  
29 machines.

30 (e) Qualifications of those persons who own or manage the prospective licensee facility.

31 (f) Regional population.

32 (g) Vehicle traffic.

33 (h) Total square footage of the facility and total acreage of such facility.

34 (i) Availability of suitable infrastructure.

35 (j) Availability of adequate parking.

36 (k) Other information that the gaming oversight authority may require.

37 III. Within 60 days of the effective date of this chapter and whenever there are fewer than 6

1 facility licensees, the gaming oversight authority shall solicit sealed bids through a competitive  
2 bidding process for the available facility license or licenses. The minimum bid for the facility  
3 licenses for 600 video lottery machines shall be \$6,000,000. The minimum bid for the facility  
4 licenses for 1200 video lottery machines shall be \$12,000,000. If there are more bidders who are  
5 equally eligible than the number of available facility licenses, the gaming oversight authority shall  
6 conduct a drawing to determine which bidder or bidders will be issued facility licenses. All  
7 successful bidders shall pay the balance of the total amount of each bid within 30 days of notification  
8 that the bid has been accepted or shall forfeit the gaming facility license.

9 287-H:13 Application and License Requirements.

10 I. A facility licensee applicant shall obtain a facility license from the gaming oversight  
11 authority. An applicant shall complete and sign an application on the forms prescribed by the  
12 gaming oversight authority. The application shall include the full name, residence, date of birth,  
13 and other personal identifying information of the applicant, and if a corporation or other form of  
14 business enterprise, the same information shall be provided with respect to each partner, trustee,  
15 officer, director, and any shareholder or other holder who owns more than 3 percent of the legal or  
16 beneficial interests of such entity. All such business entities shall be registered with the secretary of  
17 state.

18 II. The gaming oversight authority shall refer applications to the attorney general who shall  
19 conduct an investigation. The investigation may be conducted through any appropriate state or  
20 federal law enforcement system and may seek information as to the applicant's financial, criminal,  
21 or business background, or any other information which the attorney general, in his or her sole  
22 discretion, may deem relevant to the subject's fitness to be associated with the ownership or  
23 management of the operation of a facility licensee in New Hampshire, including but not limited to,  
24 the subject's character, personal associations, and the extent to which the subject is properly doing  
25 business in the manner in which it purports to operate. The attorney general shall report the results  
26 of the investigation to the gaming oversight authority within 90 days after the receipt of the  
27 application. Notwithstanding any other law to the contrary, the results of any such investigation  
28 shall be confidential and shall not be subject to disclosure or to public inspection.

29 III. In any investigation conducted pursuant to paragraph II, the attorney general or any  
30 duly authorized member of the attorney general's staff may subpoena the attendance of witnesses  
31 and require the production of such correspondence, documents, books, and papers as deemed  
32 advisable, and for purposes of this section, may administer oaths and take the testimony of  
33 witnesses.

34 287-H:14 Licensure Requirements.

35 I. No facility license shall be issued by the gaming oversight authority unless the applicant  
36 has proven to the satisfaction of the gaming oversight authority by clear and convincing evidence:

37 (a) The financial stability based on audited financial statements, integrity, and

1 responsibility, considering, without limitation, bank references, business and personal income and  
2 disbursement schedules, tax returns and other reports filed with governmental agencies, and  
3 business and personal accounting and check records and ledgers.

4 (b) The trustworthiness and good reputation of all financial backers, investors,  
5 mortgagees, bondholders, and holders of indentures, notes and other evidences of indebtedness of the  
6 applicant.

7 (c) The good character, honesty and integrity, considering, without limitation,  
8 information pertaining to reputation, criminal record, business activities, and financial affairs  
9 covering at least the 10-year period immediately preceding the filing of the application.

10 (d) In addition, no facility license shall be issued by the gaming oversight authority to  
11 any applicant unless the applicant has proven to the satisfaction of the gaming oversight authority  
12 by clear and convincing evidence that each director, officer, or similar principal employee and each  
13 direct or indirect owner satisfies the standards for licensure contained in RSA 287-H:13.

14 (e) The gaming oversight authority may, in its discretion, waive the qualification  
15 requirement for any such person who is not significantly involved in the activities of the applicant,  
16 does not have the ability to significantly influence or control the applicant, or for other good cause,  
17 only when written justification is provided.

18 (f) Except as provided in this chapter, no person who owns, directly or indirectly, legally  
19 or beneficially, 5 percent or less of the equity securities or 50 percent or less of the outstanding debt  
20 securities of a publicly traded holding company of an applicant for a facility license shall be required  
21 to be qualified pursuant to the provisions of this section prior to the issuance of such a license to the  
22 applicant.

23 (g) If a facility licensee has 25 or fewer holders of its equity securities, either directly or  
24 indirectly, legally or beneficially, then each such holder shall satisfy the standards of this chapter.

25 II. No technology provider's license shall be issued by the gaming oversight unless the  
26 applicant has demonstrated to the satisfaction of the gaming oversight authority by clear and  
27 convincing evidence that it satisfies the standards contained in paragraph I of this section. The  
28 gaming oversight authority shall establish the form of application that shall be completed by each  
29 applicant for a technology provider's license. Each technology provider license applicant shall be  
30 subject to the investigation set forth in RSA 287-H:13 except that all investigatory reports shall be  
31 provided to the gaming oversight authority.

32 III. All information and data required by the gaming oversight authority, or the division of  
33 gaming enforcement to be furnished pursuant to this chapter, or which may otherwise be obtained by  
34 the gaming oversight authority, or the division of gaming enforcement in the performance of their  
35 duties under this chapter, except information regarding net machine income, shall be considered to  
36 be confidential and shall not be revealed in whole or in part except as otherwise provided by law, or  
37 upon the lawful order of a court of competent jurisdiction, or with the approval of attorney general to

1 a duly authorized law enforcement agency.

2 IV. No licensee or any individual or entity that is an owner of, or has a financial interest in  
3 or with the licensee shall be permitted to make a political contribution as defined by RSA 664:2, VIII.

4 287-H:15 License and Investigation Fees. A non-refundable license application fee for each class  
5 or type of license to be issued under this chapter shall be \$1,000. Renewal fees shall be \$1,000 for  
6 each class or type of license. Upon application for a facility license, the applicant shall pay a one-  
7 time fee of 10 percent of the applicant's bid amount under RSA 287-H:12 which will be used by the  
8 gaming oversight authority as start-up capital at each location for training and an initial bank. If  
9 the facility license applicant is not issued a license under RSA 287-H:12, the one-time application fee  
10 shall be returned to the applicant by the gaming oversight authority. If the facility license applicant  
11 is issued a license under RSA 287-H:12, the one-time application fee shall be subtracted from the  
12 amount of the bid owed by the applicant. Upon issuance of a facility license, the facility licensee  
13 shall pay the amount of bid owned to the gaming oversight authority. Fifteen percent of such  
14 amount shall be used by the gaming oversight authority as start-up capital at each location for  
15 training and an initial bank and 75 percent shall be deposited in the general fund.

16 287-H:16 Term of License. Any facility license or technology provider's license issued pursuant  
17 to this chapter and any renewal thereof shall be valid for 5 years unless earlier suspended or revoked  
18 by the gaming oversight authority. All licenses issued under this chapter shall be issued as a  
19 privilege and not by right. No person or entity may claim any property right to, or in conjunction  
20 with, any license issued under this chapter. The gaming oversight authority shall be informed  
21 within 10 days of any anticipated change in ownership or stockholders of a licensee that would  
22 normally be subject to investigation and licensing requirements in RSA 287-H:15. Failure to inform  
23 the gaming oversight authority of said anticipated changes shall result in license revocation.

24 287-H:17 Distribution of Net Income; Machine Income Fund. There is hereby established a  
25 machine income fund in the office of the state treasurer to be administered by the state treasurer.  
26 The fund shall be nonlapsing and continually appropriated to the state treasurer for the purposes set  
27 forth in this section. The state treasurer shall distribute the funds on the fifth of each month as  
28 follows:

29 I. Sixty percent of the net machine income shall be deposited in the general fund.

30 II. Fifteen percent of the net machine income shall be paid to the gaming oversight authority  
31 to be used to pay for the establishment, administration, and operation of the division of gaming  
32 enforcement.

33 III. Sixteen percent of the net machine income shall be paid to the facility licensee as a gross  
34 lease.

35 IV. Six percent of the net machine income shall be paid to the technology provider for the  
36 leasing and maintenance of the video lottery machines.

37 V. Two percent of the net machine income shall be paid to the centralized data provider to

1 carry out the responsibilities outlined in this chapter.

2 VI. One percent of the net machine income shall be paid to the city or town where the  
3 facility licensee facility is located.

4 287-H:18 Gaming Oversight.

5 I. The gaming oversight authority or the division of gaming enforcement shall be present at  
6 all facility licensee location at which video lottery machines are operated by the state at all times  
7 whether the facility is open to the public or not.

8 II. The division of gaming enforcement shall be present at all times when a video lottery  
9 machine is opened to remove or insert any drop box, hopper, or other mechanism containing money,  
10 tokens, or other items of value. The division of gaming enforcement shall be present in the count  
11 room at all times that money, tokens, or other items of value utilized in video lottery machines are  
12 counted.

13 287-H:19 Hearings; Investigations; False Statement; Enforcement Policy.

14 I. The gaming oversight authority shall adopt and publish rules pursuant to RSA 541-A, to  
15 govern its proceedings and to regulate the mode and manner of all investigations and hearings before it.

16 (a) All hearings before the gaming oversight authority shall be in accordance with  
17 RSA 541-A:31-36. In any such investigation or hearing the gaming oversight authority shall not be  
18 bound by the technical rules of evidence.

19 (b) The gaming oversight authority, or any member, may subpoena witnesses and  
20 administer oaths in any proceeding or examination instituted before or conducted by it, and may  
21 compel, by subpoena, the production of any accounts, books, contracts, records, documents,  
22 memoranda, and papers of any kind whatever.

23 (c) Witnesses summoned before the superior court, and such summons issued by any  
24 justice of the peace shall have the same effect as though issued for appearance before such court.  
25 Justices of the peace and all other magistrates empowered to issue subpoenas and compel the  
26 attendance of witnesses in the courts of this state shall have the same power to compel their  
27 attendance and the production of evidence in any proceeding before the gaming oversight authority.

28 (d) The gaming oversight authority may apply to the superior court, under the  
29 provisions of RSA 491:19-20, to have punished for contempt any witness who refuses to obey a  
30 subpoena, or who refuses to be sworn or affirmed to testify, or who is guilty of any contempt after  
31 summons to appear.

32 II. If any false statement is knowingly made in any statement under oath which may be  
33 required by the provisions of this chapter or by the gaming oversight authority, the person making  
34 the same shall be guilty of perjury. The making of any such false statement in any such application  
35 or in any such accompanying statements, whether made with or without the knowledge or consent of  
36 the applicant, shall, in the discretion of the gaming oversight authority, constitute sufficient cause  
37 for the revocation of the license.

1 III.(a) The gaming oversight authority shall adopt by rule under RSA 541-A a formal  
2 enforcement policy for licensees under its jurisdiction. This policy shall specify the disciplinary  
3 action which the gaming oversight authority shall take for violations of various laws under its  
4 jurisdiction. The enforcement policy shall also specify mitigating and aggravating factors which the  
5 gaming oversight authority shall consider in determining penalties for specific actions. The gaming  
6 oversight authority shall not suspend or revoke a license until the licensee has been provided a  
7 hearing under RSA 541-A.

8 (b) In applying its enforcement policy, the gaming oversight authority shall establish  
9 and enforce specific penalties for specific offenses. The gaming oversight authority shall not apply  
10 penalties such as license suspensions for indefinite periods of time.

11 287-H:20 Suspension or Revocation; Administrative Fines.

12 I. If any licensee violates any of the provisions of law or any of the rules of the gaming  
13 oversight authority adopted under this chapter, the license may be suspended or revoked after notice  
14 and hearing, in accordance with RSA 541-A:31-36. Notwithstanding any other provisions of this  
15 chapter, the gaming oversight authority, after the appropriate hearing, may impose a fine of a  
16 specific sum, which shall not be less than \$1,000 nor more than \$50,000 for any one offense. Such a  
17 fine may be imposed instead of, or in addition to, any suspension or revocation of a license by the  
18 gaming oversight authority.

19 II. Notwithstanding any other provision of law, the gaming oversight authority may accept  
20 at any time, a petition from the governing body of a city or town who has voted to accept the  
21 provisions of RSA 287-H, to revoke a license held by a facility licensee who is located within that  
22 community. Any petition filed under this paragraph shall state with particularity all relevant facts  
23 and circumstances that support the opinion of the petitioner to revoke a license. A licensee against  
24 whom a petition is filed shall be entitled to a public hearing before any decision by the gaming  
25 oversight authority. All proceedings conducted in conjunction with this paragraph shall conform to  
26 the requirements of RSA 541-A.

27 III. Appeals from a decision of the gaming oversight authority shall be in accordance with  
28 RSA 541.

29 287-H:21 Penalties. Any person who violates any of the provisions of this chapter or any of the  
30 rules adopted pursuant to this chapter shall be guilty of a misdemeanor if a natural person, or guilty  
31 of a felony if any other person. In case of appeal by a licensee, the license of such licensee may be  
32 suspended at the discretion of the gaming oversight authority during the pendency of such appeal.

33 287-H:22 Prosecutions. The gaming oversight authority shall appoint gaming investigators  
34 whose primary function shall be the proper prosecution of this chapter. The investigators shall have  
35 all the powers of the sheriff in any county, with reference to enforcement of all laws either in  
36 cooperation with, or independently of, the officers of any county or town. The gaming oversight  
37 authority shall have the primary responsibility for the enforcement of all video lottery gaming. Any



1 person violating the provisions of any law may be prosecuted by the gaming oversight authority or  
2 any of its investigators as provided in this section, or by the attorney general, or by county or city  
3 attorneys, or by sheriffs or their deputies, or by police officials of towns.

4 287-H:23 Interference With Gaming Investigators. It shall be unlawful to resist or attempt to  
5 resist arrest by a gaming investigator, or to obstruct, or to intimidate or interfere with a gaming  
6 investigator in the performance of his or her duty. Any person who violates any of the provisions of  
7 this section shall be guilty of a misdemeanor.

8 287-H:24 Fines.

9 I. All fines imposed by any court and collected for the violation of the provisions of this  
10 chapter shall be paid to the state, county, or town, the officials of which instituted the prosecution.

11 II. All fines imposed by the gaming oversight authority shall be deposited into the general  
12 fund.

13 287-H:25 Procedures for Adoption by Local Community.

14 I. Any town or city in which a facility licensee location is situated may adopt the provisions  
15 of RSA 287-H, to allow the operation of electronic games of chance, in the following manner:

16 (a) In a town, the question shall be placed on the warrant of a special or annual town  
17 meeting under the procedures set out in RSA 39:3, and shall be voted on a ballot; provided, however,  
18 if the question is placed on the warrant at a special town meeting, it shall be the only question at  
19 such special town meeting. In a city, the legislative body may vote to place the question on the  
20 official ballot for any regular municipal election, or, in the alternative, shall place the question on the  
21 official ballot for any regular municipal election upon submission to the legislative body of a petition  
22 signed by 5 percent of the registered voters.

23 (b) The selectmen, aldermen, or city council shall hold a public hearing on the question  
24 at least 15 days but not more than 30 days before the question is to be voted on. Notice of the  
25 hearing shall be posted in at least 2 public places in the municipality and published in a newspaper  
26 of general circulation at least 7 days before the hearing.

27 (c) The wording of the question shall be substantially as follows: "Shall we adopt the  
28 provisions of RSA 287-H, allowing the operation of electronic games of chance at the licensed facility  
29 located within the town and operated by the state?"

30 II. If a majority of those voting on the question vote "Yes," RSA 287-H shall apply within the  
31 city or town.

32 III. If the question is not approved, the question may later be voted upon according to the  
33 provisions of paragraph I, provided, however, that the town may consider the question at no more  
34 than one special town meeting and the annual town meeting in the same calendar year.

35 287-H:26 Declaration of Limited Exemption. Pursuant to section 2 of an act of Congress of the  
36 United States entitled "An act to prohibit transportation of gambling devices in interstate and  
37 foreign commerce," approved January 2, 1951, being Chapter 1194, 64 Stat. 1134, and also

1 designated as 15 U.S.C. sections 1171-1177, the state of New Hampshire, acting by and through the  
2 duly elected and qualified members of its legislature, does hereby, in accordance with and in  
3 compliance with the provisions of that section 2 of that act of Congress, declare and proclaim that  
4 section 2 of that act of Congress shall not apply to any gambling device in this state where the  
5 transportation of such a device is specifically authorized by and done in compliance with the  
6 provisions of this chapter and any rules adopted pursuant to it, and that any such gambling device  
7 transported in compliance with state law and rules shall be exempt from the provisions of that act of  
8 Congress.

9 287-H:27 Legal Shipment of Gaming Devices into New Hampshire. All shipments into this state  
10 of gaming devices, the registering, recording and labeling of which has been duly made by the  
11 manufacturer or dealer in accordance with sections 3 and 4 of an act of Congress of the United States  
12 entitled "An act to prohibit transportation of gambling devices in interstate and foreign commerce,"  
13 approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and also designated as 15 U.S.C.  
14 sections 1171-1172, shall be deemed legal shipments into this state.

15 104 New Paragraph; Attorney General; Gaming Investigators. Amend RSA 21-M:3 by inserting  
16 after paragraph VII the following new paragraph:

17 VIII. The attorney general may hire investigators or contract for investigatory services to  
18 facilitate background investigations required under RSA 287-H, and said investigators shall be paid  
19 from licensing fees paid under RSA 287-H:15.

20 105 New Sections; Division of Gaming Enforcement. Amend RSA 21-P by inserting after section  
21 8 the following new sections:

22 21-P:8-a Division of Gaming Enforcement.

23 I. There is hereby established a division of gaming enforcement under the supervision of an  
24 unclassified director of gaming enforcement whom shall be responsible for the following functions, in  
25 accordance with applicable laws:

26 (a) Manage and hire employees for the day-to-day operation of all video lottery locations  
27 ensuring the integrity of the program. Gaming enforcement employees shall be assigned to all  
28 locations and will be present at all times whether the location is open or closed.

29 (b) Investigate violations of RSA 284 or RSA 287-H and the rules adopted under the  
30 provisions of RSA 284 or RSA 287-H.

31 (c) Report the results of any investigation conducted to the gaming oversight authority.

32 (d) Participate in any hearing conducted by the gaming oversight authority.

33 II. The commissioner of safety shall organize the division into such units as the  
34 commissioner deems necessary.

35 21-P:8-b Powers and Duties; Gaming Enforcement. The director of gaming enforcement shall be  
36 the chief administrative officer of the division of gaming enforcement and shall have the following  
37 powers and duties:

1 I. The director shall manage all operations of the division of gaming enforcement and the  
2 daily operation of video lottery locations and administer and enforce the laws with which the division  
3 is charged. The director shall report directly to the gaming oversight authority.

4 II. The director shall have every power enumerated in the laws, whether granted to the  
5 director, the division, or any administrative unit of the division. In accordance with these provisions,  
6 the director shall:

7 (a) Biennially compile a comprehensive program budget which reflects all fiscal matters  
8 related to the operation of the division and each program and activity of the division.

9 (b) Adopt all rules of the division with approval of the gaming oversight authority,  
10 pursuant to RSA 541-A.

11 (c) Exercise general supervisory and appointing authority over all division employees,  
12 subject to applicable personnel statutes and rules.

13 (d) Delegate authority to subordinates as the director deems necessary and appropriate,  
14 except that rulemaking authority shall not be delegated. All such delegations shall be made in  
15 writing, shall be disseminated, shall clearly delineate the authority delegated and the limitations  
16 thereto, and shall be kept on file in the director's office.

17 (e) Adopt practices which will improve the efficiency of the division and the provision of  
18 services to the citizens of the state.

19 (f) Provide cooperation, at the request of the heads of administratively attached agencies  
20 in order to:

21 (1) Minimize or eliminate duplication of services and jurisdictional conflicts;

22 (2) Coordinate activities and resolve problems of mutual concern; and

23 (3) Resolve by agreement the manner and extent to which the division shall provide  
24 budgeting, recordkeeping and related clerical assistance to administratively attached agencies.

25 (g) Give bond, and require division directors to give bond, to the state as specified in  
26 RSA 93-B.

27 (h) Where functions of divisions overlap or a function assigned to one division could  
28 better be performed by another division, recommend appropriate legislation to the next regular  
29 session of the general court.

30 III. The director shall adopt such reasonable internal practices and procedures, which shall  
31 not be considered rules subject to the provisions of RSA 541-A, as may be necessary to carry out the  
32 duties of the division and its divisions, consistent with this chapter, including without limitation a  
33 comprehensive manual of procedures for the operation of video lottery locations.

34 IV. The director may not accept, on behalf of the division, any grants of money without first  
35 obtaining the express consent of the fiscal committee of the general court established by RSA 14:30-  
36 a.

37 V. The director shall have the authority to adopt rules, pursuant to RSA 541-A, necessary to

1 assure the continuation or granting of federal funds or other assistance not otherwise provided for by  
2 law.

3 VI. The director may enter into contracts for services, supplies, or other needs of the  
4 division.

5 VII. The director shall report annually to the gaming oversight authority with respect to the  
6 division's operation for the preceding year, and render such other reports as the governor and  
7 council, the general court, or the gaming oversight authority shall from time to time request.

8 VIII. The director shall develop, publish, and periodically revise an annual comprehensive  
9 plan for the division which shall indicate, among other things, the division's goals, objectives,  
10 resources, current conditions, and needs. The director shall annually submit such comprehensive  
11 plan to the gaming oversight authority.

12 IX. The director, the gaming oversight authority, the commissioner of the department of  
13 safety, and if necessary, the sweepstakes commission shall jointly establish procedures for sharing  
14 data, background investigation, technology and technology providers, and facilities. These  
15 procedures shall not be considered rules subject to RSA 541-A and shall be established so as to  
16 ensure compliance with state and federal confidentiality and privacy laws.

17 X. If this section conflicts with other powers and duties specifically granted by statute to the  
18 director, the specific powers and duties shall control. If this section conflicts with other statutes  
19 specifically limiting the powers of the director, the specific limitations shall control.

20 106 Director of Gaming Enforcement; Salary. The salary for the unclassified position  
21 authorized in section 105 of this act shall be established as provided in RSA 14:14-c, RSA 17-A:7, and  
22 RSA 94:1-d.

23 107 New Subparagraph; Authorized Video Lottery of Games of Chance Machines Not  
24 Prohibited. Amend RSA 647:2, V by inserting after subparagraph (c) the following new  
25 subparagraph:

26 (d) Video lottery machines authorized pursuant to RSA 287-H.

27 108 New Subparagraph; Application of Receipts; Machine Income Fund. Amend RSA 6:12, I(b)  
28 by inserting after subparagraph (299) the following new subparagraph:

29 (300) Moneys deposited in the machine income fund established under RSA 287-  
30 H:17.

31 109 New Paragraph; Facility Licensee; Cocktail Lounge License. Amend RSA 178:20, by  
32 inserting after paragraph V the following new paragraph:

33 VI. The liquor commission may issue a special license to a person holding a facility license as  
34 defined by RSA 287-H:1, IV. Such special license shall allow the sale of liquor, wine, and beverages  
35 within the facility licensee location, including dining room, function room, gaming room, lounge, or  
36 any other area designated by the commission, without regard to whether meals are served therein,  
37 but only during the time gaming is being conducted under RSA 287-H. A person licensed under this

1 section shall comply with RSA 179:44.

2

3 Amend the bill by deleting sections 80, 86, and 87 and renumbering the remaining sections 81-110  
4 and 80-107, respectively.

5

6 Amend the bill by replacing section 93 with the following:

7

8 93 Applicability. Sections 89-92 shall apply to taxable periods ending on or after December 1,  
9 2010.

10

11 Amend paragraph II of section 107 of the bill by replacing it with the following:

12

13 II. Sections 13, 14, 16, 67-64, 77-79, and 89-96 of this act shall take effect July 1, 2010.

2010-1627h

AMENDED ANALYSIS

This bill:

1. Exempts certain rates for services, placements, and programs for children and families from RSA 541-A.
2. Clarifies the administration of the New Hampshire employment program.
3. Makes the funded family assistance program (FANF) permissive rather than mandatory.
4. Requires recipients of medical assistance to name the state of New Hampshire as beneficiary of all life insurance policies, except under certain circumstances.
5. Allows the department of health and human services to make a claim for recovery of assistance for a deceased recipient from the division of abandoned property.
6. Authorizes the commissioner of the department of health and human services to transfer funds within and among all PAUs within the department, to address present or projected budget deficits, or to respond to changes in federal laws, regulations, or programs, and as otherwise necessary for the efficient management of the department.
7. Permits funds from the lead paint poisoning prevention fund to be used to support program staff and administrative costs.
8. Transfers powers and duties for the New Hampshire refugee resettlement program from the governor's office to the department of health and human services.
9. Establishes a special account for civil fines collected by the department of health and human services under RSA 151.
10. Clarifies criteria for determining eligibility for services under the Medicaid waiver.
11. Changes the due date for the Medicaid enhancement tax.
12. Renames the "multiple DWI offender intervention detention center program" as the "multiple DWI offender intervention program," and authorizes the commissioner of the department of health and human services to directly operate the program, to approve community-based providers of the program, or to contract with public or private entities to operate the program.
13. Requires the commission to examine driving while impaired education and intervention programs to study penalties for intoxication or under the influence of drugs offenses and submit a report of its findings.
14. Makes further reductions in the operating budget for the legislative, judicial, and executive branches for fiscal years 2010 and 2011.
15. Suspends the home health service rate setting rule for the biennium ending June 30, 2011.
16. Suspends the catastrophic illness program in the department of health and human services for the fiscal year ending June 30, 2011.

17. Suspends the senior volunteer grant program in the department of health and human services for the fiscal year ending June 30, 2011.

18. Authorizes the commissioner of the department of health and human services to disburse funds from the alcohol abuse prevention and treatment fund.

19. Amends the duties of the governor's commission on alcohol and drug abuse prevention, intervention, and treatment and deletes the authority for disbursement of funds from the alcohol abuse prevention and treatment fund.

20. Suspends the requirement for the department of health and human services to distribute incentive funds for juvenile placement programs.

21. Reduces the rate paid to residential providers subject to the rate setting rule of the department of health and human services by 2 percent.

22. Extends the suspension of direct graduate medical education payments to hospitals until July 1, 2011.

23. Suspends the provision of indirect graduate medical education payments to hospitals through June 30, 2011.

24. Suspends catastrophic aid payments to hospitals effective April 1, 2010 through June 30, 2011.

25. Amends the state operating budget by deleting expenditures in fiscal years 2010 and 2011 for the home visiting program.

26. Conditions eligibility for cash assistance and medical assistance benefits on the recipient filing an application for any federal cash assistance benefits for which the individual may be entitled.

27. Removes the application of the rooms and meals tax to campsites.

28. Authorizes the state treasurer to refinance certain debt service obligations.

29. Increases the bonded appropriation for the university system of New Hampshire KEEP NH program by \$25,000,000 for the biennium ending June 30, 2011.

30. Authorizes the department of administrative services to transfer \$2,000,000 from certain dedicated funds or accounts maintained separately on the books of the state.

31. Requires the lapse of certain retirement pension benefit-health insurance funds.

32. Requires the lapse of certain judicial council funds for contracts for program services.

33. Requires the lapse of certain appropriations to the state treasurer for debt service.

34. Makes distributions from limited liability companies, partnerships, and associations subject to the interest and dividends tax only if they have transferable shares.

35. Establishes a commission to study business taxes and safe harbor deductions for the reasonable compensation deduction under the business profits tax.

36. Reduces the state's contribution for benefits under the New Hampshire retirement system for fiscal year 2011.

37. Increases the license fees for selling animals and birds.
38. Requires the lottery commission to submit a report to the governor and the legislature on the feasibility of offering online fantasy sports games.
39. Transfers certain appropriations relating to adequate education grants.
- 40.(a) Regulates video gaming, establishes the division of gaming enforcement, and establishes the gaming oversight authority.
  - (b) Determines the disbursement of all proceeds of video gambling with 60 percent of the proceeds distributed to the general fund.
  - (c) Establishes a new fund in the state treasurer's office for machine income.
  - (d) Allows facility licensees to receive a cocktail lounge license.



Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 104  
2 to read as 110:

3

4 103 New Chapter; Gaming Oversight Authority and Video Lottery. Amend RSA by inserting  
5 after chapter 287-G the following new chapter:

6

CHAPTER 287-H

7

GAMING OVERSIGHT AUTHORITY AND VIDEO LOTTERY

8

287-H:1 Definitions. In this chapter:

9

I. "Centralized data provider" means a provider of centralized gambling data, selected by the  
10 gaming oversight authority.

11

II. "Currency" means legal tender in the form of coins or paper which is officially issued by  
12 the United States Treasury, but it does not include any type of credit or debit card.

13

III. "Facility applicant" means the entity, which will participate and apply for a facility  
14 license, as applicable.

15

IV. "Facility license" means the license issued by the gaming oversight authority to a facility  
16 licensee.

17

V. "Facility licensee" means an applicant who is issued a license by the gaming oversight  
18 authority to provide facilities and support to state operated video lottery locations.

19

VI. "Gaming oversight authority" means the authority established by RSA 287-H:2.

20

VII. "Net machine income" means all cash or other consideration utilized to play a video  
21 lottery machine, less all cash or other consideration paid to players of video lottery machines as  
22 winnings. Non cashable promotional credits shall be excluded from the calculation.

23

VIII. "Technology provider" means any person or entity which designs, manufactures,  
24 installs, distributes, or supplies video lottery machines for lease to the state for conducting video  
25 lottery games in accordance with this chapter.

26

IX. "Token" means the coin, which is not legal tender, sold by a cashier in a face amount  
27 equal to the currency paid by a player for the sole purpose of playing a video lottery machine at a  
28 licensed facility, which can be exchanged for currency at the same facility where the video lottery  
29 machines are located, but it does not include any type of credit or debit card.

30

X. "Video lottery employee" means a person employed by the state in the operation of a video  
31 lottery location, including without limitation, cashiers; floormen; machine mechanics; security

1 personnel or inspectors; and supervisors or managers. Video lottery employees shall be hired, fired,  
2 trained, managed, and supervised by the division of gaming enforcement.

3 XI. "Video lottery location" means a state operated facility, within a location provided by the  
4 facility licensee, authorized by the local community that contains video lottery machines operated in  
5 accordance with this chapter.

6 XII. "Video lottery machines" means an electronic, mechanical, or computerized machine  
7 licensed by the lottery commission, which upon the insertion of bills, coins, tokens, or any  
8 representative of value is available to be played where, by chance or skill, or both, the player may  
9 receive cash, cash equivalents, or tokens. Video lottery machines include, but are not limited to, slot  
10 machines, video poker machines, and other lottery machines. A machine shall be considered a video  
11 lottery machine notwithstanding the use of an electronic credit system making the deposit of bills,  
12 coins, or tokens unnecessary. Video lottery machines do not include any redemption slot machines  
13 and redemption poker machines as defined in RSA 647 or video poker machines or other similar  
14 machines used for amusement purposes only.

15 287-H:2 Gaming Oversight Authority.

16 I. There is hereby established the New Hampshire gaming oversight authority. The gaming  
17 oversight authority shall consist of the commissioner of the department of safety, the commissioner  
18 of the department of resources and economic development, and the commissioner of the department  
19 of revenue administration, or their respective designees. The commissioner of the department of  
20 safety shall serve as the chairperson of the gaming oversight authority.

21 II. The gaming oversight authority through delegation to the division of gaming enforcement  
22 shall exclusively establish, staff, manage, and operate video lottery locations at facilities licensed  
23 under the provisions of this chapter. Facilities provided by the facility licensee shall contain non-  
24 gaming resources such as, dining, liquor, hotel, and any other support resource approved by the  
25 gaming oversight authority. The facility licensee shall, at a minimum, provide and pay for heat,  
26 electricity, water, sewer, maintenance, and security surveillance infrastructure for the video lottery  
27 location for which the facility licensee shall receive remuneration pursuant to RSA 287-H:17, III.

28 287-H:3 Duties of the Gaming Oversight Authority. The gaming oversight authority shall:

29 I. Issue licenses only after completion of the investigations set forth in this chapter. All  
30 license applications shall be approved or denied no later than 150 days from the date of application.  
31 No license issued under the provisions of this chapter shall be assigned, transferred, or sold without  
32 a complete application and the approval of the gaming oversight authority and payment of a  
33 \$150,000 application fee. No person or entity may own or have an interest in more than one facility  
34 license.

35 II. Collect all license fees imposed upon any applicant and all fees imposed by this chapter.

36 III. Certify net machine income by inspecting records, conducting audits, having its agents  
37 on site, or by other reasonable means.

1 IV. Establish a central computer system at a location of its choosing linking all video lottery  
2 machines to a central computer to ensure control over the video lottery machines.

3 V. Enter into lease agreements with up to 3 technology providers to provide video lottery  
4 machines to the state. Lease agreements shall provide that the technology provider supply the  
5 quantity and quality of video lottery machines determined by the gaming oversight authority in a  
6 timely and efficient manner, and shall be paid with a percentage of the net machine income, as  
7 provided in RSA 287-H:17, IV. The technology provider shall provide all maintenance and service of  
8 its video lottery machines at no additional charge or fee to the state. Each agreement shall also  
9 provide that the technology provider shall be required to replace 30 percent of its video lottery  
10 machines on a yearly basis.

11 VI. Establish technical standards for approval of video lottery machines, including  
12 mechanical and electrical reliability and security against tampering, as it may deem necessary to  
13 protect the public from fraud or deception and to ensure the integrity of the operation.

14 VII. No later than November 1 in each calendar year of this program, provide a report to the  
15 fiscal committee of the general court regarding the generation of revenue of video lottery machines.  
16 Such report shall include any recommendations for legislation and any community concerns.

17 VIII. Have the authority to issue subpoenas and compel the attendance of witnesses, to  
18 administer oaths, and require testimony of witnesses under oath.

19 IX. Make and keep records of all proceedings of its public meetings. A copy of the transcript  
20 shall be made available to any person upon request and payment of the costs of preparing a copy.

21 X. Keep and maintain a list of all license applicants and a record of all actions taken with  
22 respect to each applicant. A file and record of the actions by the gaming oversight authority shall be  
23 open to the public.

24 XI. Maintain such other files and records as it deems necessary. All records maintained by  
25 the gaming oversight authority may be maintained in digital format or other technology, provided  
26 that such information is capable of being produced in written form.

27 XII. Maintain the confidentiality of all information and data obtained by the gaming  
28 oversight authority. Such information shall not be revealed in whole or in part except as otherwise  
29 provided by law, upon the lawful order of a court of competent jurisdiction, lawfully executed and  
30 served grand jury subpoenas, or with the approval of the attorney general, to a duly authorized law  
31 enforcement agency.

32 XIII. Provide notice of the contents of any information or data released, except to a duly  
33 authorized law enforcement agency or grand jury subpoena pursuant to paragraph XII, shall be  
34 given to any applicant, registrant, or licensee in a manner prescribed by the rules adopted by the  
35 gaming oversight authority.

36 XIV. If necessary, contract for and procure financial, economic, or security consultants and  
37 any other technical and professional services as the authority deem necessary.

1 XV. Develop and provide an employee training program which shall include, but not be  
2 limited to, information on state law, criminal and civil liability, and management practices.

3 287-H:4 Rulemaking.

4 I. The gaming oversight authority shall have general responsibility for the implementation  
5 of this chapter and shall adopt rules under RSA 541-A relative to:

6 (a) Hearing and deciding all license applications or recommendations for the suspension  
7 or revocation of any license.

8 (b) Conducting all investigations required with regard to the application, suspension, or  
9 revocation of any licensee or applicant.

10 (c) Conducting hearings pertaining to administrative violations or rules and collecting  
11 all penalties assessed under the provisions of this chapter.

12 (d) Establishing standards and a reasonable fee structure for the licensing and renewal  
13 of licenses for technology providers.

14 (e) Establishing technical standards for approval of video lottery machines, including  
15 mechanical and electrical reliability and security against tampering, as it may deem necessary to  
16 protect the public from fraud or deception and to ensure the integrity of operation.

17 (f) Establishing criteria for licensing, suspension, and revocation and the bidding process  
18 under RSA 287-H:12.

19 (g) The value of prizes, which may be awarded, and the cost of play for each video lottery  
20 game played on a video lottery machine, as recommended by the technology provider.

21 (h) Establishing employee qualifications, training, and background investigations for  
22 prospective employees.

23 (i) Standards for the management, and operation, of all video lottery locations.

24 II. Pending the adoption of rules under RSA 541-A, and notwithstanding RSA 541-A:2, the  
25 gaming oversight authority shall adopt interim rules including provisions for the publication of  
26 public notice of the period of time for the submission of facility license applications and after public  
27 hearing and within 60 days of the effective date of this chapter. Such interim rules shall  
28 automatically expire upon the adoption of rules under RSA 541-A.

29 287-H:5 Restrictions. No member or employee of the gaming oversight authority, the  
30 department of revenue administration, the department of resources and economic development, or  
31 the department of safety shall have a fiduciary interest in any technology provider, facility licensee,  
32 or centralized data provider.

33 287-H:6 Licensure of Technology Provider and Centralized Data Provider. No technology  
34 provider or centralized data provider shall engage in the business of providing, installing, or  
35 repairing video lottery machines used in this program without a license issued by the gaming  
36 oversight authority.

37 287-H:7 Restriction on Technology and Centralized Data Provider. No technology provider or

1 centralized data provider or their employees shall be entitled to operate video lottery machines  
2 within the state.

3 287-H:8 Restriction of Minors.

4 I. No person under the age of 21 shall play a video lottery machine authorized by this  
5 chapter.

6 II. No member or employee of any video lottery location, department of safety, the attorney  
7 general's office, or the gaming oversight authority shall knowingly permit a person under the age of  
8 21 to play or participate in any aspect of the playing of a video lottery machine.

9 III. Each violation of this section shall be punishable by a fine of no more than \$1,000 and  
10 shall be payable by such person, employee, or facility licensee who violates paragraph I or II. If such  
11 violator is a state employee, then the employee shall also be subject to appropriate sanctions in  
12 conformance with the adopted policies and procedures of the division of gaming enforcement, and the  
13 department of administrative services, division of personnel.

14 287-H:9 Person Misrepresenting Age.

15 I. A person who falsely represents his age for the purpose of playing video lottery machines  
16 shall be guilty of a misdemeanor. Any person who violates any of the provisions of this section shall  
17 be fined for his or her first offense a minimum of \$250. No portion of this mandatory minimum fine  
18 shall be waived, continued for sentencing, or suspended by the court. A second or subsequent offense  
19 shall carry a \$500 minimum fine.

20 II. Notwithstanding paragraph I or any other law to the contrary, any person who possesses  
21 or uses or displays in any manner an identification card, document, license or any other document  
22 which falsely represents such person's age for the purpose of playing video lottery machines shall be  
23 fined a minimum of \$250. No portion of this mandatory minimum fine shall be waived, continued for  
24 sentencing, or suspended by the court. The provisions of this paragraph shall not reduce the  
25 maximum penalty which may be imposed for such an offense pursuant to paragraph I. A second or  
26 subsequent offense shall carry a \$500 minimum fine.

27 III. An identification card issued under the provisions of RSA 260:21 shall be withdrawn for  
28 violation of this section for 90 days. In addition, the director of the division of motor vehicles shall  
29 withdraw, for 90 days, the identification card of any person who allows his or her card to be used or  
30 displayed by another person for the purpose of playing video lottery machines.

31 287-H:10 Penalty for Tampering or Manipulating. Any person who, with the intent to  
32 manipulate the outcome, payoff, or operation of a video lottery machine, manipulates the outcome,  
33 payoff, or operation of any video lottery machine by physical, electronic, or mechanical means, shall  
34 be guilty of a class A felony.

35 287-H:11 Video Lottery Machine Requirements.

36 I. No video lottery machine shall be used to conduct gaming unless it is identical in all  
37 electrical, mechanical, and other aspects to a model, which has been specifically tested and licensed

1 for use by the gaming oversight authority.

2 II. All video lottery machines in operation shall pay out as winnings at least 92 percent on  
3 an annual basis.

4 III. The gaming oversight authority shall establish the days and hours of operation of video  
5 lottery locations and shall not be restricted by the facility licensee.

6 IV. No automatic teller machines shall be located within 150 feet of a video lottery machine.

7 287-H:12 Licenses; Number of Video Lottery Machines.

8 I. From the effective date of this chapter, the number of video lottery machines statewide  
9 shall be limited to 6,000 to be distributed at the discretion and judgment of the gaming oversight  
10 authority.

11 II. The gaming oversight authority shall issue not more than a total of 6 facility licenses in  
12 the state of New Hampshire. Four facility licensees shall have 1,200 video lottery machines and 2  
13 facility licensees shall have 600 video lottery machines. Prior to issuing any facility licenses and  
14 when there are fewer than 6 facility licenses, the gaming oversight authority shall issue facility  
15 licenses pursuant to the bidding process described in paragraph III. Eligibility shall be based on, but  
16 not limited to the following:

17 (a) Evidence provided by the applicant that the applicant has received any required local  
18 approval.

19 (b) Regional location of prospective facility licensee.

20 (c) A detailed economic plan, filed with the gaming oversight authority, for the  
21 municipality and the surrounding region where the prospective facility licensee is located with  
22 supporting documentation to explain the following:

23 (1) Unemployment in the area.

24 (2) Direct and indirect employment gain.

25 (3) Effect on tourism-based economy.

26 (4) Effect on regional economic development.

27 (5) Tourist trends.

28 (d) A business plan, filed with the gaming oversight authority, to support video lottery  
29 machines.

30 (e) Qualifications of those persons who own or manage the prospective licensee facility.

31 (f) Regional population.

32 (g) Vehicle traffic.

33 (h) Total square footage of the facility and total acreage of such facility.

34 (i) Availability of suitable infrastructure.

35 (j) Availability of adequate parking.

36 (k) Other information that the gaming oversight authority may require.

37 III. Within 60 days of the effective date of this chapter and whenever there are fewer than 6

1 facility licensees, the gaming oversight authority shall solicit sealed bids through a competitive  
2 bidding process for the available facility license or licenses. The minimum bid for the facility  
3 licenses for 600 video lottery machines shall be \$6,000,000. The minimum bid for the facility  
4 licenses for 1200 video lottery machines shall be \$12,000,000. If there are more bidders who are  
5 equally eligible than the number of available facility licenses, the gaming oversight authority shall  
6 conduct a drawing to determine which bidder or bidders will be issued facility licenses. All  
7 successful bidders shall pay the balance of the total amount of each bid within 30 days of notification  
8 that the bid has been accepted or shall forfeit the gaming facility license.

9 287-H:13 Application and License Requirements.

10 I. A facility licensee applicant shall obtain a facility license from the gaming oversight  
11 authority. An applicant shall complete and sign an application on the forms prescribed by the  
12 gaming oversight authority. The application shall include the full name, residence, date of birth,  
13 and other personal identifying information of the applicant, and if a corporation or other form of  
14 business enterprise, the same information shall be provided with respect to each partner, trustee,  
15 officer, director, and any shareholder or other holder who owns more than 3 percent of the legal or  
16 beneficial interests of such entity. All such business entities shall be registered with the secretary of  
17 state.

18 II. The gaming oversight authority shall refer applications to the attorney general who shall  
19 conduct an investigation. The investigation may be conducted through any appropriate state or  
20 federal law enforcement system and may seek information as to the applicant's financial, criminal,  
21 or business background, or any other information which the attorney general, in his or her sole  
22 discretion, may deem relevant to the subject's fitness to be associated with the ownership or  
23 management of the operation of a facility licensee in New Hampshire, including but not limited to,  
24 the subject's character, personal associations, and the extent to which the subject is properly doing  
25 business in the manner in which it purports to operate. The attorney general shall report the results  
26 of the investigation to the gaming oversight authority within 90 days after the receipt of the  
27 application. Notwithstanding any other law to the contrary, the results of any such investigation  
28 shall be confidential and shall not be subject to disclosure or to public inspection.

29 III. In any investigation conducted pursuant to paragraph II, the attorney general or any  
30 duly authorized member of the attorney general's staff may subpoena the attendance of witnesses  
31 and require the production of such correspondence, documents, books, and papers as deemed  
32 advisable, and for purposes of this section, may administer oaths and take the testimony of  
33 witnesses.

34 287-H:14 Licensure Requirements.

35 I. No facility license shall be issued by the gaming oversight authority unless the applicant  
36 has proven to the satisfaction of the gaming oversight authority by clear and convincing evidence:

37 (a) The financial stability based on audited financial statements, integrity, and

1 responsibility, considering, without limitation, bank references, business and personal income and  
2 disbursement schedules, tax returns and other reports filed with governmental agencies, and  
3 business and personal accounting and check records and ledgers.

4 (b) The trustworthiness and good reputation of all financial backers, investors,  
5 mortgagees, bondholders, and holders of indentures, notes and other evidences of indebtedness of the  
6 applicant.

7 (c) The good character, honesty and integrity, considering, without limitation,  
8 information pertaining to reputation, criminal record, business activities, and financial affairs  
9 covering at least the 10-year period immediately preceding the filing of the application.

10 (d) In addition, no facility license shall be issued by the gaming oversight authority to  
11 any applicant unless the applicant has proven to the satisfaction of the gaming oversight authority  
12 by clear and convincing evidence that each director, officer, or similar principal employee and each  
13 direct or indirect owner satisfies the standards for licensure contained in RSA 287-H:13.

14 (e) The gaming oversight authority may, in its discretion, waive the qualification  
15 requirement for any such person who is not significantly involved in the activities of the applicant,  
16 does not have the ability to significantly influence or control the applicant, or for other good cause,  
17 only when written justification is provided.

18 (f) Except as provided in this chapter, no person who owns, directly or indirectly, legally  
19 or beneficially, 5 percent or less of the equity securities or 50 percent or less of the outstanding debt  
20 securities of a publicly traded holding company of an applicant for a facility license shall be required  
21 to be qualified pursuant to the provisions of this section prior to the issuance of such a license to the  
22 applicant.

23 (g) If a facility licensee has 25 or fewer holders of its equity securities, either directly or  
24 indirectly, legally or beneficially, then each such holder shall satisfy the standards of this chapter.

25 II. No technology provider's license shall be issued by the gaming oversight unless the  
26 applicant has demonstrated to the satisfaction of the gaming oversight authority by clear and  
27 convincing evidence that it satisfies the standards contained in paragraph I of this section. The  
28 gaming oversight authority shall establish the form of application that shall be completed by each  
29 applicant for a technology provider's license. Each technology provider license applicant shall be  
30 subject to the investigation set forth in RSA 287-H:13 except that all investigatory reports shall be  
31 provided to the gaming oversight authority.

32 III. All information and data required by the gaming oversight authority, or the division of  
33 gaming enforcement to be furnished pursuant to this chapter, or which may otherwise be obtained by  
34 the gaming oversight authority, or the division of gaming enforcement in the performance of their  
35 duties under this chapter, except information regarding net machine income, shall be considered to  
36 be confidential and shall not be revealed in whole or in part except as otherwise provided by law, or  
37 upon the lawful order of a court of competent jurisdiction, or with the approval of attorney general to



1 a duly authorized law enforcement agency.

2 IV. No licensee or any individual or entity that is an owner of, or has a financial interest in  
3 or with the licensee shall be permitted to make a political contribution as defined by RSA 664:2, VIII.

4 287-H:15 License and Investigation Fees. A non-refundable license application fee for each class  
5 or type of license to be issued under this chapter shall be \$1,000. Renewal fees shall be \$1,000 for  
6 each class or type of license. Upon application for a facility license, the applicant shall pay a one-  
7 time fee of 10 percent of the applicant's bid amount under RSA 287-H:12 which will be used by the  
8 gaming oversight authority as start-up capital at each location for training and an initial bank. If  
9 the facility license applicant is not issued a license under RSA 287-H:12, the one-time application fee  
10 shall be returned to the applicant by the gaming oversight authority. If the facility license applicant  
11 is issued a license under RSA 287-H:12, the one-time application fee shall be subtracted from the  
12 amount of the bid owed by the applicant. Upon issuance of a facility license, the facility licensee  
13 shall pay the amount of bid owned to the gaming oversight authority. Fifteen percent of such  
14 amount shall be used by the gaming oversight authority as start-up capital at each location for  
15 training and an initial bank and 75 percent shall be deposited in the general fund.

16 287-H:16 Term of License. Any facility license or technology provider's license issued pursuant  
17 to this chapter and any renewal thereof shall be valid for 5 years unless earlier suspended or revoked  
18 by the gaming oversight authority. All licenses issued under this chapter shall be issued as a  
19 privilege and not by right. No person or entity may claim any property right to, or in conjunction  
20 with, any license issued under this chapter. The gaming oversight authority shall be informed  
21 within 10 days of any anticipated change in ownership or stockholders of a licensee that would  
22 normally be subject to investigation and licensing requirements in RSA 287-H:15. Failure to inform  
23 the gaming oversight authority of said anticipated changes shall result in license revocation.

24 287-H:17 Distribution of Net Income; Machine Income Fund. There is hereby established a  
25 machine income fund in the office of the state treasurer to be administered by the state treasurer.  
26 The fund shall be nonlapsing and continually appropriated to the state treasurer for the purposes set  
27 forth in this section. The state treasurer shall distribute the funds on the fifth of each month as  
28 follows:

29 I. Sixty percent of the net machine income shall be deposited in the general fund.

30 II. Fifteen percent of the net machine income shall be paid to the gaming oversight authority  
31 to be used to pay for the establishment, administration, and operation of the division of gaming  
32 enforcement.

33 III. Sixteen percent of the net machine income shall be paid to the facility licensee as a gross  
34 lease.

35 IV. Six percent of the net machine income shall be paid to the technology provider for the  
36 leasing and maintenance of the video lottery machines.

37 V. Two percent of the net machine income shall be paid to the centralized data provider to

1 carry out the responsibilities outlined in this chapter.

2 VI. One percent of the net machine income shall be paid to the city or town where the  
3 facility licensee facility is located.

4 287-H:18 Gaming Oversight.

5 I. The gaming oversight authority or the division of gaming enforcement shall be present at  
6 all facility licensee location at which video lottery machines are operated by the state at all times  
7 whether the facility is open to the public or not.

8 II. The division of gaming enforcement shall be present at all times when a video lottery  
9 machine is opened to remove or insert any drop box, hopper, or other mechanism containing money,  
10 tokens, or other items of value. The division of gaming enforcement shall be present in the count  
11 room at all times that money, tokens, or other items of value utilized in video lottery machines are  
12 counted.

13 287-H:19 Hearings; Investigations; False Statement; Enforcement Policy.

14 I. The gaming oversight authority shall adopt and publish rules pursuant to RSA 541-A, to  
15 govern its proceedings and to regulate the mode and manner of all investigations and hearings before it.

16 (a) All hearings before the gaming oversight authority shall be in accordance with  
17 RSA 541-A:31-36. In any such investigation or hearing the gaming oversight authority shall not be  
18 bound by the technical rules of evidence.

19 (b) The gaming oversight authority, or any member, may subpoena witnesses and  
20 administer oaths in any proceeding or examination instituted before or conducted by it, and may  
21 compel, by subpoena, the production of any accounts, books, contracts, records, documents,  
22 memoranda, and papers of any kind whatever.

23 (c) Witnesses summoned before the superior court, and such summons issued by any  
24 justice of the peace shall have the same effect as though issued for appearance before such court.  
25 Justices of the peace and all other magistrates empowered to issue subpoenas and compel the  
26 attendance of witnesses in the courts of this state shall have the same power to compel their  
27 attendance and the production of evidence in any proceeding before the gaming oversight authority.

28 (d) The gaming oversight authority may apply to the superior court, under the  
29 provisions of RSA 491:19-20, to have punished for contempt any witness who refuses to obey a  
30 subpoena, or who refuses to be sworn or affirmed to testify, or who is guilty of any contempt after  
31 summons to appear.

32 II. If any false statement is knowingly made in any statement under oath which may be  
33 required by the provisions of this chapter or by the gaming oversight authority, the person making  
34 the same shall be guilty of perjury. The making of any such false statement in any such application  
35 or in any such accompanying statements, whether made with or without the knowledge or consent of  
36 the applicant, shall, in the discretion of the gaming oversight authority, constitute sufficient cause  
37 for the revocation of the license.

1           III.(a) The gaming oversight authority shall adopt by rule under RSA 541-A a formal  
2 enforcement policy for licensees under its jurisdiction. This policy shall specify the disciplinary  
3 action which the gaming oversight authority shall take for violations of various laws under its  
4 jurisdiction. The enforcement policy shall also specify mitigating and aggravating factors which the  
5 gaming oversight authority shall consider in determining penalties for specific actions. The gaming  
6 oversight authority shall not suspend or revoke a license until the licensee has been provided a  
7 hearing under RSA 541-A.

8           (b) In applying its enforcement policy, the gaming oversight authority shall establish  
9 and enforce specific penalties for specific offenses. The gaming oversight authority shall not apply  
10 penalties such as license suspensions for indefinite periods of time.

11           287-H:20 Suspension or Revocation; Administrative Fines.

12           I. If any licensee violates any of the provisions of law or any of the rules of the gaming  
13 oversight authority adopted under this chapter, the license may be suspended or revoked after notice  
14 and hearing, in accordance with RSA 541-A:31-36. Notwithstanding any other provisions of this  
15 chapter, the gaming oversight authority, after the appropriate hearing, may impose a fine of a  
16 specific sum, which shall not be less than \$1,000 nor more than \$50,000 for any one offense. Such a  
17 fine may be imposed instead of, or in addition to, any suspension or revocation of a license by the  
18 gaming oversight authority.

19           II. Notwithstanding any other provision of law, the gaming oversight authority may accept  
20 at any time, a petition from the governing body of a city or town who has voted to accept the  
21 provisions of RSA 287-H, to revoke a license held by a facility licensee who is located within that  
22 community. Any petition filed under this paragraph shall state with particularity all relevant facts  
23 and circumstances that support the opinion of the petitioner to revoke a license. A licensee against  
24 whom a petition is filed shall be entitled to a public hearing before any decision by the gaming  
25 oversight authority. All proceedings conducted in conjunction with this paragraph shall conform to  
26 the requirements of RSA 541-A.

27           III. Appeals from a decision of the gaming oversight authority shall be in accordance with  
28 RSA 541.

29           287-H:21 Penalties. Any person who violates any of the provisions of this chapter or any of the  
30 rules adopted pursuant to this chapter shall be guilty of a misdemeanor if a natural person, or guilty  
31 of a felony if any other person. In case of appeal by a licensee, the license of such licensee may be  
32 suspended at the discretion of the gaming oversight authority during the pendency of such appeal.

33           287-H:22 Prosecutions. The gaming oversight authority shall appoint gaming investigators  
34 whose primary function shall be the proper prosecution of this chapter. The investigators shall have  
35 all the powers of the sheriff in any county, with reference to enforcement of all laws either in  
36 cooperation with, or independently of, the officers of any county or town. The gaming oversight  
37 authority shall have the primary responsibility for the enforcement of all video lottery gaming. Any

1 person violating the provisions of any law may be prosecuted by the gaming oversight authority or  
2 any of its investigators as provided in this section, or by the attorney general, or by county or city  
3 attorneys, or by sheriffs or their deputies, or by police officials of towns.

4 287-H:23 Interference With Gaming Investigators. It shall be unlawful to resist or attempt to  
5 resist arrest by a gaming investigator, or to obstruct, or to intimidate or interfere with a gaming  
6 investigator in the performance of his or her duty. Any person who violates any of the provisions of  
7 this section shall be guilty of a misdemeanor.

8 287-H:24 Fines.

9 I. All fines imposed by any court and collected for the violation of the provisions of this  
10 chapter shall be paid to the state, county, or town, the officials of which instituted the prosecution.

11 II. All fines imposed by the gaming oversight authority shall be deposited into the general  
12 fund.

13 287-H:25 Procedures for Adoption by Local Community.

14 I. Any town or city in which a facility licensee location is situated may adopt the provisions  
15 of RSA 287-H, to allow the operation of electronic games of chance, in the following manner:

16 (a) In a town, the question shall be placed on the warrant of a special or annual town  
17 meeting under the procedures set out in RSA 39:3, and shall be voted on a ballot; provided, however,  
18 if the question is placed on the warrant at a special town meeting, it shall be the only question at  
19 such special town meeting. In a city, the legislative body may vote to place the question on the  
20 official ballot for any regular municipal election, or, in the alternative, shall place the question on the  
21 official ballot for any regular municipal election upon submission to the legislative body of a petition  
22 signed by 5 percent of the registered voters.

23 (b) The selectmen, aldermen, or city council shall hold a public hearing on the question  
24 at least 15 days but not more than 30 days before the question is to be voted on. Notice of the  
25 hearing shall be posted in at least 2 public places in the municipality and published in a newspaper  
26 of general circulation at least 7 days before the hearing.

27 (c) The wording of the question shall be substantially as follows: "Shall we adopt the  
28 provisions of RSA 287-H, allowing the operation of electronic games of chance at the licensed facility  
29 located within the town and operated by the state?"

30 II. If a majority of those voting on the question vote "Yes," RSA 287-H shall apply within the  
31 city or town.

32 III. If the question is not approved, the question may later be voted upon according to the  
33 provisions of paragraph I, provided, however, that the town may consider the question at no more  
34 than one special town meeting and the annual town meeting in the same calendar year.

35 287-H:26 Declaration of Limited Exemption. Pursuant to section 2 of an act of Congress of the  
36 United States entitled "An act to prohibit transportation of gambling devices in interstate and  
37 foreign commerce," approved January 2, 1951, being Chapter 1194, 64 Stat. 1134, and also

1 designated as 15 U.S.C. sections 1171-1177, the state of New Hampshire, acting by and through the  
2 duly elected and qualified members of its legislature, does hereby, in accordance with and in  
3 compliance with the provisions of that section 2 of that act of Congress, declare and proclaim that  
4 section 2 of that act of Congress shall not apply to any gambling device in this state where the  
5 transportation of such a device is specifically authorized by and done in compliance with the  
6 provisions of this chapter and any rules adopted pursuant to it, and that any such gambling device  
7 transported in compliance with state law and rules shall be exempt from the provisions of that act of  
8 Congress.

9 287-H:27 Legal Shipment of Gaming Devices into New Hampshire. All shipments into this state  
10 of gaming devices, the registering, recording and labeling of which has been duly made by the  
11 manufacturer or dealer in accordance with sections 3 and 4 of an act of Congress of the United States  
12 entitled "An act to prohibit transportation of gambling devices in interstate and foreign commerce,"  
13 approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and also designated as 15 U.S.C.  
14 sections 1171-1172, shall be deemed legal shipments into this state.

15 104 New Paragraph; Attorney General; Gaming Investigators. Amend RSA 21-M:3 by inserting  
16 after paragraph VII the following new paragraph:

17 VIII. The attorney general may hire investigators or contract for investigatory services to  
18 facilitate background investigations required under RSA 287-H, and said investigators shall be paid  
19 from licensing fees paid under RSA 287-H:15.

20 105 New Sections; Division of Gaming Enforcement. Amend RSA 21-P by inserting after section  
21 8 the following new sections:

22 21-P:8-a Division of Gaming Enforcement.

23 I. There is hereby established a division of gaming enforcement under the supervision of an  
24 unclassified director of gaming enforcement whom shall be responsible for the following functions, in  
25 accordance with applicable laws:

26 (a) Manage and hire employees for the day-to-day operation of all video lottery locations  
27 ensuring the integrity of the program. Gaming enforcement employees shall be assigned to all  
28 locations and will be present at all times whether the location is open or closed.

29 (b) Investigate violations of RSA 284 or RSA 287-H and the rules adopted under the  
30 provisions of RSA 284 or RSA 287-H.

31 (c) Report the results of any investigation conducted to the gaming oversight authority.

32 (d) Participate in any hearing conducted by the gaming oversight authority.

33 II. The commissioner of safety shall organize the division into such units as the  
34 commissioner deems necessary.

35 21-P:8-b Powers and Duties; Gaming Enforcement. The director of gaming enforcement shall be  
36 the chief administrative officer of the division of gaming enforcement and shall have the following  
37 powers and duties:

1 I. The director shall manage all operations of the division of gaming enforcement and the  
2 daily operation of video lottery locations and administer and enforce the laws with which the division  
3 is charged. The director shall report directly to the gaming oversight authority.

4 II. The director shall have every power enumerated in the laws, whether granted to the  
5 director, the division, or any administrative unit of the division. In accordance with these provisions,  
6 the director shall:

7 (a) Biennially compile a comprehensive program budget which reflects all fiscal matters  
8 related to the operation of the division and each program and activity of the division.

9 (b) Adopt all rules of the division with approval of the gaming oversight authority,  
10 pursuant to RSA 541-A.

11 (c) Exercise general supervisory and appointing authority over all division employees,  
12 subject to applicable personnel statutes and rules.

13 (d) Delegate authority to subordinates as the director deems necessary and appropriate,  
14 except that rulemaking authority shall not be delegated. All such delegations shall be made in  
15 writing, shall be disseminated, shall clearly delineate the authority delegated and the limitations  
16 thereto, and shall be kept on file in the director's office.

17 (e) Adopt practices which will improve the efficiency of the division and the provision of  
18 services to the citizens of the state.

19 (f) Provide cooperation, at the request of the heads of administratively attached agencies  
20 in order to:

21 (1) Minimize or eliminate duplication of services and jurisdictional conflicts;

22 (2) Coordinate activities and resolve problems of mutual concern; and

23 (3) Resolve by agreement the manner and extent to which the division shall provide  
24 budgeting, recordkeeping and related clerical assistance to administratively attached agencies.

25 (g) Give bond, and require division directors to give bond, to the state as specified in  
26 RSA 93-B.

27 (h) Where functions of divisions overlap or a function assigned to one division could  
28 better be performed by another division, recommend appropriate legislation to the next regular  
29 session of the general court.

30 III. The director shall adopt such reasonable internal practices and procedures, which shall  
31 not be considered rules subject to the provisions of RSA 541-A, as may be necessary to carry out the  
32 duties of the division and its divisions, consistent with this chapter, including without limitation a  
33 comprehensive manual of procedures for the operation of video lottery locations.

34 IV. The director may not accept, on behalf of the division, any grants of money without first  
35 obtaining the express consent of the fiscal committee of the general court established by RSA 14:30-  
36 a.

37 V. The director shall have the authority to adopt rules, pursuant to RSA 541-A, necessary to

1 assure the continuation or granting of federal funds or other assistance not otherwise provided for by  
2 law.

3 VI. The director may enter into contracts for services, supplies, or other needs of the  
4 division.

5 VII. The director shall report annually to the gaming oversight authority with respect to the  
6 division's operation for the preceding year, and render such other reports as the governor and  
7 council, the general court, or the gaming oversight authority shall from time to time request.

8 VIII. The director shall develop, publish, and periodically revise an annual comprehensive  
9 plan for the division which shall indicate, among other things, the division's goals, objectives,  
10 resources, current conditions, and needs. The director shall annually submit such comprehensive  
11 plan to the gaming oversight authority.

12 IX. The director, the gaming oversight authority, the commissioner of the department of  
13 safety, and if necessary, the sweepstakes commission shall jointly establish procedures for sharing  
14 data, background investigation, technology and technology providers, and facilities. These  
15 procedures shall not be considered rules subject to RSA 541-A and shall be established so as to  
16 ensure compliance with state and federal confidentiality and privacy laws.

17 X. If this section conflicts with other powers and duties specifically granted by statute to the  
18 director, the specific powers and duties shall control. If this section conflicts with other statutes  
19 specifically limiting the powers of the director, the specific limitations shall control.

20 106 Director of Gaming Enforcement; Salary. The salary for the unclassified position  
21 authorized in section 105 of this act shall be established as provided in RSA 14:14-c, RSA 17-A:7, and  
22 RSA 94:1-d.

23 107 New Subparagraph; Authorized Video Lottery of Games of Chance Machines Not  
24 Prohibited. Amend RSA 647:2, V by inserting after subparagraph (c) the following new  
25 subparagraph:

26 (d) Video lottery machines authorized pursuant to RSA 287-H.

27 108 New Subparagraph; Application of Receipts; Machine Income Fund. Amend RSA 6:12, I(b)  
28 by inserting after subparagraph (299) the following new subparagraph:

29 (300) Moneys deposited in the machine income fund established under RSA 287-  
30 H:17.

31 109 New Paragraph; Facility Licensee; Cocktail Lounge License. Amend RSA 178:20, by  
32 inserting after paragraph V the following new paragraph:

33 VI. The liquor commission may issue a special license to a person holding a facility license as  
34 defined by RSA 287-H:1, IV. Such special license shall allow the sale of liquor, wine, and beverages  
35 within the facility licensee location, including dining room, function room, gaming room, lounge, or  
36 any other area designated by the commission, without regard to whether meals are served therein,  
37 but only during the time gaming is being conducted under RSA 287-H. A person licensed under this

1 section shall comply with RSA 179:44.

2

3 Amend the bill by deleting sections 80, 86, and 87 and renumbering the remaining sections 81-110  
4 and 80-107, respectively.

5

6 Amend the bill by replacing section 93 with the following:

7

8 93 Applicability. Sections 89-92 shall apply to taxable periods ending on or after December 1,  
9 2010.

10

11 Amend paragraph II of section 107 of the bill by replacing it with the following:

12

13 II. Sections 13, 14, 16, 67-64, 77-79, and 89-96 of this act shall take effect July 1, 2010.



2010-1627h

AMENDED ANALYSIS

This bill:

1. Exempts certain rates for services, placements, and programs for children and families from RSA 541-A.
2. Clarifies the administration of the New Hampshire employment program.
3. Makes the funded family assistance program (FANF) permissive rather than mandatory.
4. Requires recipients of medical assistance to name the state of New Hampshire as beneficiary of all life insurance policies, except under certain circumstances.
5. Allows the department of health and human services to make a claim for recovery of assistance for a deceased recipient from the division of abandoned property.
6. Authorizes the commissioner of the department of health and human services to transfer funds within and among all PAUs within the department, to address present or projected budget deficits, or to respond to changes in federal laws, regulations, or programs, and as otherwise necessary for the efficient management of the department.
7. Permits funds from the lead paint poisoning prevention fund to be used to support program staff and administrative costs.
8. Transfers powers and duties for the New Hampshire refugee resettlement program from the governor's office to the department of health and human services.
9. Establishes a special account for civil fines collected by the department of health and human services under RSA 151.
10. Clarifies criteria for determining eligibility for services under the Medicaid waiver.
11. Changes the due date for the Medicaid enhancement tax.
12. Renames the "multiple DWI offender intervention detention center program" as the "multiple DWI offender intervention program," and authorizes the commissioner of the department of health and human services to directly operate the program, to approve community-based providers of the program, or to contract with public or private entities to operate the program.
13. Requires the commission to examine driving while impaired education and intervention programs to study penalties for intoxication or under the influence of drugs offenses and submit a report of its findings.
14. Makes further reductions in the operating budget for the legislative, judicial, and executive branches for fiscal years 2010 and 2011.
15. Suspends the home health service rate setting rule for the biennium ending June 30, 2011.
16. Suspends the catastrophic illness program in the department of health and human services for the fiscal year ending June 30, 2011.

17. Suspends the senior volunteer grant program in the department of health and human services for the fiscal year ending June 30, 2011.
18. Authorizes the commissioner of the department of health and human services to disburse funds from the alcohol abuse prevention and treatment fund.
19. Amends the duties of the governor's commission on alcohol and drug abuse prevention, intervention, and treatment and deletes the authority for disbursement of funds from the alcohol abuse prevention and treatment fund.
20. Suspends the requirement for the department of health and human services to distribute incentive funds for juvenile placement programs.
21. Reduces the rate paid to residential providers subject to the rate setting rule of the department of health and human services by 2 percent.
22. Extends the suspension of direct graduate medical education payments to hospitals until July 1, 2011.
23. Suspends the provision of indirect graduate medical education payments to hospitals through June 30, 2011.
24. Suspends catastrophic aid payments to hospitals effective April 1, 2010 through June 30, 2011.
25. Amends the state operating budget by deleting expenditures in fiscal years 2010 and 2011 for the home visiting program.
26. Conditions eligibility for cash assistance and medical assistance benefits on the recipient filing an application for any federal cash assistance benefits for which the individual may be entitled.
27. Removes the application of the rooms and meals tax to campsites.
28. Authorizes the state treasurer to refinance certain debt service obligations.
29. Increases the bonded appropriation for the university system of New Hampshire KEEP NH program by \$25,000,000 for the biennium ending June 30, 2011.
30. Authorizes the department of administrative services to transfer \$2,000,000 from certain dedicated funds or accounts maintained separately on the books of the state.
31. Requires the lapse of certain retirement pension benefit-health insurance funds.
32. Requires the lapse of certain judicial council funds for contracts for program services.
33. Requires the lapse of certain appropriations to the state treasurer for debt service.
34. Makes distributions from limited liability companies, partnerships, and associations subject to the interest and dividends tax only if they have transferable shares.
35. Establishes a commission to study business taxes and safe harbor deductions for the reasonable compensation deduction under the business profits tax.
36. Reduces the state's contribution for benefits under the New Hampshire retirement system for fiscal year 2011.

37. Increases the license fees for selling animals and birds.

38. Requires the lottery commission to submit a report to the governor and the legislature on the feasibility of offering online fantasy sports games.

39. Transfers certain appropriations relating to adequate education grants.

40.(a) Regulates video gaming, establishes the division of gaming enforcement, and establishes the gaming oversight authority.

(b) Determines the disbursement of all proceeds of video gambling with 60 percent of the proceeds distributed to the general fund.

(c) Establishes a new fund in the state treasurer's office for machine income.

(d) Allows facility licensees to receive a cocktail lounge license.



Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3

4 103 State Agencies; Supplanting General Fund Reductions With Other Funds. For the fiscal  
5 year ending June 30, 2011, any state agency may supplant general fund reductions required  
6 pursuant to this act with federal and other funds that may become available for that purpose. The  
7 department of administrative services shall report to the fiscal committee of the general court on or  
8 before July 30, 2010 detailing the use of any such funds.

Rep. DeJoie, Merr. 11  
April 27, 2010  
2010-1635h  
09/04



Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3

4       103 Reductions in Personnel Expenditures. Notwithstanding any provision of law to the  
5 contrary, for the biennium ending June 30, 2011, any reductions in personnel expenditures in an  
6 agency shall be distributed equally between classified and unclassified employees of such agency.  
7 Upon petition by an agency, the fiscal committee of the general court may grant an exemption from  
8 this requirement.



Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3  
4 103 Prohibition on Delay of Payment or Expenditure. For the fiscal years ending June 30, 2010  
5 and June 30, 2011, no department as defined in RSA 9:1 shall delay a payment or expenditure from  
6 one fiscal year to the subsequent fiscal year solely for the purpose of generating an unexpended  
7 balance that would lapse in the preceding year.

42. Prohibits departments from delaying a payment or expenditure from one fiscal year to the subsequent fiscal year solely for the purpose of generating an unexpended balance that would lapse in the preceding year.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following::

2  
3 103 Uniform Fines; Judicial Branch Information Technology Fund; Credit Cards. Amend  
4 RSA 262:44, I to read as follows:

5 I. Such defendant shall receive, in addition to the summons, a uniform fine schedule entitled  
6 "Notice of Fine, Division of Motor Vehicles" which shall contain the normal fines for violations of the  
7 provisions of title XXI on vehicles for which a plea may be entered by mail. The defendant shall be  
8 given a notice of fine indicating the amount of the fine plus penalty assessment at the time the  
9 summons is issued; except if, for cause, the summoning authority wishes the defendant to appear  
10 personally. Defendants summoned to appear personally shall do so on the arraignment date  
11 specified in the summons, unless otherwise ordered by the court. Defendants who are issued a  
12 summons and notice of fine and who wish to plead guilty or nolo contendere shall enter their plea on  
13 the summons and return it with payment of the fine plus penalty assessment to the director of the  
14 division of motor vehicles within 30 days of the date of the summons. The director of the division of  
15 motor vehicles may accept payment of the fine by credit card in lieu of cash payment. Any  
16 transaction costs assessed by the issuer of the credit card shall be paid out of the portion of the fine  
17 amount ~~[which is credited as agency income]~~ **for deposit into the general fund** and not out of the  
18 penalty assessment charged by the district court. The director of the division of motor vehicles shall  
19 remit the penalty assessments collected to the police standards and training council for deposit in  
20 the police standards and training council training fund and to the state treasurer to be credited and  
21 continually appropriated to the victims' assistance fund and the judicial branch information  
22 technology fund in the percentages and manner prescribed in RSA 188-F:31. Fines shall be paid  
23 over to the state treasurer ~~[, and shall be credited as agency income]~~ **for deposit into the general**  
24 **fund** by the department of safety within 14 days of their receipt.

25 104 Effective Date.

26 I. Section 5 of this act shall take effect as provided in section 33 of this act.

27 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99, and 103 of this act shall take effect July 1,  
28 2010.

29 III. Sections 75 and 76 shall take effect June 15, 2010.

30 IV. The remainder of this act shall take effect upon its passage.

2010-1653h

AMENDED ANALYSIS

42. Requires any transaction costs for motor vehicle fines paid by credit cards to be paid out of the portion of the fine amount to be deposited into the general fund and not out of the penalty assessment charged by the district court.



Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104.

3

4 103 Racing and Charitable Gaming Commission Abolished.

5 I. Notwithstanding any provision of law to the contrary, the racing and charitable gaming  
6 commission established in RSA 284:6-a is hereby abolished and all of the powers, duties, functions,  
7 personnel positions except as provided in paragraph II, and responsibilities shall be transferred to  
8 the state lottery commission established in RSA 284:21-a. The transfer shall include all of the  
9 equipment, books, documents, and records of the racing and charitable gaming commission.

10 II. The personnel positions transferred under paragraph I shall not include personnel with  
11 administrative functions, including the director and deputy director positions. The lottery  
12 commission shall utilize existing lottery commission personnel to perform all administrative  
13 functions transferred from the racing and charitable gaming commission.

Draft Amendment to SB 450-FN

- Page 2 -

2010-1679h

AMENDED ANALYSIS

42. Abolishes the racing and charitable gaming commission and transfers all powers, duties, and functions to the state lottery commission.



Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 Transfer of Anna Philbrook Center Residents. Notwithstanding any provision of law to the  
4 contrary:

5 I. The department of health and human services shall transfer all residents of the Anna  
6 Philbrook center to the F-Unit wing of New Hampshire hospital. After said transfer is complete, the  
7 department shall consider utilizing the Anna Philbrook center for office space as needed by the  
8 department, or taking steps to close the facility once vacant.

9 II. The department of health and human services shall utilize the I-Unit wing of the  
10 New Hampshire hospital to provide beds as necessary for adult patients displaced by the transfer of  
11 residents of the Anna Philbrook center to the F-Unit wing of New Hampshire hospital pursuant to  
12 paragraph I.

13 104 Shelter Care Services For the biennium ending June 30, 2011, the department of health  
14 and human services shall continue to fund shelter care services at Midway Shelter in Bradford,  
15 Antrim Girls Shelter in Antrim, and North Country Shelter Care in Jefferson.

16 105 Shea Farm Transitional Housing Unit; Transfer to Tobey Building. The department of  
17 health and human services and department of corrections shall work in consultation to facilitate the  
18 transfer of the Shea Farm transitional housing unit to the Tobey building. Notwithstanding any  
19 provision of law to the contrary, all of the functions, positions, powers, duties, responsibilities, and  
20 funding for the Shea Farm transitional housing unit and the Tobey building shall be appropriately  
21 transferred to allow operation of the transitional housing unit and relocation of programs of the  
22 department of health and human services currently residing in the Tobey building. Said transfers  
23 shall include, but not be limited to, the use of existing capital and operating budget appropriations to  
24 allow for renovations to the Tobey building to ensure its appropriate use, as well as renovations to  
25 the Anna Philbrook center if the department of health and human services decides to utilize said  
26 facility for office space pursuant to section 103 of this act. The transfers provided in this section  
27 shall include all of the equipment, books, papers, and records of the departments necessary for the  
28 operation of the facilities.

29 106 Youth Development Center and State Prison for Women; Population Transfers.

30 I. Notwithstanding any provision of law to the contrary, the department of health and  
31 human services and department of corrections shall simultaneously transfer the population of the  
32 youth development center to suitable properties located at the lakes region facility located in

1 Laconia, and the population of the state prison for women to the current facility of the youth  
2 development center by June 30, 2011. Once the populations of the youth development center and  
3 state prison for women are transferred to the proposed facilities, the department of corrections shall  
4 cease its contracts with Hillsborough and Strafford counties to house female offenders.  
5 Notwithstanding any provision of law to the contrary, all functions, positions, powers, duties, shall  
6 be appropriately transferred to allow the operation of the facilities for the use required by this  
7 section. The departments shall utilize existing capital and operating budget appropriations for  
8 renovations of the youth development center and the lakes region facility located in Laconia as  
9 necessary to effectuate the transfer of said populations. The transfers provided in this section shall  
10 include all of the equipment, books, papers, and records of the departments necessary for the  
11 operation of the facilities.

12 II. The department of health and human services and department of corrections shall work  
13 in consultation to develop a plan to effectuate the transfer of said populations. Said plan shall  
14 include an estimate of any state general fund savings which will result from said transfers, and shall  
15 be submitted to the speaker of the house of representatives, the president of the senate, the fiscal  
16 committee of the general court, and the governor and executive councilors on or before  
17 September 1, 2010.

18 107 Committee to Study the Youth Development Center and State Prison for Women.

19 I. There is established a committee to study the transfer of populations of the youth  
20 development center and the state prison for women.

21 II. The members of the committee shall be as follows:

22 (a) Three members of the house of representatives, appointed by the speaker of the  
23 house of representatives.

24 (b) Two members of the senate, appointed by the president of the senate.

25 III. Members of the committee shall receive mileage at the legislative rate when attending to  
26 the duties of the committee.

27 IV. The committee shall study the transfer of the population of the youth development  
28 center to the lakes region facility located in Laconia, and the transfer of the population of the state  
29 prison for women to the current facility of the youth development center as required by section 106 of  
30 this act. The committee shall also determine all statutory or administrative rule changes that will  
31 be necessary to effectuate said transfers.

32 V. The members of the study committee shall elect a chairperson from among the members.  
33 The first meeting of the committee shall be called by the first-named senate member. The first  
34 meeting of the committee shall be held within 45 days of the effective date of this section. Three  
35 members of the committee shall constitute a quorum.

36 VI. The committee shall report its findings and any recommendations for proposed  
37 legislation to the president of the senate, the speaker of the house of representatives, the senate

Draft Amendment to SB 450-FN  
- Page 3 -

1 clerk, the house clerk, the governor, and the state library on or before November 1, 2010.

2 108 Effective Date.

3 I. Section 5 of this act shall take effect as provided in section 33 of this act.

4 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.

5 III. Sections 75 and 76 shall take effect June 15, 2010.

6 IV. The remainder of this act shall take effect upon its passage.

Draft Amendment to SB 450-FN  
- Page 4 -

2010-1681h

AMENDED ANALYSIS

42. Requires the relocation of the populations of the Anna Philbrook center, the Shea Farm transitional housing unit, the youth development center, and the state prison for women.

43. Establishes a committee to study the transfer of populations of the youth development center and the state prison for women.

Withdrawn

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 New Hampshire Retirement System; Member Contribution Rates; Fiscal Year 2011.

4 Amend RSA 100-A:16, I(a) to read as follows:

5 (a) The member annuity savings fund shall be a fund in which shall be accumulated the  
6 contributions deducted from the compensation of members to provide for their member annuities  
7 together with any amounts transferred thereto from a similar fund under one or more of the  
8 predecessor systems. Such contribution shall be, for each member, dependent upon the member's  
9 employment classification at the rate determined in accordance with the following table:

10 Employees [~~of employers other than the state 5.00~~] **7.00**

11 [~~Employees of the state hired on or before June 30, 2009 5.00~~

12 ~~Employees of the state hired after June 30, 2009 7.00~~]

13 Teachers [~~5.00~~] **7.00**

14 Permanent Policemen [~~9.30~~] **13.00**

15 Permanent Firemen [~~9.30~~] **13.00**

16 The board of trustees shall certify to the proper authority or officer responsible for making up the  
17 payroll of each employer, and such authority or officer shall cause to be deducted from the  
18 compensation of each member, except group II members with creditable service in excess of 40 years  
19 as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer  
20 for each and every payroll period, the percentage of earnable compensation applicable to such  
21 member. No deduction from earnable compensation under this paragraph shall apply to any group  
22 II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and  
23 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining  
24 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable  
25 by a member in a payroll period, the board may consider the rate of compensation payable to such  
26 member on the first day of a payroll period as continuing throughout the payroll period and it may  
27 omit deduction from compensation for any period less than a full payroll period if such person was  
28 not a member on the first day of the payroll period, and to facilitate the making of deductions it may  
29 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one  
30 percent of the annual earnable compensation upon the basis of which such deduction is made. The  
31 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,  
32 shall be paid to the retirement system at such times as may be designated by the board of trustees

1 and credited to the individual account, in the member annuity savings fund, of the member from  
2 whose compensation the deduction was made.

3 104 New Hampshire Retirement System; Member Contribution Rates; Fiscal Year 2012.  
4 Amend RSA 100-A:16, I(a) to read as follows:

5 (a) The member annuity savings fund shall be a fund in which shall be accumulated the  
6 contributions deducted from the compensation of members to provide for their member annuities  
7 together with any amounts transferred thereto from a similar fund under one or more of the  
8 predecessor systems. Such contribution shall be, for each member, dependent upon the member's  
9 employment classification at the rate determined in accordance with the following table:

10 Employees [~~7.00~~] **5.00**

11 Teachers [~~7.00~~] **5.00**

12 Permanent Policemen [~~11.00~~] **9.30**

13 Permanent Firemen [~~11.00~~] **9.30**

14 The board of trustees shall certify to the proper authority or officer responsible for making up the  
15 payroll of each employer, and such authority or officer shall cause to be deducted from the  
16 compensation of each member, except group II members with creditable service in excess of 40 years  
17 as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer  
18 for each and every payroll period, the percentage of earnable compensation applicable to such  
19 member. No deduction from earnable compensation under this paragraph shall apply to any group  
20 II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and  
21 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining  
22 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable  
23 by a member in a payroll period, the board may consider the rate of compensation payable to such  
24 member on the first day of a payroll period as continuing throughout the payroll period and it may  
25 omit deduction from compensation for any period less than a full payroll period if such person was  
26 not a member on the first day of the payroll period, and to facilitate the making of deductions it may  
27 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one  
28 percent of the annual earnable compensation upon the basis of which such deduction is made. The  
29 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,  
30 shall be paid to the retirement system at such times as may be designated by the board of trustees  
31 and credited to the individual account, in the member annuity savings fund, of the member from  
32 whose compensation the deduction was made.

33 105 New Hampshire Retirement System; Recalculation of Employer Rates. Amend 2009, 144:56  
34 to read as follows:

35 144:56 Retirement System; Recalculation of Employer Rates; Recertification. Notwithstanding  
36 the notice requirements of RSA 100-A:16, III, the board of trustees of the retirement system shall  
37 recalculate employer contribution rates for the state fiscal [~~years 2010 and~~] *year* 2011 to reflect the

1 requirements of RSA 100-A:16, II(b) and (c) as amended by this act. *The retirement system shall*  
2 *utilize the sums attributable to the increase in member contribution rates under RSA 100-*  
3 *A:16, I(a) as amended by this act to reduce previously certified employer contribution rates*  
4 *for state fiscal year 2011.* Notwithstanding the notice requirements of RSA 100-A:16, III, such  
5 employer contribution rates shall be effective for the [~~biennium~~] *fiscal year* beginning July 1, [~~2009~~]  
6 *2010*, and the recertification of employer contribution percentages, applicable beginning July 1,  
7 [~~2009~~] *2010*, shall be provided to each employer within a reasonable period of time not to exceed 30  
8 days from the effective date of this section. The exception to the notice requirements of RSA 100-  
9 A:16, III in this section shall be limited to the applicable employer contribution rates for the  
10 [~~biennium~~] *fiscal year* beginning July 1, [~~2009~~] *2010*.

11 106 Effective Date.

12 I. Section 5 of this act shall take effect as provided in section 33 of this act.

13 II. Sections 13, 14, 16, 67-74, 77-80, 92-99, 103, and 105 of this act shall take effect July 1,  
14 2010.

15 III. Sections 75 and 76 shall take effect June 15, 2010.

16 IV. Section 104 of this act shall take effect July 1, 2011.

17 V. The remainder of this act shall take effect upon its passage.

2010-1689h

AMENDED ANALYSIS

42. Increases certain retirement system member contribution rates for fiscal year 2011.



Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 Special School District Meetings. Notwithstanding RSA 197:2 and RSA 197:3, for the fiscal  
4 year ending June 30, 2011, a special meeting of a school district shall be held upon the majority vote  
5 of the school board only for the purpose of addressing changes in catastrophic aid funding which  
6 could affect the school district during the 2011 year.

7 104 Repeal. Section 103 of this act, relative to special school district meetings, is repealed.

8 105 Effective Date.

9 I. Section 5 of this act shall take effect as provided in section 33 of this act.

10 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.

11 III. Sections 75 and 76 shall take effect June 15, 2010.

12 IV. Section 104 of this act shall take effect July 1, 2011.

13 V. The remainder of this act shall take effect upon its passage.

42. For the fiscal year ending June 30, 2011, suspends existing legal requirements for a special meeting of a school district and requires a special meeting of a school district to be held upon the majority vote of the school board to address changes to catastrophic aid funding.





Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 9 with the following:

2

3 9 Department of Health and Human Services; Transfer Among Accounts. Amend 2009, 144:39,

4 III to read as follows:

5 III. Notwithstanding the provisions of RSA 9:17-a or any other provision of law to the  
6 contrary except RSA 9:17-c, and subject to the approval of the fiscal committee of the general court  
7 and governor and council, for the biennium ending June 30, 2011, the commissioner of the  
8 department of health and human services is hereby authorized to transfer funds within and among  
9 all [PAUs] **accounting units** within the department, as the commissioner deems necessary and  
10 appropriate to address present or projected budget deficits, or to respond to changes in federal laws,  
11 regulations, or programs, and otherwise as necessary for the efficient management of the  
12 department[~~, with the exception of class 60 transfers~~]. ***This transfer authority shall not apply to***  
13 ***funds for employee benefits appropriated in class 60 which were previously transferred to***  
14 ***the employee benefit adjustment account as defined in RSA 9:17-c.***

Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 97 with the following:

2

3 97 New Chapter; Commission to Study Business Taxes Established. Amend RSA by inserting  
4 after chapter 77-E the following new chapter:

5

CHAPTER 77-F

6

COMMISSION TO STUDY BUSINESS TAXES

7

77-F:1 Commission to Study Business Taxes Established.

8

I. There is a commission established to study business taxes.

9

II. The members of the commission shall be as follows:

10

(a) Three members of the senate, appointed by the president of the senate.

11

(b) Four members of the house of representatives, appointed by the speaker of the house  
12 of representatives.

13

(c) Five members of the public appointed by the governor, representing the following  
14 groups and interests:

15

(1) Tax experts and accountants;

16

(2) Small business;

17

(3) Real estate, finance, and investment; and

18

(4) Business trade associations.

19

II. The commission shall study and evaluate:

20

(a) The present system of business taxation in New Hampshire, including but not  
21 limited to the rates and allocation among taxpayers of the business enterprise tax, the business  
22 profits tax, and the interest and dividends tax.

23

(b) Whether there are changes to the present system of business taxes and rates of  
24 assessment that should be considered by the legislature in order to:

25

(1) Ensure fairness and equity in the allocation of business taxes including among  
26 similarly situated business entities and taxpayers;

27

(2) Ensure clear tax laws and synchronization with federal tax laws; and

28

(3) Continue to provide a business tax environment that enhances the growth of jobs,  
29 income in the state, and the transition to clean and renewable energy.

30

(c) Safe harbors for the reasonable compensation deduction under the business profits  
31 tax, including but not limited to:

32

(1) Safe harbors based on the percentage of the gross selling price on the sale of

1 business assets other than inventory;

2 (2) The percentage of gross revenues and the percentage of gross business profits  
3 using the independent investor return test;

4 (3) The federal self-employment tax; and

5 (4) Any other issue related to the reasonable compensation deduction.

6 (d) Business tax credits and deductions including, but not limited to, net operating  
7 losses.

8 III. The commission may solicit and receive testimony and other information from any  
9 person or organization with information or expertise relevant to the committee's objective. State  
10 agencies shall cooperate with the commission, and provide data, information, reports, and testimony  
11 to the commission upon request.

12 IV. The governor shall appoint a chair from among the members. The first meeting of the  
13 commission shall be called by the chair and shall be held within 45 days of the effective date of this  
14 section. Seven members of the commission shall constitute a quorum.

15 V. Legislative members of the commission shall receive mileage at the legislative rate when  
16 attending meetings of the commission.

17 VI. The commission shall, following a public hearing on a draft final report, submit a final  
18 report on the items included in subparagraphs II(a) and (b) or before December 1, 2010, containing  
19 its findings and any recommendations for proposed legislation, to the governor, the president of the  
20 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
21 means committees, the house and senate clerks, and the state librarian.

22 VII. The commission shall, following a public hearing on a draft final report, submit a final  
23 report on the items included in subparagraphs II(c) and (d) or before November 1, 2012, containing  
24 its findings and any recommendations for proposed legislation, to the governor, the president of the  
25 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
26 means committees, the house and senate clerks, and the state librarian.

27  
28 Amend the bill by inserting after section 97 the following and renumbering the original sections 98-  
29 103 to read as 99-104, respectively:

30  
31 98 Repeal. RSA 77-F, relative to a commission to study business taxes, is repealed.

32 Amend the bill by replacing section 104 with the following:

33  
34 104 Effective Date.

35 I. Section 5 of this act shall take effect as provided in section 33 of this act.

36 II. Sections 13, 14, 16, 67-74, 77-80, 92-97, 99, and 100 of this act shall take effect July 1,  
37 2010.

- 1 III. Sections 75 and 76 shall take effect June 15, 2010.
- 2 IV. Section 98 of this act shall take effect November 1, 2012.
- 3 V. The remainder of this act shall take effect upon its passage.

2010-1713h

AMENDED ANALYSIS

37. Establishes a commission to study business taxes.



Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 97 with the following:

2

3 97 New Chapter; Commission to Study Business Taxes Established. Amend RSA by inserting  
4 after chapter 77-E the following new chapter:

5

CHAPTER 77-F

6

COMMISSION TO STUDY BUSINESS TAXES

7

77-F:1 Commission to Study Business Taxes Established.

8

I. There is a commission established to study business taxes.

9

II. The members of the commission shall be as follows:

10

(a) Three members of the senate, appointed by the president of the senate.

11

(b) Four members of the house of representatives, appointed by the speaker of the house  
12 of representatives.

13

(c) Five members of the public appointed by the governor, representing the following  
14 groups and interests:

15

(1) Tax experts and accountants;

16

(2) Small business;

17

(3) Real estate, finance, and investment; and

18

(4) Business trade associations.

19

II. The commission shall study and evaluate:

20

(a) The present system of business taxation in New Hampshire, including but not  
21 limited to the rates and allocation among taxpayers of the business enterprise tax, the business  
22 profits tax, and the interest and dividends tax.

23

(b) Whether there are changes to the present system of business taxes and rates of  
24 assessment that should be considered by the legislature in order to:

25

(1) Ensure fairness and equity in the allocation of business taxes including among  
26 similarly situated business entities and taxpayers;

27

(2) Ensure clear tax laws and synchronization with federal tax laws; and

28

(3) Continue to provide a business tax environment that enhances the growth of jobs,  
29 income in the state, and the transition to clean and renewable energy.

30

(c) Safe harbors for the reasonable compensation deduction under the business profits  
31 tax, including but not limited to:

32

(1) Safe harbors based on the percentage of the gross selling price on the sale of

1 business assets other than inventory;

2 (2) The percentage of gross revenues and the percentage of gross business profits  
3 using the independent investor return test;

4 (3) The federal self-employment tax; and

5 (4) Any other issue related to the reasonable compensation deduction.

6 (d) Business tax credits and deductions including, but not limited to, net operating  
7 losses.

8 III. The commission may solicit and receive testimony and other information from any  
9 person or organization with information or expertise relevant to the committee's objective. State  
10 agencies shall cooperate with the commission, and provide data, information, reports, and testimony  
11 to the commission upon request.

12 IV. The governor shall appoint a chair from among the members. The first meeting of the  
13 commission shall be called by the chair and shall be held within 45 days of the effective date of this  
14 section. Seven members of the commission shall constitute a quorum.

15 V. Legislative members of the commission shall receive mileage at the legislative rate when  
16 attending meetings of the commission.

17 VI. The commission shall, following a public hearing on a draft final report, submit a final  
18 report on the items included in subparagraphs II(a) and (b) or before December 1, 2010, containing  
19 its findings and any recommendations for proposed legislation, to the governor, the president of the  
20 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
21 means committees, the house and senate clerks, and the state librarian.

22 VII. The commission shall, following a public hearing on a draft final report, submit a final  
23 report on the items included in subparagraphs II(c) and (d) or before November 1, 2012, containing  
24 its findings and any recommendations for proposed legislation, to the governor, the president of the  
25 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
26 means committees, the house and senate clerks, and the state librarian.

27

28 Amend the bill by inserting after section 97 the following and renumbering the original sections 98-  
29 103 to read as 99-104, respectively:

30

31 98 Repeal. RSA 77-F, relative to a commission to study business taxes, is repealed.

32 Amend the bill by replacing section 104 with the following:

33

34 104 Effective Date.

35 I. Section 5 of this act shall take effect as provided in section 33 of this act.

36 II. Sections 13, 14, 16, 67-74, 77-80, 92-97, 99, and 100 of this act shall take effect July 1,  
37 2010.

- 1 III. Sections 75 and 76 shall take effect June 15, 2010.
- 2 IV. Section 98 of this act shall take effect November 1, 2012.
- 3 V. The remainder of this act shall take effect upon its passage.

2010-1713h

AMENDED ANALYSIS

37. Establishes a commission to study business taxes.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 105:

3

4 103 Documentation of Marriages; Marriage License Fee. Amend RSA 457:29 to read as follows:  
5 457:29 Marriage License Fee. The fee for the marriage license shall be ~~[\$45]~~ **\$50** to be paid by  
6 the parties entering into the marriage. The clerk shall forward \$38 from each fee to the department  
7 of health and human services for the purposes of RSA 173-B:15, **and \$5 to the state treasurer for**  
8 **deposit in the general fund.** The clerk shall retain the remaining \$7 as the fee for making the  
9 records of notice, issuing the certificate of marriage, and forwarding the ~~[\$38]~~ **\$43** portion of the  
10 marriage license fee.

11 104 Fees for Copies, Verifications, and Amendments to Vital Records. Amend RSA 5-C:10, I-II  
12 to read as follows:

13 I. A town clerk or the registrar shall be paid in advance, by any person requesting any copy  
14 or verification as provided in RSA 5-C:9, the sum of ~~[\$12]~~ **\$20** for making a search, which sum shall  
15 include payment for the issuance of such copy or verification, and ~~[\$8]~~ **\$10** for each subsequent copy,  
16 provided that the fee to town clerks for examination of documents and issuance of a delayed birth  
17 certificate shall be \$25.

18 II. The town clerk shall forward \$8 of each search fee collected by the clerk under this  
19 section to the department of state for deposit in the vital records improvement fund established  
20 under RSA 5-C:15, **\$8 to the state treasurer for deposit in the general fund,** and shall retain the  
21 remaining \$4 as the clerk's fee for issuing such a copy. For subsequent copies issued at the same  
22 time, the town clerk shall forward \$5 of the fee collected for each subsequent copy under this section  
23 to the department for deposit in the vital records improvement fund established under RSA 5-C:15,  
24 **\$2 to the state treasurer for deposit in the general fund,** and ~~[the town clerk]~~ shall retain the  
25 remaining \$3 as the clerk's fee for issuing such a copy. The town clerk shall retain the \$25 fee for a  
26 delayed birth certificate as the clerk's fee for examining documents and issuing the delayed birth  
27 certificate. Fees collected by the registrar shall be forwarded to the state treasurer for deposit into  
28 the vital records improvement fund established under RSA 5-C:15.



2010-1716h

AMENDED ANALYSIS

42. Increases the fees for marriage licenses and vital record copies and amendments and requires a portion of the increase to be deposited in the general fund.



Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 105:

3

4 103 Documentation of Marriages; Marriage License Fee. Amend RSA 457:29 to read as follows:  
5 457:29 Marriage License Fee. The fee for the marriage license shall be [~~\$45~~] **\$50** to be paid by  
6 the parties entering into the marriage. The clerk shall forward \$38 from each fee to the department  
7 of health and human services for the purposes of RSA 173-B:15, **and \$5 to the state treasurer for**  
8 **deposit in the general fund**. The clerk shall retain the remaining \$7 as the fee for making the  
9 records of notice, issuing the certificate of marriage, and forwarding the [~~\$38~~] **\$43** portion of the  
10 marriage license fee.

11 104 Fees for Copies, Verifications, and Amendments to Vital Records. Amend RSA 5-C:10, I-II  
12 to read as follows:

13 I. A town clerk or the registrar shall be paid in advance, by any person requesting any copy  
14 or verification as provided in RSA 5-C:9, the sum of [~~\$12~~] **\$20** for making a search, which sum shall  
15 include payment for the issuance of such copy or verification, and [~~\$8~~] **\$10** for each subsequent copy,  
16 provided that the fee to town clerks for examination of documents and issuance of a delayed birth  
17 certificate shall be \$25.

18 II. The town clerk shall forward \$8 of each search fee collected by the clerk under this  
19 section to the department of state for deposit in the vital records improvement fund established  
20 under RSA 5-C:15, **\$8 to the state treasurer for deposit in the general fund**, and shall retain the  
21 remaining \$4 as the clerk's fee for issuing such a copy. For subsequent copies issued at the same  
22 time, the town clerk shall forward \$5 of the fee collected for each subsequent copy under this section  
23 to the department for deposit in the vital records improvement fund established under RSA 5-C:15,  
24 **\$2 to the state treasurer for deposit in the general fund**, and [~~the town clerk~~] shall retain the  
25 remaining \$3 as the clerk's fee for issuing such a copy. The town clerk shall retain the \$25 fee for a  
26 delayed birth certificate as the clerk's fee for examining documents and issuing the delayed birth  
27 certificate. Fees collected by the registrar shall be forwarded to the state treasurer for deposit into  
28 the vital records improvement fund established under RSA 5-C:15.

2010-1716h

AMENDED ANALYSIS

42. Increases the fees for marriage licenses and vital record copies and amendments and requires a portion of the increase to be deposited in the general fund.

Amendment to SB 450-FN

1 Amend the bill by replacing section 88 with the following:

2

3 88 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other  
4 law to the contrary, for the fiscal year ending June 30, 2010, the department of administrative  
5 services shall transfer funds from the following accounts or funds maintained separately on the  
6 books of the state to the general fund in the following amounts:

7	Account/Fund	Amount Transferred to General Fund
8	Statewide Public Boat Access Fund, RSA 233-A:13	\$500,000
9	Nitrogen Oxide Emissions Reduction Fund,	\$90,000
10	RSA 125-J:13, II	
11	Laboratory Equipment Fund, RSA 131:3-a, II	\$100,000
12	New Hampshire Hazardous Waste Cleanup Fund,	\$100,000
13	RSA 147-B:3	
14	Default Bench Warrant Fund, RSA 263:56-d	\$100,000
15	Fire Standards and Training and Emergency Medical	
16	Services Fund, RSA 21-P:12-d	\$1,500,000
17	Recount Administrative and Fee Account,	\$110,000
18	RSA 660:31	

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3  
4 103 Renewable Energy Fund. Amend RSA 362-F:10, I to read as follows:

5 I. There is hereby established a renewable energy fund. This nonlapsing, special fund shall  
6 be continually appropriated to the commission to be expended in accordance with this section. The  
7 state treasurer shall invest the moneys deposited therein as provided by law. Income received on  
8 investments made by the state treasurer shall also be credited to the fund. All payments to be made  
9 under this section shall be deposited in the fund. The moneys paid into the fund under paragraph II  
10 of this section, excluding class II moneys, shall be used by the commission to support thermal and  
11 electrical renewable energy initiatives, *provided that the commission shall make at least 50*  
12 *percent of the fund balance available to municipalities in the form of grants for initiatives*  
13 *authorized by this paragraph.* Class II moneys shall only be used to support solar energy  
14 technologies in New Hampshire. All initiatives supported out of these funds shall be subject to audit  
15 by the commission as deemed necessary. All fund moneys including those from class II may be used  
16 to administer this chapter, but all new employee positions shall be approved by the fiscal committee  
17 of the general court.

Draft Amendment to SB 450-FN  
- Page 2 -

2010-1726h

AMENDED ANALYSIS

42. Requires the public utilities commission to make at least 50 percent of the renewable energy fund balance available to municipalities in the form of grants to support thermal and electrical renewable energy initiatives.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2  
3 103 New Chapter; Electricity Generation Tax. Amend RSA by inserting after chapter 83-F the  
4 following new chapter:

5 CHAPTER 83-G

6 ELECTRICITY GENERATION TAX

7 83-G:1 Definitions. In this chapter:

8 I. "Commissioner" means the commissioner of the department of revenue administration.

9 II. "Department" means the department of revenue administration.

10 III. "Taxable month" means a calendar month in which electricity is generated.

11 IV. "Taxpayer" means any person generating electricity in this state, except for:

12 (a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;

13 (b) A person generating electricity produced by wind energy, geothermal energy,  
14 hydrogen derived from biomass fuels or methane gas, ocean thermal, wave, current, or tidal energy,  
15 methane gas, biomass technologies, solar technologies, or hydroelectric energy, or that uses as its  
16 primary fuel source solid waste as defined in RSA 149-M:4; or

17 (c) A person generating electricity exclusively in a manner that the electricity generated  
18 is not interconnected to the electric distribution grid.

19 83-G:2 Imposition of Tax. Each taxpayer is liable for a tax of \$.00055 per kilowatt hour of  
20 electricity generated within the state.

21 83-G:3 Collection of Tax. Every taxpayer shall collect and monthly remit the tax to the state as  
22 provided in RSA 83-G:4.

23 83-G:4 Tax Returns.

24 I. Except as provided in this section, on or before the fifteenth day of each second month  
25 following a taxable month, each taxpayer shall make a return to the department for the taxable  
26 month on a form prescribed by the department.

27 II. Any taxpayer who ceases to engage in generating electricity, and is thereby not  
28 responsible for filing returns under this chapter, shall file a final return with the department not  
29 more than one month after discontinuing such activity. This requirement shall apply  
30 notwithstanding any other provision of this chapter regarding the time within which to file a return.

31 III. If the commissioner finds that the information required for the making of an accurate  
32 return cannot reasonably be compiled by a taxpayer within one month and 15 days after the close of

1 the taxable month for which a return is to be made, the commissioner may grant an extension of  
2 time for the filing of such return. Any such extension shall be granted for a period not to exceed 31  
3 calendar days. The granting of such extension may be conditioned upon the payment by the  
4 taxpayer of an amount of money equal to the amount estimated by the commissioner to be due with  
5 the return when filed under extension. All such estimated payments shall be credited against the  
6 taxpayer's liabilities under this chapter.

7 IV. The taxpayer shall pay to the department the amount of tax imposed by this chapter at  
8 the time it makes a return.

9 83-G:5 Exemptions.

10 I. It is in the public interest to foster the generation of electricity from renewable energy  
11 sources and from small scale distributed energy resources and to encourage waste reduction.

12 II. Electricity generated from the following sources shall not be subject to taxation under  
13 this chapter:

14 (a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;

15 (b) Energy generated by wind energy, geothermal energy, hydrogen derived from  
16 biomass fuels or methane gas, ocean thermal, wave, current, or tidal energy, methane gas, biomass  
17 technologies, solar technologies, or hydroelectric energy, or that uses as its primary fuel source solid  
18 waste as defined in RSA 149-M:4; or

19 (c) Electricity generated which is not interconnected to the electric distribution grid.

20 83-G:6 Instruments, Books, Records, Papers, and Other Documents.

21 I. Every taxpayer shall provide and keep the necessary instruments and records to show the  
22 amount expressed in kilowatt hours of electricity generated by such person.

23 II. Every taxpayer required to file or actually filing under this chapter shall keep books,  
24 records, papers, and other documents which are adequate to reflect the information required by this  
25 chapter to be reported to the department by the filing of timely returns with the department.

26 III. All instruments, books, records, and other papers and documents required to be kept by  
27 this chapter shall, at all times during business hours of the day, be subject to inspection by the  
28 department.

29 83-G:7 Additional Returns. When the commissioner has reason to believe that a taxpayer has  
30 failed to file a return or to include any part of the total kilowatt hours electricity generated in a filed  
31 return, the commissioner may require the taxpayer to file a return or a supplementary return  
32 showing such additional information as the commissioner prescribes. Upon the receipt of the  
33 supplementary return, or if none is received within the time set by the commissioner, the  
34 commissioner may find and assess the amount due upon the information that is available. The  
35 making of such additional return does not relieve the taxpayer of any penalty for failure to make a  
36 correct original return, or relieve such person from liability for interest imposed under RSA 21-J:28  
37 or for any other additional charges imposed by the commissioner. This section shall not be construed

1 to modify or extend the statute of limitations provided in RSA 21-J:29.

2 83-G:8 Administration; Rulemaking.

3 I. The commissioner shall collect the taxes imposed under this chapter, interest on tax,  
4 additions to tax, and penalties imposed, and pay over to the state treasurer the amount of funds  
5 collected under this chapter.

6 II. The commissioner shall adopt rules, under RSA 541-A, relative to:

7 (a) The form of the return and the data which it must contain for the correct  
8 computation of the number of kilowatt hours of electricity generated in this state and the tax  
9 assessed.

10 (b) The administration of the electricity generation tax.

11 (c) The recovery of any tax, interest on tax, additions to tax, or penalties imposed by RSA  
12 83-G or RSA 21-J.

13 83-G:9 Tax Sales. The provisions of RSA 80:26 apply to the sale of land for the payment of taxes  
14 due under this chapter, and the state treasurer is authorized to purchase the land for the state. If  
15 the state purchases the land, the state treasurer shall certify the purchase to the governor, and the  
16 governor shall draw a warrant for the purchase price out of any money in the treasury not otherwise  
17 appropriated.

18 83-G:10 Severability. If any provision of this chapter or the application thereof to any person or  
19 circumstance is held to be invalid, the invalidity shall not affect other provisions or applications of  
20 the chapter which can be given effect without the invalid provision or application, and to this end the  
21 provisions of this chapter are severable.

22 104 Reference Change. Amend RSA 21-J:31 to read as follows:

23 21-J:31 Penalty for Failure to File. Any taxpayer who fails to file a return when due, unless an  
24 extension has been granted by the department, shall pay a penalty equal to 5 percent of the amount  
25 of the tax due or \$10, whichever is greater, for each month or part of a month during which the  
26 return remains unfiled. The total amount of any penalty shall not, however, exceed 25 percent of the  
27 amount of the tax due or \$50, whichever is greater. This penalty shall not be applied in any case in  
28 which a return is filed within the extended filing period as provided in RSA 77:18-b, RSA 77-A:9,  
29 RSA 77-E:8, RSA [~~83-C:6, RSA 83-E:5~~] 83-G:4, RSA 84-A:7, or RSA 84-C:7, or the failure to file was  
30 due to reasonable cause and not willful neglect of the taxpayer. The amount of the penalty is  
31 determined by applying the percentages specified to the net amount of any tax due after crediting  
32 any timely payments made through estimating or other means.

33 105 Reference Change. Amend RSA 21-J:33-a, I to read as follows:

34 I. If there is a substantial understatement of tax imposed under RSA 77, RSA 77-A, RSA 77-  
35 E, RSA 78-A, RSA 78-C, RSA 82-A [~~or RSA 83-C~~], or RSA [~~83-E~~] 83-G, for any taxable period, there  
36 shall be added to the tax an amount equal to 25 percent of the amount of any underpayment  
37 attributable to such understatement.



- 1 106 Repeal. RSA 83-E, relative to the electricity consumption tax, is repealed.  
2 107 Effective Date.  
3 I. Section 5 of this act shall take effect as provided in section 33 of this act.  
4 II. Sections 13, 14, 16, 67-74, 77-80, 92-99, and 103-106 of this act shall take effect July 1,  
5 2010.  
6 III. Sections 75 and 76 shall take effect June 15, 2010.  
7 IV. The remainder of this act shall take effect upon its passage.

2010-1727h

AMENDED ANALYSIS

42. Replaces the electricity consumption tax paid by consumers with an electricity generation tax paid by generation facilities.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2  
3 103 New Chapter; Electricity Generation Tax. Amend RSA by inserting after chapter 83-F the  
4 following new chapter:

5 CHAPTER 83-G  
6 ELECTRICITY GENERATION TAX

7 83-G:1 Definitions. In this chapter:

8 I. "Commissioner" means the commissioner of the department of revenue administration.

9 II. "Department" means the department of revenue administration.

10 III. "Taxable month" means a calendar month in which electricity is generated.

11 IV. "Taxpayer" means any person generating electricity in this state, except for:

12 (a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;

13 (b) A person generating electricity produced by wind energy, geothermal energy,  
14 hydrogen derived from biomass fuels or methane gas, ocean thermal, wave, current, or tidal energy,  
15 methane gas, biomass technologies, solar technologies, or hydroelectric energy, or that uses as its  
16 primary fuel source solid waste as defined in RSA 149-M:4; or

17 (c) A person generating electricity exclusively in a manner that the electricity generated  
18 is not interconnected to the electric distribution grid.

19 83-G:2 Imposition of Tax. Each taxpayer is liable for a tax of \$.00055 per kilowatt hour of  
20 electricity generated within the state.

21 83-G:3 Collection of Tax. Every taxpayer shall collect and monthly remit the tax to the state as  
22 provided in RSA 83-G:4.

23 83-G:4 Tax Returns.

24 I. Except as provided in this section, on or before the fifteenth day of each second month  
25 following a taxable month, each taxpayer shall make a return to the department for the taxable  
26 month on a form prescribed by the department.

27 II. Any taxpayer who ceases to engage in generating electricity, and is thereby not  
28 responsible for filing returns under this chapter, shall file a final return with the department not  
29 more than one month after discontinuing such activity. This requirement shall apply  
30 notwithstanding any other provision of this chapter regarding the time within which to file a return.

31 III. If the commissioner finds that the information required for the making of an accurate  
32 return cannot reasonably be compiled by a taxpayer within one month and 15 days after the close of

1 the taxable month for which a return is to be made, the commissioner may grant an extension of  
2 time for the filing of such return. Any such extension shall be granted for a period not to exceed 31  
3 calendar days. The granting of such extension may be conditioned upon the payment by the  
4 taxpayer of an amount of money equal to the amount estimated by the commissioner to be due with  
5 the return when filed under extension. All such estimated payments shall be credited against the  
6 taxpayer's liabilities under this chapter.

7 IV. The taxpayer shall pay to the department the amount of tax imposed by this chapter at  
8 the time it makes a return.

9 83-G:5 Exemptions.

10 I. It is in the public interest to foster the generation of electricity from renewable energy  
11 sources and from small scale distributed energy resources and to encourage waste reduction.

12 II. Electricity generated from the following sources shall not be subject to taxation under  
13 this chapter:

14 (a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;

15 (b) Energy generated by wind energy, geothermal energy, hydrogen derived from  
16 biomass fuels or methane gas, ocean thermal, wave, current, or tidal energy, methane gas, biomass  
17 technologies, solar technologies, or hydroelectric energy, or that uses as its primary fuel source solid  
18 waste as defined in RSA 149-M:4; or

19 (c) Electricity generated which is not interconnected to the electric distribution grid.

20 83-G:6 Instruments, Books, Records, Papers, and Other Documents.

21 I. Every taxpayer shall provide and keep the necessary instruments and records to show the  
22 amount expressed in kilowatt hours of electricity generated by such person.

23 II. Every taxpayer required to file or actually filing under this chapter shall keep books,  
24 records, papers, and other documents which are adequate to reflect the information required by this  
25 chapter to be reported to the department by the filing of timely returns with the department.

26 III. All instruments, books, records, and other papers and documents required to be kept by  
27 this chapter shall, at all times during business hours of the day, be subject to inspection by the  
28 department.

29 83-G:7 Additional Returns. When the commissioner has reason to believe that a taxpayer has  
30 failed to file a return or to include any part of the total kilowatt hours electricity generated in a filed  
31 return, the commissioner may require the taxpayer to file a return or a supplementary return  
32 showing such additional information as the commissioner prescribes. Upon the receipt of the  
33 supplementary return, or if none is received within the time set by the commissioner, the  
34 commissioner may find and assess the amount due upon the information that is available. The  
35 making of such additional return does not relieve the taxpayer of any penalty for failure to make a  
36 correct original return, or relieve such person from liability for interest imposed under RSA 21-J:28  
37 or for any other additional charges imposed by the commissioner. This section shall not be construed

1 to modify or extend the statute of limitations provided in RSA 21-J:29.

2 83-G:8 Administration; Rulemaking.

3 I. The commissioner shall collect the taxes imposed under this chapter, interest on tax,  
4 additions to tax, and penalties imposed, and pay over to the state treasurer the amount of funds  
5 collected under this chapter.

6 II. The commissioner shall adopt rules, under RSA 541-A, relative to:

7 (a) The form of the return and the data which it must contain for the correct  
8 computation of the number of kilowatt hours of electricity generated in this state and the tax  
9 assessed.

10 (b) The administration of the electricity generation tax.

11 (c) The recovery of any tax, interest on tax, additions to tax, or penalties imposed by RSA  
12 83-G or RSA 21-J.

13 83-G:9 Tax Sales. The provisions of RSA 80:26 apply to the sale of land for the payment of taxes  
14 due under this chapter, and the state treasurer is authorized to purchase the land for the state. If  
15 the state purchases the land, the state treasurer shall certify the purchase to the governor, and the  
16 governor shall draw a warrant for the purchase price out of any money in the treasury not otherwise  
17 appropriated.

18 83-G:10 Severability. If any provision of this chapter or the application thereof to any person or  
19 circumstance is held to be invalid, the invalidity shall not affect other provisions or applications of  
20 the chapter which can be given effect without the invalid provision or application, and to this end the  
21 provisions of this chapter are severable.

22 104 Reference Change. Amend RSA 21-J:31 to read as follows:

23 21-J:31 Penalty for Failure to File. Any taxpayer who fails to file a return when due, unless an  
24 extension has been granted by the department, shall pay a penalty equal to 5 percent of the amount  
25 of the tax due or \$10, whichever is greater, for each month or part of a month during which the  
26 return remains unfiled. The total amount of any penalty shall not, however, exceed 25 percent of the  
27 amount of the tax due or \$50, whichever is greater. This penalty shall not be applied in any case in  
28 which a return is filed within the extended filing period as provided in RSA 77:18-b, RSA 77-A:9,  
29 RSA 77-E:8, RSA ~~[83-C:6, RSA 83-E:5]~~ 83-G:4, RSA 84-A:7, or RSA 84-C:7, or the failure to file was  
30 due to reasonable cause and not willful neglect of the taxpayer. The amount of the penalty is  
31 determined by applying the percentages specified to the net amount of any tax due after crediting  
32 any timely payments made through estimating or other means.

33 105 Reference Change. Amend RSA 21-J:33-a, I to read as follows:

34 I. If there is a substantial understatement of tax imposed under RSA 77, RSA 77-A, RSA 77-  
35 E, RSA 78-A, RSA 78-C, RSA 82-A ~~[or RSA 83-C]~~, or RSA ~~[83-E]~~ 83-G, for any taxable period, there  
36 shall be added to the tax an amount equal to 25 percent of the amount of any underpayment  
37 attributable to such understatement.

1 106 Repeal. RSA 83-E, relative to the electricity consumption tax, is repealed.

2 107 Effective Date.

3 I. Section 5 of this act shall take effect as provided in section 33 of this act.

4 II. Sections 13, 14, 16, 67-74, 77-80, 92-99, and 103-106 of this act shall take effect July 1,  
5 2010.

6 III. Sections 75 and 76 shall take effect June 15, 2010.

7 IV. The remainder of this act shall take effect upon its passage.

2010-1727h

AMENDED ANALYSIS

42. Replaces the electricity consumption tax paid by consumers with an electricity generation tax paid by generation facilities.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 New Section; Pooled Risk Management Programs; Authority of Secretary of State. Amend  
4 RSA 5-B by inserting after section 4 the following new section:

5 5-B:4-a Authority of the Department of State; Cease and Desist Orders; Penalties.

6 I. The department shall have the authority:

7 (a) To order compliance with the provisions of this chapter, including but not limited to,  
8 the return of surplus funds to the participating political subdivisions pursuant to RSA 5-B:5, I(c).

9 (b) To conduct investigations and issue subpoenas in accordance with RSA 421-B:22.

10 (c) To issue cease and desist orders in accordance with RSA 421-B:23, I(a).

11 (d) To seek injunctive relief and civil penalties in superior court for violations of this  
12 chapter in accordance with RSA 421-B:23, I(b)-(c) and RSA 421-B:23, II.

13 II. The department shall conduct all administrative hearings in accordance with RSA 421-  
14 B:26-a.

15 III. Appeals of orders of the department shall be governed by RSA 541.

16 IV. The provisions of RSA 421-B:24 related to criminal penalties shall not apply to this  
17 chapter.

18 104 New Paragraph; Pooled Risk Management Programs; Standards of Organization and  
19 Operation. Amend RSA 5-B:5 by inserting after paragraph II the following new paragraph:

20 III. Each pooled risk management program shall maintain a reserve of no more than the  
21 sum of:

22 (a) Ten percent of estimated annual claims of the health plan; and

23 (b) The amount determined annually by a qualified actuary to be necessary to fund the  
24 unpaid portion of ultimate expected losses, including incurred but not reported claims, and related  
25 expenses incurred in the provision of benefits for eligible participants, less any credit, as determined  
26 by a qualified actuary, for excess insurance or reinsurance.

27 105 Limitation on Reserves and Administrative Expenses of Pooled Risk Management  
28 Programs. The secretary of state, in consultation with the insurance commissioner, shall, no later  
29 than July 1, 2011, submit a report to the speaker of the house of representatives, the president of the  
30 senate, the governor, and the chairpersons of the committees in the house of representatives and the  
31 senate with jurisdiction over insurance issues containing recommendations on whether the  
32 limitation on reserves in pooled risk management programs should be adjusted and whether

- 1 limitations should be imposed on administrative expenses of pooled risk management programs.  
2 106 Repeal. 2009, 128:4, relative to the 2011 amendment of the pooled risk management  
3 program informational filing fee, is repealed.  
4 107 Effective Date.  
5 I. Section 5 of this act shall take effect as provided in section 33 of this act.  
6 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.  
7 III. Sections 75 and 76 shall take effect June 15, 2010.  
8 IV. The remainder of this act shall take effect upon its passage.

2010-1729h

AMENDED ANALYSIS

42. Modifies the enforcement of pooled risk management programs established for the benefit of political subdivisions.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 New Section; Pooled Risk Management Programs; Authority of Secretary of State. Amend  
4 RSA 5-B by inserting after section 4 the following new section:

5 5-B:4-a Authority of the Department of State; Cease and Desist Orders; Penalties.

6 I. The department shall have the authority:

7 (a) To order compliance with the provisions of this chapter, including but not limited to,  
8 the return of surplus funds to the participating political subdivisions pursuant to RSA 5-B:5, I(c).

9 (b) To conduct investigations and issue subpoenas in accordance with RSA 421-B:22.

10 (c) To issue cease and desist orders in accordance with RSA 421-B:23, I(a).

11 (d) To seek injunctive relief and civil penalties in superior court for violations of this  
12 chapter in accordance with RSA 421-B:23, I(b)-(c) and RSA 421-B:23, II.

13 II. The department shall conduct all administrative hearings in accordance with RSA 421-  
14 B:26-a.

15 III. Appeals of orders of the department shall be governed by RSA 541.

16 IV. The provisions of RSA 421-B:24 related to criminal penalties shall not apply to this  
17 chapter.

18 104 New Paragraph; Pooled Risk Management Programs; Standards of Organization and  
19 Operation. Amend RSA 5-B:5 by inserting after paragraph II the following new paragraph:

20 III. Each pooled risk management program shall maintain a reserve of no more than the  
21 sum of:

22 (a) Ten percent of estimated annual claims of the health plan; and

23 (b) The amount determined annually by a qualified actuary to be necessary to fund the  
24 unpaid portion of ultimate expected losses, including incurred but not reported claims, and related  
25 expenses incurred in the provision of benefits for eligible participants, less any credit, as determined  
26 by a qualified actuary, for excess insurance or reinsurance.

27 105 Limitation on Reserves and Administrative Expenses of Pooled Risk Management  
28 Programs. The secretary of state, in consultation with the insurance commissioner, shall, no later  
29 than July 1, 2011, submit a report to the speaker of the house of representatives, the president of the  
30 senate, the governor, and the chairpersons of the committees in the house of representatives and the  
31 senate with jurisdiction over insurance issues containing recommendations on whether the  
32 limitation on reserves in pooled risk management programs should be adjusted and whether



- 1 limitations should be imposed on administrative expenses of pooled risk management programs.  
2 106 Repeal. 2009, 128:4, relative to the 2011 amendment of the pooled risk management  
3 program informational filing fee, is repealed.  
4 107 Effective Date.  
5 I. Section 5 of this act shall take effect as provided in section 33 of this act.  
6 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.  
7 III. Sections 75 and 76 shall take effect June 15, 2010.  
8 IV. The remainder of this act shall take effect upon its passage.

2010-1729h

AMENDED ANALYSIS

42. Modifies the enforcement of pooled risk management programs established for the benefit of political subdivisions.

Rep. M. Smith, Straf. 7  
April 29, 2010  
2010-1730h  
01/10



Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3

4 103 Department of Health and Human Services; North Country Transportation. For the  
5 biennium ending June 30, 2011, the department of health and human services shall not reduce  
6 funding provided to North Country Transportation used toward meeting the state matching funds  
7 requirement for the Job Access and Reverse Commute (JARC) grant award from the United States  
8 Department of Transportation.

Rep. M. Smith, Straf. 7  
April 29, 2010  
2010-1739h  
06/09

Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 79 with the following:

2

3 79 Department of Health and Human Services; Public Assistance; Definitions. Amend  
4 RSA 167:6, VI to read as follows:

5 VI. For the purposes hereof, a person shall be eligible for aid to the permanently and totally  
6 disabled who is between the ages of 18 and 64 years of age inclusive; is a resident of the state; and is  
7 disabled as defined in the federal Social Security Act, Titles II and XVI and the regulations adopted  
8 under such act, except that the minimum required duration of the impairment shall be 48 months,  
9 unless and until the department adopts a 12-month standard in accordance with RSA 167:3-j. In  
10 determining disability, the standards for "substantial gainful activity" as used in the Social Security  
11 Act shall apply, including all work incentive provisions including Impairment Related Work  
12 Expenses, Plans to Achieve Self Support, and subsidies. No person shall be eligible to receive such  
13 aid while receiving old age assistance, aid to the needy blind, or aid to families with dependent  
14 children. *Notwithstanding any provision of law to the contrary, eligibility for cash  
15 assistance shall be conditioned upon the recipient filing an application for any federal  
16 disability benefits for which the individual may be entitled and pursuing any appeals  
17 available for those federal benefits. Cash assistance shall terminate upon a finding by a  
18 federal administrative law judge that the individual is medically ineligible for the federal  
19 benefits. The department may terminate cash assistance for failure to comply with the  
20 requirements of this paragraph, subject to the recipient's right to an administrative  
21 appeal.*

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2  
3 103 Taxation of Transfers of Certain Estates. RSA 87:1 is repealed and reenacted to read as  
4 follows:

5 87:1 Tax Imposed; Exemption.

6 I. An estate tax is hereby imposed upon the transfer of the estate of every decedent leaving a  
7 taxable estate for which the gross value after allowable deductions, as defined by the Internal  
8 Revenue Code of 1986, is greater than \$2,000,000, and who has property within this state.

9 II. The first \$2,000,000 of the gross value of the decedent's estate shall be exempt from the  
10 estate tax.

11 III. The amount of the New Hampshire estate tax shall be equal to 8 percent of the gross  
12 value of the portion of the decedent's taxable estate that exceeds the exemption in paragraph II.

13 IV. If only a portion of the decedent's estate is located in this state, the tax shall be  
14 determined as follows:

15 (a) For a decedent who, at the time of death, was a resident of this state, the  
16 New Hampshire estate tax shall be reduced by an amount determined by multiplying the entire  
17 amount of the tax by the percentage which the gross value of the real and tangible property portion  
18 of the decedent's estate located outside of this state bears to the gross value of the entire estate.

19 (b) For a decedent who, at the time of death, was not a resident of this state, the  
20 New Hampshire estate tax shall be determined by multiplying the entire amount of the tax by the  
21 percentage which the gross value of the real and tangible property portion of the decedent's estate  
22 located in this state bears to the gross value of the entire estate.

23 104 Authority to Audit. Amend RSA 87:36, II to read as follows:

24 II. The department may, on its own motion, undertake such an audit upon written notice to  
25 the executor, administrator, or legatee within the statute of limitations as provided in RSA 21-J:29[  
26 ~~except that where a change is reported as provided in RSA 87:10, such notice shall be provided~~  
27 ~~within 6 months of the receipt of such amended return].~~

28 105 Repeal. The following are repealed:

29 I. RSA 87:7, relative to intent of chapter.

30 II. RSA 87:9, relative to chapter void, when.

31 III. RSA 87:10, relative to adjustments.

32 106 Effective Date.

- 1 I. Section 5 of this act shall take effect as provided in section 33 of this act.
- 2 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.
- 3 III. Sections 75 and 76 shall take effect June 15, 2010.
- 4 IV. Sections 103-105 shall take effect January 1, 2011.
- 5 V. The remainder of this act shall take effect upon its passage.

2010-1755h

AMENDED ANALYSIS

42. This amendment changes the rate of the New Hampshire estate tax to 8 percent of the gross value of the portion of the decedent's taxable estate that exceeds \$2,000,000.



Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2  
3 103 Taxation of Transfers of Certain Estates. RSA 87:1 is repealed and reenacted to read as  
4 follows:

5 87:1 Tax Imposed; Exemption.

6 I. An estate tax is hereby imposed upon the transfer of the estate of every decedent leaving a  
7 taxable estate for which the gross value after allowable deductions, as defined by the Internal  
8 Revenue Code of 1986, is greater than \$2,000,000, and who has property within this state.

9 II. The first \$2,000,000 of the gross value of the decedent's estate shall be exempt from the  
10 estate tax.

11 III. The amount of the New Hampshire estate tax shall be equal to 8 percent of the gross  
12 value of the portion of the decedent's taxable estate that exceeds the exemption in paragraph II.

13 IV. If only a portion of the decedent's estate is located in this state, the tax shall be  
14 determined as follows:

15 (a) For a decedent who, at the time of death, was a resident of this state, the  
16 New Hampshire estate tax shall be reduced by an amount determined by multiplying the entire  
17 amount of the tax by the percentage which the gross value of the real and tangible property portion  
18 of the decedent's estate located outside of this state bears to the gross value of the entire estate.

19 (b) For a decedent who, at the time of death, was not a resident of this state, the  
20 New Hampshire estate tax shall be determined by multiplying the entire amount of the tax by the  
21 percentage which the gross value of the real and tangible property portion of the decedent's estate  
22 located in this state bears to the gross value of the entire estate.

23 104 Authority to Audit. Amend RSA 87:36, II to read as follows:

24 II. The department may, on its own motion, undertake such an audit upon written notice to  
25 the executor, administrator, or legatee within the statute of limitations as provided in RSA 21-J:29[  
26 ~~except that where a change is reported as provided in RSA 87:10, such notice shall be provided~~  
27 ~~within 6 months of the receipt of such amended return].~~

28 105 Repeal. The following are repealed:

29 I. RSA 87:7, relative to intent of chapter.

30 II. RSA 87:9, relative to chapter void, when.

31 III. RSA 87:10, relative to adjustments.

32 106 Effective Date.

- 1 I. Section 5 of this act shall take effect as provided in section 33 of this act.
- 2 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.
- 3 III. Sections 75 and 76 shall take effect June 15, 2010.
- 4 IV. Sections 103-105 shall take effect January 1, 2011.
- 5 V. The remainder of this act shall take effect upon its passage.

Draft Amendment to SB 450-FN

- Page 3 -

2010-1755h

AMENDED ANALYSIS

42. This amendment changes the rate of the New Hampshire estate tax to 8 percent of the gross value of the portion of the decedent's taxable estate that exceeds \$2,000,000.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2  
3 103 Exemption Increased. Amend RSA 77:3, I to read as follows:

4 I. Taxable income is that income received from interest and dividends during the tax year  
5 prior to the assessment date by:

6 (a) Individuals who are inhabitants or residents of this state for any part of the taxable  
7 year whose gross interest and dividend income from all sources, including income from a qualified  
8 investment company pursuant to RSA 77:4, V, exceeds [~~\$2,400~~] \$5,000 during that taxable period.

9 (b) Partnerships, limited liability companies, associations, and trusts, the beneficial  
10 interest in which is not represented by transferable shares, whose gross interest and dividend  
11 income from all sources exceeds [~~\$2,400~~] \$5,000 during the taxable year, but not including a  
12 qualified investment company as defined in RSA 77-A:1, XXI, or a trust comprising a part of an  
13 employee benefit plan, as defined in the Employee Retirement Income Security Act of 1974, section  
14 3.

15 (c) Fiduciaries deriving their appointment from a court of this state whose gross interest  
16 and dividend income from all sources exceeds [~~\$2,400~~] \$5,000 during the taxable year.

17 104 New Paragraph; Taxable Income; Capital Gains. Amend RSA 77:4 by inserting after  
18 paragraph V the following new paragraph:

19 V-a. The realized gain from the sale of all real and financial assets less the realized loss from  
20 the sale of financial assets, other than a primary residence, including stocks, bonds, and property.

21 105 Exemptions. Amend RSA 77:5, I to read as follows:

22 I. Income of [~~\$2,400~~] \$5,000.

23 106 Married Taxpayers; Joint Returns. Amend RSA 77:5-a to read as follows:

24 77:5-a Married Taxpayers; Joint Returns. A married taxpayer may claim the exemptions  
25 provided in RSA 77:5 for both self and spouse, regardless of the ownership of the income from  
26 interest [~~or~~], dividends, *on capital gains*, provided that both husband and wife file a joint return.

27 107 Returns and Declaration. Amend RSA 77:18, IV to read as follows:

28 IV. Notwithstanding the provisions of paragraphs I-III, the following individuals shall not be  
29 required to file a return and shall not be considered to have gross or net taxable income for the  
30 purposes of this chapter:

31 (a) Every individual whose total interest and dividend income is less than [~~\$2,400~~]  
32 \$5,000 for a taxable period.



1 (b) For joint filers whose total interest and dividend income is less than [~~\$4,800~~] \$10,000  
2 for a taxable period.

3 108 Repeal. The following are repealed:

4 I. RSA 77:4, IV, relative to the exemption of dividends declared by corporations to be a  
5 return of capital.

6 II. RSA 77:4-c, relative to sale or exchange of transferable shares not taxable.

7 III. RSA 77:7, relative to capital distribution.

8 109 Effective Date.

9 I. Section 5 of this act shall take effect as provided in section 33 of this act.

10 II. Sections 13, 14, 16, 67-74, 77-80, 92-99, and 103-108 of this act shall take effect July 1,  
11 2010.

12 III. Sections 75 and 76 shall take effect June 15, 2010.

13 IV. The remainder of this act shall take effect upon its passage.

2010-1756h

AMENDED ANALYSIS

42. This amendment requires taxation of capital gains and increases the standard exemption under the interest and dividends tax.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 105:

3

4 103 Tobacco Tax; Tax on Products Other than Cigarettes. Amend RSA 78:7-c to read as follows:

5 78:7-c Tax Imposed on Tobacco Products Other Than Cigarettes. A tax upon the retail consumer  
6 is hereby imposed on tobacco products other than cigarettes at a rate of [~~48.50~~] 65.03 percent of the  
7 wholesale sales price. The tax under this section may be rounded to the nearest cent if the  
8 commissioner determines that the amount of tax would not thereby be made materially  
9 disproportionate. No such tax is imposed on any transactions, the taxation of which by this state is  
10 prohibited by the Constitution of the United States. No such tax shall be imposed on premium  
11 cigars.

12 104 Applicability; Tax on Tobacco Products Other than Cigarettes. Section 103 of this act shall  
13 apply to all persons licensed under RSA 78:2. Such persons shall inventory all taxable tobacco  
14 products other than cigarettes in their possession and file a report of such inventory with the  
15 department of revenue administration on a form prescribed by the commissioner within 20 days  
16 after the effective date of this section. The tax rate effective on the effective date of this section shall  
17 apply to such inventory and the difference, if any, in the amount paid previously on such inventory  
18 and the current effective rate of tax shall be due within 90 days of the effective date of this section.  
19 The inventory form shall be treated as a tax return for the purpose of computing penalties under  
20 RSA 21-J.

Draft Amendment to SB 450-FN

- Page 2 -

2010-1757h

AMENDED ANALYSIS

42. Increases the tax rate imposed on tobacco products other than cigarettes.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 105:

3  
4 103 Tobacco Tax; Tax on Products Other than Cigarettes. Amend RSA 78:7-c to read as follows:  
5 78:7-c Tax Imposed on Tobacco Products Other Than Cigarettes. A tax upon the retail consumer  
6 is hereby imposed on tobacco products other than cigarettes at a rate of ~~[48.59]~~ 65.03 percent of the  
7 wholesale sales price. The tax under this section may be rounded to the nearest cent if the  
8 commissioner determines that the amount of tax would not thereby be made materially  
9 disproportionate. No such tax is imposed on any transactions, the taxation of which by this state is  
10 prohibited by the Constitution of the United States. No such tax shall be imposed on premium  
11 cigars.

12 104 Applicability; Tax on Tobacco Products Other than Cigarettes. Section 103 of this act shall  
13 apply to all persons licensed under RSA 78:2. Such persons shall inventory all taxable tobacco  
14 products other than cigarettes in their possession and file a report of such inventory with the  
15 department of revenue administration on a form prescribed by the commissioner within 20 days  
16 after the effective date of this section. The tax rate effective on the effective date of this section shall  
17 apply to such inventory and the difference, if any, in the amount paid previously on such inventory  
18 and the current effective rate of tax shall be due within 90 days of the effective date of this section.  
19 The inventory form shall be treated as a tax return for the purpose of computing penalties under  
20 RSA 21-J.

Draft Amendment to SB 450-FN  
- Page 2 -

2010-1757h

AMENDED ANALYSIS

42. Increases the tax rate imposed on tobacco products other than cigarettes.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 Insurance Premium Tax. Amend RSA 400-A:32, I(a) to read as follows:

4 I.(a) Every insurer shall pay to the insurance commissioner [~~a tax~~] upon such net premiums,  
5 for lines of business written, as set forth in the report filed pursuant to RSA 400-A:31, I, less  
6 estimated payments made in accordance with RSA 400-A:32, II, [~~as follows~~]:

7 ~~(1) Effective July 1, 2007, a tax of 1.75 percent for all lines of business written~~  
8 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1 a, I and II;~~

9 ~~(2) Effective January 1, 2009, a tax of 1.50 percent for all lines of business written~~  
10 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1 a, I and II;~~

11 ~~(3) Effective January 1, 2010, a tax of 1.25 percent for all lines of business written~~  
12 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1 a, I and II; and~~

13 ~~(4) Effective January 1, 2011, a tax of one percent for all lines of business written~~  
14 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1 a, I and II.~~

15 ~~(5)]~~ a tax of 2 percent for all lines of business written pursuant to RSA 401:1, [IV,]  
16 including, but not limited to, insurers licensed pursuant to RSA 420-A, RSA 420-B, and RSA 420-F.

17 104 Applicability. The provisions of RSA 400-A:32, I(a) as amended by section 103 of this act  
18 shall apply to tax periods of authorized insurers beginning after June 30, 2009. Any additional  
19 premium tax liability due to the amendment to RSA 400-A:32, I(c) by section 103 of this act shall be  
20 paid in full to the insurance commissioner by June 15, 2010.

21 105 Effective Date.

22 I. Section 5 of this act shall take effect as provided in section 33 of this act.

23 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.

24 III. Sections 75 and 76 shall take effect June 15, 2010.

25 IV. The remainder of this act shall take effect upon its passage.

2010-1758h

AMENDED ANALYSIS

42. Sets the insurance premium tax at 2 percent for all lines of insurance business.



Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2  
3 103 Insurance Premium Tax. Amend RSA 400-A:32, I(a) to read as follows:

4 I.(a) Every insurer shall pay to the insurance commissioner [~~a tax~~] upon such net premiums,  
5 for lines of business written, as set forth in the report filed pursuant to RSA 400-A:31, I, less  
6 estimated payments made in accordance with RSA 400-A:32, II, [~~as follows~~]:

7 ~~(1) Effective July 1, 2007, a tax of 1.75 percent for all lines of business written~~  
8 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1 a, I and II;~~

9 ~~(2) Effective January 1, 2009, a tax of 1.50 percent for all lines of business written~~  
10 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1 a, I and II;~~

11 ~~(3) Effective January 1, 2010, a tax of 1.25 percent for all lines of business written~~  
12 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1 a, I and II; and~~

13 ~~(4) Effective January 1, 2011, a tax of one percent for all lines of business written~~  
14 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1 a, I and II.~~

15 ~~(5)]~~ a tax of 2 percent for all lines of business written pursuant to RSA 401:1, [IV,]  
16 including, but not limited to, insurers licensed pursuant to RSA 420-A, RSA 420-B, and RSA 420-F.

17 104 Applicability. The provisions of RSA 400-A:32, I(a) as amended by section 103 of this act  
18 shall apply to tax periods of authorized insurers beginning after June 30, 2009. Any additional  
19 premium tax liability due to the amendment to RSA 400-A:32, I(c) by section 103 of this act shall be  
20 paid in full to the insurance commissioner by June 15, 2010.

21 105 Effective Date.

22 I. Section 5 of this act shall take effect as provided in section 33 of this act.

23 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.

24 III. Sections 75 and 76 shall take effect June 15, 2010.

25 IV. The remainder of this act shall take effect upon its passage.

2010-1758h

AMENDED ANALYSIS

42. Sets the insurance premium tax at 2 percent for all lines of insurance business.

Rep. Almy, Graf. 11  
April 29, 2010  
2010-1759h  
01/09

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 105:

3  
4 103 Tobacco Tax; Tax on Products Other than Cigarettes. Amend RSA 78:7-c to read as follows:  
5 78:7-c Tax Imposed on Tobacco Products Other Than Cigarettes. A tax upon the retail consumer  
6 is hereby imposed on tobacco products other than cigarettes at a rate of ~~[48-59]~~ 72.34 percent of the  
7 wholesale sales price. The tax under this section may be rounded to the nearest cent if the  
8 commissioner determines that the amount of tax would not thereby be made materially  
9 disproportionate. No such tax is imposed on any transactions, the taxation of which by this state is  
10 prohibited by the Constitution of the United States. No such tax shall be imposed on premium  
11 cigars.

12 104 Applicability; Tax on Tobacco Products Other than Cigarettes. Section 103 of this act shall  
13 apply to all persons licensed under RSA 78:2. Such persons shall inventory all taxable tobacco  
14 products other than cigarettes in their possession and file a report of such inventory with the  
15 department of revenue administration on a form prescribed by the commissioner within 20 days  
16 after the effective date of this section. The tax rate effective on the effective date of this section shall  
17 apply to such inventory and the difference, if any, in the amount paid previously on such inventory  
18 and the current effective rate of tax shall be due within 90 days of the effective date of this section.  
19 The inventory form shall be treated as a tax return for the purpose of computing penalties under  
20 RSA 21-J.

Draft Amendment to SB 450-FN

- Page 2 -

2010-1759h

AMENDED ANALYSIS

42. Increases the tax rate imposed on tobacco products other than cigarettes.



Rep. Almy, Graf 11  
April 29, 2010  
2010-1760h  
01/09

Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 87 with the following:

2

3       87 Applicability; Tobacco Tax. Section 86 of this act shall apply to all persons licensed under  
4 RSA 78:2. Such persons shall inventory all taxable tobacco products in their possession and file a  
5 report of such inventory with the department of revenue administration on a form prescribed by the  
6 commissioner within 20 days after the effective date of this section. The tax rate effective on the  
7 effective date of this section shall apply to such inventory and the difference, if any, in the amount  
8 paid previously on such inventory and the current effective rate of tax shall be due within 90 days of  
9 the effective date of this section. The inventory form shall be treated as a tax return for the purpose  
10 of computing penalties under RSA 21-J.

Draft-Amendment to SB 450-FN

1 Amend the bill by replacing section 87 with the following:

2

3       87 Applicability; Tobacco Tax. Section 86 of this act shall apply to all persons licensed under  
4 RSA 78:2. Such persons shall inventory all taxable tobacco products in their possession and file a  
5 report of such inventory with the department of revenue administration on a form prescribed by the  
6 commissioner within 20 days after the effective date of this section. The tax rate effective on the  
7 effective date of this section shall apply to such inventory and the difference, if any, in the amount  
8 paid previously on such inventory and the current effective rate of tax shall be due within 90 days of  
9 the effective date of this section. The inventory form shall be treated as a tax return for the purpose  
10 of computing penalties under RSA 21-J.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3  
4 103 Committee Established.

5 I. There is established a committee to make recommendations relative to the organization of  
6 a regulatory body to oversee all forms of gambling in New Hampshire.

7 II. The members of the committee shall be as follows:

8 (a) Five members of the house of representatives, 2 of whom shall be from the committee  
9 on executive departments and administration, and 3 of whom shall be from the committee on local  
10 and regulated revenues, appointed by the speaker of the house of representatives.

11 (b) Two members of the senate, appointed by the president of the senate.

12 III. Members of the committee shall receive mileage at the legislative rate when attending to  
13 the duties of the committee.

14 IV. The committee shall:

15 (a) Study the oversight and regulation of all current forms of gaming in the state of New  
16 Hampshire.

17 (b) Study other state laws regarding the oversight and regulation of all forms of gaming,  
18 specifically the state of New Jersey law.

19 (c) Make recommendations relative to the organization of a regulatory body to oversee  
20 all forms of gambling in New Hampshire.

21 V. The members of the study committee shall elect a chairperson from among the members.  
22 The first meeting of the committee shall be called by the first-named house member. The first  
23 meeting of the committee shall be held within 45 days of the effective date of this section. Four  
24 members of the committee shall constitute a quorum.

25 VI. The committee shall report its findings and any recommendations for proposed  
26 legislation to the speaker of the house of representatives, the president of the senate, the house  
27 clerk, the senate clerk, the governor, and the state library on or before November 1, 2010.

2010-1761h

AMENDED ANALYSIS

42. Establishes a committee to study and make recommendations on the regulation of all gaming in the state of New Hampshire.



Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 Special Meeting of Towns for the Fiscal Year Ending June 30, 2011. Notwithstanding any  
4 other provision of law to the contrary, for the fiscal year ending June 30, 2011, any town, including  
5 those towns that have adopted RSA 40:13 may, by a majority vote of the governing body, call a  
6 special meeting without court approval to address any reduction in the amount of state revenue  
7 distributed to the town which could affect the town's budget. Such meetings shall be subject to the  
8 following:

9 I. The governing body of such town shall post a notice, which shall include the warrant, in at  
10 least 2 public places within the political subdivision, one of which shall be on the political  
11 subdivision's website, if such exists, at least 7 days prior to the meeting. Additional notice shall be  
12 published in a newspaper of general circulation in the political subdivision, provided that if there is  
13 no newspaper of general circulation in which notice can be published at least 7 days before the date  
14 of the meeting, public notice shall be posted in at least one additional place within the political  
15 subdivision.

16 II. The governing body shall hold a public hearing on the proposed warrant articles at the  
17 town meeting.

18 III. The governing body of any town that has adopted the provisions of RSA 40:13 may elect  
19 to hold and conduct the meeting in accordance with the provisions of RSA 39 and RSA 40 and other  
20 applicable law without regard to RSA 40:13. If the governing body elects to follow the provisions of  
21 RSA 40:13, it shall provide at least a 15-day period between the deliberative session and the vote for  
22 the purposes of proceedings under this section.

23 104 Repeal. Section 103 of this act, relative to the special meetings of towns, is repealed.

24 105 Effective Date.

25 I. Section 5 of this act shall take effect as provided in section 33 of this act.

26 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.

27 III. Sections 75 and 76 shall take effect June 15, 2010.

28 IV. Section 104 of this act shall take effect July 1, 2011.

29 V. The remainder of this act shall take effect upon its passage.

2010-1763h

AMENDED ANALYSIS

42. Allows a town to call a special meeting during the 2011 fiscal year to address any reduction in the amount of state revenue distributed to the town which could affect the town's budget.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 State Retiree Medical Benefit for Spouse and Dependents. Amend RSA 21-I:30, I to read as  
4 follows:

5 I. The state shall pay a premium for each state employee and permanent temporary or  
6 permanent seasonal employee as defined in RSA 98-A:3 including spouse and minor, fully dependent  
7 children, if any, and each retired employee, as defined in paragraph II of this section, and, *if*  
8 *eligible under paragraph I-a*, his or her spouse, or retired employee's beneficiary, only if an  
9 option was taken at the time of retirement and the employee is not now living, toward group  
10 hospitalization, hospital medical care, surgical care and other medical benefits plan or a self-funded  
11 alternative within the limits of the funds appropriated at each legislative session and providing any  
12 change in plan or vendor is approved by the fiscal committee of the general court prior to its  
13 adoption. Funds appropriated for this purpose shall not be transferred or used for any other purpose.

14 *I-a.(a) The state shall pay a premium or a portion of a premium for spouses and*  
15 *dependents of retired state employees under 65 years of age under paragraph I as follows:*

16 (1) *If total annual state retirement annuity income is \$12,000 or less, the*  
17 *state shall pay 100 percent of the premium.*

18 (2) *If total annual state retirement annuity income is greater than \$12,000*  
19 *and \$18,000 or less, the state shall pay 50 percent of the premium.*

20 (3) *If total annual state retirement annuity income is greater than \$18,000,*  
21 *the state shall pay no premium.*

22 (b) *The state shall pay a premium or a portion of a premium for spouses and*  
23 *dependents of retired state employees 65 years of age or older under paragraph I as follows:*

24 (1) *If total annual state retirement annuity income is \$12,000 or less, the*  
25 *state shall pay 100 percent of the premium.*

26 (2) *If total annual state retirement annuity income is greater than \$12,000*  
27 *and \$18,000 or less, the state shall pay 75 percent of the premium.*

28 (3) *If total annual state retirement annuity income is greater than \$18,000,*  
29 *the state shall pay 50 percent of the premium.*

30 (c) *The amount of premium paid pursuant to subparagraphs (a) and (b) shall be*  
31 *reduced by 2 percent per year for each year that a member's service is less than 30 years for*  
32 *group I retirees and 2 1/2 percent for each year that a member's service is less than 20*

1 *years for group II retirees.*

2 104 Effective Date.

3 I. Section 5 of this act shall take effect as provided in section 33 of this act.

4 II. Sections 13, 14, 16, 67-74, 77-80, 92-99, and 103 of this act shall take effect July 1, 2010.

5 III. Sections 75 and 76 shall take effect June 15, 2010.

6 IV. The remainder of this act shall take effect upon its passage.

2010-1765h

AMENDED ANALYSIS

42. Bases the payment by the state of the premium for the state retiree medical benefit for spouses and dependents on state retirement annuity income of the retiree or retiree's spouse.





Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 73 with the following:

2

3 73 Prevention Programs. Amend RSA 170-G:4, XVI to read as follows:

4 XVI. Encourage cities, towns, and counties to develop and maintain prevention programs,  
5 court diversion programs, and alternative dispositions for juveniles other than placements outside of  
6 the home through the use of a formula which shall allow for the transfer of funds to cities, towns,  
7 and counties which have, or are developing, prevention programs or alternatives for juvenile care.

8 The amount to be distributed for this program shall be not less than ~~4.5~~ 3 percent of the annual  
9 amount appropriated to the department of health and human services for placement costs. The  
10 method of distribution shall be based upon rules adopted under RSA 541-A by the commissioner.

11 For purposes of this paragraph, prevention programs shall include programs or activities for the  
12 prevention of child abuse and neglect. *Before January 1, 2011, and biennially thereafter, the*  
13 *department shall provide to the chairmen of the house and senate health and human*  
14 *services committees, and the chairmen of the house and senate finance committees a report*  
15 *assessing the effectiveness of the programs funded through this paragraph.*

Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 100 with the following:

2

3 100 Lottery Commission; Report Required. The lottery commission shall submit to the  
4 governor, the president of the senate, and the speaker of the house of representatives, no later than  
5 November 15, 2010, a comprehensive report describing how it proposes to modernize and update its  
6 products within the next 5 years in order to maximize revenues in a competitive lottery environment.

Draft Amendment to SB 450-FN

- Page 2 -

2010-1775h

AMENDED ANALYSIS

40. Requires the lottery commission to submit a report to the governor and the legislature describing how it proposes to modernize and update its products.

Rep. Eaton, Ches. 2  
April 30, 2010  
2010-1786h  
03/04



Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 34 with the following:

2

3 34 Operating Budget; Lapse; Legislative Branch. Notwithstanding 2009, 143:1, the legislative  
4 branch shall lapse an additional \$312,000 for the fiscal year ending June 30, 2010 and lapse an  
5 additional \$669,000 for the fiscal year ending June 30, 2011. The reductions required by this section  
6 shall be in addition to the lapse required pursuant to 2009, 143:10 and in addition to the lapse  
7 required pursuant to 2010, 4:1.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3  
4 102 Renewable Energy Fund. Amend RSA 362-F:10, I to read as follows:

5 I.(a) There is hereby established a renewable energy fund. This nonlapsing, special fund  
6 shall be continually appropriated to the commission to be expended in accordance with this section.  
7 The state treasurer shall invest the moneys deposited therein as provided by law. Income received  
8 on investments made by the state treasurer shall also be credited to the fund. All payments to be  
9 made under this section shall be deposited in the fund.

10 (b) The moneys paid into the fund under paragraph II of this section, excluding class II  
11 moneys, shall be used by the commission to support thermal and electrical renewable energy  
12 initiatives. Class II moneys shall only be used to support solar energy technologies in  
13 New Hampshire.

14 (c) *Each calendar year, 50 percent of the moneys paid into the fund shall be*  
15 *made available to the municipalities of the state to support projects consistent with*  
16 *subparagraph (b). Each municipality shall be entitled to the use of its proportionate share*  
17 *of the fund. Every provider of electricity paying into the fund shall file annually, not later*  
18 *than February 15, a list of municipalities and the provider of electricity's energy sales in*  
19 *kilowatt-hours to customers located in each municipality during the previous calendar*  
20 *year. A municipality's proportionate share of the fund shall be calculated by multiplying*  
21 *each provider of electricity's annual contribution to the fund by that municipality's*  
22 *percentage share of each provider of electricity's overall energy sales, and adding such*  
23 *result from all providers of electricity. Each municipality's entitlement to use of funds*  
24 *under this subparagraph shall end 4 years after the effective date of this subparagraph,*  
25 *and any funds not used by municipalities shall be made available for general use*  
26 *consistent with this section.*

27 (d) All initiatives supported out of ~~these funds~~ *the renewable energy fund* shall be  
28 subject to audit by the commission as deemed necessary. All fund moneys including those from class  
29 II may be used to administer this chapter, but all new employee positions shall be approved by the  
30 fiscal committee of the general court.

2010-1787h

AMENDED ANALYSIS

42. Requires that a portion of payments made to the renewable energy fund be made available for municipalities to use on thermal and electrical renewable energy projects.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3

4 103 Judicial Branch; 2011 Fiscal Year. In consideration of budgetary constraints facing the  
5 state, and in order to permit the flexibility to implement the recommendations of the judicial branch  
6 innovation commission which is scheduled to report its findings to the New Hampshire supreme  
7 court on or before January 1, 2011, the general court respectfully urges the judicial branch to comply  
8 with the following provisions through the fiscal year ending June 30, 2011:

9 I. The judicial branch will not fill any vacant judicial or non-judicial positions on a full-time  
10 basis. The judicial branch may hire qualified personnel to fill any such vacancy on a part-time basis;  
11 and

12 II. If the judicial branch elects to fill any vacant judicial or non-judicial position with full-  
13 time personnel, the judicial branch will reduce its budget by an amount equal to the salary plus  
14 compensation offered for such full-time position.

Draft Amendment to SB 450-FN  
- Page 2 -

2010-1811h

AMENDED ANALYSIS

42. Urges the judicial branch not to fill any vacant judicial or non-judicial positions on a full-  
time basis through the fiscal year ending June 30, 2011.

Withdrawn

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

103 Definitions. Amend RSA 5-B:2, I to read as follows:

3

I. "Department" means the *insurance* department [~~of state~~].

4

104 Informational Filing. Amend RSA 5-B:4 to read as follows:

5

5-B:4 Informational Filing Required; Fee. Pooled risk management programs established for

6

the benefit of political subdivisions shall make an informational filing, as defined in RSA 5-B:2, II,

7

with the department and shall pay an annual filing fee of \$150. The department may make requests

8

for additional information necessary to exercise regulatory or enforcement authority pursuant to, but

9

not limited to, the hearings procedures under RSA [~~421-B:26-a~~] **400-A:17 through 400-A:24** over

10

any pooled risk management program formed or affirmed in accordance with this chapter. Pooled

11

workers' compensation and unemployment compensation programs which are regulated by and

12

which report to the department of labor and the department of employment security, under RSA 281-

13

A and RSA 282-A, respectively, shall be exempt from the requirements of this section as long as their

14

operations and reports conform to the laws and rules adopted by those departments.

15

105 New Section; Pooled Risk Management Programs; Authority of Insurance Department.  
Amend RSA 5-B by inserting after section 4 the following new section:

16

5-B:4-a Authority of the Insurance Department; Cease and Desist Orders; Penalties.

17

I. The department shall have the authority:

18

(a) To order compliance with the provisions of this chapter, including but not limited to,

19

the return of surplus funds to the participating political subdivisions pursuant to RSA 5-B:5, I(c).

20

(b) To conduct investigations and issue subpoenas in accordance with RSA 400-A:16 and

21

400-A:20.

22

(c) To issue cease and desist orders in accordance with RSA 417:12.

23

(d) To seek injunctive relief in superior court for violations of this chapter in accordance

24

with RSA 400-A:16.

25

(e) To impose administrative penalties in accordance with RSA 400-A:15, III.

26

II. The department shall conduct all administrative hearings in accordance with RSA 400-

27

A:17 through 400-A:24.

28

III. Appeals of orders of the department shall be governed by RSA 541.

29

106 Third Party Administrators; Exemption. Amend RSA 402-H11-b to read as follows:

30

402-H:11-b Exemption. An association administering a pooled risk management program

31

32

1 operated pursuant to RSA 5-B or conducting business that is exempt from taxation under the  
2 Internal Revenue Code, section 115 shall not be required to obtain a certificate of authority or to  
3 meet the other requirements of this chapter for services provided in connection with the  
4 administration of its pooled risk management plans or its section 115 business, but shall be required  
5 to register with the commissioner pursuant to RSA 402-H:11-a. Pooled risk management program  
6 registration may be accomplished by ~~[providing the commissioner a copy of]~~ **making** the  
7 informational filing required to be filed with the *insurance* department ~~[of state]~~ pursuant to RSA  
8 5-B:4.

9 107 Repeal. 2009, 128:4, relative to the 2011 amendment of the pooled risk management  
10 program informational filing fee, is repealed.

11 108 Effective Date.

- 12 I. Section 5 of this act shall take effect as provided in section 33 of this act.  
13 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.  
14 III. Sections 75 and 76 shall take effect June 15, 2010.  
15 IV. The remainder of this act shall take effect upon its passage.

2010-1813h

AMENDED ANALYSIS

42. Modifies the enforcement of pooled risk management programs established for the benefit of political subdivisions and transfers jurisdiction from the department of state to the insurance department.



Rep. M. Smith, Straf. 7  
May 3, 2010  
2010-1826h  
06/03



Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3

4 103 Operating Budget; General Fund Appropriation Reduction; Department of Environmental  
5 Services. Notwithstanding 2009, 143:1, the state general fund appropriations for the department of  
6 environmental services shall be reduced by an additional \$432,335 for the fiscal year ending June 30,  
7 2011. The reduction required by this section shall be in addition to any reductions required  
8 pursuant to Executive Order No. 2010-02 and any other section contained in this act. Such  
9 reduction shall be attributable to a combination of vacant positions, supplanting general fund  
10 appropriations with federal funds and other funds that might be available for that purpose, and  
11 reductions in specific class line item appropriations provided that such reductions do not cause a  
12 reduction of services, a reduction of grants or aid to local communities, or an increase in fees. The  
13 commissioner of environmental services shall submit to the fiscal committee of the general court an  
14 itemization of the reductions in expenditure classes made to implement this section on or before  
15 February 15, 2011.

Rep. Kurk, Hills. 7  
May 3, 2010  
2010-1827h  
06/03



Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 104:

3

4 103 Youth Development Center; Appropriation Reduction. Notwithstanding any provision of  
5 law to the contrary, the department of health and human services shall decrease state general fund  
6 appropriations for the youth development center under PAU 05-95-41-412010 by \$1,561,514 for the  
7 fiscal year ending June 30, 2011. In order to meet this reduction, the department shall eliminate 30  
8 positions at the youth development center which are no longer necessary due to the declining census  
9 at such center.



Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 80 with the following:

2

3 80 Rooms and Meals Tax; Distribution to Cities and Towns. Notwithstanding any provision of  
4 law, for the fiscal year ending June 30, 2011, the state treasurer shall reduce the total revenue  
5 distributed to cities and towns authorized by 2009, 143:1 and 2009, 144:8 by the sum of \$6,091,930.  
6 The remaining funds shall be distributed to cities and towns pursuant to the formula for  
7 determining the amount of revenue returnable to cities and towns under RSA 78-A:26, I and II.

Draft Amendment to SB 450-FN  
- Page 2 -

2010-1829h

AMENDED ANALYSIS

27. Reduces rooms and meals tax revenue distributions to towns and cities an additional \$6,091,930.



Draft Amendment to SB 450-FN

1 Amend the bill by replacing sections 83-85 with the following:

2

3 83 Capital Appropriation; University System of New Hampshire. Amend 2005, 259:2, I to read  
4 as follows:

5 259:2 Appropriation; University System of New Hampshire.

6 I. The Knowledge Economy Education Plan (KEEP NH) documents the need for investment  
7 in university system of New Hampshire projects primarily to renovate and expand science,  
8 engineering, and technology facilities. The sum of \$109,500,00 is hereby committed and  
9 appropriated to the university system of New Hampshire (USNH) for the KEEP NH plan, effective  
10 July 1, 2005 but limited to the drawdown of funds as stated in this section. The appropriation is for  
11 the following capital projects:

12 A. DeMeritt Hall renovation and expansion (UNH);

13 B. James Hall renovation and expansion (UNH);

14 C. Parsons Hall renovation (UNH);

15 D. Planning for renovation of Nesmith Hall (UNH), renovation and expansion of  
16 Physical Education Center (PSU), and conversion of former Zorn dining commons to academic  
17 building (KSC);

18 E. Infrastructure work on the Keene State College and Plymouth State University  
19 campuses;

20 F. NHPTV equipment (UNH); and

21 G. University Centers that would co-locate USNH and Community-Technical College  
22 System programs.

23 *I-a. The further sum of \$25,000,000 is hereby committed and appropriated to USNH,*  
24 *subject to the limitation on the drawdown of funds as stated in this section, for such other*  
25 *deferred maintenance, repair, renovation, and capital projects as may be approved by the*  
26 *university system board of trustees provided, however, that such projects shall not involve*  
27 *any of the buildings renovated or expanded with funding appropriated for the KEEP NH*  
28 *plan, 2001, 202:2, and paragraph I of this section, namely, at UNH: Murkland Hall,*  
29 *Kingsbury Hall DeMeritt Hall, James Hall, and Parsons Hall; at PSU: Boyd Hall; and at*  
30 *KSC: Mason Library and Science Building.*

31 84 Capital Appropriation; University System of New Hampshire; KEEP NH. Amend 2005,  
32 259:2, II, to read as follows:

1           II. The university system board of trustees will determine the timing of the projects and the  
2 specific dollar allocation to each from the above sum available, while ensuring the respective campus  
3 priorities are addressed. The board of trustees shall report on the progress of the projects in  
4 ~~[paragraph]~~ *paragraphs I and I-a* to the capital budget overview committee on a quarterly basis.  
5 The appropriation shall be nonlapsing and in addition to any other appropriation to the university  
6 system; provided, however, that the university system shall not receive actual cumulative payments  
7 from the state for such purposes of more than:

8           A. \$4,500,000 through the biennium ending June 30, 2007.

9           B. \$39,500,000 through the biennium ending June 30, 2009 (\$35,000,000 in new  
10 authorization for the biennium).

11           C. ~~[\$74,500,000]~~ **\$99,500,000** through the biennium ending June 30, 2011 (~~[\$35,000,000]~~  
12 **\$60,000,000** in new authorization for the biennium).

13           D. ~~[\$109,500,000]~~ **\$134,500,000** through the biennium ending June 30, 2013  
14 (\$35,000,000 in new authorization for the biennium).

15       85 Capital Budget; Bonds Authorized; University System of New Hampshire; KEEP. Amend  
16 2005, 259:8, II to read as follows:

17           II. To provide funds for the appropriation made in section 2, paragraphs I, *I-a*, and II, the  
18 state treasurer is hereby authorized to borrow upon the credit of the state not exceeding the sum of  
19 ~~[\$109,500,000]~~ **\$134,500,000** and for said purposes may issue bonds and notes in the name of and on  
20 behalf of the state of New Hampshire in accordance with RSA 6-A; provided the cumulative bonds or  
21 notes shall not be issued in excess of:

22           (1) \$4,500,000 through the biennium ending June 30, 2007.

23           (2) \$39,500,000 through the biennium ending June 30, 2009.

24           (3) ~~[\$74,500,000]~~ **\$99,500,000** through the biennium ending June 30, 2011.

25           (4) ~~[\$109,500,000]~~ **\$134,500,000** through the biennium ending June 30, 2013.



Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 106:

3

4 103 New Paragraph; Animal Population Control Program; Management of Fund. Amend RSA  
5 437-A:4-a by inserting after paragraph II the following new paragraph:

6 III. The commissioner shall put out to bid the duties related to managing the application for  
7 and distribution of moneys from the fund for the reimbursement of spay and neuter surgeries. The  
8 contract for the duties shall not exceed \$20,000. The commissioner may assess an administrative  
9 charge for the oversight of the program to the fund not to exceed \$5,000 annually.

10 104 Animal Population Control Program; Rulemaking. Amend RSA 437-A:5, II-a to read as  
11 follows:

12 II-a. ~~Administration~~ **Oversight** of the fund established under RSA 437-A:4-a.

13 105 Animal Population Control Program; Assistant Position. The animal population control  
14 program assistant position shall be abolished and, if the position is filled the department shall  
15 transfer the individual to a vacant position of similar responsibility, or the individual shall be laid  
16 off.

AMENDED ANALYSIS

42. Requires the commissioner of the department of agriculture, markets and food to put out to bid administration of the animal population control fund.

43. Abolishes the position of animal population control assistant.



Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 97 with the following:

2

3 97 New Chapter; Commission to Study Business Taxes Established. Amend RSA by inserting  
4 after chapter 77-E the following new chapter:

5

CHAPTER 77-F

6

COMMISSION TO STUDY BUSINESS TAXES

7

77-F:1 Commission to Study Business Taxes Established.

8

I. There is a commission established to study business taxes.

9

II. The members of the commission shall be as follows:

10

(a) Three members of the senate, appointed by the president of the senate.

11

(b) Four members of the house of representatives, appointed by the speaker of the house  
12 of representatives.

13

(c) Five members of the public appointed by the governor, representing the following  
14 groups and interests:

15

(1) Tax experts and accountants;

16

(2) Small business;

17

(3) Real estate, finance, and investment; and

18

(4) Business trade associations.

19

II. The commission shall study and evaluate:

20

(a) The present system of business taxation in New Hampshire, including but not  
21 limited to the rates and allocation among taxpayers of the business enterprise tax, the business  
22 profits tax, and the interest and dividends tax.

23

(b) Whether there are changes to the present system of business taxes and rates of  
24 assessment that should be considered by the legislature in order to:

25

(1) Ensure fairness and equity in the allocation of business taxes including among  
26 similarly situated business entities and taxpayers;

27

(2) Ensure clear tax laws and synchronization with federal tax laws; and

28

(3) Continue to provide a business tax environment that enhances the growth of jobs,  
29 income in the state, and the transition to clean and renewable energy.

30

(c) Safe harbors for the reasonable compensation deduction under the business profits  
31 tax, including but not limited to:

32

(1) Safe harbors based on the percentage of the gross selling price on the sale of

1 business assets other than inventory;

2 (2) The percentage of gross revenues and the percentage of gross business profits  
3 using the independent investor return test;

4 (3) The federal self-employment tax; and

5 (4) Any other issue related to the reasonable compensation deduction.

6 (d) Business tax credits and deductions including, but not limited to, net operating  
7 losses.

8 (e) Offering tax credits to insurance companies that create new net jobs in New  
9 Hampshire.

10 III. The commission may solicit and receive testimony and other information from any  
11 person or organization with information or expertise relevant to the committee's objective. State  
12 agencies shall cooperate with the commission, and provide data, information, reports, and testimony  
13 to the commission upon request.

14 IV. The governor shall appoint a chair from among the members. The first meeting of the  
15 commission shall be called by the chair and shall be held within 45 days of the effective date of this  
16 section. Seven members of the commission shall constitute a quorum.

17 V. Legislative members of the commission shall receive mileage at the legislative rate when  
18 attending meetings of the commission.

19 VI. The commission shall, following a public hearing on a draft final report, submit a final  
20 report on the items included in subparagraphs II(a) and (b) or before December 1, 2010, containing  
21 its findings and any recommendations for proposed legislation, to the governor, the president of the  
22 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
23 means committees, the house and senate clerks, and the state librarian.

24 VII. The commission shall, following a public hearing on a draft final report, submit a final  
25 report on the items included in subparagraphs II(c) and (d) or before November 1, 2012, containing  
26 its findings and any recommendations for proposed legislation, to the governor, the president of the  
27 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
28 means committees, the house and senate clerks, and the state librarian.

29  
30 Amend the bill by inserting after section 97 the following and renumbering the original sections 98-  
31 103 to read as 99-104, respectively:

32  
33 98 Repeal. RSA 77-F, relative to a commission to study business taxes, is repealed.

34  
35 Amend the bill by replacing section 104 with the following:

36  
37 104 Effective Date.



**Draft Amendment to SB 450-FN**  
**- Page 3 -**

- 1 I. Section 5 of this act shall take effect as provided in section 33 of this act.  
2 II. Sections 13, 14, 16, 67-74, 77-80, 92-97, 99, and 100 of this act shall take effect July 1,  
3 2010.  
4 III. Sections 75 and 76 shall take effect June 15, 2010.  
5 IV. Section 98 of this act shall take effect November 1, 2012.  
6 V. The remainder of this act shall take effect upon its passage.

**Draft Amendment to SB 450-FN**  
**- Page 4 -**

2010-1883h

**AMENDED ANALYSIS**

37. Establishes a commission to study business taxes.

Rep. M. Smith, Straf. 7  
May 4, 2010  
2010-1891h  
05/10



Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 88 with the following:

2

3 88 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other  
4 law to the contrary, for the fiscal year ending June 30, 2010, the department of administrative  
5 services shall transfer funds from the following accounts or funds maintained separately on the  
6 books of the state to the general fund in the following amounts:

7	Account/Fund	Amount Transferred to General Fund
8	Reflectorized Plates Inventory Fund, RSA 228:25	\$250,000
9	Education Credentialing Fund, RSA 186:11, X	\$250,000
10	Sludge Analysis Fund, RSA 485-A:4, XIV-c	\$25,000
11	Wastewater Plant Operator Certification Fund, RSA 485-A:7-a	\$75,000

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 105:

3  
4 103 Vacant Positions; Bumping Rights; Layoffs. Amend 2009, 144:64 to read as follows:

5 144:64 Department of Administrative Services; Suspension of Bumping Rights.

6 *I.* The displacement of classified state employees by more senior classified state employees,  
7 or so-called bumping, pursuant to administrative rule Per 1101.02 (i) through (l) under the authority  
8 of RSA 21-I:43 by the director of the division of personnel is hereby suspended from the effective date  
9 of this section to June 30, 2011.

10 *II.* The procedure for layoffs of permanent employees pursuant to administrative rule Per  
11 1101.02 (d), prohibiting the layoff of permanent employees while there are temporary fill-in, part-  
12 time, or probationary employees serving in the same class of position within the same division of the  
13 agency, is hereby suspended from the effective date of this section to June 30, 2011.

14 *III.* *The reassignment prior to layoff of classified state employees into vacant but*  
15 *funded positions, pursuant to administrative rule Per 1101.02 (f) under the authority of*  
16 *RSA 21-I:43 by the director of the division of personnel is hereby suspended from the*  
17 *effective date of this section to June 30, 2011.*

18 104 Vacant Positions; Rehiring of Laid Off State Employees. Amend 2009, 144:65, II to read as  
19 follows:

20 *II.* It is the intent of the general court that any position which becomes available in a  
21 department or establishment, as defined in RSA 9:1, shall be filled, if possible, by a state employee  
22 laid off, as defined in paragraph I, if such person is not currently employed by the state of New  
23 Hampshire and if he or she meets the minimum qualifications for the position, *provided however*  
24 *that any position a department or establishment intends to leave vacant shall remain*  
25 *vacant.*

Amendment to SB 450-FN

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT relative to costs and expenditures at the department of health and human  
4 services, establishing a special fund for certain civil fines collected by the  
5 department, relative to the due date for the Medicaid enhancement tax, and  
6 making certain general fund reductions and tax and revenue changes.  
7

8 Amend the bill by replacing all after the enacting clause with the following:

9

10 1 Administration of the New Hampshire Employment Program; Duties; Rulemaking. Amend  
11 RSA 167:83, V to read as follows:

12 V. The commissioner ~~[shall]~~ *may* enter into an agreement or contract with the commissioner of  
13 the department of employment security to carry out the employment program and may delegate  
14 authority and duties for the employment program to the commissioner of the department of employment  
15 security and other state agencies. The commissioner shall adopt rules for the employment program ~~[in~~  
16 ~~consultation with the commissioner of the department of employment security].~~

17 2 Non-TANF Funded Program for 2-Parent Families With Dependent Children. Amend  
18 RSA 167:77-e to read as follows:

19 167:77-e Assistance Program for 2-Parent Families with Dependent Children. ~~[By October 1,~~  
20 ~~2008.]~~ The department ~~[shall]~~ *may* establish a non-TANF, state-funded financial assistance program  
21 for 2-parent needy families with dependent children in which one parent is underemployed or  
22 unemployed. With the exception of parental underemployment or unemployment, client eligibility  
23 and program requirements and administration shall be in accordance with this chapter and the rules  
24 adopted under this chapter. In order to meet the federal work participation rate and avoid federally-  
25 imposed penalties, the commissioner may add additional groups of families to this state-funded,  
26 financial assistance program as funding permits and also may transfer cases back to the TANF  
27 program, pursuant to rules adopted under RSA 541-A.

28 3 Authorizing the Department of Health and Human Services to File Claims for Medical and  
29 Financial Assistance Against Abandoned Property Held by the Treasury; Filing of Claim With  
30 Administrator. Amend RSA 471-C:26, I(c)(2) and (3) to read as follows:

31 (2) *Except as provided in subparagraphs (5)-(7)*, in the case of a closed estate  
32 where the unclaimed property is valued at less than \$5,000 and does not include securities in share  
33 form, in accordance with the final distribution of assets as approved by the probate court.

34 (3) *Except as provided in subparagraphs (5)-(7)*, in the absence of an open

1 estate or probate court decree of final distribution, and the unclaimed property is valued at less than  
2 \$5,000 and does not include securities in share form, by the surviving spouse of the deceased owner,  
3 or, if there is no surviving spouse, then to the next of kin in accordance with the provisions of  
4 RSA 561:1.

5 4 New Subparagraphs; Filing of Claim With Administrator. Amend RSA 471-C:26, I(c) by  
6 inserting after subparagraph (4) the following new subparagraphs:

7 (5) Before distributing any unclaimed property pursuant to subparagraphs (2) and  
8 (3), the administrator shall first ensure that the department of health and human services does not  
9 have a claim for medical and or financial assistance paid on behalf of the deceased owner.

10 (6) In the event that the department of health and human services has a claim for  
11 medical and or financial assistance paid on behalf of the deceased owner, the department may submit a  
12 claim for such assistance using an affidavit developed by the administrator that ensures that:

13 (A) No individual has moved to probate the deceased owner's estate through  
14 which the department could assert its claim or probate administration for the deceased owner had  
15 been open and no individual has moved to reopen the estate through which the department could  
16 assert its claim;

17 (B) The department does not believe, based on the information available to it,  
18 there are known expenses for the deceased owner's necessary funeral and burial; and

19 (C) Based on all facts known to the department, its recovery of this abandoned  
20 property is not limited by the prohibitions to recovery as set forth in 42 U.S.C. section 1396p and  
21 RSA 167:16-a, IV.

22 (7) If the department of health and human services has made a claim against a  
23 deceased owner's unclaimed property as provided in subparagraph (6), under no circumstances shall  
24 the administrator distribute to the department more than the claimed amount.

25 5 Repeal. 2009, 144:211, relative to community mental health centers; administrative  
26 requirements suspended, is repealed.

27 6 Department of Health and Human Services; Transfer Among Accounts. Amend 2009, 144:39,  
28 III to read as follows:

29 III. Notwithstanding the provisions of RSA 9:17-a or any other provision of law to the  
30 contrary except RSA 9:17-c, and subject to the approval of the fiscal committee of the general court  
31 and governor and council, for the biennium ending June 30, 2011, the commissioner of the  
32 department of health and human services is hereby authorized to transfer funds within and among  
33 all ~~[PAUs]~~ **accounting units** within the department, as the commissioner deems necessary and  
34 appropriate to address present or projected budget deficits, or to respond to changes in federal laws,  
35 regulations, or programs, and otherwise as necessary for the efficient management of the  
36 department~~[, with the exception of class 60 transfers]~~. ***This transfer authority shall not apply to***  
37 ***funds for employee benefits appropriated in class 60 which were previously transferred to***

1 *the employee benefit adjustment account as defined in RSA 9:17-c.*

2 7 Lead Paint Poisoning Prevention and Control; Rulemaking. Amend RSA 130-A:10, IV to read  
3 as follows:

4 IV. Fees to be collected for the issuance of licenses to lead inspectors, lead risk assessors,  
5 lead abatement contractors, for certification of lead abatement workers and lead clearance testing  
6 technicians, for testing resulting from investigations, for certifications of training programs, *exam*  
7 *and training fees*, [~~and~~] for notifications under RSA 130-A, *and other environmental fees*.  
8 Property owners who own more than 4 but fewer than 7 dwelling units shall pay a fee for licensure  
9 which is 1/2 of that paid by other lead abatement contractor licensees. Such reduced fee license shall  
10 only be valid for work on dwellings or dwelling units owned by such license holder.

11 8 Lead Poisoning Prevention Fund. Amend RSA 130-A:15 to read as follows:

12 130-A:15 Lead Poisoning Prevention Fund. There is hereby established the lead poisoning  
13 prevention fund to be used to carry out the provisions of this chapter. The fund shall be composed of  
14 fees, fines, gifts, grants, donations, bequests, or other moneys from any public or private source and  
15 shall be used to implement and encourage lead paint removal and education, *and to support*  
16 *program staff and administrative costs*. The fund shall be nonlapsing and shall be continually  
17 appropriated to the commissioner of the department of health and human services for the purposes  
18 of this chapter.

19 9 New Paragraph; Department of Health and Human Services; Duties of the Department.  
20 Amend RSA 161:2 by inserting after paragraph XVII the following new paragraph:

21 XVIII. Refugee Resettlement. Administer the New Hampshire refugee resettlement  
22 program as funded by and in cooperation with the United States Department of Health and Human  
23 Services under the Refugee Act of 1980.

24 10 New Section; Special Fund; Civil Fines. Amend RSA 151 by inserting after section 16-a the  
25 following new section:

26 151:16-b Civil Fines. All administrative fines and other civil monetary penalties collected by the  
27 department from facilities licensed under this chapter shall be kept by the state treasurer in a  
28 separate, non-lapsing, interest bearing account. Interest earned on moneys deposited in the account  
29 shall be deposited into the account. The moneys in the account shall be used by the department for  
30 the protection of the health and property of residents of facilities licensed under this chapter.

31 11 New Subparagraph; Special Fund. Amend RSA 6:12, I(b) by inserting after subparagraph  
32 (299) the following new subparagraph:

33 (300) Civil fines collected under RSA 151:16-b, which shall be deposited as provided  
34 in such section.

35 12 Medicaid Enhancement Tax; Due Date. Amend RSA 84-A:3, II-a to read as follows:

36 II-a. For the taxable period beginning July 1, 1993, and for every taxable period thereafter,  
37 each hospital shall pay 100 percent of its medicaid enhancement tax due and payable for the taxable

1 period no later than the fifteenth day of the [~~third~~] *fourth* month of the taxable period.  
2 Notwithstanding any provision of this chapter or any other law, no penalty or interest shall be  
3 imposed for failure to make payment of tax when due if such payment is made on or before the last  
4 day of the month in which such payment is due.

5 13 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
6 I(a)(3) to read as follows:

7 (3) Required to furnish proof of successful completion of an impaired driver  
8 intervention program prior to the restoration of the person's driver's license or privilege to drive,  
9 provided that, if the person has previously completed, or been required by a court or the department  
10 of safety to complete, an impaired driver intervention program (I.D.I.P.) or any similar program in  
11 any jurisdiction, the person shall be required to furnish proof of successful completion of the multiple  
12 DWI offender intervention [~~detention-center~~] program (M.O.P.) or an equivalent 7-day residential  
13 intervention program approved by the commissioner of health and human services;

14 14 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
15 I(b)(3) to read as follows:

16 (3) Sentenced to a mandatory sentence of not less than 10 consecutive days of which  
17 3 consecutive 24-hour periods shall be served in the county correctional facility and 7 consecutive  
18 days shall be served at the [~~state-operated~~] 7-day multiple DWI offender intervention [~~detention~~  
19 ~~center~~] *program* established under RSA 265-A:40, which sentence shall begin no later than [21] **45**  
20 days after conviction. In the event that the [~~state-operated~~] 7-day multiple DWI offender  
21 intervention [~~detention-center~~] *program* has no available space, the person shall be assigned to an  
22 equivalent 7-day residential intervention program approved by the commissioner of health and  
23 human services. The person shall begin following any treatment recommendations arising out of the  
24 final evaluation given to the person at the multiple DWI offender intervention [~~detention-center~~]  
25 *program* or equivalent program within 60 days after the person has completed serving the required  
26 7 consecutive days or such other time as the court may order;

27 15 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
28 I(c)(3) to read as follows:

29 (3) Sentenced to a mandatory sentence of not less than 21 consecutive days of which  
30 14 consecutive 24-hour periods shall be served in the county correctional facility followed by 7  
31 consecutive days served at the [~~state-operated~~] 7-day multiple DWI offender intervention [~~detention~~  
32 ~~center~~] *program* established under RSA 265-A:40, which sentence shall begin no later than 21 days  
33 after conviction. In the event that the [~~state-operated~~] 7-day multiple DWI offender intervention  
34 [~~detention-center~~] *program* has no available space the person shall be assigned to an equivalent 7-  
35 day residential intervention program approved by the commissioner of health and human services,  
36 and the remainder of the sentence may be deferred at the court's discretion. The person shall begin  
37 following any treatment recommendations arising out of the final evaluation given to the person at

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1 the multiple DWI offender intervention [~~detention-center~~] *program* or equivalent program within 60  
2 days after the person has completed serving the required 7 consecutive days or such other time as  
3 the court may order. The court may, at the satisfactory completion of any ordered treatment,  
4 suspend any remaining deferred sentence. Failure to successfully complete any court-ordered  
5 intervention program or recommended treatment shall result in the imposition of any remaining  
6 deferred sentence; and

7 16 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
8 IV(a)(3)-(5) to read as follows:

9 (3)(A) If the complaint alleges that the prior conviction occurred within 2 years  
10 preceding the date of the second offense, the person shall be sentenced to a mandatory sentence of  
11 not less than 37 consecutive days of which 30 consecutive 24-hour periods shall be served in the  
12 county correctional facility followed by 7 consecutive days to be served at the [~~state-operated~~] 7-day  
13 multiple DWI offender intervention [~~detention-center~~] *program* established under RSA 265-A:40  
14 within 21 days after conviction, except that in circumstances where the [~~state-operated~~] 7-day  
15 multiple DWI offender intervention [~~detention-center~~] *program* has no available space the person  
16 shall be assigned to an equivalent 7-day residential intervention program approved by the  
17 commissioner of health and human services. The person shall begin following any treatment  
18 recommendations arising out of the final evaluation given to the person at the multiple DWI offender  
19 intervention [~~detention-center~~] *program* or equivalent program within 60 days after the person has  
20 completed serving the required 30 consecutive 24-hour periods or such other time as the court may  
21 order.

22 (B) If the complaint alleges that the prior conviction occurred more than 2 but  
23 not more than 10 years preceding the date of the second offense, the person shall be sentenced to a  
24 mandatory sentence of not less than 10 consecutive days of which 3 consecutive 24-hour periods shall  
25 be served in the county correctional facility and 7 consecutive days shall be served at the [~~state-~~  
26 ~~operated~~] 7-day multiple DWI offender intervention [~~detention-center~~] *program* established under  
27 RSA 265-A:40, which sentence shall begin no later than 21 days after conviction. In the event that  
28 the [~~state-operated~~] 7-day multiple DWI offender intervention [~~detention-center~~] *program* has no  
29 available space the person shall be assigned to an equivalent 7-day residential intervention program  
30 approved by the commissioner of health and human services. The person shall begin following any  
31 treatment recommendations arising out of the final evaluation given to the person at the multiple  
32 DWI offender intervention [~~detention-center~~] *program* or equivalent program within 60 days after  
33 the person has completed serving the required 7 consecutive days or such other time as the court  
34 may order.

35 (4) The person's driver's license or privilege to drive shall be revoked for not less  
36 than 3 years.

37 (5) The person shall pay a fee [~~to the commissioner~~], as established under RSA 126-



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1 A:43, for the costs of the [~~state-operated~~] 7-day multiple DWI offender intervention [~~detention-center~~]  
2 program prior to license restoration. If the person attends an approved equivalent 7-day residential  
3 intervention program, the fees and costs shall be paid to the program.

4 17 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
5 VI to read as follows:

6 VI. If any person is convicted of a violation of RSA 265-A:2, I or RSA 265-A:3, and the  
7 conviction is not based upon a complaint which alleges prior convictions as provided in paragraph IV,  
8 but the person is found to have had one or more such prior convictions in this state or in an out-of-  
9 state jurisdiction within 10 years preceding the date of the offense, the person's driver's license or  
10 privilege to drive shall be revoked for not less than one year nor more than 3 years. Except for good  
11 cause found by the court and noted in writing, the court may suspend up to 6 months of this  
12 sentence, provided that within 45 days after conviction the person has entered the 7-day program at  
13 the [~~state-operated~~] multiple DWI offender intervention [~~detention-center~~] program or an equivalent  
14 7-day residential intervention program approved by the commissioner of health and human services,  
15 as provided in RSA 265-A:40 and RSA 265-A:42. The person's license shall not be restored until the  
16 person has successfully completed the program. The court may further order attendance at a  
17 residential treatment center, for a period not to exceed 30 days, at the person's own expense.

18 18 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
19 XI to read as follows:

20 XI. Any person convicted of a violation of RSA 265-A:2, RSA 265-A:3, or RSA 265-A:19, II,  
21 and who at the time of driving or attempting to drive a vehicle or off highway recreational vehicle or  
22 operating or attempting to operate a boat was transporting a person under the age of 16, shall have  
23 the driver's license or privilege to drive revoked for the maximum time period under the section  
24 violated and the person's license or privilege to drive shall not be restored until the offender has  
25 successfully completed a 7-day program at the [~~state-operated~~] multiple DWI offender program or an  
26 equivalent 7-day residential intervention program approved by the commissioner at the person's own  
27 expense.

28 19 Penalties for Boating While Intoxicated. Amend RSA 265-A:19, II to read as follows:

29 II. Any person convicted of a violation of RSA 265-A:2, II who at the time of the violation  
30 was transporting a person under the age of 16 shall not operate a boat on the waters of this state  
31 until the offender has successfully completed a 7-day program at the [~~state-operated~~] multiple DWI  
32 offender program or an equivalent 7-day residential intervention program approved by the  
33 department of health and human services at the person's own expense. Any person operating a boat  
34 in violation of this paragraph is guilty of a misdemeanor.

35 20 Impaired Driver Intervention Programs. Amend RSA 265-A:39, I to read as follows:

36 I. Except as provided in paragraph IV, the commissioner of the department of health and  
37 human services shall be responsible for biennially approving the impaired driver intervention

1 programs and 7-day residential intervention programs equivalent to the multiple DWI offender  
2 intervention [~~detention-center~~] program (M.O.P.) which persons convicted under RSA 265-A:2 or  
3 RSA 265-A:3 shall attend in order to regain their driver's licenses or driving privileges; but the  
4 commissioner of the department of health and human services shall not approve any impaired driver  
5 intervention program unless such program is conducted without cost to the state. Notwithstanding  
6 RSA 6:12, any fees collected under subparagraph IV(g) of this section shall be placed in a nonlapsing  
7 revolving account and shall be used by the commissioner for the purposes of this subdivision only.

8 21 Multiple DWI Offender Intervention Program. RSA 265-A:40 is repealed and reenacted to  
9 read as follows:

10 265-A:40 Multiple DWI Offender Intervention Program.

11 I. The commissioner of the department of health and human services shall be responsible for  
12 the establishment and administration of the 7-day multiple DWI offender intervention program  
13 which persons convicted under RSA 265-A:2 or RSA 265-A:3 or sentenced pursuant to RSA 651:2,  
14 V(h) may be required to attend. The commissioner shall have the authority to directly operate the  
15 program, to approve community-based providers to operate the program in accordance with rules  
16 adopted pursuant to RSA 541-A, or to contract with public or private entities to operate the program.

17 II. Any person who attends the 7-day multiple DWI offender intervention program shall be  
18 required to pay the fees for the program.

19 III. The 7-day multiple DWI offender intervention program shall furnish to the courts a  
20 report indicating when a person has completed attendance at the program, and shall furnish to the  
21 division of motor vehicles, department of safety, a report indicating when a person who attends the  
22 program pursuant to RSA 265-A:18 has successfully completed the program and treatment or  
23 involvement in a substance abuse program when appropriate and warranted.

24 IV. The commissioner of the department of health and human services shall adopt rules,  
25 pursuant to RSA 541-A, relative to the operation of the 7-day multiple DWI offender intervention  
26 program with respect to:

27 (a) Program curriculum and content.

28 (b) Any other matter related to the proper administration of this section.

29 22 Impaired Driver Intervention Programs; Utilization of Funds. Amend RSA 265-A:41 to read  
30 as follows:

31 265-A:41 Utilization of Funds. All funds derived from the fees collected by the commissioner of  
32 the department of health and human services under RSA 265-A:18 shall be paid over to the state  
33 treasurer within 10 days of the subsequent month, or at an earlier date, for deposit into a separate  
34 account in the treasury known as the 7-day multiple DWI offender intervention [~~detention-center~~]  
35 program account. These funds are appropriated as indicated in the operating budget as a source of  
36 funds for the 7-day multiple DWI offender intervention [~~detention-center~~] program. Any funds  
37 remaining in the account over the appropriation indicated in the operating budget shall lapse into

1 the general fund at the end of each fiscal year.

2 23 Impaired Driver Intervention Programs; Attendance Required. Amend RSA 265-A:42, IV(b)  
3 to read as follows:

4 (b) In the case of enrollment in the [~~state-operated~~] 7-day multiple DWI offender  
5 intervention [~~detention-center~~] *program*, a person shall provide such certified copy at the time of  
6 enrollment or prior to the issuance of a report under RSA 265-A:40, III and RSA 265-A:18, VIII.

7 24 Sentences and Limitations. Amend RSA 651:2, V(h) to read as follows:

8 (h) In cases of a person convicted of a felony or class A misdemeanor, a court may  
9 sentence such person to 7 consecutive 24-hour periods to be served at the [~~state-operated~~] 7-day  
10 multiple DWI offender intervention [~~detention-center~~] program established under RSA 265-A:40, if  
11 the evidence demonstrates that alcohol was a contributing factor in the commission of the offense  
12 and provided that space is available in the program and such person pays the fees for the program in  
13 full prior to admission.

14 25 Report Required. The commission to examine driving while impaired education and  
15 intervention programs shall, pursuant to the authority under 2008, 256:10, as extended by 2009,  
16 202:5, study the penalties for intoxication or under the influence of drugs offenses, including but not  
17 limited to the multiple DWI offender intervention program. Based upon available research and data,  
18 the commission shall review and evaluate the merits of the penalties and the program in order to  
19 develop recommendations on these issues. On or before November 1, 2010, the commission shall  
20 report its findings to the governor's commission on alcohol and drug abuse prevention, intervention,  
21 and treatment, the speaker of the house of representatives, the president of the senate, the  
22 commissioner of the department of health and human services, the house clerk, the senate clerk, the  
23 state library, and the governor and shall make recommendations, if appropriate, for future  
24 legislation to address these issues.

25 26 State Treasurer; Application of Receipts. Amend RSA 6:12, I (b)(147) to read as follows:

26 (147) Moneys deposited in the 7-day multiple DWI offender intervention [~~detention~~  
27 ~~center~~] program account under RSA 265-A:41.

28 27 Department of Health and Human Services; Office of Reimbursements; Duties. Amend RSA  
29 126-A:34, I(a) to read as follows:

30 (a) Review and investigate all records of the New Hampshire hospital, Laconia  
31 developmental services, the secure psychiatric unit, the Glencliff home, the Anna Philbrook center,  
32 and the multiple DWI offender intervention [~~detention-center~~] program (M.O.P.), relative to  
33 expenses incurred by patients, residents, or clients at such institutions, facilities, or programs or  
34 expenses incurred by patients, residents, or clients receiving care, treatment, services, or  
35 maintenance at the direction of the commissioner of health and human services, and make  
36 recommendations to the commissioner and to the respective superintendents or directors of such  
37 institutions, facilities, or programs as to the rates to be charged for the care, treatment, and

1 maintenance of such patients, residents, or clients.

2 28 Department of Health and Human Services; Office of Reimbursements; Financial  
3 Statements. Amend RSA 126-A:38, II-III to read as follows:

4 II. Persons admitted to the multiple DWI offender intervention [~~detention-center~~] program  
5 (M.O.P.) who do not pay program fees in full at the time of admission shall file a financial statement  
6 under penalty of perjury on forms provided for this purpose by the office of reimbursements and  
7 shall enter a payment contract for balance of fees due. The office of reimbursements shall be entitled  
8 to recover reasonable attorneys fees and costs of collection for program fees not paid in accordance  
9 with a payment contract.

10 III. Persons admitted to the multiple DWI offender intervention [~~detention-center~~] program  
11 (M.O.P.) shall notify the office of reimbursements of each change of mail address and actual street  
12 address until that person has made payment in full of fees due in accordance with an M.O.P.  
13 payment contract. Whenever notice to a person subject to a payment contract is required, notice to  
14 the last mail address on file with the office of reimbursements shall be deemed notice to and binding  
15 on the payer.

16 29 Operating Budget; Lapse; Legislative Branch. Notwithstanding 2009, 143:1, the legislative  
17 branch shall lapse an additional \$312,000 for the fiscal year ending June 30, 2010 and lapse an  
18 additional \$669,000 for the fiscal year ending June 30, 2011. The reductions required by this section  
19 shall be in addition to the lapse required pursuant to 2009, 143:10 and in addition to the lapse  
20 required pursuant to 2010, 4:1.

21 30 Operating Budget; General Fund Appropriation Reductions; Department of Information  
22 Technology. Notwithstanding 2009, 143:1, the department of information technology, in consultation  
23 with the department of administrative services, shall reduce class lines of the department by an  
24 amount that will result in additional reductions of general funded agencies' appropriations for class  
25 27 totaling \$2,175,000 for the fiscal year ending June 30, 2011. The reductions required under this  
26 section shall be in addition to any reductions required pursuant to 2009, 143:12 and by Executive  
27 Order No. 2010-02. The commissioner of the department of information technology shall submit to  
28 the fiscal committee of the general court and the commissioner of the department of administrative  
29 services an itemization of the reductions in expenditure classes made to implement this section on or  
30 before July 31, 2010.

31 31 Operating Budget; General Fund Appropriation Reduction; Department of State.  
32 Notwithstanding 2009, 143:1, the state general fund appropriations for the department of state shall  
33 be reduced by an additional \$149,000 for the fiscal year ending June 30, 2011. The reduction  
34 required by this section shall be in addition to any reductions required pursuant to Executive Order  
35 No. 2010-02. The secretary of state shall submit to the fiscal committee of the general court an  
36 itemization of the reductions in expenditure classes made to implement this section on or before  
37 February 15, 2011.

1       32 Operating Budget; General Fund Appropriation Reduction; Board of Tax and Land Appeals.  
2 Notwithstanding 2009, 143:1, the state general fund appropriations for the board of tax and land  
3 appeals shall be reduced by an additional \$41,454 for the fiscal year ending June 30, 2011. The  
4 reduction required by this section shall be in addition to any reductions required pursuant to  
5 Executive Order No. 2010-02. The chairman of the board of land and tax appeals shall submit to the  
6 fiscal committee of the general court an itemization of the reductions in expenditure classes made to  
7 implement this section on or before February 15, 2011.

8       33 New Paragraph; Animal Population Control Program; Management of Fund. Amend RSA  
9 437-A:4-a by inserting after paragraph II the following new paragraph:

10       III. The commissioner shall put out to bid the duties related to managing the application for  
11 and distribution of moneys from the fund for the reimbursement of spay and neuter surgeries. The  
12 contract for the duties shall not exceed \$20,000. The commissioner may assess an administrative  
13 charge for the oversight of the program to the fund not to exceed \$5,000 annually.

14       34 Animal Population Control Program; Rulemaking. Amend RSA 437-A:5, II-a to read as  
15 follows:

16       II-a. [~~Administration~~] **Oversight** of the fund established under RSA 437-A:4-a.

17       35 Animal Population Control Program; Assistant Position. The animal population control  
18 program assistant position shall be abolished and, if the position is filled the department shall  
19 transfer the individual to a vacant position of similar responsibility, or the individual shall be laid  
20 off.

21       36 Operating Budget; General Fund Appropriation Reduction; Department of Environmental  
22 Services. Notwithstanding 2009, 143:1, the state general fund appropriations for the department of  
23 environmental services shall be reduced by an additional \$432,335 for the fiscal year ending June 30,  
24 2011. The reduction required by this section shall be in addition to any reductions required  
25 pursuant to Executive Order No. 2010-02 and any other section contained in this act. Such  
26 reduction shall be attributable to a combination of vacant positions, supplanting general fund  
27 appropriations with federal funds and other funds that might be available for that purpose, and  
28 reductions in specific class line item appropriations provided that such reductions do not cause a  
29 reduction of services, a reduction of grants or aid to local communities, or an increase in fees. The  
30 commissioner of environmental services shall submit to the fiscal committee of the general court an  
31 itemization of the reductions in expenditure classes made to implement this section on or before  
32 February 15, 2011.

33       37 Health and Human Services; Contract Consolidation. For the fiscal year ending June 30,  
34 2011, the department of health and human services shall reduce state general fund appropriations  
35 by \$1,500,000 by consolidating social services and medical contracts in order to reduce  
36 administrative costs. The department shall not reduce program services in order to meet the  
37 reductions required under this section.

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1 38 Health and Human Services; TANF Family Supports. For the fiscal year ending  
2 June 30, 2011, the department of health and human services shall reduce state general fund  
3 appropriations by \$1,500,000 by eliminating contracts for Temporary Assistance to Needy Families  
4 (TANF) family supports and providing such services utilizing existing department staff.

5 39 Youth Development Center; Appropriation Reduction. Notwithstanding any provision of law  
6 to the contrary, the department of health and human services shall decrease state general fund  
7 appropriations for the youth development center under accounting unit 05-95-41-412010 by  
8 \$1,561,514 for the fiscal year ending June 30, 2011. In order to meet this reduction, the department  
9 shall eliminate 30 positions at the youth development center which are no longer necessary due to  
10 the declining census at such center.

11 40 Department of Health and Human Services; North Country Transportation. For the  
12 biennium ending June 30, 2011, the department of health and human services shall not reduce  
13 funding provided to North Country Transportation used toward meeting the state matching funds  
14 requirement for the Job Access and Reverse Commute (JARC) grant award from the United States  
15 Department of Transportation.

16 41 Department of Health and Human Services; Suspension of Catastrophic Illness Program.  
17 Notwithstanding any provision of law or rule to the contrary, for the fiscal year ending June 30,  
18 2011, the catastrophic illness program under RSA 137-G is suspended.

19 42 Department of Health and Human Services; Suspension of Senior Volunteer Grant Program.  
20 Notwithstanding any provision of law or rule to the contrary, for the fiscal year ending June 30,  
21 2011, the senior volunteer grant program under RSA 161-F:40 is suspended.

22 43 Prevention Programs. Amend RSA 170-G:4, XVI to read as follows:

23 XVI. Encourage cities, towns, and counties to develop and maintain prevention programs,  
24 court diversion programs, and alternative dispositions for juveniles other than placements outside of  
25 the home through the use of a formula which shall allow for the transfer of funds to cities, towns,  
26 and counties which have, or are developing, prevention programs or alternatives for juvenile care.  
27 The amount to be distributed for this program shall be not less than [4-5] 3 percent of the annual  
28 amount appropriated to the department of health and human services for placement costs. The  
29 method of distribution shall be based upon rules adopted under RSA 541-A by the commissioner.  
30 For purposes of this paragraph, prevention programs shall include programs or activities for the  
31 prevention of child abuse and neglect. *Before January 1, 2011, and biennially thereafter, the*  
32 *department shall provide to the chairmen of the house and senate health and human*  
33 *services committees, and the chairmen of the house and senate finance committees a report*  
34 *assessing the effectiveness of the programs funded through this paragraph.*

35 44 Department of Health and Human Services; Suspension of Residential Rate Setting Rule.  
36 Amend 2009, 144:32 to read as follows:

1 144:32 Department of Health and Human Services; Suspension of Residential Rate Setting  
2 Rule. Notwithstanding any provision of the law or rule to the contrary, for the biennium ending  
3 June 30, 2011, He-C 6422 relative to the residential child care facilities rate setting is suspended.  
4 The base rate for residential providers for the ~~[biennium]~~ *state fiscal year* ending June 30, ~~[2011]~~  
5 *2010* shall be the rate in effect on June 30, 2009. *For the state fiscal year ending June 30, 2011,*  
6 *the rate paid to residential providers subject to the rate setting rule as of June 30, 2009*  
7 *shall be reduced by 2 percent. The base rate for the calculation of the 2 percent rate*  
8 *reduction shall be the rate in effect on June 30, 2009. Notwithstanding any provision of*  
9 *law or rule to the contrary, for state fiscal year 2011, the rate established pursuant to RSA*  
10 *170-G:4, XVII for all other services and programs which are paid for by the department*  
11 *pursuant to RSA 169-B:40, 169-C:27, and 169-D:29 shall be reduced by 2 percent. The base*  
12 *rate for the calculation of the 2 percent rate reduction shall be the rate in effect on July 1,*  
13 *2009.*

14 45 Department of Health and Human Services; Direct Graduate Medical Education; Suspension.  
15 Amend 2009, 144:24 to read as follows:

16 144:24 Department of Health and Human Services; Direct Graduate Medical Education. The  
17 commissioner of the department of health and human services shall submit a Title XIX Medicaid  
18 state plan amendment to the federal Centers for Medicare and Medicaid Services to suspend the  
19 provision of direct graduate medical education payments to hospitals as contemplated at 42 U.S.C.  
20 section 1396a(a)(30)(A) to be effective July 1, 2009. Upon approval of the state plan amendment, and  
21 as of the effective date of the state plan amendment, any obligations for payment of direct graduate  
22 medical education are suspended until ~~[June 30, 2011]~~ *July 1, 2011.*

23 46 Department of Health and Human Services; Indirect Graduate Medical Education  
24 Suspension. The commissioner of the department of health and human services shall submit a Title  
25 XIX Medicaid state plan amendment to the federal Centers for Medicare and Medicaid Services to  
26 suspend the provision of indirect graduate medical education payments to hospitals effective April 1,  
27 2010. Upon approval of the state plan amendment, and as of the effective date of the state plan  
28 amendment, any obligations for payment of indirect graduate medical education shall be suspended  
29 until July 1, 2011.

30 47 Department of Health and Human Services; Suspension of Catastrophic Aid Payment.  
31 Notwithstanding 2009, 144:160, the commissioner of the department of health and human services  
32 shall submit a Title XIX Medicaid state plan amendment to the federal Centers for Medicare and  
33 Medicaid Services to suspend all catastrophic aid payments to hospitals effective June 15, 2010 and  
34 continuing through June 30, 2011.

35 48 Department of Health and Human Services; Public Assistance; Definitions. Amend  
36 RSA 167:6, VI to read as follows:

37 VI. For the purposes hereof, a person shall be eligible for aid to the permanently and totally

1 disabled who is between the ages of 18 and 64 years of age inclusive; is a resident of the state; and is  
2 disabled as defined in the federal Social Security Act, Titles II and XVI and the regulations adopted  
3 under such act, except that the minimum required duration of the impairment shall be 48 months,  
4 unless and until the department adopts a 12-month standard in accordance with RSA 167:3-j. In  
5 determining disability, the standards for "substantial gainful activity" as used in the Social Security  
6 Act shall apply, including all work incentive provisions including Impairment Related Work  
7 Expenses, Plans to Achieve Self Support, and subsidies. No person shall be eligible to receive such  
8 aid while receiving old age assistance, aid to the needy blind, or aid to families with dependent  
9 children. *Notwithstanding any provision of law to the contrary, eligibility for cash*  
10 *assistance shall be conditioned upon the recipient filing an application for any federal*  
11 *disability benefits for which the individual may be entitled and pursuing any appeals*  
12 *available for those federal benefits. Cash assistance shall terminate upon a finding by a*  
13 *federal administrative law judge that the individual is medically ineligible for the federal*  
14 *benefits. The department may terminate cash assistance for failure to comply with the*  
15 *requirements of this paragraph, subject to the recipient's right to an administrative*  
16 *appeal.*

17 49 New Subdivision; Optional Local Meals and Rooms Tax. Amend RSA 78-A by inserting after  
18 section 26 the following new subdivision:

19 Optional Local Meals and Rooms Tax

20 78-A:27 Local Meals and Rooms Tax.

21 I. A municipality may, in accordance with the procedures under RSA 78-A:28, adopt an  
22 addition to the meals and rooms tax rate imposed under RSA 78-A:6, to be known as the local meals  
23 and rooms tax, at a rate to be established by the municipality.

24 II. The commissioner shall assess, collect, administer, and enforce the local meals and rooms  
25 tax in accordance with the applicable provisions of this chapter relative to the state meals and rooms  
26 tax; except that the revenue collected from the local meals and rooms tax shall, after deduction of  
27 administrative expenses, be remitted to the treasurer of the municipality imposing the local tax.

28 78-A:28 Procedure for Adoption and Modification of Local Meals and Rooms Tax.

29 I. Any town or city may adopt the provisions of RSA 78-A:27 in the following manner:

30 (a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the  
31 question shall be placed on the warrant of a special or annual town meeting, by the governing body  
32 or by petition pursuant to RSA 39:3.

33 (b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the  
34 legislative body may consider and act upon the question in accordance with its normal procedures for  
35 passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of  
36 such municipality may vote to place the question on the official ballot for any regular municipal  
37 election.



1           II. The vote shall specify the provisions of the local meals and rooms tax, the amount of such  
2 tax, and the manner of its determination, as listed in RSA 78-A:27. If a majority of those voting on  
3 the question vote "yes," the tax shall take effect within the town or city, on the date set by the  
4 governing body following its adoption.

5           III. A municipality may modify or rescind the tax provided in RSA 78-A:27 in the manner  
6 described in this section.

7           50 Rooms and Meals Tax; Distribution to Cities and Towns. Notwithstanding any provision of  
8 law, for the fiscal year ending June 30, 2011, the state treasurer shall reduce the total revenue  
9 distributed to cities and towns authorized by 2009, 143:1 and 2009, 144:8 by the sum of \$6,091,930.  
10 The remaining funds shall be distributed to cities and towns pursuant to the formula for determining  
11 the amount of revenue returnable to cities and towns under RSA 78-A:26, I and II.

12           51 Meals and Rooms Tax; Definition of Hotel; Campsites. Amend the introductory paragraph of  
13 RSA 78-A:3, III to read as follows:

14           III. "Hotel" means an establishment which holds itself out to the public by offering sleeping  
15 accommodations for rent, whether or not the major portion of its operating receipts is derived from  
16 sleeping accommodations. The term includes, but is not limited to, inns, motels, tourist homes and  
17 cabins, ski dormitories, ski lodges, lodging homes, rooming houses, furnished room houses, boarding  
18 houses, private clubs, hostels, cottages, camps, [~~campsites,~~] chalets, barracks, dormitories, and  
19 apartments. The term does not include the following:

20           52 Authorization for Debt Restructuring. The state treasurer is hereby authorized to refinance  
21 all or a portion of the state's fiscal year 2011 debt service obligations by the issuance at one time or  
22 from time to time of up to \$55,000,000 aggregate principal amount of general obligation refunding  
23 bonds, which shall mature in such amounts and at such time as the state treasurer, with the  
24 approval of the governor and council, shall determine; provided that the final maturity of such bonds  
25 shall not be later than June 30, 2021. The issue of such bonds shall be subject to the same  
26 requirements and provisions of law as would then be applicable to the issue of the bonds being  
27 refunded, except as provided in this section. Such refinancing is intended to result in a general fund  
28 reduction of the required debt service for the biennium ending June 30, 2011 of approximately  
29 \$40,000,000. The amount of general fund debt service so refinanced shall lapse to the general fund  
30 on or before June 30, 2011.

31           53 Capital Appropriation; University System of New Hampshire. Amend 2005, 259:2, I to read  
32 as follows:

33           I. The Knowledge Economy Education Plan (KEEP NH) documents the need for investment  
34 in university system of New Hampshire projects primarily to renovate and expand science,  
35 engineering, and technology facilities. The sum of \$109,500,00 is hereby committed and  
36 appropriated to the university system of New Hampshire (USNH) for the KEEP NH plan, effective  
37 July 1, 2005 but limited to the drawdown of funds as stated in this section. The appropriation is for

1 the following capital projects:

2 A. DeMeritt Hall renovation and expansion (UNH);

3 B. James Hall renovation and expansion (UNH);

4 C. Parsons Hall renovation (UNH);

5 D. Planning for renovation of Nesmith Hall (UNH), renovation and expansion of  
6 Physical Education Center (PSU), and conversion of former Zorn dining commons to academic  
7 building (KSC);

8 E. Infrastructure work on the Keene State College and Plymouth State University  
9 campuses;

10 F. NHPTV equipment (UNH); and

11 G. University Centers that would co-locate USNH and Community-Technical College  
12 System programs.

13 *I-a. The further sum of \$25,000,000 is hereby committed and appropriated to USNH,*  
14 *subject to the limitation on the drawdown of funds as stated in this section, for such other*  
15 *deferred maintenance, repair, renovation, and capital projects as may be approved by the*  
16 *university system board of trustees provided, however, that such projects shall not involve*  
17 *any of the buildings renovated or expanded with funding appropriated for the KEEP NH*  
18 *plan, 2001, 202:2, and paragraph I of this section, namely, at UNH: Murkland Hall,*  
19 *Kingsbury Hall DeMeritt Hall, James Hall, and Parsons Hall; at PSU: Boyd Hall; and at*  
20 *KSC: Mason Library and Science Building.*

21 54 Capital Appropriation; University System of New Hampshire; KEEP NH. Amend 2005,  
22 259:2, II, to read as follows:

23 II. The university system board of trustees will determine the timing of the projects and the  
24 specific dollar allocation to each from the above sum available, while ensuring the respective campus  
25 priorities are addressed. The board of trustees shall report on the progress of the projects in  
26 [paragraph] *paragraphs I and I-a* to the capital budget overview committee on a quarterly basis.  
27 The appropriation shall be nonlapsing and in addition to any other appropriation to the university  
28 system; provided, however, that the university system shall not receive actual cumulative payments  
29 from the state for such purposes of more than:

30 A. \$4,500,000 through the biennium ending June 30, 2007.

31 B. \$39,500,000 through the biennium ending June 30, 2009 (\$35,000,000 in new  
32 authorization for the biennium).

33 C. [~~\$74,500,000~~] **\$99,500,000** through the biennium ending June 30, 2011 (~~[\$35,000,000]~~  
34 **\$60,000,000** in new authorization for the biennium).

35 D. [~~\$109,500,000~~] **\$134,500,000** through the biennium ending June 30, 2013  
36 (\$35,000,000 in new authorization for the biennium).

37 55 Capital Budget; Bonds Authorized; University System of New Hampshire; KEEP. Amend

1 2005, 259:8, II to read as follows:

2 II. To provide funds for the appropriation made in section 2, paragraphs I, *I-a*, and II, the  
3 state treasurer is hereby authorized to borrow upon the credit of the state not exceeding the sum of  
4 [~~\$109,500,000~~] **\$134,500,000** and for said purposes may issue bonds and notes in the name of and on  
5 behalf of the state of New Hampshire in accordance with RSA 6-A; provided the cumulative bonds or  
6 notes shall not be issued in excess of:

- 7 (1) \$4,500,000 through the biennium ending June 30, 2007.  
8 (2) \$39,500,000 through the biennium ending June 30, 2009.  
9 (3) [~~\$74,500,000~~] **\$99,500,000** through the biennium ending June 30, 2011.  
10 (4) [~~\$109,500,000~~] **\$134,500,000** through the biennium ending June 30, 2013.

11 56 Tobacco Tax; Tax on Products Other than Cigarettes. Amend RSA 78:7-c to read as follows:

12 78:7-c Tax Imposed on Tobacco Products Other Than Cigarettes. A tax upon the retail consumer  
13 is hereby imposed on tobacco products other than cigarettes at a rate of [~~48.59~~] **65.03** percent of the  
14 wholesale sales price. The tax under this section may be rounded to the nearest cent if the  
15 commissioner determines that the amount of tax would not thereby be made materially  
16 disproportionate. No such tax is imposed on any transactions, the taxation of which by this state is  
17 prohibited by the Constitution of the United States. No such tax shall be imposed on premium  
18 cigars.

19 57 Applicability; Tax on Tobacco Products Other than Cigarettes. Section 56 of this act shall  
20 apply to all persons licensed under RSA 78:2. Such persons shall inventory all taxable tobacco  
21 products other than cigarettes in their possession and file a report of such inventory with the  
22 department of revenue administration on a form prescribed by the commissioner within 20 days after  
23 the effective date of this section. The tax rate effective on the effective date of this section shall  
24 apply to such inventory and the difference, if any, in the amount paid previously on such inventory  
25 and the current effective rate of tax shall be due within 90 days of the effective date of this section.  
26 The inventory form shall be treated as a tax return for the purpose of computing penalties under  
27 RSA 21-J.

28 58 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other  
29 law to the contrary, for the fiscal year ending June 30, 2010, the department of administrative  
30 services shall transfer funds from the following accounts or funds maintained separately on the  
31 books of the state to the general fund in the following amounts:

32 Account/Fund	Amount Transferred to General Fund
33 Statewide Public Boat Access Fund, RSA 233-A:13	\$500,000
34 Nitrogen Oxide Emissions Reduction Fund, 35 RSA 125-J:13, II	\$90,000
36 Laboratory Equipment Fund, RSA 131:3-a, II	\$100,000
37 New Hampshire Hazardous Waste Cleanup Fund,	

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1	RSA 147-B:3	\$100,000
2	Default Bench Warrant Fund, RSA 263:56-d	\$100,000
3	Fire Standards and Training and Emergency Medical	
4	Services Fund, RSA 21-P:12-d	\$1,500,000
5	Recount Administrative and Fee Account,	
6	RSA 660:31	\$110,000
7	Reflectorized Plates Inventory Fund, RSA 228:25	\$250,000
8	Education Credentialing Fund, RSA 186:11, X	\$250,000
9	Sludge Analysis Fund, RSA 485-A:4, XIV-c	\$25,000
10	Wastewater Plant Operator Certification Fund, RSA 485-A:7-a	\$75,000

11 59 Operating Budget; Lapse of Appropriation. New Hampshire Retirement System; Retirement  
12 Pension Benefit; Health Insurance. Amend 2009, 143:1, 01, 59, 59, 590510, 1052, class 064, footnote  
13 F to read as follows:

14 [~~\*064 F. This appropriation shall not lapse until June 30, 2011]~~

15 60 Operating Budget. Lapse of Appropriation. Judicial Council; Contracts for Program  
16 Services. Amend 2009, 143:1, 02, 07, 070010, 1094, class 102, footnote F to read as follows:

17 [~~\*102 F. This appropriation shall not lapse until June 30, 2011]~~

18 61 Department of Treasury. Lapse of Appropriation for Debt Service. Amend 2009, 143:1, 01,  
19 38, 38, 380010, 2076, class 043, footnote F and class 044, footnote F to read as follows:

20 [~~Class Notes, 043 F. This appropriation shall not lapse until on June 30, 2011.~~

21 [~~Class Notes, 044 F. This appropriation shall not lapse until on June 30, 2011.~~]

22 62 Taxation of Interest and Dividends; Who Taxable. Amend RSA 77:3, I(b) to read as follows:

23 (b) *Partnerships, limited liability companies, associations, and* trusts, the  
24 beneficial interest in which is not represented by transferable shares, whose gross interest and  
25 dividend income from all sources exceeds \$2,400 during the taxable year, but not including a  
26 qualified investment company as defined in RSA 77-A:1, XXI, or a trust comprising a part of an  
27 employee benefit plan, as defined in the Employee Retirement Income Security Act of 1974, section  
28 3.

29 63 Taxation of Interest and Dividends; What Taxable. RSA 77:4, III is repealed and reenacted  
30 to read as follows:

31 III. Dividends, other than stock dividends paid in new stock of the partnership, limited  
32 liability company, association, or trust issuing the same, on shares in partnerships, limited liability  
33 companies, associations, or trusts the beneficial interest in which is represented by transferable  
34 shares.

35 64 New Sections; Taxation of Interests and Dividends; Partnerships and Limited Liability  
36 Companies. Amend RSA 77 by inserting after section 14 the following new sections:

37 77:14-a Partnerships and Limited Liability Companies. Partnerships and limited liability

1 companies having a usual place of business in this state, any member of which is an inhabitant  
2 thereof, shall be subject to taxes imposed by this chapter. If any of the members of the partnership  
3 or limited liability company are not inhabitants of this state only so much of the income thereof as is  
4 proportionate to the aggregate interest of the partners or members who are inhabitants of this state  
5 in the profits of the partnership or limited liability company shall be taxed.

6 77:14-b Partners and Members. The tax shall be assessed on such a partnership or limited  
7 liability company by the name under which it does business, and the partners or members shall not  
8 be taxed with respect to the taxable income derived by them from such a partnership or limited  
9 liability company.

10 77:14-c Members of Partnership or Limited Liability Company Outside the State. An inhabitant  
11 of this state who is a member of a partnership or limited liability company having no usual place of  
12 business in this state, who receives income from such partnership or limited liability company  
13 derived from such a source that it would be taxable if received directly from such source by such  
14 partner or member, shall as to such income be subject to the taxes imposed by this chapter.

15 77:14-d Application of Sections. RSA 77:14-a to 14-d shall apply, so far as apt, to associations  
16 and trusts, but not to partnerships, limited liability companies, associations, and trusts the  
17 beneficial interest in which is represented by transferable shares.

18 65 Repeal. RSA 77:1-a, relative to definitions, is repealed.

19 66 Applicability. Sections 62-65 of this act shall apply to taxable periods ending on or after  
20 December 31, 2010.

21 67 New Chapter; Commission to Study Business Taxes Established. Amend RSA by inserting  
22 after chapter 77-E the following new chapter:

23 CHAPTER 77-F

24 COMMISSION TO STUDY BUSINESS TAXES

25 77-F:1 Commission to Study Business Taxes Established.

26 I. There is a commission established to study business taxes.

27 II. The members of the commission shall be as follows:

28 (a) Three members of the senate, appointed by the president of the senate.

29 (b) Four members of the house of representatives, appointed by the speaker of the house  
30 of representatives.

31 (c) Five members of the public appointed by the governor, representing the following  
32 groups and interests:

33 (1) Tax experts and accountants;

34 (2) Small business;

35 (3) Real estate, finance, and investment; and

36 (4) Business trade associations.

37 II. The commission shall study and evaluate:

1 (a) The present system of business taxation in New Hampshire, including but not  
2 limited to the rates and allocation among taxpayers of the business enterprise tax, the business  
3 profits tax, and the interest and dividends tax.

4 (b) Whether there are changes to the present system of business taxes and rates of  
5 assessment that should be considered by the legislature in order to:

6 (1) Ensure fairness and equity in the allocation of business taxes including among  
7 similarly situated business entities and taxpayers;

8 (2) Ensure clear tax laws and synchronization with federal tax laws; and

9 (3) Continue to provide a business tax environment that enhances the growth of jobs,  
10 income in the state, and the transition to clean and renewable energy.

11 (c) Safe harbors for the reasonable compensation deduction under the business profits  
12 tax, including but not limited to:

13 (1) Safe harbors based on the percentage of the gross selling price on the sale of  
14 business assets other than inventory;

15 (2) The percentage of gross revenues and the percentage of gross business profits  
16 using the independent investor return test;

17 (3) The federal self-employment tax; and

18 (4) Any other issue related to the reasonable compensation deduction.

19 (d) Business tax credits and deductions including, but not limited to, net operating  
20 losses.

21 (e) Offering tax credits to insurance companies that create new net jobs in New  
22 Hampshire.

23 III. The commission may solicit and receive testimony and other information from any  
24 person or organization with information or expertise relevant to the committee's objective. State  
25 agencies shall cooperate with the commission, and provide data, information, reports, and testimony  
26 to the commission upon request.

27 IV. The governor shall appoint a chair from among the members. The first meeting of the  
28 commission shall be called by the chair and shall be held within 45 days of the effective date of this  
29 section. Seven members of the commission shall constitute a quorum.

30 V. Legislative members of the commission shall receive mileage at the legislative rate when  
31 attending meetings of the commission.

32 VI. The commission shall, following a public hearing on a draft final report, submit a final  
33 report on the items included in subparagraphs II(a) and (b) or before December 1, 2010, containing  
34 its findings and any recommendations for proposed legislation, to the governor, the president of the  
35 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
36 means committees, the house and senate clerks, and the state librarian.

37 VII. The commission shall, following a public hearing on a draft final report, submit a final

1 report on the items included in subparagraphs II(c) and (d) or before November 1, 2012, containing  
2 its findings and any recommendations for proposed legislation, to the governor, the president of the  
3 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
4 means committees, the house and senate clerks, and the state librarian.

5 68 Repeal. RSA 77-F, relative to a commission to study business taxes, is repealed.

6 69 New Hampshire Retirement System; Employer Contributions; State Payment. Amend  
7 RSA 100-A:16, II(b)-(c) to read as follows:

8 (b) The contributions of each employer for benefits under the retirement system on  
9 account of group II members shall consist of a percentage of the earnable compensation of its  
10 members to be known as the "normal contribution," and an additional amount to be known as the  
11 "accrued liability contribution;" provided that any employer, other than the state, shall pay 70  
12 percent of such total contributions for state fiscal year 2010, and 30 percent thereof shall be paid by  
13 the state for state fiscal year 2010, and that beginning with state fiscal year 2011 any employer,  
14 other than the state, shall pay ~~[75]~~ 80 percent of such total contributions, and ~~[25]~~ 20 percent thereof  
15 shall be paid by the state, and that beginning with state fiscal year 2012, and every state fiscal year  
16 thereafter, any employer, other than the state, shall pay 65 percent of such total contributions, and  
17 35 percent thereof shall be paid by the state; and provided that, in the case of compensation  
18 attributable to extra or special duty, the employer shall pay the full amount of such total  
19 contributions; and provided further that, in case of group II members employed by the state, the  
20 state shall pay both normal and accrued liability contributions. The rate percent of such normal  
21 contribution, including contributions on behalf of group II members whose group II creditable service  
22 is in excess of 40 years, in each instance shall be fixed on the basis of the liabilities of the system  
23 with respect to the particular members of the various member classifications as shown by actuarial  
24 valuations, except as provided in subparagraphs (h) and (i).

25 (c) The contributions of each employer for benefits under the retirement system on  
26 account of group I members shall consist of a percentage of the earnable compensation of its  
27 members to be known as the "normal contribution," and an additional amount to be known as the  
28 "accrued liability contribution;" provided that, in the case of teachers, any employer, other than the  
29 state, shall pay 70 percent of such total contributions for state fiscal year 2010, and 30 percent  
30 thereof shall be paid by the state for state fiscal year 2010, and that beginning with state fiscal year  
31 2011 any employer, other than the state, shall pay ~~[75]~~ 80 percent of such total contributions, and  
32 ~~[25]~~ 20 percent thereof shall be paid by the state, and that beginning with state fiscal year 2012, and  
33 every state fiscal year thereafter, any employer, other than the state, shall pay 65 percent of such  
34 total contributions, and 35 percent thereof shall be paid by the state; and provided further that in  
35 case of teacher members employed by the state the state shall pay both normal and accrued liability  
36 contributions. The rate percent of such normal contribution in each instance shall be fixed on the  
37 basis of the liabilities of the system with respect to the particular members of the various member

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1 classifications as shown by actuarial valuation, except as provided in subparagraphs (h) and (i).

2 70 Department of Agriculture; Licenses; Transfers of Animals and Birds. Amend RSA 437:3 to  
3 read as follows:

4 437:3 Licenses. Applications for licenses shall be made annually in writing to the department  
5 accompanied by a license fee of [~~\$200~~] **\$350**. After January 1, the license fee shall be [~~\$100~~] **\$175**. If  
6 after inspection the department finds that the premises, cages and facilities thereon meet the proper  
7 standards for health and sanitation and that their use will not result in inhumane treatment of said  
8 animals or birds, and proof is provided with the application that the zoning enforcement official of  
9 the municipality wherein such facility is to be maintained has certified that the facility conforms to  
10 the municipal zoning regulations, a license shall be issued. Licenses shall expire on June 30  
11 following issue, and may be renewed on application to the department accompanied by a renewal fee  
12 of [~~\$200~~] **\$350**. Such licenses shall be in the form prescribed by the department, shall be publicly  
13 displayed at the premises covered by them and adjacent to animal display cages. Each such license  
14 shall be subject to revocation at any time by the department, if in the judgment of the department  
15 the conditions under which it was issued are not being maintained. Each licensee shall be inspected  
16 by an employee of the department or by a person appointed by the department no less frequently  
17 than every 6 months. Upon receipt of a written complaint alleging violation of this subdivision, the  
18 department shall investigate said complaint within a reasonable time. All license fees shall be  
19 deposited in the state treasury.

20 71 Lottery Commission; Report Required. The lottery commission shall submit to the governor,  
21 the president of the senate, and the speaker of the house of representatives, no later than November  
22 15, 2010, a comprehensive report describing how it proposes to modernize and update its products  
23 within the next 5 years in order to maximize revenues in a competitive lottery environment.

24 72 Operating Budget; Transfer of Appropriations; Adequate Education Grants; Funds From  
25 Education Trust Fund Transferred to General Fund.

26 I. The commissioner of the department of administrative services is authorized to transfer  
27 up to \$80,000,000 from the appropriation in account 06-56-56-560010-7550 class line 086 for fiscal  
28 year 2011 into account 06-56-56-560010-7550, class line 086 for fiscal year 2010 on or before June 30,  
29 2010. Account 06-56-56-560010-7550, class line 079 for fiscal year 2010 shall be reduced by the same  
30 amount that is transferred into account 06-56-56-560010-7550, class line 086 for fiscal year 2010,  
31 and account 06-56-56-560010-7550, class line 079 for fiscal year 2011 shall be increased by the  
32 corresponding amount.

33 II. Notwithstanding RSA 198:39, any funds remaining in the education trust fund as of June  
34 30, 2010 shall be transferred to the general fund as undesignated surplus.

35 73 Application; Appropriations Reductions; All State Agencies. The reductions required by this  
36 act shall be in addition to the reductions required by 2009, 143:22, I and 2009, 144:289.

37 74 Special School District Meetings. Notwithstanding RSA 197:2 and RSA 197:3, for the fiscal



1 year ending June 30, 2011, a special meeting of a school district shall be held upon the majority vote  
2 of the school board only for the purpose of addressing changes in catastrophic aid funding which  
3 could affect the school district during the 2011 year.

4 75 Repeal. Section 74 of this act, relative to special school district meetings, is repealed.

5 76 Special Meeting of Towns for the Fiscal Year Ending June 30, 2011. Notwithstanding any  
6 other provision of law to the contrary, for the fiscal year ending June 30, 2011, any town, including  
7 those towns that have adopted RSA 40:13 may, by a majority vote of the governing body, call a  
8 special meeting without court approval to address any reduction in the amount of state revenue  
9 distributed to the town which could affect the town's budget. Such meetings shall be subject to the  
10 following:

11 I. The governing body of such town shall post a notice, which shall include the warrant, in at  
12 least 2 public places within the political subdivision, one of which shall be on the political  
13 subdivision's website, if such exists, at least 7 days prior to the meeting. Additional notice shall be  
14 published in a newspaper of general circulation in the political subdivision, provided that if there is  
15 no newspaper of general circulation in which notice can be published at least 7 days before the date  
16 of the meeting, public notice shall be posted in at least one additional place within the political  
17 subdivision.

18 II. The governing body shall hold a public hearing on the proposed warrant articles at the  
19 town meeting.

20 III. The governing body of any town that has adopted the provisions of RSA 40:13 may elect  
21 to hold and conduct the meeting in accordance with the provisions of RSA 39 and RSA 40 and other  
22 applicable law without regard to RSA 40:13. If the governing body elects to follow the provisions of  
23 RSA 40:13, it shall provide at least a 15-day period between the deliberative session and the vote for  
24 the purposes of proceedings under this section.

25 77 Repeal. Section 76 of this act, relative to the special meetings of towns, is repealed.

26 78 State Agencies; Supplanting General Fund Reductions With Other Funds. For the fiscal year  
27 ending June 30, 2011, any state agency may supplant general fund reductions required pursuant to  
28 this act with federal and other funds that may become available for that purpose. The department of  
29 administrative services shall report to the fiscal committee of the general court on or before July 30,  
30 2010 detailing the use of any such funds.

31 79 Furloughs Required for Certain State Employees. Nonclassified and unclassified state  
32 employees shall take 12 unpaid furlough days during fiscal year 2011.

33 80 Reductions in Personnel Expenditures. Notwithstanding any provision of law to the  
34 contrary, for the biennium ending June 30, 2011, any reductions in personnel expenditures in an  
35 agency shall be distributed proportionately between classified and unclassified employees of such  
36 agency. Upon petition by an agency, the fiscal committee of the general court may grant an  
37 exemption from this requirement.

1 81 Vacant Positions; Bumping Rights; Layoffs. Amend 2009, 144:64 to read as follows:

2 144:64 Department of Administrative Services; Suspension of Bumping Rights.

3 I. The displacement of classified state employees by more senior classified state employees,  
4 or so-called bumping, pursuant to administrative rule Per 1101.02 (i) through (l) under the authority  
5 of RSA 21-I:43 by the director of the division of personnel is hereby suspended from the effective date  
6 of this section to June 30, 2011.

7 II. The procedure for layoffs of permanent employees pursuant to administrative rule Per  
8 1101.02 (d), prohibiting the layoff of permanent employees while there are temporary fill-in, part-  
9 time, or probationary employees serving in the same class of position within the same division of the  
10 agency, is hereby suspended from the effective date of this section to June 30, 2011.

11 III. *The reassignment prior to layoff of classified state employees into vacant but*  
12 *funded positions, pursuant to administrative rule Per 1101.02 (f) under the authority of*  
13 *RSA 21-I:43 by the director of the division of personnel is hereby suspended from the*  
14 *effective date of this section to June 30, 2011.*

15 82 Vacant Positions; Rehiring of Laid Off State Employees. Amend 2009, 144:65, II to read as  
16 follows:

17 II. It is the intent of the general court that any position which becomes available in a  
18 department or establishment, as defined in RSA 9:1, shall be filled, if possible, by a state employee  
19 laid off, as defined in paragraph I, if such person is not currently employed by the state of New  
20 Hampshire and if he or she meets the minimum qualifications for the position, *provided however*  
21 *that any position a department or establishment intends to leave vacant shall remain*  
22 *vacant.*

23 83 New Section; Certain Transfers Prohibited. Amend RSA 9 by inserting after section 16-b the  
24 following new section:

25 9:16-c Certain Transfers Prohibited. Notwithstanding any other provision of law to the  
26 contrary, no funds shall be transferred out of any class line which is the source of payment for  
27 Medicaid providers whose reimbursement rates are set by the department of health and human  
28 services and whose rates have been reduced by the department of health and human services  
29 through the use of a budget neutrality factor, a proportionate discount factor, or any similar  
30 reduction device.

31 84 Department of Health and Human Services; Reduction in Appropriation. Amend 2009, 143:9,  
32 as amended by 2010, 4:3 to read as follows:

33 143:9 Department of Health and Human Services; Reduction in Appropriation. The department  
34 of health and human services is hereby directed to reduce state general fund appropriations from any  
35 line by [~~\$19,559,231~~] **\$8,676,231** for the biennium ending June 30, 2011. Any direct services to New  
36 Hampshire citizens shall be excluded from these reductions unless expressly approved by the fiscal  
37 committee of the general court and the governor and council. The department shall provide a

1 quarterly report of reductions made under this section to the fiscal committee of the general court  
2 and the governor and council.

3 85 Transfer of Anna Philbrook Center Residents. Notwithstanding any provision of law to the  
4 contrary:

5 I. The department of health and human services shall transfer all residents of the Anna  
6 Philbrook center to the F-Unit wing of New Hampshire hospital. After said transfer is complete, the  
7 department shall consider utilizing the Anna Philbrook center for office space as needed by the  
8 department, or taking steps to close the facility once vacant.

9 II. The department of health and human services shall utilize the I-Unit wing of the  
10 New Hampshire hospital to provide beds as necessary for adult patients displaced by the transfer of  
11 residents of the Anna Philbrook center to the F-Unit wing of New Hampshire hospital pursuant to  
12 paragraph I.

13 86 Shelter Care Services. For the biennium ending June 30, 2011, the department of health and  
14 human services shall continue to fund shelter care services at Midway Shelter in Bradford, Antrim  
15 Girls Shelter in Antrim, and North Country Shelter Care in Jefferson.

16 87 Shea Farm Transitional Housing Unit; Transfer to Tobey Building. The department of  
17 health and human services and department of corrections shall work in consultation to facilitate the  
18 transfer of the Shea Farm transitional housing unit to the Tobey building. Notwithstanding any  
19 provision of law to the contrary, all of the functions, positions, powers, duties, responsibilities, and  
20 funding for the Shea Farm transitional housing unit and the Tobey building shall be appropriately  
21 transferred to allow operation of the transitional housing unit and relocation of programs of the  
22 department of health and human services currently residing in the Tobey building. Said transfers  
23 shall include, but not be limited to, the use of existing capital and operating budget appropriations to  
24 allow for renovations to the Tobey building to ensure its appropriate use, as well as renovations to  
25 the Anna Philbrook center if the department of health and human services decides to utilize said  
26 facility for office space pursuant to section 85 of this act. The transfers provided in this section shall  
27 include all of the equipment, books, papers, and records of the departments necessary for the  
28 operation of the facilities.

29 88 Youth Development Center and State Prison for Women; Population Transfers.

30 I. Notwithstanding any provision of law to the contrary, the department of health and  
31 human services and department of corrections shall simultaneously transfer the population of the  
32 youth development center to suitable properties located at the lakes region facility located in  
33 Laconia, and the population of the state prison for women to the current facility of the youth  
34 development center by June 30, 2011. Once the populations of the youth development center and  
35 state prison for women are transferred to the proposed facilities, the department of corrections shall  
36 cease its contracts with Hillsborough and Strafford counties to house female offenders.  
37 Notwithstanding any provision of law to the contrary, all functions, positions, powers, duties, shall

1 be appropriately transferred to allow the operation of the facilities for the use required by this  
2 section. The departments shall utilize existing capital and operating budget appropriations for  
3 renovations of the youth development center and the lakes region facility located in Laconia as  
4 necessary to effectuate the transfer of said populations. The transfers provided in this section shall  
5 include all of the equipment, books, papers, and records of the departments necessary for the  
6 operation of the facilities.

7 II. The department of health and human services and department of corrections shall work  
8 in consultation to develop a plan to effectuate the transfer of said populations. Said plan shall  
9 include an estimate of any state general fund savings which will result from said transfers, and shall  
10 be submitted to the speaker of the house of representatives, the president of the senate, the fiscal  
11 committee of the general court, and the governor and executive councilors on or before  
12 September 1, 2010.

13 89 Committee to Study the Youth Development Center and State Prison for Women.

14 I. There is established a committee to study the transfer of populations of the youth  
15 development center and the state prison for women.

16 II. The members of the committee shall be as follows:

17 (a) Three members of the house of representatives, appointed by the speaker of the  
18 house of representatives.

19 (b) Two members of the senate, appointed by the president of the senate.

20 III. Members of the committee shall receive mileage at the legislative rate when attending to  
21 the duties of the committee.

22 IV. The committee shall study the transfer of the population of the youth development  
23 center to the lakes region facility located in Laconia, and the transfer of the population of the state  
24 prison for women to the current facility of the youth development center as required by section 88 of  
25 this act. The committee shall also determine all statutory or administrative rule changes that will  
26 be necessary to effectuate said transfers.

27 V. The members of the study committee shall elect a chairperson from among the members.  
28 The first meeting of the committee shall be called by the first-named senate member. The first  
29 meeting of the committee shall be held within 45 days of the effective date of this section. Three  
30 members of the committee shall constitute a quorum.

31 VI. The committee shall report its findings and any recommendations for proposed  
32 legislation to the president of the senate, the speaker of the house of representatives, the senate  
33 clerk, the house clerk, the governor, and the state library on or before November 1, 2010.

34 90 Fine Revenues. Notwithstanding the provisions of RSA 262:44, the state treasurer shall  
35 deposit into the general fund \$185,000 for fiscal year 2010 and \$760,000 for fiscal year 2011 from  
36 fine revenues received under RSA 262:44, I.

37 91 New Chapter; Electricity Generation Tax. Amend RSA by inserting after chapter 83-F the

1 following new chapter:

2 CHAPTER 83-G

3 ELECTRICITY GENERATION TAX

4 83-G:1 Definitions. In this chapter:

5 I. "Commissioner" means the commissioner of the department of revenue administration.

6 II. "Department" means the department of revenue administration.

7 III. "Taxable month" means a calendar month in which electricity is generated.

8 IV. "Taxpayer" means any person generating electricity in this state, except for:

9 (a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;

10 (b) A person generating electricity produced by wind energy, geothermal energy,  
11 hydrogen derived from biomass fuels or methane gas, ocean thermal, wave, current, or tidal energy,  
12 methane gas, biomass technologies, solar technologies, or hydroelectric energy, or that uses as its  
13 primary fuel source solid waste as defined in RSA 149-M:4; or

14 (c) A person generating electricity exclusively in a manner that the electricity generated  
15 is not interconnected to the electric distribution grid.

16 83-G:2 Imposition of Tax. Each taxpayer is liable for a tax of \$.00055 per kilowatt hour of  
17 electricity generated within the state.

18 83-G:3 Collection of Tax. Every taxpayer shall collect and monthly remit the tax to the state as  
19 provided in RSA 83-G:4.

20 83-G:4 Tax Returns.

21 I. Except as provided in this section, on or before the fifteenth day of each second month  
22 following a taxable month, each taxpayer shall make a return to the department for the taxable  
23 month on a form prescribed by the department.

24 II. Any taxpayer who ceases to engage in generating electricity, and is thereby not  
25 responsible for filing returns under this chapter, shall file a final return with the department not  
26 more than one month after discontinuing such activity. This requirement shall apply  
27 notwithstanding any other provision of this chapter regarding the time within which to file a return.

28 III. If the commissioner finds that the information required for the making of an accurate  
29 return cannot reasonably be compiled by a taxpayer within one month and 15 days after the close of  
30 the taxable month for which a return is to be made, the commissioner may grant an extension of  
31 time for the filing of such return. Any such extension shall be granted for a period not to exceed 31  
32 calendar days. The granting of such extension may be conditioned upon the payment by the  
33 taxpayer of an amount of money equal to the amount estimated by the commissioner to be due with  
34 the return when filed under extension. All such estimated payments shall be credited against the  
35 taxpayer's liabilities under this chapter.

36 IV. The taxpayer shall pay to the department the amount of tax imposed by this chapter at  
37 the time it makes a return.

1 83-G:5 Exemptions.

2 I. It is in the public interest to foster the generation of electricity from renewable energy  
3 sources and from small scale distributed energy resources and to encourage waste reduction.

4 II. Electricity generated from the following sources shall not be subject to taxation under  
5 this chapter:

6 (a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;

7 (b) Energy generated by wind energy, geothermal energy, hydrogen derived from  
8 biomass fuels or methane gas, ocean thermal, wave, current, or tidal energy, methane gas, biomass  
9 technologies, solar technologies, or hydroelectric energy, or that uses as its primary fuel source solid  
10 waste as defined in RSA 149-M:4; or

11 (c) Electricity generated which is not interconnected to the electric distribution grid.

12 83-G:6 Instruments, Books, Records, Papers, and Other Documents.

13 I. Every taxpayer shall provide and keep the necessary instruments and records to show the  
14 amount expressed in kilowatt hours of electricity generated by such person.

15 II. Every taxpayer required to file or actually filing under this chapter shall keep books,  
16 records, papers, and other documents which are adequate to reflect the information required by this  
17 chapter to be reported to the department by the filing of timely returns with the department.

18 III. All instruments, books, records, and other papers and documents required to be kept by  
19 this chapter shall, at all times during business hours of the day, be subject to inspection by the  
20 department.

21 83-G:7 Additional Returns. When the commissioner has reason to believe that a taxpayer has  
22 failed to file a return or to include any part of the total kilowatt hours electricity generated in a filed  
23 return, the commissioner may require the taxpayer to file a return or a supplementary return  
24 showing such additional information as the commissioner prescribes. Upon the receipt of the  
25 supplementary return, or if none is received within the time set by the commissioner, the  
26 commissioner may find and assess the amount due upon the information that is available. The  
27 making of such additional return does not relieve the taxpayer of any penalty for failure to make a  
28 correct original return, or relieve such person from liability for interest imposed under RSA 21-J:28  
29 or for any other additional charges imposed by the commissioner. This section shall not be construed  
30 to modify or extend the statute of limitations provided in RSA 21-J:29.

31 83-G:8 Administration; Rulemaking.

32 I. The commissioner shall collect the taxes imposed under this chapter, interest on tax,  
33 additions to tax, and penalties imposed, and pay over to the state treasurer the amount of funds  
34 collected under this chapter.

35 II. The commissioner shall adopt rules, under RSA 541-A, relative to:

36 (a) The form of the return and the data which it must contain for the correct  
37 computation of the number of kilowatt hours of electricity generated in this state and the tax

1 assessed.

2 (b) The administration of the electricity generation tax.

3 (c) The recovery of any tax, interest on tax, additions to tax, or penalties imposed by RSA  
4 83-G or RSA 21-J.

5 83-G:9 Tax Sales. The provisions of RSA 80:26 apply to the sale of land for the payment of taxes  
6 due under this chapter, and the state treasurer is authorized to purchase the land for the state. If  
7 the state purchases the land, the state treasurer shall certify the purchase to the governor, and the  
8 governor shall draw a warrant for the purchase price out of any money in the treasury not otherwise  
9 appropriated.

10 83-G:10 Severability. If any provision of this chapter or the application thereof to any person or  
11 circumstance is held to be invalid, the invalidity shall not affect other provisions or applications of  
12 the chapter which can be given effect without the invalid provision or application, and to this end the  
13 provisions of this chapter are severable.

14 92 Reference Change. Amend RSA 21-J:31 to read as follows:

15 21-J:31 Penalty for Failure to File. Any taxpayer who fails to file a return when due, unless an  
16 extension has been granted by the department, shall pay a penalty equal to 5 percent of the amount  
17 of the tax due or \$10, whichever is greater, for each month or part of a month during which the  
18 return remains unfiled. The total amount of any penalty shall not, however, exceed 25 percent of the  
19 amount of the tax due or \$50, whichever is greater. This penalty shall not be applied in any case in  
20 which a return is filed within the extended filing period as provided in RSA 77:18-b, RSA 77-A:9,  
21 RSA 77-E:8, RSA ~~[83-C:6, RSA 83-E:5]~~ 83-G:4, RSA 84-A:7, or RSA 84-C:7, or the failure to file was  
22 due to reasonable cause and not willful neglect of the taxpayer. The amount of the penalty is  
23 determined by applying the percentages specified to the net amount of any tax due after crediting  
24 any timely payments made through estimating or other means.

25 93 Reference Change. Amend RSA 21-J:33-a, I to read as follows:

26 I. If there is a substantial understatement of tax imposed under RSA 77, RSA 77-A, RSA 77-  
27 E, RSA 78-A, RSA 78-C, RSA 82-A ~~[or RSA 83-C]~~, or RSA ~~[83-E]~~ 83-G, for any taxable period, there  
28 shall be added to the tax an amount equal to 25 percent of the amount of any underpayment  
29 attributable to such understatement.

30 94 Repeal. RSA 83-E, relative to the electricity consumption tax, is repealed.

31 95 Insurance Premium Tax. Amend RSA 400-A:32, I(a) to read as follows:

32 I.(a) Every insurer shall pay to the insurance commissioner ~~[a tax]~~ upon such net premiums,  
33 for lines of business written, as set forth in the report filed pursuant to RSA 400-A:31, I, less  
34 estimated payments made in accordance with RSA 400-A:32, II, ~~[as follows]~~:

35 ~~(1) Effective July 1, 2007, a tax of 1.75 percent for all lines of business written~~  
36 ~~pursuant to RSA 401:1, I-III and V-VIII, and RSA 401:1 a, I and II;~~

37 ~~(2) Effective January 1, 2009, a tax of 1.50 percent for all lines of business written~~

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1 pursuant to RSA 401:1, I-III and V-VIII, and RSA 401:1-a, I and II;

2 ~~(3) Effective January 1, 2010, a tax of 1.25 percent for all lines of business written~~  
3 ~~pursuant to RSA 401:1, I-III and V-VIII, and RSA 401:1-a, I and II; and~~

4 ~~(4) Effective January 1, 2011, a tax of one percent for all lines of business written~~  
5 ~~pursuant to RSA 401:1, I-III and V-VIII, and RSA 401:1-a, I and II.~~

6 (5)] a tax of 2 percent for all lines of business written pursuant to RSA 401:1, [IV;]  
7 including, but not limited to, insurers licensed pursuant to RSA 420-A, RSA 420-B, and RSA 420-F.

8 96 Applicability. The provisions of RSA 400-A:32, I(a) as amended by section 95 of this act shall  
9 apply to tax periods of authorized insurers beginning after June 30, 2009. Any additional premium  
10 tax liability due to the amendment to RSA 400-A:32, I(c) by section 95 of this act shall be paid in full  
11 to the insurance commissioner by June 15, 2010.

12 97 Taxation of Transfers of Certain Estates. RSA 87:1 is repealed and reenacted to read as  
13 follows:

14 87:1 Tax Imposed; Exemption.

15 I. An estate tax is hereby imposed upon the transfer of the estate of every decedent leaving a  
16 taxable estate for which the gross value after allowable deductions, as defined by the Internal  
17 Revenue Code of 1986, is greater than \$2,000,000, and who has property within this state.

18 II. The first \$2,000,000 of the gross value of the decedent's estate shall be exempt from the  
19 estate tax.

20 III. The amount of the New Hampshire estate tax shall be equal to 8 percent of the gross  
21 value of the portion of the decedent's taxable estate that exceeds the exemption in paragraph II.

22 IV. If only a portion of the decedent's estate is located in this state, the tax shall be  
23 determined as follows:

24 (a) For a decedent who, at the time of death, was a resident of this state, the  
25 New Hampshire estate tax shall be reduced by an amount determined by multiplying the entire  
26 amount of the tax by the percentage which the gross value of the real and tangible property portion  
27 of the decedent's estate located outside of this state bears to the gross value of the entire estate.

28 (b) For a decedent who, at the time of death, was not a resident of this state, the  
29 New Hampshire estate tax shall be determined by multiplying the entire amount of the tax by the  
30 percentage which the gross value of the real and tangible property portion of the decedent's estate  
31 located in this state bears to the gross value of the entire estate.

32 98 Authority to Audit. Amend RSA 87:36, II to read as follows:

33 II. The department may, on its own motion, undertake such an audit upon written notice to  
34 the executor, administrator, or legatee within the statute of limitations as provided in RSA 21-J:29[  
35 ~~except that where a change is reported as provided in RSA 87:10, such notice shall be provided~~  
36 ~~within 6 months of the receipt of such amended return].~~

37 99 Repeal. The following are repealed:



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1 I. RSA 87:7, relative to intent of chapter.

2 II. RSA 87:9, relative to chapter void, when.

3 III. RSA 87:10, relative to adjustments.

4 100 New Hampshire Retirement System; Member Contribution Rates; Fiscal Year 2011.  
5 Amend RSA 100-A:16, I(a) to read as follows:

6 (a) The member annuity savings fund shall be a fund in which shall be accumulated the  
7 contributions deducted from the compensation of members to provide for their member annuities  
8 together with any amounts transferred thereto from a similar fund under one or more of the  
9 predecessor systems. Such contribution shall be, for each member, dependent upon the member's  
10 employment classification at the rate determined in accordance with the following table:

11 Employees [~~of employers other than the state 5.00~~] **7.00**

12 [~~Employees of the state hired on or before June 30, 2009 5.00~~

13 ~~Employees of the state hired after June 30, 2009 7.00]~~

14 Teachers [~~5.00~~] **7.00**

15 Permanent Policemen [~~9.30~~] **11.00**

16 Permanent Firemen [~~9.30~~] **11.00**

17 The board of trustees shall certify to the proper authority or officer responsible for making up the  
18 payroll of each employer, and such authority or officer shall cause to be deducted from the  
19 compensation of each member, except group II members with creditable service in excess of 40 years  
20 as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer  
21 for each and every payroll period, the percentage of earnable compensation applicable to such  
22 member. No deduction from earnable compensation under this paragraph shall apply to any group  
23 II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and  
24 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining  
25 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable  
26 by a member in a payroll period, the board may consider the rate of compensation payable to such  
27 member on the first day of a payroll period as continuing throughout the payroll period and it may  
28 omit deduction from compensation for any period less than a full payroll period if such person was  
29 not a member on the first day of the payroll period, and to facilitate the making of deductions it may  
30 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one  
31 percent of the annual earnable compensation upon the basis of which such deduction is made. The  
32 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,  
33 shall be paid to the retirement system at such times as may be designated by the board of trustees  
34 and credited to the individual account, in the member annuity savings fund, of the member from  
35 whose compensation the deduction was made.

36 101 New Hampshire Retirement System; Member Contribution Rates; Fiscal Year 2012.  
37 Amend RSA 100-A:16, I(a) to read as follows:

1 (a) The member annuity savings fund shall be a fund in which shall be accumulated the  
2 contributions deducted from the compensation of members to provide for their member annuities  
3 together with any amounts transferred thereto from a similar fund under one or more of the  
4 predecessor systems. Such contribution shall be, for each member, dependent upon the member's  
5 employment classification at the rate determined in accordance with the following table:

6 Employees [~~7.00~~] *5.00*

7 Teachers [~~7.00~~] *5.00*

8 Permanent Policemen [~~11.00~~] *9.30*

9 Permanent Firemen [~~11.00~~] *9.30*

10 The board of trustees shall certify to the proper authority or officer responsible for making up the  
11 payroll of each employer, and such authority or officer shall cause to be deducted from the  
12 compensation of each member, except group II members with creditable service in excess of 40 years  
13 as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer  
14 for each and every payroll period, the percentage of earnable compensation applicable to such  
15 member. No deduction from earnable compensation under this paragraph shall apply to any group  
16 II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and  
17 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining  
18 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable  
19 by a member in a payroll period, the board may consider the rate of compensation payable to such  
20 member on the first day of a payroll period as continuing throughout the payroll period and it may  
21 omit deduction from compensation for any period less than a full payroll period if such person was  
22 not a member on the first day of the payroll period, and to facilitate the making of deductions it may  
23 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one  
24 percent of the annual earnable compensation upon the basis of which such deduction is made. The  
25 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,  
26 shall be paid to the retirement system at such times as may be designated by the board of trustees  
27 and credited to the individual account, in the member annuity savings fund, of the member from  
28 whose compensation the deduction was made.

29 102 New Hampshire Retirement System; Recalculation of Employer Rates. Amend 2009, 144:56  
30 to read as follows:

31 144:56 Retirement System; Recalculation of Employer Rates; Recertification. Notwithstanding  
32 the notice requirements of RSA 100-A:16, III, the board of trustees of the retirement system shall  
33 recalculate employer contribution rates for the state fiscal [~~years 2010 and~~] *year 2011* to reflect the  
34 requirements of RSA 100-A:16, II(b) and (c) as amended by this act. *The retirement system shall*  
35 *utilize the sums attributable to the increase in member contribution rates under RSA 100-*  
36 *A:16, I(a) as amended by this act to reduce previously certified employer contribution rates*  
37 *for state fiscal year 2011.* Notwithstanding the notice requirements of RSA 100-A:16, III, such

1 employer contribution rates shall be effective for the ~~[biennium]~~ *fiscal year* beginning July 1, ~~[2009]~~  
2 *2010*, and the recertification of employer contribution percentages, applicable beginning July 1,  
3 ~~[2009]~~ *2010*, shall be provided to each employer within a reasonable period of time not to exceed 30  
4 days from the effective date of this section. The exception to the notice requirements of RSA 100-  
5 A:16, III in this section shall be limited to the applicable employer contribution rates for the  
6 ~~[biennium]~~ *fiscal year* beginning July 1, ~~[2009]~~ *2010*.

7 103 Documentation of Marriages; Marriage License Fee. Amend RSA 457:29 to read as follows:

8 457:29 Marriage License Fee. The fee for the marriage license shall be ~~[\$45]~~ *\$50* to be paid by  
9 the parties entering into the marriage. The clerk shall forward \$38 from each fee to the department  
10 of health and human services for the purposes of RSA 173-B:15, *and \$5 to the state treasurer for*  
11 *deposit in the general fund*. The clerk shall retain the remaining \$7 as the fee for making the  
12 records of notice, issuing the certificate of marriage, and forwarding the ~~[\$38]~~ *\$43* portion of the  
13 marriage license fee.

14 104 Fees for Copies, Verifications, and Amendments to Vital Records. Amend RSA 5-C:10, I-II  
15 to read as follows:

16 I. A town clerk or the registrar shall be paid in advance, by any person requesting any copy  
17 or verification as provided in RSA 5-C:9, the sum of ~~[\$12]~~ *\$20* for making a search, which sum shall  
18 include payment for the issuance of such copy or verification, and ~~[\$8]~~ *\$10* for each subsequent copy,  
19 provided that the fee to town clerks for examination of documents and issuance of a delayed birth  
20 certificate shall be \$25.

21 II. The town clerk shall forward \$8 of each search fee collected by the clerk under this  
22 section to the department of state for deposit in the vital records improvement fund established  
23 under RSA 5-C:15, *\$8 to the state treasurer for deposit in the general fund*, and shall retain the  
24 remaining \$4 as the clerk's fee for issuing such a copy. For subsequent copies issued at the same  
25 time, the town clerk shall forward \$5 of the fee collected for each subsequent copy under this section  
26 to the department for deposit in the vital records improvement fund established under RSA 5-C:15,  
27 *\$2 to the state treasurer for deposit in the general fund*, and ~~[the town clerk]~~ shall retain the  
28 remaining \$3 as the clerk's fee for issuing such a copy. The town clerk shall retain the \$25 fee for a  
29 delayed birth certificate as the clerk's fee for examining documents and issuing the delayed birth  
30 certificate. Fees collected by the registrar shall be forwarded to the state treasurer for deposit into  
31 the vital records improvement fund established under RSA 5-C:15.

32 105 Prohibition on Delay of Payment or Expenditure. For the fiscal years ending June 30, 2010  
33 and June 30, 2011, no department as defined in RSA 9:1 shall delay a payment or expenditure from  
34 one fiscal year to the subsequent fiscal year solely for the purpose of generating an unexpended  
35 balance that would lapse in the preceding year.

36 106 Appropriations and Charges. In addition to any other sums appropriated for the fiscal year  
37 ending June 30, 2011, the following appropriations and charges are hereby authorized for the

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1 following departments and agencies. Said appropriations shall be a charge against the funds as  
 2 specified in the individual appropriation:

<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-14		Department of Administrative Services		
01-14-14-1400-1042		Commissioner - Administration		
01-14-14-1400-1042	020	Current Expenses	General Funds	(\$1,000)
01-14-14-1400-1042	030	Equipment New/Replacement	General Funds	(\$500)
01-14-14-1400-1042	080	Out-of-State Travel	General Funds	(\$1,000)
01-14-14-1410-1044		Personnel Admin - Support		
01-14-14-1410-1044	020	Current Expenses	General Funds	(\$7,500)
01-14-14-1405-1310		Bureau of Accounting		
01-14-14-1405-1310	030	Equipment New/Replacement	General Funds	(\$250)
01-14-14-1405-1310	066	Employee Training	General Funds	(\$1,450)
01-14-14-1405-1330		Financial Reporting		
01-14-14-1405-1330	070	In-State Travel	General Funds	(\$150)
01-14-14-1405-1330	080	Out-of-State Travel	General Funds	(\$1,000)
01-14-14-1400-1350		Budget Office		
01-14-14-1400-1350	080	Out-of-State Travel	General Funds	(\$1,000)
01-14-14-1400-1360		Business Office		
01-14-14-1400-1360	020	Current Expenses	General Funds	(\$500)
01-14-14-1420-1370		Financial Data Management		
01-14-14-1420-1370	037	Technology - Hardware	General Funds	(\$25,352)
01-14-14-1420-1370	046	Consultants (non-benefited)	General Funds	(\$30,000)
01-14-14-1400-1375		Risk Management Unit		
01-14-14-1400-1375	020	Current Expenses	General Funds	(\$500)
01-14-14-1400-1375	030	Equipment New/Replacement	General Funds	(\$250)
01-14-14-1400-1375	080	Out-of-State Travel	General Funds	(\$1,000)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-14-14-1415-1440		Plant & Property Administration		
01-14-14-1415-1440	070	In-State Travel	General Funds	(\$250)
01-14-14-1415-1440	080	Out-of-State Travel	General Funds	(\$1,450)
01-14-14-1410-1442		Employee Relations		
01-14-14-1410-1442	020	Current Expenses	General Funds	(\$600)
01-14-14-1415-2040		General Services		
01-14-14-1415-2040	023	Heat, Electricity & Water	General Funds	(\$50,000)
01-14-14-1415-2040	080	Out-of-State Travel	General Funds	(\$184)
01-14-14-1415-2042		Bureau Facilities and Assets Management		
01-14-14-1415-2042	030	Equipment New/Replacement	General Funds	(\$5,300)
01-14-14-1415-2045		Bureau of Court Facilities		
01-14-14-1415-2045	023	Heat, Electricity & Water	Other Funds	(\$125,000)
01-14-14-1415-2045	047	Own Forces Maintenance - Building & Grounds	Other Funds	(\$6,500)
01-14-14-1415-2045	070	In-State Travel	Other Funds	(\$5,000)
01-14-14-1415-2045	201	Sheriff's Reimbursement	General Funds	(\$100,000)
01-14-14-1415-2083		M-S Building		
01-14-14-1415-2083	020	Current Expenses	General Funds	(\$10,000)
01-14-14-1415-2083	023	Heat, Electricity & Water	General Funds	(\$25,000)
01-14-14-1415-2083	030	Equipment New/Replacement	General Funds	(\$900)
01-14-14-1415-2083	070	In-State Travel	General Funds	(\$500)
01-14-14-1415-2091		Public Works Bureau		
01-14-14-1415-2091	020	Current Expenses	General Funds	(\$5,000)
01-14-14-1415-2091	030	Equipment New/Replacement	General Funds	(\$1,000)
01-14-14-1415-2091	070	In-State Travel	General Funds	(\$7,500)
01-14-14-1415-2098		Dept. Of Justice Building		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-14-14-1415-2098	023	Heat, Electricity & Water	General Funds	(\$15,000)
01-14-14-1415-2098	030	Equipment New/Replacement	General Funds	(\$1,000)
01-14-14-1415-2099		Upham Walker Building		
01-14-14-1415-2099	023	Heat, Electricity & Water	General Funds	(\$5,000)
01-14-14-1415-5320		Lakes Region Campus		
01-14-14-1415-5320	070	In-State Travel	General Funds	(\$300)
01-14-14-1400-1356		Retirees Health		
01-14-14-1400-1356	046	Consultants (Non-benefited)	General Funds	(\$7,790)
01-14-14-1400-1356	100	Prescription Drug Expenditures	General Funds	(\$1,423,300)
01-14-14-1400-1356	101	Medical Payments To Providers	General Funds	(\$1,010,800)
01-14-14-1400-1356	102	Contracts for Program Services	General Funds	(\$108,110)
01-34		Department of Cultural Resources		
01-34-34-3420-3420		Office of Preservation		
01-34-34-3420-3420	010	Personal Services - Permanent Classified	General Funds	(\$38,560)
01-34-34-3420-3420	060	Benefits	General Funds	(\$31,614)
01-34-34-3420-3441		Federal Preservation Programs		
01-34-34-3420-3441	010	Personal Services - Permanent Classified	Federal Funds	\$38,560
01-34-34-3420-3441	060	Benefits	Federal Funds	\$31,614
01-34-34-3405-7000		Central Library Services		
01-34-34-3405-7000	010	Personal Services - Permanent Classified	General Funds	(\$115,595)
01-34-34-3405-7000	060	Benefits	General Funds	(\$44,512)
01-34-34-3410-1250		State Arts Development		
01-34-34-3410-1250	011	Personal Services - Unclassified	General Funds	(\$32,561)
01-34-34-3410-1250	060	Benefits	General Funds	(\$12,469)
01-84		Dept of Revenue Administration		
01-84-84-8400-7884		Administration		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-84-84-8400-7884	070	In-State Travel	General Funds	(\$50,000)
01-84-84-8405-1301		Audit Division		
01-84-84-8405-1301	010	Personal Services - Permanent Classified	General Funds	(\$319,665)
01-84-84-8405-1301	060	Benefits	General Funds	(\$180,391)
01-84-84-8405-1401		Collections Division		
01-84-84-8405-1401	010	Personal Services - Permanent Classified	General Funds	(\$47,981)
01-84-84-8405-1401	060	Benefits	General Funds	(\$24,135)
01-84-84-8405-1501		Documents Processing Division		
01-84-84-8405-1501	010	Personal Services - Permanent Classified	General Funds	(\$126,805)
01-84-84-8405-1501	012	Personal Services - Unclassified	General Funds	(\$70,853)
01-84-84-8405-1501	045	Personal Services (Non-Benefited)	General Funds	(\$30,000)
01-84-84-8405-1501	060	Benefits	General Funds	(\$126,972)
01-84-84-8410-5413		Appraisal Services		
01-84-84-8410-5413	010	Personal Services - Permanent Classified	General Funds	(\$33,291)
01-84-84-8410-5413	060	Benefits	General Funds	(\$14,258)
01-28		Real Estate Commission		
01-28-28-2800-2054		Real Estate Comm Admin		
01-28-28-2800-2054	010	Personal Services- Permanent Classified	General Funds	(\$11,000)
01-28-28-2800-2054	104	Certification Expense	General Funds	(\$27,000)
01-29		Real Estate Appraiser Board		
01-29-29-2923-1140		Real Estate Appraiser Board Admin		
01-29-29-2923-1140	060	Benefits	General Funds	(\$7,155)
01-51		Board of Accountancy		
01-51-51-5100-2115		Board of Accountancy Admin		
01-51-51-5100-2115	020	Current Expenses	General Funds	(\$8,000)
01-51-51-5100-2115	046	Consultants (Non-benefited)	General Funds	(\$4,100)
01-31		Joint Board		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-31-31-3100-2250		Joint Board Admin		
01-31-31-3100-2250	010	Personal Services- Permanent Classified	General Funds	(\$33,840)
01-31-31-3100-2250	060	Benefits	General Funds	(\$23,561)
01-39		Board of Manufactured Housing		
01-39-39-3923-4423		Board of Manufactured Housing		
01-39-39-3923-4423	020	Current Expense	General Funds	(\$1,451)
01-39-39-3923-4423	070	In-State Travel	General Funds	(\$260)
01-05		Executive Council		
01-05-05-0520-1001		Executive Council		
01-05-05-0520-1001	012	Personal Services - Unclassified	General Funds	(\$300)
01-05-05-0520-1001	020	Current Expense	General Funds	(\$2,180)
01-05-05-0520-1001	027	Transfers to DoIT	General Funds	(\$500)
01-05-05-0520-1001	030	Equipment	General Funds	(\$600)
01-05-05-0520-1001	080	Out-of-State Travel	General Funds	(\$1,215)
01-02		Executive Office		
01-02-02-0200		Executive Office		
01-02-02-0200-1036		Office of the Governor		
01-02-02-0200-1036		Personal Services/Current Expenses/Benefits	General Funds	(\$75,665)
01-02-02-0205		Governor's Commission on Disability		
01-02-02-0205-1004		Commission on Disability		
01-02-02-0205-1004	011	Personal Services - Unclassified	General Funds	(\$31,237)
01-02-02-0205-1006	020	Current Expenses	General Funds	(\$500)
01-02-02-0205-1004	026	Organizational Dues	General Funds	(\$100)
01-02-02-0205-1006	030	Equipment	General Funds	(\$500)
01-02-02-0205-1006	046	Consultants (Non-Benefited)	General Funds	(\$750)
01-02-02-0205-1004	060	Benefits	General Funds	(\$4,881)
01-02-02-0205-1006	070	In-State Travel	General Funds	(\$1,500)
01-02-02-0205-1006	080	Out-of-State	General Funds	(\$559)
01-02-02-0205-1004	230	Interpreter Services	General Funds	(\$2,000)



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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-02-02-0240		Office of Energy and Planning Administration		
01-02-02-0240-6400				
01-02-02-0240-6400	010	Personal Services- Permanent Classified	General Funds	(\$21,204)
01-02-02-0240-6400	016	Personal Services - Non-Classified	General Funds	(\$12,659)
01-02-02-0240-6400	046	Consultants (Non-Benefited)	General Funds	(\$10,000)
01-02-02-0240-6400	060	Benefits	General Funds	(\$6,942)
01-02-02-0240-6400	068	Remuneration	General Funds	(\$18,607)
01-02-02-0240-6570		Municipal/Regional Assistance		
01-02-02-0240-6570	010	Personal Services- Permanent Classified	General Funds	(\$2,150)
01-02-02-0240-6570	060	Benefits	General Funds	(\$332)
01-02-02-0240-6570	073	Grants - Non Federal	General Funds	(\$30,000)
01-02-02-0240-4096		Connecticut River Valley		
01-02-02-0240-4096	068	Remuneration	General Funds	(\$26,136)
01-02-02-0240-8114		Unemployment Compensation		
01-02-02-0240-8114	061	Unemployment Compensation	General Funds	(\$5,000)
02-12		Adjutant General Department		
02-12-12-1200-2220		Administration and Armories		
02-12-12-1200-2220	010	Personal Services- Permanent Classified	General Funds	(\$89,318)
02-12-12-1200-2220	020	Current Expense	General Funds	(\$15,000)
02-12-12-1200-2220	022	Rents & Leases Other than State	General Funds	(\$6,853)
02-12-12-1200-2220	060	Benefits	General Funds	(\$63,308)
02-12-12-1200-2233		Air National Guard MNT/OPER		
02-12-12-1200-2233	020	Current Expenses	General Funds	(\$5,000)
02-12-12-1200-2233	020	Current Expenses	Federal Funds	(\$15,000)
02-12-12-1200-2233	023	Heat, Electricity, & Water	General Funds	(\$5,000)
02-12-12-1200-2233	023	Heat, Electricity, & Water	Federal Funds	(\$15,000)
02-12-12-1200-2233	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$5,000)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-12-12-1200-2233	047	Own Forces Maintenance - Building & Grounds	Federal Funds	(\$15,000)
02-12-12-1200-2240		Army and State 50/50		
02-12-12-1200-2240	023	Heat, Electricity, & Water	General Funds	(\$45,000)
02-12-12-1200-2240	023	Heat, Electricity, & Water	Federal Funds	(\$45,000)
02-12-12-1200-2240	103	Contracts for Operational Services	General Funds	(\$88,374)
02-12-12-1200-2240	103	Contracts for Operational Services	Federal Funds	(\$88,374)
02-12-12-1210-2260		NH State Veterans Cemetery Operations		
02-12-12-1210-2260	050	Personal Services - Temporary/Appointed	General Funds	(\$15,000)
02-12-12-1210-2260	060	Benefits	General Funds	(\$1,147)
02-18		Department of Agriculture, Markets & Food		
02-18-18-1825-2705		Animal Population Control		
02-18-18-1825-2705	010	Personal Services- Permanent Classified	General Funds	(\$30,888)
02-18-18-1825-2705	060	Benefits	General Funds	(\$30,098)
02-18-18-1830-2137		Pesticide Regulation		
02-18-18-1830-2137	060	Benefits	General Funds	(\$31,626)
02-18-18-1830-2137	060	Benefits	Other Funds	\$31,626
02-18-18-1805-2133		Division of Weights & Measures		
02-18-18-1805-2133	018	Overtime	General Funds	(\$31,041)
02-18-19-1900-7883		Board of Veterinary Medicine		
02-18-19-1900-7883	010	Personal Services- Permanent Classified	General Funds	(\$9,688)
02-18-19-1900-7883	060	Benefits	General Funds	(\$5,677)
02-20		Department of Justice		
02-20-20-2000-2601		Attorney General		
02-20-20-2000-2601	010	Personal Services- Permanent Classified	General Funds	(\$89,379)
02-20-20-2000-2601	060	Benefits	General Funds	(\$32,799)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-20-20-2005-2610		Criminal Bureau		
02-20-20-2005-2610	010	Personal Services- Permanent Classified	General Funds	(\$124,374)
02-20-20-2005-2610	060	Benefits	General Funds	(\$63,229)
02-20-20-2005-2610	010	Personal Services- Permanent Classified	Federal Funds	\$92,428
02-20-20-2005-2610	060	Benefits	Federal Funds	\$42,264
02-20-20-2005-2611		Consumer Bureau		
02-20-20-2005-2611	010	Personal Services- Permanent Classified	General Funds	(\$39,990)
02-20-20-2005-2611	014	Personal Services- Unclassified	General Funds	(\$68,092)
02-20-20-2005-2611	060	Benefits	General Funds	(\$43,025)
02-20-20-2005-2611	010	Personal Services- Permanent Classified	Other Funds	\$39,990
02-20-20-2005-2611	014	Personal Services- Unclassified	Other Funds	\$68,092
02-20-20-2005-2611	060	Benefits	Other Funds	\$43,025
02-20-20-2010-2620		Civil Bureau		
02-20-20-2010-2620	010	Personal Services- Permanent Classified	General Funds	(\$47,310)
02-20-20-2010-2620	013	Personal Services- Unclassified	General Funds	(\$172,374)
02-20-20-2010-2620	060	Benefits	General Funds	(\$106,062)
02-73		Public Employee Labor Relations Board		
02-73-73-7300-2066		Public Employee Labor Relations Board		
02-73-73-7300-2066	010	Personal Services- Permanent Classified	General Funds	(\$14,936)
02-73-73-7300-2066	020	Current Expenses	General Funds	(\$1,500)
02-73-73-7300-2066	026	Organizational Dues	General Funds	(\$115)
02-73-73-7300-2066	046	Consultants (Non-Benefited)	General Funds	(\$1,200)
02-73-73-7300-2066	050	Personal Services- Temporary/Appointed	General Funds	(\$4,500)
02-73-73-7300-2066	070	In-State Travel	General Funds	(\$250)
02-86		Racing & Charitable Gaming Commission		
02-86-86-8600-2210		Racing & Charitable Gaming Commission		
02-86-86-8600-2210	018	Overtime	General Funds	(\$5,000)
02-86-86-8600-2210	019	Holiday Pay	General Funds	(\$1,000)
02-86-86-8600-2210	020	Current Expenses	General Funds	(\$15,000)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-86-86-8600-2210	024	Maintenance Other than Building & Grounds	General Funds	(\$500)
02-86-86-8600-2210	059	Full-Time Temporary	General Funds	(\$20,000)
02-86-86-8600-2210	060	Benefits	General Funds	(\$10,000)
02-86-86-8600-2210	070	In-State Travel	General Funds	(\$5,000)
02-26		Department of Labor		
02-26-26-2605-6100		Inspection Division		
02-26-26-2605-6100	010	Personal Services- Permanent Classified	General Funds	(\$57,826)
02-26-26-2605-6100	060	Benefits	General Funds	(\$50,174)
02-77		Liquor Commission		
02-77-77-7705-7878		Enforcement		
02-77-77-7705-7878	18	Overtime	Other Funds	(\$60,000)
02-77-77-7705-7878	30	Equipment New/Replacement	Other Funds	(\$70,000)
02-77-77-7705-1021		Licensing		
02-77-77-7705-1021	22	Rents & Leases Other Than State	Other Funds	(\$40,000)
02-77-77-7710-1023		Financial Administration		
02-77-77-7710-1023	22	Rents & Leases Other Than State	Other Funds	(\$110,000)
02-77-77-7715-1024		Merchandising - Administration		
02-77-77-7715-1024	46	Consultants (Non-Benefited)	Other Funds	(\$225,000)
02-46		Department of Corrections		
02-46-46-4650-8236		Pharmacy		
02-46-46-4650-8236	070	In-State travel	General Funds	(\$1,601)
02-46-46-4650-8236	100	Prescription Drug Expenditures	General Funds	(\$750,000)
02-46-46-4600-7101		Commissioner's Office		
02-46-46-4600-7101	020	Current Expenses	General Funds	(\$15,000)
02-46-46-4600-7101	066	Employee Training	General Funds	(\$15,000)
02-46-46-4600-7101	070	In-State travel	General Funds	(\$1,722)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-46-46-4660-7111		NH State Prison for Women		
02-46-46-4660-7111	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4660-7111	023	Heat, Electricity & Water	General Funds	(\$11,493)
02-46-46-4660-7111	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$2,000)
02-46-46-4660-7111	048	Contractual Maintenance - Building & Grounds	General Funds	(\$3,000)
02-46-46-4660-7111	068	Remuneration	General Funds	(\$12,497)
02-46-46-4660-7111	070	In-State travel	General Funds	(\$3,257)
02-46-46-4660-7111	102	Contracts For Program Services	General Funds	(\$242,000)
02-46-46-4650-5833		Secured Psych Unit (SPU)		
02-46-46-4650-5833	020	Current Expenses	General Funds	(\$5,000)
02-46-46-4650-5833	024	Maintenance Other Than Building & Grounds	General Funds	(\$1,000)
02-46-46-4650-5833	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$5,000)
02-46-46-4650-5833	068	Remuneration	General Funds	(\$4,507)
02-46-46-4650-5833	070	In-State travel	General Funds	(\$1,831)
02-46-46-4630-7103		NHSP/M - Kitchen		
02-46-46-4630-7103	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4630-7103	024	Maintenance Other Than Building & Grounds	General Funds	(\$2,000)
02-46-46-4630-7108		NHSP/M - Warehouse		
02-46-46-4630-7108	020	Current Expenses	General Funds	(\$40,000)
02-46-46-4630-7108	070	In-State travel	General Funds	(\$217)
02-46-46-4630-7113		NHSP/M - Admin		
02-46-46-4630-7113	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4630-7113	024	Maintenance Other Than Building & Grounds	General Funds	(\$1,000)
02-46-46-4630-7113	070	In-State travel	General Funds	(\$25,727)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-46-46-4630-7120		NHSP/M - Security		
02-46-46-4630-7120	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4630-7120	068	Remuneration	General Funds	(\$150,173)
02-46-46-4630-7140		NHSP/M - Maintenance		
02-46-46-4630-7140	020	Current Expenses	General Funds	(\$40,000)
02-46-46-4630-7140	023	Heat, Electricity & Water	General Funds	(\$158,914)
02-46-46-4630-7140	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$10,000)
02-46-46-4630-7140	070	In-State travel	General Funds	(\$3,257)
02-46-46-4600-7170		Parole Board		
02-46-46-4600-7170	020	Current Expenses	General Funds	(\$5,000)
02-46-46-4600-7170	068	Remuneration	General Funds	(\$200)
02-46-46-4600-7170	070	In-State travel	General Funds	(\$9,874)
02-46-46-4650-8231		Mental Health		
02-46-46-4650-8231	020	Current Expenses	General Funds	(\$1,000)
02-46-46-4650-8231	070	In-State travel	General Funds	(\$2,569)
02-46-46-4650-8235		Residential Treatment Unit (RTU)		
02-46-46-4650-8235	020	Current Expenses	General Funds	(\$5,000)
02-46-46-4650-8235	070	In-State travel	General Funds	(\$2,910)
02-46-46-4610-8300		Financial Services		
02-46-46-4610-8300	020	Current Expenses	General Funds	(\$1,000)
02-46-46-4610-8300	070	In-State travel	General Funds	(\$286)
02-46-46-4640-8302		Field Services		
02-46-46-4640-8302	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4640-8302	023	Heat, Electricity & Water	General Funds	(\$1,562)
02-46-46-4640-8302	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$2,000)
02-46-46-4640-8302	070	In-State travel	General Funds	(\$90,733)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-46-46-4600-8360		Training		
02-46-46-4600-8360	020	Current Expenses	General Funds	(\$2,000)
02-46-46-4600-8360	070	In-State travel	General Funds	(\$1,329)
02-46-46-4645-7874		Calumet House		
02-46-46-4645-7874	023	Heat, Electricity & Water	General Funds	(\$2,455)
02-46-46-4645-7874	024	Maintenance Other Than Building & Grounds	General Funds	(\$2,000)
02-46-46-4645-7874	070	In-State travel	General Funds	(\$1,086)
02-46-46-4650-8234		Medical - Dental		
02-46-46-4650-8234	024	Maintenance Other Than Building & Grounds	General Funds	(\$3,000)
02-46-46-4650-8234	070	In-State travel	General Funds	(\$11,326)
02-46-46-4645-5172		Shea Farm		
02-46-46-4645-5172	023	Heat, Electricity & Water	General Funds	(\$2,947)
02-46-46-4645-5172	048	Contractual Maintenance - Building & Grounds	General Funds	(\$6,000)
02-46-46-4645-7107		North End House		
02-46-46-4645-7107	070	In-State travel	General Funds	(\$543)
02-46-46-4600-8301		Human Resources		
02-46-46-4600-8301	070	In-State travel	General Funds	(\$615)
02-76		NH Commission for Human Rights		
02-76-76-7600-7882		NH Commission for Human Rights		
02-76-76-7600-7882	020	Current Expenses	General Funds	(\$2,175)
02-76-76-7600-7882	020	Current Expenses	Federal Funds	(\$458)
02-76-76-7600-7882	038	Technology - Software	General Funds	(\$2,557)
02-76-76-7600-7882	038	Technology - Software	Federal Funds	(\$539)
02-76-76-7600-7882	050	Personal Services- Temporary/Appointed	General Funds	(\$1,638)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-76-76-7600-7882	050	Personal Services- Temporary/Appointed	Federal Funds	(\$345)
02-76-76-7600-7882	057	Books, Periodicals, Subscriptions	General Funds	(\$1,922)
02-76-76-7600-7882	057	Books, Periodicals, Subscriptions	Federal Funds	(\$405)
02-76-76-7600-7882	066	Employee Training	General Funds	(\$814)
02-76-76-7600-7882	066	Employee Training	Federal Funds	(\$171)
02-76-76-7600-7882	068	Remuneration	General Funds	(\$826)
02-76-76-7600-7882	068	Remuneration	Federal Funds	(\$174)
02-76-76-7600-7882	070	In-State Travel	General Funds	(\$1,264)
02-76-76-7600-7882	070	In-State Travel	Federal Funds	(\$266)
02-76-76-7600-7882	103	Contracts for Operational Services	General Funds	(\$25)
02-76-76-7600-7882	103	Contracts for Operational Services	Federal Funds	(\$5)
03-35		Department of Resources and Economic Development		
03-35-35-3500-3400		Office of the Commissioner		
03-35-35-3500-3400	040	Indirect Costs	General Funds	(\$1,657)
03-35-35-3500-3401		Design Development-Maintenance		
03-35-35-3500-3401	010	Personal Services- Permanent Classified	General Funds	(\$36,025)
03-35-35-3500-3401	010	Personal Services- Permanent Classified	Other Funds	(\$41,782)
03-35-35-3500-3401	060	Benefits	General Funds	(\$14,395)
03-35-35-3500-3401	060	Benefits	Other Funds	(\$16,694)
03-35-35-3500-3402		Bureau Of Historic Sites		
03-35-35-3500-3402	070	In-State Travel	General Funds	(\$500)
03-35-35-3510-3500		Forest And Lands/Adm.		
03-35-35-3510-3500	045	Personal Services (Non-Benefited)	General Funds	(\$16,000)
03-35-35-3510-3505		Management & Protection		
03-35-35-3510-3505	010	Personal Services- Permanent Classified	Other Funds	(\$19,413)
03-35-35-3510-3505	060	Benefits	Other Funds	(\$7,765)
03-35-35-3510-3510		Forest Management		



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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
03-35-35-3510-3510	010	Personal Services- Permanent Classified	General Funds	(\$86,509)
03-35-35-3510-3510	010	Personal Services- Permanent Classified	Other Funds	\$86,509
03-35-35-3510-3510	020	Current Expenses	General Funds	(\$10,000)
03-35-35-3510-3510	060	Benefits	General Funds	(\$24,825)
03-35-35-3510-3510	060	Benefits	Other Funds	\$24,825
03-35-35-3510-2102		Fuelwood		
03-35-35-3510-2102	020	Current Expenses	Other Funds	\$10,000
03-35-35-3510-3520		Forest Protection		
03-35-35-3510-3520	010	Personal Services- Permanent Classified	General Funds	(\$55,996)
03-35-35-3510-3520	050	Personal Services - Temporary/Appointed	General Funds	(\$29,778)
03-35-35-3510-3520	060	Benefits	General Funds	(\$32,758)
03-35-35-3510-3492		Special Deputy Training		
03-35-35-3510-3492	050	Personal Services - Temporary/Appointed	Other Funds	\$25,000
03-35-35-3510-3492	060	Benefits	Other Funds	\$1,912
03-35-35-3505-3600		Economic Development Admin.		
03-35-35-3505-3600	020	Current Expenses	General Funds	(\$4,458)
03-35-35-3505-3600	069	Promotional And Marketing Expense	General Funds	(\$100,000)
03-35-35-3505-3612		Office of International Comm.		
03-35-35-3505-3612	020	Current Expenses	General Funds	(\$86,000)
03-35-35-3505-3615		Industrial Research Center		
03-35-35-3505-3615	102	Contracts For Program Services	General Funds	(\$100,000)
03-35-35-3520-3620		Travel & Tourism		
03-35-35-3520-3620	069	Promotional And Marketing Expense	General Funds	(\$165,000)
03-35-35-3520-3576		International Tourism		
03-35-35-3520-3576	069	Promotional And Marketing Expense	General Funds	(\$5,000)
03-35-35-3520-5874		Travel & Tourism Dev Fund		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
03-35-35-3520-5874	069	Promotional And Marketing Expense	General Funds	(\$40,000)
03-44		Environmental Services		
03-44-44-4400-1002		Administration and Support		
03-44-44-4400-1002	102	Contracts for Program Services	General Funds	(\$220,000)
03-44-44-4420-1003		State Aid Grants		
03-44-44-4420-1003	073	Grants - Non-Federal	General Funds	(\$327,701)
03-44-44-4420-1518		Lakes - Rivers Management		
03-44-44-4420-1518	102	Contracts for Program Services	General Funds	(\$100,000)
03-44-44-4420-1523		ShellFish Healthy Tides		
03-44-44-44201523	102	Contracts for Program Services	General Funds	(\$16,500)
03-44-44-4420-3800		Dam Maintenance Administration		
03-44-44-4420-3800	102	Contracts for Program Services	General Funds	(\$78,700)
03-44-44-4420-3800	303	Public Access Projects	General Funds	(\$25,000)
03-44-44-4440-2589		CERCLA Maintenance		
03-44-44-4440-2589	102	Contracts for Program Services	General Funds	(\$200,000)
03-44-44-4400-1002		Administration and Support		
03-44-44-4400-1002	010	Personal Services - Permanent Classified	General Funds	(\$75,373)
03-44-44-4400-1002	010	Personal Services - Permanent Classified	Other Funds	(\$34,982)
03-44-44-4400-1002	060	Benefits	General Funds	(\$40,861)
03-44-44-4400-1002	060	Benefits	Other Funds	(\$18,965)
03-44-44-4420-3800		Dam Bureau Administration		
03-44-44-4420-3800	010	Personal Services - Permanent Classified	General Funds	(\$110,070)
03-44-44-4420-3800	060	Benefits	General Funds	(\$64,534)
03-44-44-4420-3800	010	Personal Services - Permanent Classified	Other Funds	(\$22,545)
03-44-44-4420-3800	060	Benefits	Other Funds	(\$13,218)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
03-44-44-4420-3815		Wetlands Administration		
03-44-44-4420-3815	010	Personal Services - Permanent Classified	General Funds	(\$64,254)
03-44-44-4420-3815	060	Benefits	General Funds	(\$51,343)
03-44-44-4440-5402		Solid Waste Assist- Prmt- Enfor		
03-44-44-4440-5402	010	Personal Services - Permanent Classified	General Funds	(\$147,661)
03-44-44-4440-5402	060	Benefits	General Funds	(\$72,576)
03-44-44-4440-5492		RCRA State Match		
03-44-44-4440-5492	010	Personal Services - Permanent Classified	General Funds	(\$94,551)
03-44-44-4440-5492	060	Benefits	General Funds	(\$56,607)
03-44-44-4430-5496		Radon Program		
03-44-44-4430-5496	010	Personal Services - Permanent Classified	General Funds	(\$31,907)
03-44-44-4430-5496	060	Benefits	General Funds	(\$10,027)
03-44-44-4430-5496	010	Personal Services - Permanent Classified	Federal Funds	(\$31,907)
03-44-44-4430-5496	060	Benefits	Federal Funds	(\$10,028)
04-96		Department of Transportation		
04-96-96-9640-2931		Railroad		
04-96-96-9640-2931	010	Personal Services- Permanent Classified	General Funds	(\$34,866)
04-96-96-9640-2931	060	Benefits	General Funds	(\$21,800)
04-96-96-9640-2931	010	Personal Services- Permanent Classified	Federal Funds	\$34,866
04-96-96-9640-2931	060	Benefits	Federal Funds	\$21,800
04-96-96-9640-2107		Aeronautics		
04-96-96-9640-2107	070	In-State Travel	General Funds	(\$4)
04-96-96-9640-2049		Land & Buildings		
04-96-96-9640-2049	046	Consultants (Non-Benefited)	General Funds	(\$2,500)
04-96-96-9640-2049	048	Contractual Maintenance - Buildings & Grounds	General Funds	(\$17,500)
04-96-96-9640-2049	400	Construction, Repair & Material	General Funds	(\$5,000)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
04-96-96-9640-2058		Maintenance/Critical Repair		
04-96-96-9640-2058	048	Contractual Maintenance - Buildings & Grounds	General Funds	(\$10,000)
05-95		Department of Health and Human Services		
05-95-40		Division for Children, Youth and Families		
05-95-40-4030-5855		Child-Family Services		
05-95-40-4030-5855	101	Medical Payments to Providers	General Funds	(\$6,997)
05-95-40-4030-5855	101	Medical Payments to Providers	Federal Funds	(\$7,031)
05-95-40-4030-5855	533	Foster Care Services	General Funds	(\$172,486)
05-95-40-4030-5855	533	Foster Care Services	Federal Funds	(\$173,320)
05-95-40-4030-5855	535	Out Of Home Placements	General Funds	(\$232,263)
05-95-40-4030-5855	535	Out Of Home Placements	Federal Funds	(\$233,385)
05-95-40-4030-5855	550	Assessment and Counseling	General Funds	(\$1,716)
05-95-40-4030-5855	550	Assessment and Counseling	Federal Funds	(\$1,724)
05-95-40-4030-5855	563	Community Based Services	General Funds	(\$59,040)
05-95-40-4030-5855	563	Community Based Services	Federal Funds	(\$59,325)
05-95-40-4030-5857		DCYF-Prevention Programs		
05-95-40-4030-5857	073	Grants - Non-Federal	General Funds	(\$784,911)
05-95-45		Division of Family Assistance		
05-95-45-4500-6127		Employment Support		
05-95-45-4500-6127	102	Contracts For Program Services	General Funds	(\$73,000)
05-95-45-4500-6127	102	Contracts For Program Services	Federal Funds	(\$554,000)
05-95-48		Bureau of Elderly and Adult Services		
05-95-48-4810-8915		Congregate Housing		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-95-48-4810-8915	502	Payments to Providers	General Funds	(\$15,000)
05-95-48-4815-6173		Nursing Services		
05-95-48-4815-6173	504	Nursing Home Payments	General Funds	(\$2,057,000)
05-95-48-4815-6173	504	Nursing Home Payments	Federal Funds	(\$2,057,000)
05-95-48-4815-6173	505	Mid-Level Care Expenses	General Funds	(\$71,000)
05-95-48-4815-6173	505	Mid-Level Care Expenses	Federal Funds	(\$70,000)
05-95-48-4815-6173	506	Home Nursing Services	General Funds	(\$435,000)
05-95-48-4815-6173	506	Home Nursing Services	Federal Funds	(\$436,000)
05-95-48-4815-6173	529	Home Health Services	General Funds	\$274,000
05-95-48-4815-6173	529	Home Health Services	Federal Funds	\$274,000
05-95-90		Division of Public Health Services		
05-95-90-9015-5121		Health Promotion		
05-95-90-9015-5121	020	Current Expenses	General Funds	(\$12,422)
05-95-90-9015-5121	022	Rents & Leases Other than State	General Funds	(\$1,500)
05-95-90-9015-5121	050	Personal Services - Temporary/Appointed	General Funds	(\$9,503)
05-95-90-9015-5121	060	Benefits	General Funds	(\$727)
05-95-90-9020-2223		Boston EMA Title I		
05-95-90-9020-2223	568	TI HIV Care Boston Ema	General Funds	(\$400,000)
05-95-90-9025-5178		Immunization Program		
05-95-90-9025-5178	102	Contracts For Program Services	Federal Funds	(\$5,000)
05-95-90-9030-5230		Public Health Laboratories		
05-95-90-9030-5230	020	Current Expenses	General Funds	(\$20,400)
05-95-90-9030-5230	548	Reagents	General Funds	(\$27,000)
05-95-92		Bureau of Behavioral Health		
05-95-92-9200-7010		Community Mental Health Services		
05-95-92-9200-7010	552	Rehab Services	General Funds	(\$466,000)
05-95-92-9200-7010	552	Rehab Services	Federal Funds	(\$617,000)
05-95-93		Division of Developmental Services		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-95-93-9300-7100		Developmental Services		
05-95-93-9300-7100	102	Contracts for Program Services	General Funds	(\$30,000)
05-95-93-9300-7100	557	Medicaid Waiver Services	General Funds	(\$671,000)
05-95-93-9300-7100	557	Medicaid Waiver Services	Federal Funds	(\$671,000)
05-95-93-9300-7016		Acquired Brain Disorder Services		
05-95-93-9300-7016	557	Medicaid Waiver Services	General Funds	(\$120,000)
05-95-93-9300-7016	557	Medicaid Waiver Services	Federal Funds	(\$120,000)
05-95-93-9300-7559		NH Brain Injury Program		
05-95-93-9300-7559	502	Payments to Providers	General Funds	(\$50,000)
05-95-93-9300-5191		Special Medical Services		
05-95-93-9300-5191	046	Consultants (Non-Benefited)	General Funds	(\$41,000)
05-95-93-9300-5191	102	Contracts for Program Services	General Funds	(\$15,000)
05-95-93-9300-5191	561	Specialty Clinics	General Funds	(\$99,000)
05-95-94		New Hampshire Hospital		
05-95-94-9400-8750		Acute Psychiatric Services		
05-95-94-9400-8750	102	Contracts for Program Services	General Funds	(\$190,000)
05-95-94-9400-8750	102	Contracts for Program Services	Federal Funds	(\$22,000)
05-95-95-9560		Office of Medicaid and Business Policy		
05-95-95-9560-6126		Medicaid Administration		
05-95-95-9560-6126	512	Transportation Of Clients	General Funds	(\$306,000)
05-95-95-9560-6126	512	Transportation Of Clients	Federal Funds	(\$306,000)
05-95-95-9560-6143		Pharmacy Services		
05-95-95-9560-6143	503	State Phase Down	General Funds	(\$5,500,000)
05-95-95-9560-6147		Provider Payments		
05-95-95-9560-6147	101	Medical Payments to Providers	General Funds	(\$3,416,846)
05-95-95-9560-6147	101	Medical Payments to Providers	Federal Funds	(\$3,415,246)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-95-95-9560-6147	565	Outpatient Hospital	General Funds	(\$350,000)
05-95-95-9560-6147	565	Outpatient Hospital	Federal Funds	(\$350,000)
05-95-95-9584		DCBCS Treatment & Prevention		
05-95-95-9584-1388		Governor		
05-95-95-9584-1388	102	Contracts for Program Services	General Funds	(\$76,000)
05-43		New Hampshire Veterans Home		
05-43-43-4300-5358		Custodial Services		
05-43-43-4300-5358	018	Overtime	General Funds	(\$10,000)
05-43-43-4300-5358	019	Holiday Pay	General Funds	(\$5,000)
05-43-43-4300-5358	020	Current Expenses	General Funds	(\$10,000)
05-43-43-4300-5358	021	Food Institutions	General Funds	(\$26,000)
05-43-43-4300-5358	023	Heat, Electricity & Water	General Funds	(\$40,000)
05-43-43-4300-5358	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$50,000)
05-43-43-4300-5358	050	Personal Services - Temporary/Appointed	General Funds	(\$20,000)
05-43-43-4300-5358	070	In-State Travel	General Funds	(\$7,000)
05-43-43-4300-5359		Professional Services		
05-43-43-4300-5359	010	Personal Services- Permanent Classified	General Funds	(\$773,535)
05-43-43-4300-5359	010	Personal Services- Permanent Classified	Federal Funds	\$773,535
05-43-43-4300-5359	011	Personal Services - Unclassified	General Funds	(\$5,727)
05-43-43-4300-5359	011	Personal Services - Unclassified	Federal Funds	\$5,727
05-43-43-4300-5359	018	Overtime	General Funds	(\$6,180)
05-43-43-4300-5359	018	Overtime	Federal Funds	\$6,180
05-43-43-4300-5359	019	Holiday Pay	General Funds	(\$23,619)
05-43-43-4300-5359	019	Holiday Pay	Federal Funds	\$10,974
05-43-43-4300-5359	019	Holiday Pay	Other Funds	(\$9,540)
05-43-43-4300-5359	020	Current Expenses	General Funds	(\$31,999)
05-43-43-4300-5359	020	Current Expenses	Federal Funds	\$27,640
05-43-43-4300-5359	020	Current Expenses	Other Funds	(\$3,289)
05-43-43-4300-5359	026	Organizational Dues	General Funds	(\$119)
05-43-43-4300-5359	026	Organizational Dues	Federal Funds	\$119

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-43-43-4300-5359	027	Transfers to Office Information Technology	General Funds	(\$7,520)
05-43-43-4300-5359	027	Transfers to Office Information Technology	Federal Funds	\$7,520
05-43-43-4300-5359	030	Equipment New/Replacement	General Funds	(\$10,952)
05-43-43-4300-5359	030	Equipment New/Replacement	Federal Funds	\$10,952
05-43-43-4300-5359	041	Audit Fund Set Aside	General Funds	(\$377)
05-43-43-4300-5359	041	Audit Fund Set Aside	Federal Funds	\$377
05-43-43-4300-5359	046	Consultants (Non-Benefited)	General Funds	(\$18,775)
05-43-43-4300-5359	046	Consultants (Non-Benefited)	Federal Funds	\$18,775
05-43-43-4300-5359	050	Personal Services - Temporary/Appointed	General Funds	(\$40,051)
05-43-43-4300-5359	050	Personal Services - Temporary/Appointed	Federal Funds	\$40,051
05-43-43-4300-5359	060	Benefits	General Funds	(\$407,826)
05-43-43-4300-5359	060	Benefits	Federal Funds	\$407,826
05-43-43-4300-5359	070	In-State Travel	General Funds	(\$1,366)
05-43-43-4300-5359	070	In-State Travel	Federal Funds	\$527
05-43-43-4300-5359	070	In-State Travel	Other Funds	(\$633)
05-43-43-4300-5359	080	Out-of-State Travel	General Funds	(\$313)
05-43-43-4300-5359	080	Out-of-State Travel	Federal Funds	\$313
05-43-43-4300-5360		Pharmacy Services		
05-43-43-4300-5360	100	Prescription Drug Expenditures	General Funds	(\$54,000)
05-74		HHS Admin Attached Boards		
05-74-74-7405-7400		Board of Medicine		
05-74-74-7405-7400	018	Overtime	General Funds	(\$31)
05-74-74-7405-7400	020	Current Expenses	General Funds	(\$5,000)
05-74-74-7405-7400	050	Personal Services - Temporary/Appointed	General Funds	(\$18,810)
05-74-74-7405-7400	060	Benefits	General Funds	(\$1,552)
05-74-74-7410-7410		Board of Optometry		
05-74-74-7410-7410	020	Current Expenses	General Funds	(\$1,500)
05-74-74-7410-7410	070	In-State Travel	General Funds	(\$539)
05-74-74-7420-7420		Nursing Home Exam Board		



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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-74-74-7420-7420	020	Current Expenses	General Funds	(\$500)
05-74-74-7420-7420	050	Personal Services - Temporary/Appointed	General Funds	(\$924)
05-74-74-7420-7420	060	Benefits	General Funds	(\$77)
05-74-74-7425-7425		Off of Allied Health Prof		
05-74-74-7425-7425	046	Consultants (Non-Benefited)	General Funds	(\$700)
05-74-74-7425-7425	050	Personal Services - Temporary/Appointed	General Funds	(\$4,883)
05-74-74-7425-7425	060	Benefits	General Funds	(\$117)
05-74-74-7425-7425	070	In-State Travel	General Funds	(\$2,000)
05-74-74-7430-7430		Nurses Registration		
05-74-74-7430-7430	018	Overtime	General Funds	(\$8,000)
05-74-74-7430-7430	020	Current Expenses	General Funds	(\$10,000)
05-74-74-7430-7430	024	Maintenance Other Than Building & Grounds	General Funds	(\$3,000)
05-74-74-7430-7430	046	Consultants (Non-Benefited)	General Funds	(\$3,500)
05-74-74-7430-7430	050	Personal Services - Temporary/Appointed	General Funds	(\$924)
05-74-74-7430-7430	060	Benefits	General Funds	(\$77)
05-74-74-7430-7430	070	In-State Travel	General Funds	(\$500)
05-74-74-7431-7431		Nurses Registration		
05-74-74-7431-7431	020	Current Expenses	Other Funds	(\$1,000)
05-74-74-7431-7431	024	Maintenance Other Than Building & Grounds	Other Funds	(\$3,000)
05-74-74-7431-7431	042	Post Retirement (Additional Fringe Benefits)	Other Funds	(\$1,442)
05-74-74-7431-7431	050	Personal Services - Temporary/Appointed	Other Funds	(\$306)
05-74-74-7431-7431	060	Benefits	Other Funds	(\$500)
05-74-74-7432-7432		Nurses Registration		
05-74-74-7432-7432	020	Current Expenses	Other Funds	(\$9,000)
05-74-74-7432-7432	046	Consultants (Non-Benefited)	Other Funds	(\$250)
05-74-74-7432-7432	070	In-State Travel	Other Funds	(\$1,000)
05-74-74-7435-7435		Pharmacy Board		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-74-74-7435-7435	018	Overtime	General Funds	(\$8,000)
05-74-74-7435-7435	020	Current Expenses	General Funds	(\$2,004)
05-74-74-7435-7435	022	Rents & Leases Other than State	General Funds	(\$1,000)
05-74-74-7435-7435	026	Organizational Dues	General Funds	(\$600)
05-74-74-7435-7435	046	Consultants (Non-Benefited)	General Funds	(\$2,500)
05-74-74-7435-7435	070	In-State Travel	General Funds	(\$6,000)
05-74-74-7440-7440		Chiropractic Examiners		
05-74-74-7440-7440	010	Personal Services- Permanent Classified	General Funds	(\$10,156)
05-74-74-7440-7440	060	Benefits	General Funds	(\$5,542)
05-74-74-7445-7445		Cosmetology/Barbers Board		
05-74-74-7445-7445	010	Personal Services- Permanent Classified	General Funds	(\$8,385)
05-74-74-7445-7445	060	Benefits	General Funds	(\$10,632)
05-74-74-7450-7450		Dental Board		
05-74-74-7450-7450	020	Current Expenses	General Funds	(\$5,500)
05-74-74-7450-7450	026	Organizational Dues	General Funds	(\$590)
05-74-74-7450-7450	046	Consultants (Non-Benefited)	General Funds	(\$1,000)
05-74-74-7455-7455		Electrolysis Board		
05-74-74-7455-7455	020	Current Expenses	General Funds	(\$334)
05-74-74-7460-7460		Funeral Directors - Embalmers		
05-74-74-7460-7460	020	Current Expenses	General Funds	(\$994)
05-74-74-7460-7460	026	Organizational Dues	General Funds	(\$75)
05-74-74-7460-7460	046	Consultants (Non-Benefited)	General Funds	(\$1,000)
05-74-74-7465-7465		NH Bd of Mental Health Practice		
05-74-74-7465-7465	020	Current Expenses	General Funds	(\$3,000)
05-74-74-7465-7465	046	Consultants (Non-Benefited)	General Funds	(\$1,000)
05-74-74-7465-7465	050	Personal Services - Temporary/Appointed	General Funds	(\$8,847)
05-74-74-7465-7465	060	Benefits	General Funds	(\$733)
05-74-74-7470-7470		Ophthalmic Dispensers		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-74-74-7470-7470	020	Current Expenses	General Funds	(\$1,410)
05-74-74-7475-7475		Naturopathic Examiners		
05-74-74-7475-7475	020	Current Expenses	General Funds	(\$197)
05-74-74-7475-7475	050	Personal Services - Temporary/Appointed	General Funds	(\$584)
05-74-74-7475-7475	060	Benefits	General Funds	(\$48)
05-74-74-7480-7480		Hearing Aid Dealers		
05-74-74-7480-7480	020	Current Expenses	General Funds	(\$1,000)
05-74-74-7480-7480	070	In-State Travel	General Funds	(\$128)
05-74-74-7485-7485		Board of Acupuncture		
05-74-74-7485-7485	020	Current Expenses	General Funds	(\$183)
05-74-74-7485-7485	050	Personal Services - Temporary/Appointed	General Funds	(\$544)
05-74-74-7485-7485	060	Benefits	General Funds	(\$45)
05-74-74-7490-7490		Midwifery Council		
05-74-74-7490-7490	020	Current Expenses	General Funds	(\$64)
05-74-74-7492-7492		Bd of Alc - ODA Professionals		
05-74-74-7492-7492	070	In-State Travel	General Funds	(\$1,962)
05-74-74-7493-7493		Massage Therapy Advisory Board		
05-74-74-7493-7493	020	Current Expenses	General Funds	(\$5,821)
05-74-74-7495-7495		Bd of Licensed Dietitians		
05-74-74-7495-7495	050	Personal Services - Temporary/Appointed	General Funds	(\$1,158)
05-74-74-7495-7495	060	Benefits	General Funds	(\$96)
06-57		Postsecondary Education Commission		
06-57-57-5700-5407		Administration - Financial Aid		
06-57-57-5700-5407	021	Food Institutions	General Funds	(\$2,000)
06-57-57-5700-5407	050	Personal Services - Temporary/Appointed	General Funds	(\$20,659)
06-57-57-5700-5407	060	Benefits	General Funds	(\$1,580)

**Amendment to SB 450-FN**  
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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
06-57-57-5700-6074		Granite State Scholars		
06-57-57-5700-6074	107	Scholarships & Grants	General Funds	(\$160,949)
06-57-57-5700-6075		Veterinary Education Program		
06-57-57-5700-6075	107	Scholarships & Grants	General Funds	(\$21,813)
06-57-57-5700-6076		Medical Education Program		
06-57-57-5700-6076	107	Scholarships & Grants	General Funds	(\$5,000)
06-56		Department of Education		
06-56-56-5605-2022		Governance and Standards		
06-56-56-5605-2022	010	Personal Services- Permanent Classified	General Funds	(\$72,852)
06-56-56-5605-2022	046	Consultants (Non-Benefited)	General Funds	(\$7,810)
06-56-56-5605-2022	060	Benefits	General Funds	(\$21,412)
06-56-56-5605-2022	067	Training & Providers	General Funds	(\$5,000)
06-56-56-5605-2022	235	Transcription Services	General Funds	(\$1,203)
06-56-56-5610-6019		Other State Aid		
06-56-56-5610-6019	078	Cat Aid - Education	General Funds	(\$3,946,405)
06-56-56-5610-6019	600	Tuition and Transportation Aid	General Funds	(\$607,993)
06-56-56-5610-6019	606	Dropout Prevention	General Funds	(\$128,065)
06-56-56-5610-6019	607	Statewide Special Education	General Funds	(\$23,942)
06-56-56-5610-6019	609	Local Education Improvement	General Funds	(\$39,903)
06-56-56-5610-6019	610	Career Tech Student Orgs	General Funds	(\$9,178)
06-56-56-5615-4101		Court Ordered Placements		
06-56-56-5615-4101	602	State Fund Non-Match	General Funds	(\$122,710)
06-56-56-5620-6401		Instruction - State		
06-56-56-5620-6401	010	Personal Services- Permanent Classified	General Funds	(\$137,710)
06-56-56-5620-6401	060	Benefits	General Funds	(\$62,529)
06-56-56-5620-3260		Curriculum and Assessment		
06-56-56-5620-3260	010	Personal Services- Permanent Classified	General Funds	(\$63,180)

**Amendment to SB 450-FN  
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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
06-56-56-5620-3260	060	Benefits	General Funds	(\$27,613)
06-56-56-5620-3260	067	Training & Providers	General Funds	(\$1,836)
06-56-56-5620-3260	102	Contracts for Program Services	General Funds	(\$4,589)
06-56-56-5620-3260	103	Contracts for Operational Services	General Funds	(\$120)
06-56-56-5620-3260	612	State Testing	General Funds	(\$240,420)
06-56-56-5620-5406		Parent As Teacher		
06-56-56-5620-5406	602	State Fund Non-Match	General Funds	(\$65,000)
06-56-56-5635-4000		Program Support - State		
06-56-56-5635-4000	010	Personal Services- Permanent Classified	General Funds	(\$73,682)
06-56-56-5635-4000	060	Benefits	General Funds	(\$30,926)
06-56-56-5635-4000	614	Data/Info Processing	General Funds	(\$2,190)
06-56-56-5640-3004		School Nutrition - Section IV		
06-56-56-5640-3004	602	State Fund Non-Match	General Funds	(\$15,961)
06-56-56-5650-4082		Career Tech - Adult Learn - ADM		
06-56-56-5650-4082	011	Personal Services-Unclassified	General Funds	(\$92,106)
06-56-56-5650-4082	060	Benefits	General Funds	(\$25,218)
06-56-56-5650-6030		Vocational Education - State		
06-56-56-5650-6030	010	Personal Services- Permanent Classified	General Funds	(\$30,888)
06-56-56-5650-6030	060	Benefits	General Funds	(\$13,235)
06-56-56-5660-7004		Adult Education		
06-56-56-5660-7004	602	State Fund Non-Match	General Funds	(\$102,920)
06-83		Lottery Commission		
06-83-83-8300-1029		Lottery Division		
06-83-83-8300-1029	022	Rents & Leases Other than State	Other Funds	(\$650,000)
06-61		McAuliffe-Shepard Discovery Center		
06-61-61-6100-3432		Administration		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
06-61-61-6100-3432	018	Overtime	General Funds	(\$1,500)
06-61-61-6100-3432	020	Current Expenses	General Funds	(\$12,700)
06-61-61-6100-3432	023	Heat, Electricity & Water	General Funds	(\$21,100)
06-61-61-6100-3432	024	Maintenance Other Than Building & Grounds	General Funds	(\$1,500)
06-61-61-6100-3432	048	Contractual Maintenance - Building & Grounds	General Funds	(\$8,200)

Total appropriations and charges as included in category 01 thru and including 06

General fund	(\$33,759,257)
Federal funds	(\$7,474,655)
Other funds	(\$1,165,845)
<b>Total funds</b>	<b>(\$42,399,757)</b>

- 1        107 Effective Date.
- 2            I. Sections 10-12, 41-44, 48, 50, 62-67, 69, 70, 91-94, 100, and 102 shall take effect July 1,
- 3        2010.
- 4            II. Section 45 and 46 of this act shall take effect June 15, 2010.
- 5            III. Section 68 of this act shall take effect November 1, 2012.
- 6            IV. Sections 75, 77, and 101 of this act shall take effect July 1, 2011.
- 7            V. Sections 97-99 of this act shall take effect January 1, 2011.
- 8            VI. The remainder of this act shall take effect upon its passage.

2010-1905h

AMENDED ANALYSIS

1. Clarifies the administration of the New Hampshire employment program.
2. Makes the funded family assistance program (TANF) permissive rather than mandatory.
3. Allows the department of health and human services to make a claim for recovery of assistance for a deceased recipient from the division of abandoned property.
4. Authorizes the commissioner of the department of health and human services to transfer funds within and among all accounting units within the department, to address present or projected budget deficits, or to respond to changes in federal laws, regulations, or programs, and as otherwise necessary for the efficient management of the department.
5. Permits funds from the lead paint poisoning prevention fund to be used to support program staff and administrative costs.
6. Transfers powers and duties for the New Hampshire refugee resettlement program from the governor's office to the department of health and human services.
7. Establishes a special account for civil fines collected by the department of health and human services under RSA 151.
8. Changes the due date for the Medicaid enhancement tax.
9. Renames the "multiple DWI offender intervention detention center program" as the "multiple DWI offender intervention program," and authorizes the commissioner of the department of health and human services to directly operate the program, to approve community-based providers of the program, or to contract with public or private entities to operate the program.
10. Requires the commission to examine driving while impaired education and intervention programs to study penalties for intoxication or under the influence of drugs offenses and submit a report of its findings.
11. Makes further reductions in the operating budget for the legislative and executive branches for fiscal years 2010 and 2011.
12. Requires the commissioner of the department of agriculture, markets and food to put out to bid administration of the animal population control fund.
13. Abolishes the position of animal population control assistant.
14. Provides that the department of health and human services shall not reduce funding provided to North Country Transportation used for meeting the state matching funds requirement for the Job Access and Reverse Committee (JARC).
15. Suspends the catastrophic illness program in the department of health and human services for the fiscal year ending June 30, 2011.
16. Suspends the senior volunteer grant program in the department of health and human services for the fiscal year ending June 30, 2011.
17. Reduces required funding by the department of health and human services for juvenile

placement programs and requires the department to report biennially on the effectiveness of the programs.

18. Reduces the rate paid to residential providers subject to the rate setting rule of the department of health and human services by 2 percent.

19. Extends the suspension of direct graduate medical education payments to hospitals until July 1, 2011.

20. Suspends the provision of indirect graduate medical education payments to hospitals through June, 2011.

21. Suspends catastrophic aid payments to hospitals effective June 15, 2010 through June 30, 2011.

22. Conditions eligibility for cash assistance and medical assistance benefits on the recipient filing an application for any federal cash assistance benefits for which the individual may be entitled.

23. Allows a municipality, with the approval of its legislative body, to adopt a local meals and rooms tax in addition to the state meals and rooms tax.

24. Reduces rooms and meals tax revenue distributions to towns and cities an additional \$6,091,930.

25. Removes the application of the rooms and meals tax to campsites.

26. Authorizes the state treasurer to refinance certain debt service obligations.

27. Increases the bonded appropriation for the university system of New Hampshire KEEP NH program by \$25,000,000 for the biennium ending June 30, 2011.

28. Increases the tax rate imposed on tobacco products other than cigarettes.

29. Authorizes the department of administrative services to transfer moneys from certain dedicated funds or accounts maintained separately on the books of the state.

30. Requires the lapse of certain retirement pension benefit-health insurance funds.

31. Requires the lapse of certain judicial council funds for contracts for program services.

32. Requires the lapse of certain appropriations to the state treasurer for debt service.

33. Makes distributions from limited liability companies, partnerships, and associations subject to the interest and dividends tax only if they have transferable shares.

34. Establishes a commission to study business taxes.

35. Reduces the state's contribution for benefits under the New Hampshire retirement system for fiscal year 2011.

36. Increases the license fees for selling animals and birds.

37. Requires the lottery commission to submit a report to the governor and the legislature describing how it proposes to modernize and update its products.



38. Transfers certain appropriations relating to adequate education grants.
39. For the fiscal year ending June 30, 2011, suspends existing legal requirements for a special meeting of a school district and requires a special meeting of a school district to be held upon the majority vote of the school board to address changes to catastrophic aid funding.
40. Allows a town to call a special meeting during the 2011 fiscal year to address any reduction in the amount of state revenue distributed to the town which could affect the town's budget.
41. Allows state agencies to supplant general fund reductions with federal and other funds that may become available for that purpose.
42. Requires nonclassified and unclassified state employees to take 12 furlough days during fiscal year 2011.
43. Requires reductions in personnel expenditures in an agency to be distributed equally between classified and unclassified employees of such agency.
44. Provides that the procedure for reassignment of state employees prior to layoff is suspended and any positions intended by a department to be left vacant shall remain vacant.
45. Prohibits certain transfers of funds out of any class line which is the source of payment for Medicaid providers whose reimbursement rates are set by the department of health and human services and whose rates have been reduced by the department of health and human services through the use of a budget neutrality factor, a proportionate discount factor, or any similar reduction device.
46. Requires the relocation of the populations of the Anna Philbrook center, the Shea Farm transitional housing unit, the youth development center, and the state prison for women.
47. Establishes a committee to study the transfer of populations of the youth development center and the state prison for women.
48. Directs the state treasurer to deposit certain fine revenues in the general fund.
49. Replaces the electricity consumption tax paid by consumers with an electricity generation tax paid by generation facilities.
50. Sets the insurance premium tax at 2 percent for all lines of insurance.
51. Changes the rate of the New Hampshire estate tax to 8 percent of the gross value of the portion of the decedent's taxable estate that exceeds \$2,000,000.
52. Increases certain retirement system member contribution rates for fiscal year 2011.
53. Increases the fees for marriage licenses and vital record copies and amendments and requires a portion of the increase to be deposited in the general fund.
54. Prohibits departments from delaying a payment or expenditure from one fiscal year to the subsequent fiscal year solely for the purpose of generating an unexpended balance that would lapse in the preceding year.
55. Makes appropriation reductions for fiscal year 2011.

Rep. Baroody, Hills. 13  
May 5, 2010  
2010-1928h  
09/01

Draft Amendment to SB 450-FN

- 1 Amend the bill by deleting sections 100-102 and renumbering the original sections 103-107 to read
- 2 as 100-105, respectively.

Draft Amendment to SB 450-FN  
- Page 2 -

2010-1928h

AMENDED ANALYSIS

This amendment deletes 52, which increases certain retirement system member contribution rates for fiscal year 2011.

Amendment to SB 450-FN

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT                   relative to costs and expenditures at the department of health and human  
4 services, establishing a special fund for certain civil fines collected by the  
5 department, relative to the due date for the Medicaid enhancement tax, and  
6 making certain general fund reductions and tax and revenue changes.  
7

8 Amend the bill by replacing all after the enacting clause with the following:

9

10       1 Administration of the New Hampshire Employment Program; Duties; Rulemaking. Amend  
11 RSA 167:83, V to read as follows:

12           V. The commissioner [~~shall~~] *may* enter into an agreement or contract with the commissioner of  
13 the department of employment security to carry out the employment program and may delegate  
14 authority and duties for the employment program to the commissioner of the department of employment  
15 security and other state agencies. The commissioner shall adopt rules for the employment program [~~in~~  
16 ~~consultation with the commissioner of the department of employment security~~].

17       2 Non-TANF Funded Program for 2-Parent Families With Dependent Children. Amend  
18 RSA 167:77-e to read as follows:

19           167:77-e Assistance Program for 2-Parent Families with Dependent Children. [~~By October 1,~~  
20 ~~2008,~~] The department [~~shall~~] *may* establish a non-TANF, state-funded financial assistance program  
21 for 2-parent needy families with dependent children in which one parent is underemployed or  
22 unemployed. With the exception of parental underemployment or unemployment, client eligibility  
23 and program requirements and administration shall be in accordance with this chapter and the rules  
24 adopted under this chapter. In order to meet the federal work participation rate and avoid federally-  
25 imposed penalties, the commissioner may add additional groups of families to this state-funded,  
26 financial assistance program as funding permits and also may transfer cases back to the TANF  
27 program, pursuant to rules adopted under RSA 541-A.

28       3 Authorizing the Department of Health and Human Services to File Claims for Medical and  
29 Financial Assistance Against Abandoned Property Held by the Treasury; Filing of Claim With  
30 Administrator. Amend RSA 471-C:26, I(c)(2) and (3) to read as follows:

31           (2) *Except as provided in subparagraphs (5)-(7)*, in the case of a closed estate  
32 where the unclaimed property is valued at less than \$5,000 and does not include securities in share  
33 form, in accordance with the final distribution of assets as approved by the probate court.

34           (3) *Except as provided in subparagraphs (5)-(7)*, in the absence of an open

Amendment to SB 450-FN

- Page 2 -

1 estate or probate court decree of final distribution, and the unclaimed property is valued at less than  
2 \$5,000 and does not include securities in share form, by the surviving spouse of the deceased owner,  
3 or, if there is no surviving spouse, then to the next of kin in accordance with the provisions of  
4 RSA 561:1.

5 4 New Subparagraphs; Filing of Claim With Administrator. Amend RSA 471-C:26, I(c) by  
6 inserting after subparagraph (4) the following new subparagraphs:

7 (5) Before distributing any unclaimed property pursuant to subparagraphs (2) and  
8 (3), the administrator shall first ensure that the department of health and human services does not  
9 have a claim for medical and or financial assistance paid on behalf of the deceased owner.

10 (6) In the event that the department of health and human services has a claim for  
11 medical and or financial assistance paid on behalf of the deceased owner, the department may submit a  
12 claim for such assistance using an affidavit developed by the administrator that ensures that:

13 (A) No individual has moved to probate the deceased owner's estate through  
14 which the department could assert its claim or probate administration for the deceased owner had  
15 been open and no individual has moved to reopen the estate through which the department could  
16 assert its claim;

17 (B) The department does not believe, based on the information available to it,  
18 there are known expenses for the deceased owner's necessary funeral and burial; and

19 (C) Based on all facts known to the department, its recovery of this abandoned  
20 property is not limited by the prohibitions to recovery as set forth in 42 U.S.C. section 1396p and  
21 RSA 167:16-a, IV.

22 (7) If the department of health and human services has made a claim against a  
23 deceased owner's unclaimed property as provided in subparagraph (6), under no circumstances shall  
24 the administrator distribute to the department more than the claimed amount.

25 5 Repeal. 2009, 144:211, relative to community mental health centers; administrative  
26 requirements suspended, is repealed.

27 6 Department of Health and Human Services; Transfer Among Accounts. Amend 2009, 144:39,  
28 III to read as follows:

29 III. Notwithstanding the provisions of RSA 9:17-a or any other provision of law to the  
30 contrary except RSA 9:17-c, and subject to the approval of the fiscal committee of the general court  
31 and governor and council, for the biennium ending June 30, 2011, the commissioner of the  
32 department of health and human services is hereby authorized to transfer funds within and among  
33 all [PAUs] **accounting units** within the department, as the commissioner deems necessary and  
34 appropriate to address present or projected budget deficits, or to respond to changes in federal laws,  
35 regulations, or programs, and otherwise as necessary for the efficient management of the  
36 department[~~, with the exception of class 60 transfers~~]. ***This transfer authority shall not apply to***  
37 ***funds for employee benefits appropriated in class 60 which were previously transferred to***

1 *the employee benefit adjustment account as defined in RSA 9:17-c.*

2 7 Lead Paint Poisoning Prevention and Control; Rulemaking. Amend RSA 130-A:10, IV to read  
3 as follows:

4 IV. Fees to be collected for the issuance of licenses to lead inspectors, lead risk assessors,  
5 lead abatement contractors, for certification of lead abatement workers and lead clearance testing  
6 technicians, for testing resulting from investigations, for certifications of training programs, *exam*  
7 *and training fees*, [~~and~~] for notifications under RSA 130-A, *and other environmental fees*.  
8 Property owners who own more than 4 but fewer than 7 dwelling units shall pay a fee for licensure  
9 which is 1/2 of that paid by other lead abatement contractor licensees. Such reduced fee license shall  
10 only be valid for work on dwellings or dwelling units owned by such license holder.

11 8 Lead Poisoning Prevention Fund. Amend RSA 130-A:15 to read as follows:

12 130-A:15 Lead Poisoning Prevention Fund. There is hereby established the lead poisoning  
13 prevention fund to be used to carry out the provisions of this chapter. The fund shall be composed of  
14 fees, fines, gifts, grants, donations, bequests, or other moneys from any public or private source and  
15 shall be used to implement and encourage lead paint removal and education, *and to support*  
16 *program staff and administrative costs*. The fund shall be nonlapsing and shall be continually  
17 appropriated to the commissioner of the department of health and human services for the purposes  
18 of this chapter.

19 9 New Paragraph; Department of Health and Human Services; Duties of the Department.  
20 Amend RSA 161:2 by inserting after paragraph XVII the following new paragraph:

21 XVIII. Refugee Resettlement. Administer the New Hampshire refugee resettlement  
22 program as funded by and in cooperation with the United States Department of Health and Human  
23 Services under the Refugee Act of 1980.

24 10 New Section; Special Fund; Civil Fines. Amend RSA 151 by inserting after section 16-a the  
25 following new section:

26 151:16-b Civil Fines. All administrative fines and other civil monetary penalties collected by the  
27 department from facilities licensed under this chapter shall be kept by the state treasurer in a  
28 separate, non-lapsing, interest bearing account. Interest earned on moneys deposited in the account  
29 shall be deposited into the account. The moneys in the account shall be used by the department for  
30 the protection of the health and property of residents of facilities licensed under this chapter.

31 11 New Subparagraph; Special Fund. Amend RSA 6:12, I(b) by inserting after subparagraph  
32 (299) the following new subparagraph:

33 (300) Civil fines collected under RSA 151:16-b, which shall be deposited as provided  
34 in such section.

35 12 Medicaid Enhancement Tax; Due Date. Amend RSA 84-A:3, II-a to read as follows:

36 II-a. For the taxable period beginning July 1, 1993, and for every taxable period thereafter,  
37 each hospital shall pay 100 percent of its medicaid enhancement tax due and payable for the taxable

Amendment to SB 450-FN

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1 period no later than the fifteenth day of the [~~third~~] *fourth* month of the taxable period.  
2 Notwithstanding any provision of this chapter or any other law, no penalty or interest shall be  
3 imposed for failure to make payment of tax when due if such payment is made on or before the last  
4 day of the month in which such payment is due.

5 13 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
6 I(a)(3) to read as follows:

7 (3) Required to furnish proof of successful completion of an impaired driver  
8 intervention program prior to the restoration of the person's driver's license or privilege to drive,  
9 provided that, if the person has previously completed, or been required by a court or the department  
10 of safety to complete, an impaired driver intervention program (I.D.I.P.) or any similar program in  
11 any jurisdiction, the person shall be required to furnish proof of successful completion of the multiple  
12 DWI offender intervention [~~detention-center~~] program (M.O.P.) or an equivalent 7-day residential  
13 intervention program approved by the commissioner of health and human services;

14 14 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
15 I(b)(3) to read as follows:

16 (3) Sentenced to a mandatory sentence of not less than 10 consecutive days of which  
17 3 consecutive 24-hour periods shall be served in the county correctional facility and 7 consecutive  
18 days shall be served at the [~~state-operated~~] 7-day multiple DWI offender intervention [~~detention~~  
19 ~~center~~] *program* established under RSA 265-A:40, which sentence shall begin no later than [21] *45*  
20 days after conviction. In the event that the [~~state-operated~~] 7-day multiple DWI offender  
21 intervention [~~detention-center~~] *program* has no available space, the person shall be assigned to an  
22 equivalent 7-day residential intervention program approved by the commissioner of health and  
23 human services. The person shall begin following any treatment recommendations arising out of the  
24 final evaluation given to the person at the multiple DWI offender intervention [~~detention-center~~]  
25 *program* or equivalent program within 60 days after the person has completed serving the required  
26 7 consecutive days or such other time as the court may order;

27 15 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
28 I(c)(3) to read as follows:

29 (3) Sentenced to a mandatory sentence of not less than 21 consecutive days of which  
30 14 consecutive 24-hour periods shall be served in the county correctional facility followed by 7  
31 consecutive days served at the [~~state-operated~~] 7-day multiple DWI offender intervention [~~detention~~  
32 ~~center~~] *program* established under RSA 265-A:40, which sentence shall begin no later than 21 days  
33 after conviction. In the event that the [~~state-operated~~] 7-day multiple DWI offender intervention  
34 [~~detention-center~~] *program* has no available space the person shall be assigned to an equivalent 7-  
35 day residential intervention program approved by the commissioner of health and human services,  
36 and the remainder of the sentence may be deferred at the court's discretion. The person shall begin  
37 following any treatment recommendations arising out of the final evaluation given to the person at

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1 the multiple DWI offender intervention [~~detention-center~~] **program** or equivalent program within 60  
2 days after the person has completed serving the required 7 consecutive days or such other time as  
3 the court may order. The court may, at the satisfactory completion of any ordered treatment,  
4 suspend any remaining deferred sentence. Failure to successfully complete any court-ordered  
5 intervention program or recommended treatment shall result in the imposition of any remaining  
6 deferred sentence; and

7 16 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
8 IV(a)(3)-(5) to read as follows:

9 (3)(A) If the complaint alleges that the prior conviction occurred within 2 years  
10 preceding the date of the second offense, the person shall be sentenced to a mandatory sentence of  
11 not less than 37 consecutive days of which 30 consecutive 24-hour periods shall be served in the  
12 county correctional facility followed by 7 consecutive days to be served at the [~~state-operated~~] 7-day  
13 multiple DWI offender intervention [~~detention-center~~] **program** established under RSA 265-A:40  
14 within 21 days after conviction, except that in circumstances where the [~~state-operated~~] 7-day  
15 multiple DWI offender intervention [~~detention-center~~] **program** has no available space the person  
16 shall be assigned to an equivalent 7-day residential intervention program approved by the  
17 commissioner of health and human services. The person shall begin following any treatment  
18 recommendations arising out of the final evaluation given to the person at the multiple DWI offender  
19 intervention [~~detention-center~~] **program** or equivalent program within 60 days after the person has  
20 completed serving the required 30 consecutive 24-hour periods or such other time as the court may  
21 order.

22 (B) If the complaint alleges that the prior conviction occurred more than 2 but  
23 not more than 10 years preceding the date of the second offense, the person shall be sentenced to a  
24 mandatory sentence of not less than 10 consecutive days of which 3 consecutive 24-hour periods shall  
25 be served in the county correctional facility and 7 consecutive days shall be served at the [~~state-~~  
26 ~~operated~~] 7-day multiple DWI offender intervention [~~detention-center~~] **program** established under  
27 RSA 265-A:40, which sentence shall begin no later than 21 days after conviction. In the event that  
28 the [~~state-operated~~] 7-day multiple DWI offender intervention [~~detention-center~~] **program** has no  
29 available space the person shall be assigned to an equivalent 7-day residential intervention program  
30 approved by the commissioner of health and human services. The person shall begin following any  
31 treatment recommendations arising out of the final evaluation given to the person at the multiple  
32 DWI offender intervention [~~detention-center~~] **program** or equivalent program within 60 days after  
33 the person has completed serving the required 7 consecutive days or such other time as the court  
34 may order.

35 (4) The person's driver's license or privilege to drive shall be revoked for not less  
36 than 3 years.

37 (5) The person shall pay a fee [~~to the commissioner~~], as established under RSA 126-

Amendment to SB 450-FN

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1 A:43, for the costs of the ~~[state-operated]~~ 7-day multiple DWI offender intervention ~~[detention-center]~~  
2 program prior to license restoration. If the person attends an approved equivalent 7-day residential  
3 intervention program, the fees and costs shall be paid to the program.

4 17 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
5 VI to read as follows:

6 VI. If any person is convicted of a violation of RSA 265-A:2, I or RSA 265-A:3, and the  
7 conviction is not based upon a complaint which alleges prior convictions as provided in paragraph IV,  
8 but the person is found to have had one or more such prior convictions in this state or in an out-of-  
9 state jurisdiction within 10 years preceding the date of the offense, the person's driver's license or  
10 privilege to drive shall be revoked for not less than one year nor more than 3 years. Except for good  
11 cause found by the court and noted in writing, the court may suspend up to 6 months of this  
12 sentence, provided that within 45 days after conviction the person has entered the 7-day program at  
13 the ~~[state-operated]~~ multiple DWI offender intervention ~~[detention-center]~~ program or an equivalent  
14 7-day residential intervention program approved by the commissioner of health and human services,  
15 as provided in RSA 265-A:40 and RSA 265-A:42. The person's license shall not be restored until the  
16 person has successfully completed the program. The court may further order attendance at a  
17 residential treatment center, for a period not to exceed 30 days, at the person's own expense.

18 18 Penalties for Intoxication or Under the Influence of Drugs Offenses. Amend RSA 265-A:18,  
19 XI to read as follows:

20 XI. Any person convicted of a violation of RSA 265-A:2, RSA 265-A:3, or RSA 265-A:19, II,  
21 and who at the time of driving or attempting to drive a vehicle or off highway recreational vehicle or  
22 operating or attempting to operate a boat was transporting a person under the age of 16, shall have  
23 the driver's license or privilege to drive revoked for the maximum time period under the section  
24 violated and the person's license or privilege to drive shall not be restored until the offender has  
25 successfully completed a 7-day program at the ~~[state-operated]~~ multiple DWI offender program or an  
26 equivalent 7-day residential intervention program approved by the commissioner at the person's own  
27 expense.

28 19 Penalties for Boating While Intoxicated. Amend RSA 265-A:19, II to read as follows:

29 II. Any person convicted of a violation of RSA 265-A:2, II who at the time of the violation  
30 was transporting a person under the age of 16 shall not operate a boat on the waters of this state  
31 until the offender has successfully completed a 7-day program at the ~~[state-operated]~~ multiple DWI  
32 offender program or an equivalent 7-day residential intervention program approved by the  
33 department of health and human services at the person's own expense. Any person operating a boat  
34 in violation of this paragraph is guilty of a misdemeanor.

35 20 Impaired Driver Intervention Programs. Amend RSA 265-A:39, I to read as follows:

36 I. Except as provided in paragraph IV, the commissioner of the department of health and  
37 human services shall be responsible for biennially approving the impaired driver intervention



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1 programs and 7-day residential intervention programs equivalent to the multiple DWI offender  
2 intervention [~~detention-center~~] program (M.O.P.) which persons convicted under RSA 265-A:2 or  
3 RSA 265-A:3 shall attend in order to regain their driver's licenses or driving privileges; but the  
4 commissioner of the department of health and human services shall not approve any impaired driver  
5 intervention program unless such program is conducted without cost to the state. Notwithstanding  
6 RSA 6:12, any fees collected under subparagraph IV(g) of this section shall be placed in a nonlapsing  
7 revolving account and shall be used by the commissioner for the purposes of this subdivision only.

8 21 Multiple DWI Offender Intervention Program. RSA 265-A:40 is repealed and reenacted to  
9 read as follows:

10 265-A:40 Multiple DWI Offender Intervention Program.

11 I. The commissioner of the department of health and human services shall be responsible for  
12 the establishment and administration of the 7-day multiple DWI offender intervention program  
13 which persons convicted under RSA 265-A:2 or RSA 265-A:3 or sentenced pursuant to RSA 651:2,  
14 V(h) may be required to attend. The commissioner shall have the authority to directly operate the  
15 program, to approve community-based providers to operate the program in accordance with rules  
16 adopted pursuant to RSA 541-A, or to contract with public or private entities to operate the program.

17 II. Any person who attends the 7-day multiple DWI offender intervention program shall be  
18 required to pay the fees for the program.

19 III. The 7-day multiple DWI offender intervention program shall furnish to the courts a  
20 report indicating when a person has completed attendance at the program, and shall furnish to the  
21 division of motor vehicles, department of safety, a report indicating when a person who attends the  
22 program pursuant to RSA 265-A:18 has successfully completed the program and treatment or  
23 involvement in a substance abuse program when appropriate and warranted.

24 IV. The commissioner of the department of health and human services shall adopt rules,  
25 pursuant to RSA 541-A, relative to the operation of the 7-day multiple DWI offender intervention  
26 program with respect to:

27 (a) Program curriculum and content.

28 (b) Any other matter related to the proper administration of this section.

29 22 Impaired Driver Intervention Programs; Utilization of Funds. Amend RSA 265-A:41 to read  
30 as follows:

31 265-A:41 Utilization of Funds. All funds derived from the fees collected by the commissioner of  
32 the department of health and human services under RSA 265-A:18 shall be paid over to the state  
33 treasurer within 10 days of the subsequent month, or at an earlier date, for deposit into a separate  
34 account in the treasury known as the 7-day multiple DWI offender intervention [~~detention-center~~]  
35 program account. These funds are appropriated as indicated in the operating budget as a source of  
36 funds for the 7-day multiple DWI offender intervention [~~detention-center~~] program. Any funds  
37 remaining in the account over the appropriation indicated in the operating budget shall lapse into

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1 the general fund at the end of each fiscal year.

2 23 Impaired Driver Intervention Programs; Attendance Required. Amend RSA 265-A:42, IV(b)  
3 to read as follows:

4 (b) In the case of enrollment in the [~~state-operated~~] 7-day multiple DWI offender  
5 intervention [~~detention-center~~] **program**, a person shall provide such certified copy at the time of  
6 enrollment or prior to the issuance of a report under RSA 265-A:40, III and RSA 265-A:18, VIII.

7 24 Sentences and Limitations. Amend RSA 651:2, V(h) to read as follows:

8 (h) In cases of a person convicted of a felony or class A misdemeanor, a court may  
9 sentence such person to 7 consecutive 24-hour periods to be served at the [~~state-operated~~] 7-day  
10 multiple DWI offender intervention [~~detention-center~~] program established under RSA 265-A:40, if  
11 the evidence demonstrates that alcohol was a contributing factor in the commission of the offense  
12 and provided that space is available in the program and such person pays the fees for the program in  
13 full prior to admission.

14 25 Report Required. The commission to examine driving while impaired education and  
15 intervention programs shall, pursuant to the authority under 2008, 256:10, as extended by 2009,  
16 202:5, study the penalties for intoxication or under the influence of drugs offenses, including but not  
17 limited to the multiple DWI offender intervention program. Based upon available research and data,  
18 the commission shall review and evaluate the merits of the penalties and the program in order to  
19 develop recommendations on these issues. On or before November 1, 2010, the commission shall  
20 report its findings to the governor's commission on alcohol and drug abuse prevention, intervention,  
21 and treatment, the speaker of the house of representatives, the president of the senate, the  
22 commissioner of the department of health and human services, the house clerk, the senate clerk, the  
23 state library, and the governor and shall make recommendations, if appropriate, for future  
24 legislation to address these issues.

25 26 State Treasurer; Application of Receipts. Amend RSA 6:12, I (b)(147) to read as follows:

26 (147) Moneys deposited in the 7-day multiple DWI offender intervention [~~detention~~  
27 ~~center~~] program account under RSA 265-A:41.

28 27 Department of Health and Human Services; Office of Reimbursements; Duties. Amend RSA  
29 126-A:34, I(a) to read as follows:

30 (a) Review and investigate all records of the New Hampshire hospital, Laconia  
31 developmental services, the secure psychiatric unit, the Glencliff home, the Anna Philbrook center,  
32 and the multiple DWI offender intervention [~~detention-center~~] program (M.O.P.), relative to  
33 expenses incurred by patients, residents, or clients at such institutions, facilities, or programs or  
34 expenses incurred by patients, residents, or clients receiving care, treatment, services, or  
35 maintenance at the direction of the commissioner of health and human services, and make  
36 recommendations to the commissioner and to the respective superintendents or directors of such  
37 institutions, facilities, or programs as to the rates to be charged for the care, treatment, and

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1 maintenance of such patients, residents, or clients.

2 28 Department of Health and Human Services; Office of Reimbursements; Financial  
3 Statements. Amend RSA 126-A:38, II-III to read as follows:

4 II. Persons admitted to the multiple DWI offender intervention [~~detention-center~~] program  
5 (M.O.P.) who do not pay program fees in full at the time of admission shall file a financial statement  
6 under penalty of perjury on forms provided for this purpose by the office of reimbursements and  
7 shall enter a payment contract for balance of fees due. The office of reimbursements shall be entitled  
8 to recover reasonable attorneys fees and costs of collection for program fees not paid in accordance  
9 with a payment contract.

10 III. Persons admitted to the multiple DWI offender intervention [~~detention-center~~] program  
11 (M.O.P.) shall notify the office of reimbursements of each change of mail address and actual street  
12 address until that person has made payment in full of fees due in accordance with an M.O.P.  
13 payment contract. Whenever notice to a person subject to a payment contract is required, notice to  
14 the last mail address on file with the office of reimbursements shall be deemed notice to and binding  
15 on the payer.

16 29 Operating Budget; Lapse; Legislative Branch. Notwithstanding 2009, 143:1, the legislative  
17 branch shall lapse an additional \$312,000 for the fiscal year ending June 30, 2010 and lapse an  
18 additional \$669,000 for the fiscal year ending June 30, 2011. The reductions required by this section  
19 shall be in addition to the lapse required pursuant to 2009, 143:10 and in addition to the lapse  
20 required pursuant to 2010, 4:1.

21 30 Operating Budget; General Fund Appropriation Reductions; Department of Information  
22 Technology. Notwithstanding 2009, 143:1, the department of information technology, in consultation  
23 with the department of administrative services, shall reduce class lines of the department by an  
24 amount that will result in additional reductions of general funded agencies' appropriations for class  
25 27 totaling \$2,175,000 for the fiscal year ending June 30, 2011. The reductions required under this  
26 section shall be in addition to any reductions required pursuant to 2009, 143:12 and by Executive  
27 Order No. 2010-02. The commissioner of the department of information technology shall submit to  
28 the fiscal committee of the general court and the commissioner of the department of administrative  
29 services an itemization of the reductions in expenditure classes made to implement this section on or  
30 before July 31, 2010.

31 31 Operating Budget; General Fund Appropriation Reduction; Department of State.  
32 Notwithstanding 2009, 143:1, the state general fund appropriations for the department of state shall  
33 be reduced by an additional \$149,000 for the fiscal year ending June 30, 2011. The reduction  
34 required by this section shall be in addition to any reductions required pursuant to Executive Order  
35 No. 2010-02. The secretary of state shall submit to the fiscal committee of the general court an  
36 itemization of the reductions in expenditure classes made to implement this section on or before  
37 February 15, 2011.

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1       32 Operating Budget; General Fund Appropriation Reduction; Board of Tax and Land Appeals.  
2 Notwithstanding 2009, 143:1, the state general fund appropriations for the board of tax and land  
3 appeals shall be reduced by an additional \$41,454 for the fiscal year ending June 30, 2011. The  
4 reduction required by this section shall be in addition to any reductions required pursuant to  
5 Executive Order No. 2010-02. The chairman of the board of land and tax appeals shall submit to the  
6 fiscal committee of the general court an itemization of the reductions in expenditure classes made to  
7 implement this section on or before February 15, 2011.

8       33 New Paragraph; Animal Population Control Program; Management of Fund. Amend RSA  
9 437-A:4-a by inserting after paragraph II the following new paragraph:

10           III. The commissioner shall put out to bid the duties related to managing the application for  
11 and distribution of moneys from the fund for the reimbursement of spay and neuter surgeries. The  
12 contract for the duties shall not exceed \$20,000. The commissioner may assess an administrative  
13 charge for the oversight of the program to the fund not to exceed \$5,000 annually.

14       34 Animal Population Control Program; Rulemaking. Amend RSA 437-A:5, II-a to read as  
15 follows:

16           II-a. ~~[Administration]~~ *Oversight* of the fund established under RSA 437-A:4-a.

17       35 Animal Population Control Program; Assistant Position. The animal population control  
18 program assistant position shall be abolished and, if the position is filled the department shall  
19 transfer the individual to a vacant position of similar responsibility, or the individual shall be laid  
20 off.

21       36 Operating Budget; General Fund Appropriation Reduction; Department of Environmental  
22 Services. Notwithstanding 2009, 143:1, the state general fund appropriations for the department of  
23 environmental services shall be reduced by an additional \$432,335 for the fiscal year ending June 30,  
24 2011. The reduction required by this section shall be in addition to any reductions required  
25 pursuant to Executive Order No. 2010-02 and any other section contained in this act. Such  
26 reduction shall be attributable to a combination of vacant positions, supplanting general fund  
27 appropriations with federal funds and other funds that might be available for that purpose, and  
28 reductions in specific class line item appropriations provided that such reductions do not cause a  
29 reduction of services, a reduction of grants or aid to local communities, or an increase in fees. The  
30 commissioner of environmental services shall submit to the fiscal committee of the general court an  
31 itemization of the reductions in expenditure classes made to implement this section on or before  
32 February 15, 2011.

33       37 Health and Human Services; Contract Consolidation. For the fiscal year ending June 30,  
34 2011, the department of health and human services shall reduce state general fund appropriations  
35 by \$1,500,000 by consolidating social services and medical contracts in order to reduce  
36 administrative costs. The department shall not reduce program services in order to meet the  
37 reductions required under this section.

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1 38 Health and Human Services; TANF Family Supports. For the fiscal year ending  
2 June 30, 2011, the department of health and human services shall reduce state general fund  
3 appropriations by \$1,500,000 by eliminating contracts for Temporary Assistance to Needy Families  
4 (TANF) family supports and providing such services utilizing existing department staff.

5 39 Youth Development Center; Appropriation Reduction. Notwithstanding any provision of law  
6 to the contrary, the department of health and human services shall decrease state general fund  
7 appropriations for the youth development center under accounting unit 05-95-41-412010 by  
8 \$1,561,514 for the fiscal year ending June 30, 2011. In order to meet this reduction, the department  
9 shall eliminate 30 positions at the youth development center which are no longer necessary due to  
10 the declining census at such center.

11 40 Department of Health and Human Services; North Country Transportation. For the  
12 biennium ending June 30, 2011, the department of health and human services shall not reduce  
13 funding provided to North Country Transportation used toward meeting the state matching funds  
14 requirement for the Job Access and Reverse Commute (JARC) grant award from the United States  
15 Department of Transportation.

16 41 Department of Health and Human Services; Suspension of Catastrophic Illness Program.  
17 Notwithstanding any provision of law or rule to the contrary, for the fiscal year ending June 30,  
18 2011, the catastrophic illness program under RSA 137-G is suspended.

19 42 Department of Health and Human Services; Suspension of Senior Volunteer Grant Program.  
20 Notwithstanding any provision of law or rule to the contrary, for the fiscal year ending June 30,  
21 2011, the senior volunteer grant program under RSA 161-F:40 is suspended.

22 43 Prevention Programs. Amend RSA 170-G:4, XVI to read as follows:

23 XVI. Encourage cities, towns, and counties to develop and maintain prevention programs,  
24 court diversion programs, and alternative dispositions for juveniles other than placements outside of  
25 the home through the use of a formula which shall allow for the transfer of funds to cities, towns,  
26 and counties which have, or are developing, prevention programs or alternatives for juvenile care.  
27 The amount to be distributed for this program shall be not less than [4.5] 3 percent of the annual  
28 amount appropriated to the department of health and human services for placement costs. The  
29 method of distribution shall be based upon rules adopted under RSA 541-A by the commissioner.  
30 For purposes of this paragraph, prevention programs shall include programs or activities for the  
31 prevention of child abuse and neglect. *Before January 1, 2011, and biennially thereafter, the*  
32 *department shall provide to the chairmen of the house and senate health and human*  
33 *services committees, and the chairmen of the house and senate finance committees a report*  
34 *assessing the effectiveness of the programs funded through this paragraph.*

35 44 Department of Health and Human Services; Suspension of Residential Rate Setting Rule.  
36 Amend 2009, 144:32 to read as follows:

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1 144:32 Department of Health and Human Services; Suspension of Residential Rate Setting  
2 Rule. Notwithstanding any provision of the law or rule to the contrary, for the biennium ending  
3 June 30, 2011, He-C 6422 relative to the residential child care facilities rate setting is suspended.  
4 The base rate for residential providers for the [~~biennium~~] *state fiscal year* ending June 30, [~~2011~~]  
5 *2010* shall be the rate in effect on June 30, 2009. *For the state fiscal year ending June 30, 2011,*  
6 *the rate paid to residential providers subject to the rate setting rule as of June 30, 2009*  
7 *shall be reduced by 2 percent. The base rate for the calculation of the 2 percent rate*  
8 *reduction shall be the rate in effect on June 30, 2009. Notwithstanding any provision of*  
9 *law or rule to the contrary, for state fiscal year 2011, the rate established pursuant to RSA*  
10 *170-G:4, XVII for all other services and programs which are paid for by the department*  
11 *pursuant to RSA 169-B:40, 169-C:27, and 169-D:29 shall be reduced by 2 percent. The base*  
12 *rate for the calculation of the 2 percent rate reduction shall be the rate in effect on July 1,*  
13 *2009.*

14 45 Department of Health and Human Services; Direct Graduate Medical Education; Suspension.  
15 Amend 2009, 144:24 to read as follows:

16 144:24 Department of Health and Human Services; Direct Graduate Medical Education. The  
17 commissioner of the department of health and human services shall submit a Title XIX Medicaid  
18 state plan amendment to the federal Centers for Medicare and Medicaid Services to suspend the  
19 provision of direct graduate medical education payments to hospitals as contemplated at 42 U.S.C.  
20 section 1396a(a)(30)(A) to be effective July 1, 2009. Upon approval of the state plan amendment, and  
21 as of the effective date of the state plan amendment, any obligations for payment of direct graduate  
22 medical education are suspended until [~~June 30, 2011~~] *July 1, 2011.*

23 46 Department of Health and Human Services; Indirect Graduate Medical Education  
24 Suspension. The commissioner of the department of health and human services shall submit a Title  
25 XIX Medicaid state plan amendment to the federal Centers for Medicare and Medicaid Services to  
26 suspend the provision of indirect graduate medical education payments to hospitals effective April 1,  
27 2010. Upon approval of the state plan amendment, and as of the effective date of the state plan  
28 amendment, any obligations for payment of indirect graduate medical education shall be suspended  
29 until July 1, 2011.

30 47 Department of Health and Human Services; Suspension of Catastrophic Aid Payment.  
31 Notwithstanding 2009, 144:160, the commissioner of the department of health and human services  
32 shall submit a Title XIX Medicaid state plan amendment to the federal Centers for Medicare and  
33 Medicaid Services to suspend all catastrophic aid payments to hospitals effective June 15, 2010 and  
34 continuing through June 30, 2011.

35 48 Department of Health and Human Services; Public Assistance; Definitions. Amend  
36 RSA 167:6, VI to read as follows:

37 VI. For the purposes hereof, a person shall be eligible for aid to the permanently and totally

1 disabled who is between the ages of 18 and 64 years of age inclusive; is a resident of the state; and is  
2 disabled as defined in the federal Social Security Act, Titles II and XVI and the regulations adopted  
3 under such act, except that the minimum required duration of the impairment shall be 48 months,  
4 unless and until the department adopts a 12-month standard in accordance with RSA 167:3-j. In  
5 determining disability, the standards for "substantial gainful activity" as used in the Social Security  
6 Act shall apply, including all work incentive provisions including Impairment Related Work  
7 Expenses, Plans to Achieve Self Support, and subsidies. No person shall be eligible to receive such  
8 aid while receiving old age assistance, aid to the needy blind, or aid to families with dependent  
9 children. *Notwithstanding any provision of law to the contrary, eligibility for cash*  
10 *assistance shall be conditioned upon the recipient filing an application for any federal*  
11 *disability benefits for which the individual may be entitled and pursuing any appeals*  
12 *available for those federal benefits. Cash assistance shall terminate upon a finding by a*  
13 *federal administrative law judge that the individual is medically ineligible for the federal*  
14 *benefits. The department may terminate cash assistance for failure to comply with the*  
15 *requirements of this paragraph, subject to the recipient's right to an administrative*  
16 *appeal.*

17 49 New Subdivision; Optional Local Meals and Rooms Tax. Amend RSA 78-A by inserting after  
18 section 26 the following new subdivision:

19 Optional Local Meals and Rooms Tax

20 78-A:27 Local Meals and Rooms Tax.

21 I. A municipality may, in accordance with the procedures under RSA 78-A:28, adopt an  
22 addition to the meals and rooms tax rate imposed under RSA 78-A:6, to be known as the local meals  
23 and rooms tax, at a rate to be established by the municipality.

24 II. The commissioner shall assess, collect, administer, and enforce the local meals and rooms  
25 tax in accordance with the applicable provisions of this chapter relative to the state meals and rooms  
26 tax; except that the revenue collected from the local meals and rooms tax shall, after deduction of  
27 administrative expenses, be remitted to the treasurer of the municipality imposing the local tax.

28 78-A:28 Procedure for Adoption and Modification of Local Meals and Rooms Tax.

29 I. Any town or city may adopt the provisions of RSA 78-A:27 in the following manner:

30 (a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the  
31 question shall be placed on the warrant of a special or annual town meeting, by the governing body  
32 or by petition pursuant to RSA 39:3.

33 (b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the  
34 legislative body may consider and act upon the question in accordance with its normal procedures for  
35 passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of  
36 such municipality may vote to place the question on the official ballot for any regular municipal  
37 election.

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1           II. The vote shall specify the provisions of the local meals and rooms tax, the amount of such  
2 tax, and the manner of its determination, as listed in RSA 78-A:27. If a majority of those voting on  
3 the question vote "yes," the tax shall take effect within the town or city, on the date set by the  
4 governing body following its adoption.

5           III. A municipality may modify or rescind the tax provided in RSA 78-A:27 in the manner  
6 described in this section.

7           50 Rooms and Meals Tax; Distribution to Cities and Towns. Notwithstanding any provision of  
8 law, for the fiscal year ending June 30, 2011, the state treasurer shall reduce the total revenue  
9 distributed to cities and towns authorized by 2009, 143:1 and 2009, 144:8 by the sum of \$6,091,930.  
10 The remaining funds shall be distributed to cities and towns pursuant to the formula for determining  
11 the amount of revenue returnable to cities and towns under RSA 78-A:26, I and II.

12           51 Meals and Rooms Tax; Definition of Hotel; Campsites. Amend the introductory paragraph of  
13 RSA 78-A:3, III to read as follows:

14           III. "Hotel" means an establishment which holds itself out to the public by offering sleeping  
15 accommodations for rent, whether or not the major portion of its operating receipts is derived from  
16 sleeping accommodations. The term includes, but is not limited to, inns, motels, tourist homes and  
17 cabins, ski dormitories, ski lodges, lodging homes, rooming houses, furnished room houses, boarding  
18 houses, private clubs, hostels, cottages, camps, [~~campsites,~~] chalets, barracks, dormitories, and  
19 apartments. The term does not include the following:

20           52 Authorization for Debt Restructuring. The state treasurer is hereby authorized to refinance  
21 all or a portion of the state's fiscal year 2011 debt service obligations by the issuance at one time or  
22 from time to time of up to \$55,000,000 aggregate principal amount of general obligation refunding  
23 bonds, which shall mature in such amounts and at such time as the state treasurer, with the  
24 approval of the governor and council, shall determine; provided that the final maturity of such bonds  
25 shall not be later than June 30, 2021. The issue of such bonds shall be subject to the same  
26 requirements and provisions of law as would then be applicable to the issue of the bonds being  
27 refunded, except as provided in this section. Such refinancing is intended to result in a general fund  
28 reduction of the required debt service for the biennium ending June 30, 2011 of approximately  
29 \$40,000,000. The amount of general fund debt service so refinanced shall lapse to the general fund  
30 on or before June 30, 2011.

31           53 Capital Appropriation; University System of New Hampshire. Amend 2005, 259:2, I to read  
32 as follows:

33           I. The Knowledge Economy Education Plan (KEEP NH) documents the need for investment  
34 in university system of New Hampshire projects primarily to renovate and expand science,  
35 engineering, and technology facilities. The sum of \$109,500,00 is hereby committed and  
36 appropriated to the university system of New Hampshire (USNH) for the KEEP NH plan, effective  
37 July 1, 2005 but limited to the drawdown of funds as stated in this section. The appropriation is for



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1 the following capital projects:

- 2 A. DeMeritt Hall renovation and expansion (UNH);  
3 B. James Hall renovation and expansion (UNH);  
4 C. Parsons Hall renovation (UNH);  
5 D. Planning for renovation of Nesmith Hall (UNH), renovation and expansion of  
6 Physical Education Center (PSU), and conversion of former Zorn dining commons to academic  
7 building (KSC);  
8 E. Infrastructure work on the Keene State College and Plymouth State University  
9 campuses;  
10 F. NHPTV equipment (UNH); and  
11 G. University Centers that would co-locate USNH and Community-Technical College  
12 System programs.

13 *I-a. The further sum of \$25,000,000 is hereby committed and appropriated to USNH,*  
14 *subject to the limitation on the drawdown of funds as stated in this section, for such other*  
15 *deferred maintenance, repair, renovation, and capital projects as may be approved by the*  
16 *university system board of trustees provided, however, that such projects shall not involve*  
17 *any of the buildings renovated or expanded with funding appropriated for the KEEP NH*  
18 *plan, 2001, 202:2, and paragraph I of this section, namely, at UNH: Murkland Hall,*  
19 *Kingsbury Hall DeMeritt Hall, James Hall, and Parsons Hall; at PSU: Boyd Hall; and at*  
20 *KSC: Mason Library and Science Building.*

21 54 Capital Appropriation; University System of New Hampshire; KEEP NH. Amend 2005,  
22 259:2, II, to read as follows:

23 II. The university system board of trustees will determine the timing of the projects and the  
24 specific dollar allocation to each from the above sum available, while ensuring the respective campus  
25 priorities are addressed. The board of trustees shall report on the progress of the projects in  
26 ~~[paragraph]~~ **paragraphs I and I-a** to the capital budget overview committee on a quarterly basis.  
27 The appropriation shall be nonlapsing and in addition to any other appropriation to the university  
28 system; provided, however, that the university system shall not receive actual cumulative payments  
29 from the state for such purposes of more than:

- 30 A. \$4,500,000 through the biennium ending June 30, 2007.  
31 B. \$39,500,000 through the biennium ending June 30, 2009 (\$35,000,000 in new  
32 authorization for the biennium).  
33 C. ~~[\$74,500,000]~~ **\$99,500,000** through the biennium ending June 30, 2011 (~~[\$35,000,000]~~  
34 **\$60,000,000** in new authorization for the biennium).  
35 D. ~~[\$109,500,000]~~ **\$134,500,000** through the biennium ending June 30, 2013  
36 (\$35,000,000 in new authorization for the biennium).

37 55 Capital Budget; Bonds Authorized; University System of New Hampshire; KEEP. Amend

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1 2005, 259:8, II to read as follows:

2 II. To provide funds for the appropriation made in section 2, paragraphs I, *I-a*, and II, the  
3 state treasurer is hereby authorized to borrow upon the credit of the state not exceeding the sum of  
4 [~~\$109,500,000~~] **\$134,500,000** and for said purposes may issue bonds and notes in the name of and on  
5 behalf of the state of New Hampshire in accordance with RSA 6-A; provided the cumulative bonds or  
6 notes shall not be issued in excess of:

- 7 (1) \$4,500,000 through the biennium ending June 30, 2007.  
8 (2) \$39,500,000 through the biennium ending June 30, 2009.  
9 (3) [~~\$74,500,000~~] **\$99,500,000** through the biennium ending June 30, 2011.  
10 (4) [~~\$109,500,000~~] **\$134,500,000** through the biennium ending June 30, 2013.

11 56 Tobacco Tax; Tax on Products Other than Cigarettes. Amend RSA 78:7-c to read as follows:

12 78:7-c Tax Imposed on Tobacco Products Other Than Cigarettes. A tax upon the retail consumer  
13 is hereby imposed on tobacco products other than cigarettes at a rate of [~~48-59~~] **65.03** percent of the  
14 wholesale sales price. The tax under this section may be rounded to the nearest cent if the  
15 commissioner determines that the amount of tax would not thereby be made materially  
16 disproportionate. No such tax is imposed on any transactions, the taxation of which by this state is  
17 prohibited by the Constitution of the United States. No such tax shall be imposed on premium  
18 cigars.

19 57 Applicability; Tax on Tobacco Products Other than Cigarettes. Section 56 of this act shall  
20 apply to all persons licensed under RSA 78:2. Such persons shall inventory all taxable tobacco  
21 products other than cigarettes in their possession and file a report of such inventory with the  
22 department of revenue administration on a form prescribed by the commissioner within 20 days after  
23 the effective date of this section. The tax rate effective on the effective date of this section shall  
24 apply to such inventory and the difference, if any, in the amount paid previously on such inventory  
25 and the current effective rate of tax shall be due within 90 days of the effective date of this section.  
26 The inventory form shall be treated as a tax return for the purpose of computing penalties under  
27 RSA 21-J.

28 58 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other  
29 law to the contrary, for the fiscal year ending June 30, 2010, the department of administrative  
30 services shall transfer funds from the following accounts or funds maintained separately on the  
31 books of the state to the general fund in the following amounts:

32 Account/Fund	Amount Transferred to General Fund
33 Statewide Public Boat Access Fund, RSA 233-A:13	\$500,000
34 Nitrogen Oxide Emissions Reduction Fund, 35 RSA 125-J:13, II	\$90,000
36 Laboratory Equipment Fund, RSA 131:3-a, II	\$100,000
37 New Hampshire Hazardous Waste Cleanup Fund,	

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1	RSA 147-B:3	\$100,000
2	Default Bench Warrant Fund, RSA 263:56-d	\$100,000
3	Fire Standards and Training and Emergency Medical	
4	Services Fund, RSA 21-P:12-d	\$1,500,000
5	Recount Administrative and Fee Account,	
6	RSA 660:31	\$110,000
7	Reflectorized Plates Inventory Fund, RSA 228:25	\$250,000
8	Education Credentialing Fund, RSA 186:11, X	\$250,000
9	Sludge Analysis Fund, RSA 485-A:4, XIV-c	\$25,000
10	Wastewater Plant Operator Certification Fund, RSA 485-A:7-a	\$75,000

11 59 Operating Budget; Lapse of Appropriation. New Hampshire Retirement System; Retirement  
12 Pension Benefit; Health Insurance. Amend 2009, 143:1, 01, 59, 59, 590510, 1052, class 064, footnote  
13 F to read as follows:

14 [~~\*064 F. This appropriation shall not lapse until June 30, 2011.~~]

15 60 Operating Budget. Lapse of Appropriation. Judicial Council; Contracts for Program  
16 Services. Amend 2009, 143:1, 02, 07, 070010, 1094, class 102, footnote F to read as follows:

17 [~~\*102 F. This appropriation shall not lapse until June 30, 2011.~~]

18 61 Department of Treasury. Lapse of Appropriation for Debt Service. Amend 2009, 143:1, 01,  
19 38, 38, 380010, 2076, class 043, footnote F and class 044, footnote F to read as follows:

20 [~~Class Notes, 043 F. This appropriation shall not lapse until on June 30, 2011.~~

21 [~~Class Notes, 044 F. This appropriation shall not lapse until on June 30, 2011.~~]

22 62 Taxation of Interest and Dividends; Who Taxable. Amend RSA 77:3, I(b) to read as follows:

23 (b) *Partnerships, limited liability companies, associations, and* trusts, the  
24 beneficial interest in which is not represented by transferable shares, whose gross interest and  
25 dividend income from all sources exceeds \$2,400 during the taxable year, but not including a  
26 qualified investment company as defined in RSA 77-A:1, XXI, or a trust comprising a part of an  
27 employee benefit plan, as defined in the Employee Retirement Income Security Act of 1974, section  
28 3.

29 63 Taxation of Interest and Dividends; What Taxable. RSA 77:4, III is repealed and reenacted  
30 to read as follows:

31 III. Dividends, other than stock dividends paid in new stock of the partnership, limited  
32 liability company, association, or trust issuing the same, on shares in partnerships, limited liability  
33 companies, associations, or trusts the beneficial interest in which is represented by transferable  
34 shares.

35 64 New Sections; Taxation of Interests and Dividends; Partnerships and Limited Liability  
36 Companies. Amend RSA 77 by inserting after section 14 the following new sections:

37 77:14-a Partnerships and Limited Liability Companies. Partnerships and limited liability

1 companies having a usual place of business in this state, any member of which is an inhabitant  
2 thereof, shall be subject to taxes imposed by this chapter. If any of the members of the partnership  
3 or limited liability company are not inhabitants of this state only so much of the income thereof as is  
4 proportionate to the aggregate interest of the partners or members who are inhabitants of this state  
5 in the profits of the partnership or limited liability company shall be taxed.

6 77:14-b Partners and Members. The tax shall be assessed on such a partnership or limited  
7 liability company by the name under which it does business, and the partners or members shall not  
8 be taxed with respect to the taxable income derived by them from such a partnership or limited  
9 liability company.

10 77:14-c Members of Partnership or Limited Liability Company Outside the State. An inhabitant  
11 of this state who is a member of a partnership or limited liability company having no usual place of  
12 business in this state, who receives income from such partnership or limited liability company  
13 derived from such a source that it would be taxable if received directly from such source by such  
14 partner or member, shall as to such income be subject to the taxes imposed by this chapter.

15 77:14-d Application of Sections. RSA 77:14-a to 14-d shall apply, so far as apt, to associations  
16 and trusts, but not to partnerships, limited liability companies, associations, and trusts the  
17 beneficial interest in which is represented by transferable shares.

18 65 Repeal. RSA 77:1-a, relative to definitions, is repealed.

19 66 Applicability. Sections 62-65 of this act shall apply to taxable periods ending on or after  
20 December 31, 2010.

21 67 New Chapter; Commission to Study Business Taxes Established. Amend RSA by inserting  
22 after chapter 77-E the following new chapter:

23 CHAPTER 77-F

24 COMMISSION TO STUDY BUSINESS TAXES

25 77-F:1 Commission to Study Business Taxes Established.

26 I. There is a commission established to study business taxes.

27 II. The members of the commission shall be as follows:

28 (a) Three members of the senate, appointed by the president of the senate.

29 (b) Four members of the house of representatives, appointed by the speaker of the house  
30 of representatives.

31 (c) Five members of the public appointed by the governor, representing the following  
32 groups and interests:

33 (1) Tax experts and accountants;

34 (2) Small business;

35 (3) Real estate, finance, and investment; and

36 (4) Business trade associations.

37 II. The commission shall study and evaluate:

1 (a) The present system of business taxation in New Hampshire, including but not  
2 limited to the rates and allocation among taxpayers of the business enterprise tax, the business  
3 profits tax, and the interest and dividends tax.

4 (b) Whether there are changes to the present system of business taxes and rates of  
5 assessment that should be considered by the legislature in order to:

6 (1) Ensure fairness and equity in the allocation of business taxes including among  
7 similarly situated business entities and taxpayers;

8 (2) Ensure clear tax laws and synchronization with federal tax laws; and

9 (3) Continue to provide a business tax environment that enhances the growth of jobs,  
10 income in the state, and the transition to clean and renewable energy.

11 (c) Safe harbors for the reasonable compensation deduction under the business profits  
12 tax, including but not limited to:

13 (1) Safe harbors based on the percentage of the gross selling price on the sale of  
14 business assets other than inventory;

15 (2) The percentage of gross revenues and the percentage of gross business profits  
16 using the independent investor return test;

17 (3) The federal self-employment tax; and

18 (4) Any other issue related to the reasonable compensation deduction.

19 (d) Business tax credits and deductions including, but not limited to, net operating  
20 losses.

21 (e) Offering tax credits to insurance companies that create new net jobs in New  
22 Hampshire.

23 III. The commission may solicit and receive testimony and other information from any  
24 person or organization with information or expertise relevant to the committee's objective. State  
25 agencies shall cooperate with the commission, and provide data, information, reports, and testimony  
26 to the commission upon request.

27 IV. The governor shall appoint a chair from among the members. The first meeting of the  
28 commission shall be called by the chair and shall be held within 45 days of the effective date of this  
29 section. Seven members of the commission shall constitute a quorum.

30 V. Legislative members of the commission shall receive mileage at the legislative rate when  
31 attending meetings of the commission.

32 VI. The commission shall, following a public hearing on a draft final report, submit a final  
33 report on the items included in subparagraphs II(a) and (b) or before December 1, 2010, containing  
34 its findings and any recommendations for proposed legislation, to the governor, the president of the  
35 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
36 means committees, the house and senate clerks, and the state librarian.

37 VII. The commission shall, following a public hearing on a draft final report, submit a final

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1 report on the items included in subparagraphs II(c) and (d) or before November 1, 2012, containing  
2 its findings and any recommendations for proposed legislation, to the governor, the president of the  
3 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
4 means committees, the house and senate clerks, and the state librarian.

5 68 Repeal. RSA 77-F, relative to a commission to study business taxes, is repealed.

6 69 New Hampshire Retirement System; Employer Contributions; State Payment. Amend  
7 RSA 100-A:16, II(b)-(c) to read as follows:

8 (b) The contributions of each employer for benefits under the retirement system on  
9 account of group II members shall consist of a percentage of the earnable compensation of its  
10 members to be known as the "normal contribution," and an additional amount to be known as the  
11 "accrued liability contribution," provided that any employer, other than the state, shall pay 70  
12 percent of such total contributions for state fiscal year 2010, and 30 percent thereof shall be paid by  
13 the state for state fiscal year 2010, and that beginning with state fiscal year 2011 any employer,  
14 other than the state, shall pay ~~75~~ 80 percent of such total contributions, and ~~25~~ 20 percent thereof  
15 shall be paid by the state, and that beginning with state fiscal year 2012, and every state fiscal year  
16 thereafter, any employer, other than the state, shall pay 65 percent of such total contributions, and  
17 35 percent thereof shall be paid by the state; and provided that, in the case of compensation  
18 attributable to extra or special duty, the employer shall pay the full amount of such total  
19 contributions; and provided further that, in case of group II members employed by the state, the  
20 state shall pay both normal and accrued liability contributions. The rate percent of such normal  
21 contribution, including contributions on behalf of group II members whose group II creditable service  
22 is in excess of 40 years, in each instance shall be fixed on the basis of the liabilities of the system  
23 with respect to the particular members of the various member classifications as shown by actuarial  
24 valuations, except as provided in subparagraphs (h) and (i).

25 (c) The contributions of each employer for benefits under the retirement system on  
26 account of group I members shall consist of a percentage of the earnable compensation of its  
27 members to be known as the "normal contribution," and an additional amount to be known as the  
28 "accrued liability contribution," provided that, in the case of teachers, any employer, other than the  
29 state, shall pay 70 percent of such total contributions for state fiscal year 2010, and 30 percent  
30 thereof shall be paid by the state for state fiscal year 2010, and that beginning with state fiscal year  
31 2011 any employer, other than the state, shall pay ~~75~~ 80 percent of such total contributions, and  
32 ~~25~~ 20 percent thereof shall be paid by the state, and that beginning with state fiscal year 2012, and  
33 every state fiscal year thereafter, any employer, other than the state, shall pay 65 percent of such  
34 total contributions, and 35 percent thereof shall be paid by the state; and provided further that in  
35 case of teacher members employed by the state the state shall pay both normal and accrued liability  
36 contributions. The rate percent of such normal contribution in each instance shall be fixed on the  
37 basis of the liabilities of the system with respect to the particular members of the various member

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1 classifications as shown by actuarial valuation, except as provided in subparagraphs (h) and (i).

2 70 Department of Agriculture; Licenses; Transfers of Animals and Birds. Amend RSA 437:3 to  
3 read as follows:

4 437:3 Licenses. Applications for licenses shall be made annually in writing to the department  
5 accompanied by a license fee of [~~\$200~~] **\$350**. After January 1, the license fee shall be [~~\$100~~] **\$175**. If  
6 after inspection the department finds that the premises, cages and facilities thereon meet the proper  
7 standards for health and sanitation and that their use will not result in inhumane treatment of said  
8 animals or birds, and proof is provided with the application that the zoning enforcement official of  
9 the municipality wherein such facility is to be maintained has certified that the facility conforms to  
10 the municipal zoning regulations, a license shall be issued. Licenses shall expire on June 30  
11 following issue, and may be renewed on application to the department accompanied by a renewal fee  
12 of [~~\$200~~] **\$350**. Such licenses shall be in the form prescribed by the department, shall be publicly  
13 displayed at the premises covered by them and adjacent to animal display cages. Each such license  
14 shall be subject to revocation at any time by the department, if in the judgment of the department  
15 the conditions under which it was issued are not being maintained. Each licensee shall be inspected  
16 by an employee of the department or by a person appointed by the department no less frequently  
17 than every 6 months. Upon receipt of a written complaint alleging violation of this subdivision, the  
18 department shall investigate said complaint within a reasonable time. All license fees shall be  
19 deposited in the state treasury.

20 71 Lottery Commission; Report Required. The lottery commission shall submit to the governor,  
21 the president of the senate, and the speaker of the house of representatives, no later than November  
22 15, 2010, a comprehensive report describing how it proposes to modernize and update its products  
23 within the next 5 years in order to maximize revenues in a competitive lottery environment.

24 72 Operating Budget; Transfer of Appropriations; Adequate Education Grants; Funds From  
25 Education Trust Fund Transferred to General Fund.

26 I. The commissioner of the department of administrative services is authorized to transfer  
27 up to \$80,000,000 from the appropriation in account 06-56-56-560010-7550 class line 086 for fiscal  
28 year 2011 into account 06-56-56-560010-7550, class line 086 for fiscal year 2010 on or before June 30,  
29 2010. Account 06-56-56-560010-7550, class line 079 for fiscal year 2010 shall be reduced by the same  
30 amount that is transferred into account 06-56-56-560010-7550, class line 086 for fiscal year 2010,  
31 and account 06-56-56-560010-7550, class line 079 for fiscal year 2011 shall be increased by the  
32 corresponding amount.

33 II. Notwithstanding RSA 198:39, any funds remaining in the education trust fund as of June  
34 30, 2010 shall be transferred to the general fund as undesignated surplus.

35 73 Application; Appropriations Reductions; All State Agencies. The reductions required by this  
36 act shall be in addition to the reductions required by 2009, 143:22, I and 2009, 144:289.

37 74 Special School District Meetings. Notwithstanding RSA 197:2 and RSA 197:3, for the fiscal

1 year ending June 30, 2011, a special meeting of a school district shall be held upon the majority vote  
2 of the school board only for the purpose of addressing changes in catastrophic aid funding which  
3 could affect the school district during the 2011 year.

4 75 Repeal. Section 74 of this act, relative to special school district meetings, is repealed.

5 76 Special Meeting of Towns for the Fiscal Year Ending June 30, 2011. Notwithstanding any  
6 other provision of law to the contrary, for the fiscal year ending June 30, 2011, any town, including  
7 those towns that have adopted RSA 40:13 may, by a majority vote of the governing body, call a  
8 special meeting without court approval to address any reduction in the amount of state revenue  
9 distributed to the town which could affect the town's budget. Such meetings shall be subject to the  
10 following:

11 I. The governing body of such town shall post a notice, which shall include the warrant, in at  
12 least 2 public places within the political subdivision, one of which shall be on the political  
13 subdivision's website, if such exists, at least 7 days prior to the meeting. Additional notice shall be  
14 published in a newspaper of general circulation in the political subdivision, provided that if there is  
15 no newspaper of general circulation in which notice can be published at least 7 days before the date  
16 of the meeting, public notice shall be posted in at least one additional place within the political  
17 subdivision.

18 II. The governing body shall hold a public hearing on the proposed warrant articles at the  
19 town meeting.

20 III. The governing body of any town that has adopted the provisions of RSA 40:13 may elect  
21 to hold and conduct the meeting in accordance with the provisions of RSA 39 and RSA 40 and other  
22 applicable law without regard to RSA 40:13. If the governing body elects to follow the provisions of  
23 RSA 40:13, it shall provide at least a 15-day period between the deliberative session and the vote for  
24 the purposes of proceedings under this section.

25 77 Repeal. Section 76 of this act, relative to the special meetings of towns, is repealed.

26 78 State Agencies; Supplanting General Fund Reductions With Other Funds. For the fiscal year  
27 ending June 30, 2011, any state agency may supplant general fund reductions required pursuant to  
28 this act with federal and other funds that may become available for that purpose. The department of  
29 administrative services shall report to the fiscal committee of the general court on or before July 30,  
30 2010 detailing the use of any such funds.

31 79 Furloughs Required for Certain State Employees. Nonclassified and unclassified state  
32 employees shall take 12 unpaid furlough days during fiscal year 2011.

33 80 Reductions in Personnel Expenditures. Notwithstanding any provision of law to the  
34 contrary, for the biennium ending June 30, 2011, any reductions in personnel expenditures in an  
35 agency shall be distributed proportionately between classified and unclassified employees of such  
36 agency. Upon petition by an agency, the fiscal committee of the general court may grant an  
37 exemption from this requirement.



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1 81 Vacant Positions; Bumping Rights; Layoffs. Amend 2009, 144:64 to read as follows:

2 144:64 Department of Administrative Services; Suspension of Bumping Rights.

3 *I.* The displacement of classified state employees by more senior classified state employees,  
4 or so-called bumping, pursuant to administrative rule Per 1101.02 (i) through (l) under the authority  
5 of RSA 21-I:43 by the director of the division of personnel is hereby suspended from the effective date  
6 of this section to June 30, 2011.

7 *II.* The procedure for layoffs of permanent employees pursuant to administrative rule Per  
8 1101.02 (d), prohibiting the layoff of permanent employees while there are temporary fill-in, part-  
9 time, or probationary employees serving in the same class of position within the same division of the  
10 agency, is hereby suspended from the effective date of this section to June 30, 2011.

11 *III. The reassignment prior to layoff of classified state employees into vacant but*  
12 *funded positions, pursuant to administrative rule Per 1101.02 (f) under the authority of*  
13 *RSA 21-I:43 by the director of the division of personnel is hereby suspended from the*  
14 *effective date of this section to June 30, 2011.*

15 82 Vacant Positions; Rehiring of Laid Off State Employees. Amend 2009, 144:65, II to read as  
16 follows:

17 *II.* It is the intent of the general court that any position which becomes available in a  
18 department or establishment, as defined in RSA 9:1, shall be filled, if possible, by a state employee  
19 laid off, as defined in paragraph I, if such person is not currently employed by the state of New  
20 Hampshire and if he or she meets the minimum qualifications for the position, *provided however*  
21 *that any position a department or establishment intends to leave vacant shall remain*  
22 *vacant.*

23 83 New Section; Certain Transfers Prohibited. Amend RSA 9 by inserting after section 16-b the  
24 following new section:

25 9:16-c Certain Transfers Prohibited. Notwithstanding any other provision of law to the  
26 contrary, no funds shall be transferred out of any class line which is the source of payment for  
27 Medicaid providers whose reimbursement rates are set by the department of health and human  
28 services and whose rates have been reduced by the department of health and human services  
29 through the use of a budget neutrality factor, a proportionate discount factor, or any similar  
30 reduction device.

31 84 Department of Health and Human Services; Reduction in Appropriation. Amend 2009, 143:9,  
32 as amended by 2010, 4:3 to read as follows:

33 143:9 Department of Health and Human Services; Reduction in Appropriation. The department  
34 of health and human services is hereby directed to reduce state general fund appropriations from any  
35 line by [~~\$10,550,231~~] **\$8,676,231** for the biennium ending June 30, 2011. Any direct services to New  
36 Hampshire citizens shall be excluded from these reductions unless expressly approved by the fiscal  
37 committee of the general court and the governor and council. The department shall provide a

1 quarterly report of reductions made under this section to the fiscal committee of the general court  
2 and the governor and council.

3 85 Transfer of Anna Philbrook Center Residents. Notwithstanding any provision of law to the  
4 contrary:

5 I. The department of health and human services shall transfer all residents of the Anna  
6 Philbrook center to the F-Unit wing of New Hampshire hospital. After said transfer is complete, the  
7 department shall consider utilizing the Anna Philbrook center for office space as needed by the  
8 department, or taking steps to close the facility once vacant.

9 II. The department of health and human services shall utilize the I-Unit wing of the  
10 New Hampshire hospital to provide beds as necessary for adult patients displaced by the transfer of  
11 residents of the Anna Philbrook center to the F-Unit wing of New Hampshire hospital pursuant to  
12 paragraph I.

13 86 Shelter Care Services. For the biennium ending June 30, 2011, the department of health and  
14 human services shall continue to fund shelter care services at Midway Shelter in Bradford, Antrim  
15 Girls Shelter in Antrim, and North Country Shelter Care in Jefferson.

16 87 Shea Farm Transitional Housing Unit; Transfer to Tobey Building. The department of  
17 health and human services and department of corrections shall work in consultation to facilitate the  
18 transfer of the Shea Farm transitional housing unit to the Tobey building. Notwithstanding any  
19 provision of law to the contrary, all of the functions, positions, powers, duties, responsibilities, and  
20 funding for the Shea Farm transitional housing unit and the Tobey building shall be appropriately  
21 transferred to allow operation of the transitional housing unit and relocation of programs of the  
22 department of health and human services currently residing in the Tobey building. Said transfers  
23 shall include, but not be limited to, the use of existing capital and operating budget appropriations to  
24 allow for renovations to the Tobey building to ensure its appropriate use, as well as renovations to  
25 the Anna Philbrook center if the department of health and human services decides to utilize said  
26 facility for office space pursuant to section 85 of this act. The transfers provided in this section shall  
27 include all of the equipment, books, papers, and records of the departments necessary for the  
28 operation of the facilities.

29 88 Youth Development Center and State Prison for Women; Population Transfers.

30 I. Notwithstanding any provision of law to the contrary, the department of health and  
31 human services and department of corrections shall simultaneously transfer the population of the  
32 youth development center to suitable properties located at the lakes region facility located in  
33 Laconia, and the population of the state prison for women to the current facility of the youth  
34 development center by June 30, 2011. Once the populations of the youth development center and  
35 state prison for women are transferred to the proposed facilities, the department of corrections shall  
36 cease its contracts with Hillsborough and Strafford counties to house female offenders.  
37 Notwithstanding any provision of law to the contrary, all functions, positions, powers, duties, shall

1 be appropriately transferred to allow the operation of the facilities for the use required by this  
2 section. The departments shall utilize existing capital and operating budget appropriations for  
3 renovations of the youth development center and the lakes region facility located in Laconia as  
4 necessary to effectuate the transfer of said populations. The transfers provided in this section shall  
5 include all of the equipment, books, papers, and records of the departments necessary for the  
6 operation of the facilities.

7 II. The department of health and human services and department of corrections shall work  
8 in consultation to develop a plan to effectuate the transfer of said populations. Said plan shall  
9 include an estimate of any state general fund savings which will result from said transfers, and shall  
10 be submitted to the speaker of the house of representatives, the president of the senate, the fiscal  
11 committee of the general court, and the governor and executive councilors on or before  
12 September 1, 2010.

13 89 Committee to Study the Youth Development Center and State Prison for Women.

14 I. There is established a committee to study the transfer of populations of the youth  
15 development center and the state prison for women.

16 II. The members of the committee shall be as follows:

17 (a) Three members of the house of representatives, appointed by the speaker of the  
18 house of representatives.

19 (b) Two members of the senate, appointed by the president of the senate.

20 III. Members of the committee shall receive mileage at the legislative rate when attending to  
21 the duties of the committee.

22 IV. The committee shall study the transfer of the population of the youth development  
23 center to the lakes region facility located in Laconia, and the transfer of the population of the state  
24 prison for women to the current facility of the youth development center as required by section 88 of  
25 this act. The committee shall also determine all statutory or administrative rule changes that will  
26 be necessary to effectuate said transfers.

27 V. The members of the study committee shall elect a chairperson from among the members.  
28 The first meeting of the committee shall be called by the first-named senate member. The first  
29 meeting of the committee shall be held within 45 days of the effective date of this section. Three  
30 members of the committee shall constitute a quorum.

31 VI. The committee shall report its findings and any recommendations for proposed  
32 legislation to the president of the senate, the speaker of the house of representatives, the senate  
33 clerk, the house clerk, the governor, and the state library on or before November 1, 2010.

34 90 Fine Revenues. Notwithstanding the provisions of RSA 262:44, the state treasurer shall  
35 deposit into the general fund \$185,000 for fiscal year 2010 and \$760,000 for fiscal year 2011 from  
36 fine revenues received under RSA 262:44, I.

37 91 New Chapter; Electricity Generation Tax. Amend RSA by inserting after chapter 83-F the

1 following new chapter:

2 CHAPTER 83-G  
3 ELECTRICITY GENERATION TAX

4 83-G:1 Definitions. In this chapter:

5 I. "Commissioner" means the commissioner of the department of revenue administration.

6 II. "Department" means the department of revenue administration.

7 III. "Taxable month" means a calendar month in which electricity is generated.

8 IV. "Taxpayer" means any person generating electricity in this state, except for:

9 (a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;

10 (b) A person generating electricity produced by wind energy, geothermal energy,  
11 hydrogen derived from biomass fuels or methane gas, ocean thermal, wave, current, or tidal energy,  
12 methane gas, biomass technologies, solar technologies, or hydroelectric energy, or that uses as its  
13 primary fuel source solid waste as defined in RSA 149-M:4; or

14 (c) A person generating electricity exclusively in a manner that the electricity generated  
15 is not interconnected to the electric distribution grid.

16 83-G:2 Imposition of Tax. Each taxpayer is liable for a tax of \$.00055 per kilowatt hour of  
17 electricity generated within the state.

18 83-G:3 Collection of Tax. Every taxpayer shall collect and monthly remit the tax to the state as  
19 provided in RSA 83-G:4.

20 83-G:4 Tax Returns.

21 I. Except as provided in this section, on or before the fifteenth day of each second month  
22 following a taxable month, each taxpayer shall make a return to the department for the taxable  
23 month on a form prescribed by the department.

24 II. Any taxpayer who ceases to engage in generating electricity, and is thereby not  
25 responsible for filing returns under this chapter, shall file a final return with the department not  
26 more than one month after discontinuing such activity. This requirement shall apply  
27 notwithstanding any other provision of this chapter regarding the time within which to file a return.

28 III. If the commissioner finds that the information required for the making of an accurate  
29 return cannot reasonably be compiled by a taxpayer within one month and 15 days after the close of  
30 the taxable month for which a return is to be made, the commissioner may grant an extension of  
31 time for the filing of such return. Any such extension shall be granted for a period not to exceed 31  
32 calendar days. The granting of such extension may be conditioned upon the payment by the  
33 taxpayer of an amount of money equal to the amount estimated by the commissioner to be due with  
34 the return when filed under extension. All such estimated payments shall be credited against the  
35 taxpayer's liabilities under this chapter.

36 IV. The taxpayer shall pay to the department the amount of tax imposed by this chapter at  
37 the time it makes a return.

1 83-G:5 Exemptions.

2 I. It is in the public interest to foster the generation of electricity from renewable energy  
3 sources and from small scale distributed energy resources and to encourage waste reduction.

4 II. Electricity generated from the following sources shall not be subject to taxation under  
5 this chapter:

6 (a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;

7 (b) Energy generated by wind energy, geothermal energy, hydrogen derived from  
8 biomass fuels or methane gas, ocean thermal, wave, current, or tidal energy, methane gas, biomass  
9 technologies, solar technologies, or hydroelectric energy, or that uses as its primary fuel source solid  
10 waste as defined in RSA 149-M:4; or

11 (c) Electricity generated which is not interconnected to the electric distribution grid.

12 83-G:6 Instruments, Books, Records, Papers, and Other Documents.

13 I. Every taxpayer shall provide and keep the necessary instruments and records to show the  
14 amount expressed in kilowatt hours of electricity generated by such person.

15 II. Every taxpayer required to file or actually filing under this chapter shall keep books,  
16 records, papers, and other documents which are adequate to reflect the information required by this  
17 chapter to be reported to the department by the filing of timely returns with the department.

18 III. All instruments, books, records, and other papers and documents required to be kept by  
19 this chapter shall, at all times during business hours of the day, be subject to inspection by the  
20 department.

21 83-G:7 Additional Returns. When the commissioner has reason to believe that a taxpayer has  
22 failed to file a return or to include any part of the total kilowatt hours electricity generated in a filed  
23 return, the commissioner may require the taxpayer to file a return or a supplementary return  
24 showing such additional information as the commissioner prescribes. Upon the receipt of the  
25 supplementary return, or if none is received within the time set by the commissioner, the  
26 commissioner may find and assess the amount due upon the information that is available. The  
27 making of such additional return does not relieve the taxpayer of any penalty for failure to make a  
28 correct original return, or relieve such person from liability for interest imposed under RSA 21-J:28  
29 or for any other additional charges imposed by the commissioner. This section shall not be construed  
30 to modify or extend the statute of limitations provided in RSA 21-J:29.

31 83-G:8 Administration; Rulemaking.

32 I. The commissioner shall collect the taxes imposed under this chapter, interest on tax,  
33 additions to tax, and penalties imposed, and pay over to the state treasurer the amount of funds  
34 collected under this chapter.

35 II. The commissioner shall adopt rules, under RSA 541-A, relative to:

36 (a) The form of the return and the data which it must contain for the correct  
37 computation of the number of kilowatt hours of electricity generated in this state and the tax

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1 assessed.

2 (b) The administration of the electricity generation tax.

3 (c) The recovery of any tax, interest on tax, additions to tax, or penalties imposed by RSA  
4 83-G or RSA 21-J.

5 83-G:9 Tax Sales. The provisions of RSA 80:26 apply to the sale of land for the payment of taxes  
6 due under this chapter, and the state treasurer is authorized to purchase the land for the state. If  
7 the state purchases the land, the state treasurer shall certify the purchase to the governor, and the  
8 governor shall draw a warrant for the purchase price out of any money in the treasury not otherwise  
9 appropriated.

10 83-G:10 Severability. If any provision of this chapter or the application thereof to any person or  
11 circumstance is held to be invalid, the invalidity shall not affect other provisions or applications of  
12 the chapter which can be given effect without the invalid provision or application, and to this end the  
13 provisions of this chapter are severable.

14 92 Reference Change. Amend RSA 21-J:31 to read as follows:

15 21-J:31 Penalty for Failure to File. Any taxpayer who fails to file a return when due, unless an  
16 extension has been granted by the department, shall pay a penalty equal to 5 percent of the amount  
17 of the tax due or \$10, whichever is greater, for each month or part of a month during which the  
18 return remains unfiled. The total amount of any penalty shall not, however, exceed 25 percent of the  
19 amount of the tax due or \$50, whichever is greater. This penalty shall not be applied in any case in  
20 which a return is filed within the extended filing period as provided in RSA 77:18-b, RSA 77-A:9,  
21 RSA 77-E:8, RSA ~~[83-C:6, RSA 83-E:5]~~ 83-G:4, RSA 84-A:7, or RSA 84-C:7, or the failure to file was  
22 due to reasonable cause and not willful neglect of the taxpayer. The amount of the penalty is  
23 determined by applying the percentages specified to the net amount of any tax due after crediting  
24 any timely payments made through estimating or other means.

25 93 Reference Change. Amend RSA 21-J:33-a, I to read as follows:

26 I. If there is a substantial understatement of tax imposed under RSA 77, RSA 77-A, RSA 77-  
27 E, RSA 78-A, RSA 78-C, RSA 82-A ~~[or RSA 83-C]~~, or RSA ~~[83-E]~~ 83-G, for any taxable period, there  
28 shall be added to the tax an amount equal to 25 percent of the amount of any underpayment  
29 attributable to such understatement.

30 94 Repeal. RSA 83-E, relative to the electricity consumption tax, is repealed.

31 95 Insurance Premium Tax. Amend RSA 400-A:32, I(a) to read as follows:

32 I.(a) Every insurer shall pay to the insurance commissioner ~~[a tax]~~ upon such net premiums,  
33 for lines of business written, as set forth in the report filed pursuant to RSA 400-A:31, I, less  
34 estimated payments made in accordance with RSA 400-A:32, II, ~~[as follows:~~

35 ~~(1) Effective July 1, 2007, a tax of 1.75 percent for all lines of business written~~  
36 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1 a, I and II;~~

37 ~~(2) Effective January 1, 2009, a tax of 1.50 percent for all lines of business written~~

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1 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1-a, I and II;~~

2 ~~(3) Effective January 1, 2010, a tax of 1.25 percent for all lines of business written~~  
3 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1-a, I and II; and~~

4 ~~(4) Effective January 1, 2011, a tax of one percent for all lines of business written~~  
5 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1-a, I and II.~~

6 ~~(5)] a tax of 2 percent for all lines of business written pursuant to RSA 401:1, [IV,]~~  
7 ~~including, but not limited to, insurers licensed pursuant to RSA 420-A, RSA 420-B, and RSA 420-F.~~

8 96 Applicability. The provisions of RSA 400-A:32, I(a) as amended by section 95 of this act shall  
9 apply to tax periods of authorized insurers beginning after June 30, 2009. Any additional premium  
10 tax liability due to the amendment to RSA 400-A:32, I(c) by section 95 of this act shall be paid in full  
11 to the insurance commissioner by June 15, 2010.

12 97 Taxation of Transfers of Certain Estates. RSA 87:1 is repealed and reenacted to read as  
13 follows:

14 87:1 Tax Imposed; Exemption.

15 I. An estate tax is hereby imposed upon the transfer of the estate of every decedent leaving a  
16 taxable estate for which the gross value after allowable deductions, as defined by the Internal  
17 Revenue Code of 1986, is greater than \$2,000,000, and who has property within this state.

18 II. The first \$2,000,000 of the gross value of the decedent's estate shall be exempt from the  
19 estate tax.

20 III. The amount of the New Hampshire estate tax shall be equal to 8 percent of the gross  
21 value of the portion of the decedent's taxable estate that exceeds the exemption in paragraph II.

22 IV. If only a portion of the decedent's estate is located in this state, the tax shall be  
23 determined as follows:

24 (a) For a decedent who, at the time of death, was a resident of this state, the  
25 New Hampshire estate tax shall be reduced by an amount determined by multiplying the entire  
26 amount of the tax by the percentage which the gross value of the real and tangible property portion  
27 of the decedent's estate located outside of this state bears to the gross value of the entire estate.

28 (b) For a decedent who, at the time of death, was not a resident of this state, the  
29 New Hampshire estate tax shall be determined by multiplying the entire amount of the tax by the  
30 percentage which the gross value of the real and tangible property portion of the decedent's estate  
31 located in this state bears to the gross value of the entire estate.

32 98 Authority to Audit. Amend RSA 87:36, II to read as follows:

33 II. The department may, on its own motion, undertake such an audit upon written notice to  
34 the executor, administrator, or legatee within the statute of limitations as provided in RSA 21-J:29[  
35 ~~except that where a change is reported as provided in RSA 87:10, such notice shall be provided~~  
36 ~~within 6 months of the receipt of such amended return].~~

37 99 Repeal. The following are repealed:

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1 I. RSA 87:7, relative to intent of chapter.

2 II. RSA 87:9, relative to chapter void, when.

3 III. RSA 87:10, relative to adjustments.

4 100 Documentation of Marriages; Marriage License Fee. Amend RSA 457:29 to read as follows:

5 457:29 Marriage License Fee. The fee for the marriage license shall be [~~\$45~~] **\$50** to be paid by  
6 the parties entering into the marriage. The clerk shall forward \$38 from each fee to the department  
7 of health and human services for the purposes of RSA 173-B:15, **and \$5 to the state treasurer for**  
8 **deposit in the general fund**. The clerk shall retain the remaining \$7 as the fee for making the  
9 records of notice, issuing the certificate of marriage, and forwarding the [~~\$38~~] **\$43** portion of the  
10 marriage license fee.

11 101 Fees for Copies, Verifications, and Amendments to Vital Records. Amend RSA 5-C:10, I-II  
12 to read as follows:

13 I. A town clerk or the registrar shall be paid in advance, by any person requesting any copy  
14 or verification as provided in RSA 5-C:9, the sum of [~~\$12~~] **\$20** for making a search, which sum shall  
15 include payment for the issuance of such copy or verification, and [~~\$8~~] **\$10** for each subsequent copy,  
16 provided that the fee to town clerks for examination of documents and issuance of a delayed birth  
17 certificate shall be \$25.

18 II. The town clerk shall forward \$8 of each search fee collected by the clerk under this  
19 section to the department of state for deposit in the vital records improvement fund established  
20 under RSA 5-C:15, **\$8 to the state treasurer for deposit in the general fund**, and shall retain the  
21 remaining \$4 as the clerk's fee for issuing such a copy. For subsequent copies issued at the same  
22 time, the town clerk shall forward \$5 of the fee collected for each subsequent copy under this section  
23 to the department for deposit in the vital records improvement fund established under RSA 5-C:15,  
24 **\$2 to the state treasurer for deposit in the general fund**, and [~~the town clerk~~] shall retain the  
25 remaining \$3 as the clerk's fee for issuing such a copy. The town clerk shall retain the \$25 fee for a  
26 delayed birth certificate as the clerk's fee for examining documents and issuing the delayed birth  
27 certificate. Fees collected by the registrar shall be forwarded to the state treasurer for deposit into  
28 the vital records improvement fund established under RSA 5-C:15.

29 102 Prohibition on Delay of Payment or Expenditure. For the fiscal years ending June 30, 2010  
30 and June 30, 2011, no department as defined in RSA 9:1 shall delay a payment or expenditure from  
31 one fiscal year to the subsequent fiscal year solely for the purpose of generating an unexpended  
32 balance that would lapse in the preceding year.

33 103 Appropriations and Charges. In addition to any other sums appropriated for the fiscal year  
34 ending June 30, 2011, the following appropriations and charges are hereby authorized for the  
35 following departments and agencies. Said appropriations shall be a charge against the funds as  
36 specified in the individual appropriation:



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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
1-14		Department of Administrative Services		
01-14-14-1400-1042		Commissioner - Administration		
01-14-14-1400-1042	020	Current Expenses	General Funds	(\$1,000)
01-14-14-1400-1042	030	Equipment New/Replacement	General Funds	(\$500)
01-14-14-1400-1042	080	Out-of-State Travel	General Funds	(\$1,000)
01-14-14-1410-1044		Personnel Admin - Support		
01-14-14-1410-1044	020	Current Expenses	General Funds	(\$7,500)
01-14-14-1405-1310		Bureau of Accounting		
01-14-14-1405-1310	030	Equipment New/Replacement	General Funds	(\$250)
01-14-14-1405-1310	066	Employee Training	General Funds	(\$1,450)
01-14-14-1405-1330		Financial Reporting		
01-14-14-1405-1330	070	In-State Travel	General Funds	(\$150)
01-14-14-1405-1330	080	Out-of-State Travel	General Funds	(\$1,000)
01-14-14-1400-1350		Budget Office		
01-14-14-1400-1350	080	Out-of-State Travel	General Funds	(\$1,000)
01-14-14-1400-1360		Business Office		
01-14-14-1400-1360	020	Current Expenses	General Funds	(\$500)
01-14-14-1420-1370		Financial Data Management		
01-14-14-1420-1370	037	Technology - Hardware	General Funds	(\$25,352)
01-14-14-1420-1370	046	Consultants (non-benefited)	General Funds	(\$30,000)
01-14-14-1400-1375		Risk Management Unit		
01-14-14-1400-1375	020	Current Expenses	General Funds	(\$500)
01-14-14-1400-1375	030	Equipment New/Replacement	General Funds	(\$250)
01-14-14-1400-1375	080	Out-of-State Travel	General Funds	(\$1,000)
01-14-14-1415-1440		Plant & Property Administration		
01-14-14-1415-1440	070	In-State Travel	General Funds	(\$250)
01-14-14-1415-1440	080	Out-of-State Travel	General Funds	(\$1,450)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-14-14-1410-1442		Employee Relations		
01-14-14-1410-1442	020	Current Expenses	General Funds	(\$600)
01-14-14-1415-2040		General Services		
01-14-14-1415-2040	023	Heat, Electricity & Water	General Funds	(\$50,000)
01-14-14-1415-2040	080	Out-of-State Travel	General Funds	(\$184)
01-14-14-1415-2042		Bureau Facilities and Assets Management		
01-14-14-1415-2042	030	Equipment New/Replacement	General Funds	(\$5,300)
01-14-14-1415-2045		Bureau of Court Facilities		
01-14-14-1415-2045	023	Heat, Electricity & Water	Other Funds	(\$125,000)
01-14-14-1415-2045	047	Own Forces Maintenance - Building & Grounds	Other Funds	(\$6,500)
01-14-14-1415-2045	070	In-State Travel	Other Funds	(\$5,000)
01-14-14-1415-2045	201	Sheriff's Reimbursement	General Funds	(\$100,000)
01-14-14-1415-2083		M-S Building		
01-14-14-1415-2083	020	Current Expenses	General Funds	(\$10,000)
01-14-14-1415-2083	023	Heat, Electricity & Water	General Funds	(\$25,000)
01-14-14-1415-2083	030	Equipment New/Replacement	General Funds	(\$900)
01-14-14-1415-2083	070	In-State Travel	General Funds	(\$500)
01-14-14-1415-2091		Public Works Bureau		
01-14-14-1415-2091	020	Current Expenses	General Funds	(\$5,000)
01-14-14-1415-2091	030	Equipment New/Replacement	General Funds	(\$1,000)
01-14-14-1415-2091	070	In-State Travel	General Funds	(\$7,500)
01-14-14-1415-2098		Dept. Of Justice Building		
01-14-14-1415-2098	023	Heat, Electricity & Water	General Funds	(\$15,000)
01-14-14-1415-2098	030	Equipment New/Replacement	General Funds	(\$1,000)
01-14-14-1415-2099		Upham Walker Building		
01-14-14-1415-2099	023	Heat, Electricity & Water	General Funds	(\$5,000)
01-14-14-1415-5320		Lakes Region Campus		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-14-14-1415-5320	070	In-State Travel	General Funds	(\$300)
01-14-14-1400-1356		Retirees Health		
01-14-14-1400-1356	046	Consultants (Non-benefited)	General Funds	(\$7,790)
01-14-14-1400-1356	100	Prescription Drug Expenditures	General Funds	(\$1,423,300)
01-14-14-1400-1356	101	Medical Payments To Providers	General Funds	(\$1,010,800)
01-14-14-1400-1356	102	Contracts for Program Services	General Funds	(\$108,110)
01-34		Department of Cultural Resources		
01-34-34-3420-3420		Office of Preservation		
01-34-34-3420-3420	010	Personal Services - Permanent Classified	General Funds	(\$38,560)
01-34-34-3420-3420	060	Benefits	General Funds	(\$31,614)
01-34-34-3420-3441		Federal Preservation Programs		
01-34-34-3420-3441	010	Personal Services - Permanent Classified	Federal Funds	\$38,560
01-34-34-3420-3441	060	Benefits	Federal Funds	\$31,614
01-34-34-3405-7000		Central Library Services		
01-34-34-3405-7000	010	Personal Services - Permanent Classified	General Funds	(\$115,595)
01-34-34-3405-7000	060	Benefits	General Funds	(\$44,512)
01-34-34-3410-1250		State Arts Development		
01-34-34-3410-1250	011	Personal Services - Unclassified	General Funds	(\$32,561)
01-34-34-3410-1250	060	Benefits	General Funds	(\$12,469)
01-84		Dept of Revenue Administration		
01-84-84-8400-7884		Administration		
01-84-84-8400-7884	070	In-State Travel	General Funds	(\$50,000)
01-84-84-8405-1301		Audit Division		
01-84-84-8405-1301	010	Personal Services - Permanent Classified	General Funds	(\$319,665)
01-84-84-8405-1301	060	Benefits	General Funds	(\$180,391)
01-84-84-8405-1401		Collections Division		
01-84-84-8405-1401	010	Personal Services - Permanent Classified	General Funds	(\$47,981)
01-84-84-8405-1401	060	Benefits	General Funds	(\$24,135)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-84-84-8405-1501		Documents Processing Division		
01-84-84-8405-1501	010	Personal Services - Permanent Classified	General Funds	(\$126,805)
01-84-84-8405-1501	012	Personal Services - Unclassified	General Funds	(\$70,853)
01-84-84-8405-1501	045	Personal Services (Non-Benefited)	General Funds	(\$30,000)
01-84-84-8405-1501	060	Benefits	General Funds	(\$126,972)
01-84-84-8410-5413		Appraisal Services		
01-84-84-8410-5413	010	Personal Services - Permanent Classified	General Funds	(\$33,291)
01-84-84-8410-5413	060	Benefits	General Funds	(\$14,258)
01-28		Real Estate Commission		
01-28-28-2800-2054		Real Estate Comm Admin		
01-28-28-2800-2054	010	Personal Services- Permanent Classified	General Funds	(\$11,000)
01-28-28-2800-2054	104	Certification Expense	General Funds	(\$27,000)
01-29		Real Estate Appraiser Board		
01-29-29-2923-1140		Real Estate Appraiser Board Admin		
01-29-29-2923-1140	060	Benefits	General Funds	(\$7,155)
01-51		Board of Accountancy		
01-51-51-5100-2115		Board of Accountancy Admin		
01-51-51-5100-2115	020	Current Expenses	General Funds	(\$8,000)
01-51-51-5100-2115	046	Consultants (Non-benefited)	General Funds	(\$4,100)
01-31		Joint Board		
01-31-31-3100-2250		Joint Board Admin		
01-31-31-3100-2250	010	Personal Services- Permanent Classified	General Funds	(\$33,840)
01-31-31-3100-2250	060	Benefits	General Funds	(\$23,561)
01-39		Board of Manufactured Housing		
01-39-39-3923-4423		Board of Manufactured Housing		
01-39-39-3923-4423	020	Current Expense	General Funds	(\$1,451)
01-39-39-3923-4423	070	In-State Travel	General Funds	(\$260)
01-05		Executive Council		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-05-05-0520-1001		Executive Council		
01-05-05-0520-1001	012	Personal Services - Unclassified	General Funds	(\$300)
01-05-05-0520-1001	020	Current Expense	General Funds	(\$2,180)
01-05-05-0520-1001	027	Transfers to DoIT	General Funds	(\$500)
01-05-05-0520-1001	030	Equipment	General Funds	(\$600)
01-05-05-0520-1001	080	Out-of-State Travel	General Funds	(\$1,215)
01-02		Executive Office		
01-02-02-0200		Executive Office		
01-02-02-0200-1036		Office of the Governor		
01-02-02-0200-1036		Personal Services/Current Expenses/Benefits	General Funds	(\$75,665)
01-02-02-0205		Governor's Commission on Disability		
01-02-02-0205-1004		Commission on Disability		
01-02-02-0205-1004	011	Personal Services - Unclassified	General Funds	(\$31,237)
01-02-02-0205-1006	020	Current Expenses	General Funds	(\$500)
01-02-02-0205-1004	026	Organizational Dues	General Funds	(\$100)
01-02-02-0205-1006	030	Equipment	General Funds	(\$500)
01-02-02-0205-1006	046	Consultants (Non-Benefited)	General Funds	(\$750)
01-02-02-0205-1004	060	Benefits	General Funds	(\$4,881)
01-02-02-0205-1006	070	In-State Travel	General Funds	(\$1,500)
01-02-02-0205-1006	080	Out-of-State	General Funds	(\$559)
01-02-02-0205-1004	230	Interpreter Services	General Funds	(\$2,000)
01-02-02-0240		Office of Energy and Planning Administration		
01-02-02-0240-6400				
01-02-02-0240-6400	010	Personal Services- Permanent Classified	General Funds	(\$21,204)
01-02-02-0240-6400	016	Personal Services - Non-Classified	General Funds	(\$12,659)
01-02-02-0240-6400	046	Consultants (Non-Benefited)	General Funds	(\$10,000)
01-02-02-0240-6400	060	Benefits	General Funds	(\$6,942)
01-02-02-0240-6400	068	Remuneration	General Funds	(\$18,607)
01-02-02-0240-6570		Municipal/Regional Assistance		
01-02-02-0240-6570	010	Personal Services- Permanent Classified	General Funds	(\$2,150)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-02-02-0240-6570	060	Benefits	General Funds	(\$332)
01-02-02-0240-6570	073	Grants - Non Federal	General Funds	(\$30,000)
01-02-02-0240-4096		Connecticut River Valley		
01-02-02-0240-4096	068	Remuneration	General Funds	(\$26,136)
01-02-02-0240-8114		Unemployment Compensation		
01-02-02-0240-8114	061	Unemployment Compensation	General Funds	(\$5,000)
02-12		Adjutant General Department		
02-12-12-1200-2220		Administration and Armories		
02-12-12-1200-2220	010	Personal Services- Permanent Classified	General Funds	(\$89,318)
02-12-12-1200-2220	020	Current Expense	General Funds	(\$15,000)
02-12-12-1200-2220	022	Rents & Leases Other than State	General Funds	(\$6,853)
02-12-12-1200-2220	060	Benefits	General Funds	(\$63,308)
02-12-12-1200-2233		Air National Guard MNT/OPER		
02-12-12-1200-2233	020	Current Expenses	General Funds	(\$5,000)
02-12-12-1200-2233	020	Current Expenses	Federal Funds	(\$15,000)
02-12-12-1200-2233	023	Heat, Electricity, & Water	General Funds	(\$5,000)
02-12-12-1200-2233	023	Heat, Electricity, & Water	Federal Funds	(\$15,000)
02-12-12-1200-2233	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$5,000)
02-12-12-1200-2233	047	Own Forces Maintenance - Building & Grounds	Federal Funds	(\$15,000)
02-12-12-1200-2240		Army and State 50/50		
02-12-12-1200-2240	023	Heat, Electricity, & Water	General Funds	(\$45,000)
02-12-12-1200-2240	023	Heat, Electricity, & Water	Federal Funds	(\$45,000)
02-12-12-1200-2240	103	Contracts for Operational Services	General Funds	(\$88,374)
02-12-12-1200-2240	103	Contracts for Operational Services	Federal Funds	(\$88,374)
02-12-12-1210-2260		NH State Veterans Cemetery Operations		
02-12-12-1210-2260	050	Personal Services - Temporary/Appointed	General Funds	(\$15,000)
02-12-12-1210-2260	060	Benefits	General Funds	(\$1,147)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-18		Department of Agriculture, Markets & Food		
02-18-18-1825-2705		Animal Population Control		
02-18-18-1825-2705	010	Personal Services- Permanent Classified	General Funds	(\$30,888)
02-18-18-1825-2705	060	Benefits	General Funds	(\$30,098)
02-18-18-1830-2137		Pesticide Regulation		
02-18-18-1830-2137	060	Benefits	General Funds	(\$31,626)
02-18-18-1830-2137	060	Benefits	Other Funds	\$31,626
02-18-18-1805-2133		Division of Weights & Measures		
02-18-18-1805-2133	018	Overtime	General Funds	(\$31,041)
02-18-19-1900-7883		Board of Veterinary Medicine		
02-18-19-1900-7883	010	Personal Services- Permanent Classified	General Funds	(\$9,688)
02-18-19-1900-7883	060	Benefits	General Funds	(\$5,677)
02-20		Department of Justice		
02-20-20-2000-2601		Attorney General		
02-20-20-2000-2601	010	Personal Services- Permanent Classified	General Funds	(\$89,379)
02-20-20-2000-2601	060	Benefits	General Funds	(\$32,799)
02-20-20-2005-2610		Criminal Bureau		
02-20-20-2005-2610	010	Personal Services- Permanent Classified	General Funds	(\$124,374)
02-20-20-2005-2610	060	Benefits	General Funds	(\$63,229)
02-20-20-2005-2610	010	Personal Services- Permanent Classified	Federal Funds	\$92,428
02-20-20-2005-2610	060	Benefits	Federal Funds	\$42,264
02-20-20-2005-2611		Consumer Bureau		
02-20-20-2005-2611	010	Personal Services- Permanent Classified	General Funds	(\$39,990)
02-20-20-2005-2611	014	Personal Services- Unclassified	General Funds	(\$68,092)
02-20-20-2005-2611	060	Benefits	General Funds	(\$43,025)
02-20-20-2005-2611	010	Personal Services- Permanent Classified	Other Funds	\$39,990
02-20-20-2005-2611	014	Personal Services- Unclassified	Other Funds	\$68,092
02-20-20-2005-2611	060	Benefits	Other Funds	\$43,025

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-20-20-2010-2620		Civil Bureau		
02-20-20-2010-2620	010	Personal Services- Permanent Classified	General Funds	(\$47,310)
02-20-20-2010-2620	013	Personal Services- Unclassified	General Funds	(\$172,374)
02-20-20-2010-2620	060	Benefits	General Funds	(\$106,062)
02-73		Public Employee Labor Relations Board		
02-73-73-7300-2066		Public Employee Labor Relations Board		
02-73-73-7300-2066	010	Personal Services- Permanent Classified	General Funds	(\$14,936)
02-73-73-7300-2066	020	Current Expenses	General Funds	(\$1,500)
02-73-73-7300-2066	026	Organizational Dues	General Funds	(\$115)
02-73-73-7300-2066	046	Consultants (Non-Benefited)	General Funds	(\$1,200)
02-73-73-7300-2066	050	Personal Services- Temporary/Appointed	General Funds	(\$4,500)
02-73-73-7300-2066	070	In-State Travel	General Funds	(\$250)
02-86		Racing & Charitable Gaming Commission		
02-86-86-8600-2210		Racing & Charitable Gaming Commission		
02-86-86-8600-2210	018	Overtime	General Funds	(\$5,000)
02-86-86-8600-2210	019	Holiday Pay	General Funds	(\$1,000)
02-86-86-8600-2210	020	Current Expenses	General Funds	(\$15,000)
02-86-86-8600-2210	024	Maintenance Other than Building & Grounds	General Funds	(\$500)
02-86-86-8600-2210	059	Full-Time Temporary	General Funds	(\$20,000)
02-86-86-8600-2210	060	Benefits	General Funds	(\$10,000)
02-86-86-8600-2210	070	In-State Travel	General Funds	(\$5,000)
02-26		Department of Labor		
02-26-26-2605-6100		Inspection Division		
02-26-26-2605-6100	010	Personal Services- Permanent Classified	General Funds	(\$57,826)
02-26-26-2605-6100	060	Benefits	General Funds	(\$50,174)
02-77		Liquor Commission		
02-77-77-7705-7878		Enforcement		
02-77-77-7705-7878	18	Overtime	Other Funds	(\$60,000)
02-77-77-7705-7878	30	Equipment New/Replacement	Other Funds	(\$70,000)
02-77-77-7705-1021		Licensing		



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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-77-77-7705-1021	22	Rents & Leases Other Than State	Other Funds	(\$40,000)
02-77-77-7710-1023		Financial Administration		
02-77-77-7710-1023	22	Rents & Leases Other Than State	Other Funds	(\$110,000)
02-77-77-7715-1024		Merchandising - Administration		
02-77-77-7715-1024	46	Consultants (Non-Benefited)	Other Funds	(\$225,000)
02-46		Department of Corrections		
02-46-46-4650-8236		Pharmacy		
02-46-46-4650-8236	070	In-State travel	General Funds	(\$1,601)
02-46-46-4650-8236	100	Prescription Drug Expenditures	General Funds	(\$750,000)
02-46-46-4600-7101		Commissioner's Office		
02-46-46-4600-7101	020	Current Expenses	General Funds	(\$15,000)
02-46-46-4600-7101	066	Employee Training	General Funds	(\$15,000)
02-46-46-4600-7101	070	In-State travel	General Funds	(\$1,722)
02-46-46-4660-7111		NH State Prison for Women		
02-46-46-4660-7111	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4660-7111	023	Heat, Electricity & Water	General Funds	(\$11,493)
02-46-46-4660-7111	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$2,000)
02-46-46-4660-7111	048	Contractual Maintenance - Building & Grounds	General Funds	(\$3,000)
02-46-46-4660-7111	068	Remuneration	General Funds	(\$12,497)
02-46-46-4660-7111	070	In-State travel	General Funds	(\$3,257)
02-46-46-4660-7111	102	Contracts For Program Services	General Funds	(\$242,000)
02-46-46-4650-5833		Secured Psych Unit (SPU)		
02-46-46-4650-5833	020	Current Expenses	General Funds	(\$5,000)
02-46-46-4650-5833	024	Maintenance Other Than Building & Grounds	General Funds	(\$1,000)
02-46-46-4650-5833	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$5,000)
02-46-46-4650-5833	068	Remuneration	General Funds	(\$4,507)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-46-46-4650-5833	070	In-State travel	General Funds	(\$1,831)
02-46-46-4630-7103		NHSP/M - Kitchen		
02-46-46-4630-7103	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4630-7103	024	Maintenance Other Than Building & Grounds	General Funds	(\$2,000)
02-46-46-4630-7108		NHSP/M - Warehouse		
02-46-46-4630-7108	020	Current Expenses	General Funds	(\$40,000)
02-46-46-4630-7108	070	In-State travel	General Funds	(\$217)
02-46-46-4630-7113		NHSP/M - Admin		
02-46-46-4630-7113	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4630-7113	024	Maintenance Other Than Building & Grounds	General Funds	(\$1,000)
02-46-46-4630-7113	070	In-State travel	General Funds	(\$25,727)
02-46-46-4630-7120		NHSP/M - Security		
02-46-46-4630-7120	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4630-7120	068	Remuneration	General Funds	(\$150,173)
02-46-46-4630-7140		NHSP/M - Maintenance		
02-46-46-4630-7140	020	Current Expenses	General Funds	(\$40,000)
02-46-46-4630-7140	023	Heat, Electricity & Water	General Funds	(\$158,914)
02-46-46-4630-7140	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$10,000)
02-46-46-4630-7140	070	In-State travel	General Funds	(\$3,257)
02-46-46-4600-7170		Parole Board		
02-46-46-4600-7170	020	Current Expenses	General Funds	(\$5,000)
02-46-46-4600-7170	068	Remuneration	General Funds	(\$200)
02-46-46-4600-7170	070	In-State travel	General Funds	(\$9,874)
02-46-46-4650-8231		Mental Health		
02-46-46-4650-8231	020	Current Expenses	General Funds	(\$1,000)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-46-46-4650-8231	070	In-State travel	General Funds	(\$2,569)
02-46-46-4650-8235		Residential Treatment Unit (RTU)		
02-46-46-4650-8235	020	Current Expenses	General Funds	(\$5,000)
02-46-46-4650-8235	070	In-State travel	General Funds	(\$2,910)
02-46-46-4610-8300		Financial Services		
02-46-46-4610-8300	020	Current Expenses	General Funds	(\$1,000)
02-46-46-4610-8300	070	In-State travel	General Funds	(\$286)
02-46-46-4640-8302		Field Services		
02-46-46-4640-8302	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4640-8302	023	Heat, Electricity & Water	General Funds	(\$1,562)
02-46-46-4640-8302	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$2,000)
02-46-46-4640-8302	070	In-State travel	General Funds	(\$90,733)
02-46-46-4600-8360		Training		
02-46-46-4600-8360	020	Current Expenses	General Funds	(\$2,000)
02-46-46-4600-8360	070	In-State travel	General Funds	(\$1,329)
02-46-46-4645-7874		Calumet House		
02-46-46-4645-7874	023	Heat, Electricity & Water	General Funds	(\$2,455)
02-46-46-4645-7874	024	Maintenance Other Than Building & Grounds	General Funds	(\$2,000)
02-46-46-4645-7874	070	In-State travel	General Funds	(\$1,086)
02-46-46-4650-8234		Medical - Dental		
02-46-46-4650-8234	024	Maintenance Other Than Building & Grounds	General Funds	(\$3,000)
02-46-46-4650-8234	070	In-State travel	General Funds	(\$11,326)
02-46-46-4645-5172		Shea Farm		
02-46-46-4645-5172	023	Heat, Electricity & Water	General Funds	(\$2,947)
02-46-46-4645-5172	048	Contractual Maintenance - Building & Grounds	General Funds	(\$6,000)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-46-46-4645-7107		North End House		
02-46-46-4645-7107	070	In-State travel	General Funds	(\$543)
02-46-46-4600-8301		Human Resources		
02-46-46-4600-8301	070	In-State travel	General Funds	(\$615)
02-76		NH Commission for Human Rights		
02-76-76-7600-7882		NH Commission for Human Rights		
02-76-76-7600-7882	020	Current Expenses	General Funds	(\$2,175)
02-76-76-7600-7882	020	Current Expenses	Federal Funds	(\$458)
02-76-76-7600-7882	038	Technology - Software	General Funds	(\$2,557)
02-76-76-7600-7882	038	Technology - Software	Federal Funds	(\$539)
02-76-76-7600-7882	050	Personal Services- Temporary/Appointed	General Funds	(\$1,638)
02-76-76-7600-7882	050	Personal Services- Temporary/Appointed	Federal Funds	(\$345)
02-76-76-7600-7882	057	Books, Periodicals, Subscriptions	General Funds	(\$1,922)
02-76-76-7600-7882	057	Books, Periodicals, Subscriptions	Federal Funds	(\$405)
02-76-76-7600-7882	066	Employee Training	General Funds	(\$814)
02-76-76-7600-7882	066	Employee Training	Federal Funds	(\$171)
02-76-76-7600-7882	068	Remuneration	General Funds	(\$826)
02-76-76-7600-7882	068	Remuneration	Federal Funds	(\$174)
02-76-76-7600-7882	070	In-State Travel	General Funds	(\$1,264)
02-76-76-7600-7882	070	In-State Travel	Federal Funds	(\$266)
02-76-76-7600-7882	103	Contracts for Operational Services	General Funds	(\$25)
02-76-76-7600-7882	103	Contracts for Operational Services	Federal Funds	(\$5)
03-35		Department of Resources and Economic Development		
03-35-35-3500-3400		Office of the Commissioner		
03-35-35-3500-3400	040	Indirect Costs	General Funds	(\$1,657)
03-35-35-3500-3401		Design Development-Maintenance		
03-35-35-3500-3401	010	Personal Services- Permanent Classified	General Funds	(\$36,025)
03-35-35-3500-3401	010	Personal Services- Permanent Classified	Other Funds	(\$41,782)
03-35-35-3500-3401	060	Benefits	General Funds	(\$14,395)
03-35-35-3500-3401	060	Benefits	Other Funds	(\$16,694)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
03-35-35-3500-3402		Bureau Of Historic Sites		
03-35-35-3500-3402	070	In-State Travel	General Funds	(\$500)
03-35-35-3510-3500		Forest And Lands/Adm.		
03-35-35-3510-3500	045	Personal Services (Non-Benefited)	General Funds	(\$16,000)
03-35-35-3510-3505		Management & Protection		
03-35-35-3510-3505	010	Personal Services- Permanent Classified	Other Funds	(\$19,413)
03-35-35-3510-3505	060	Benefits	Other Funds	(\$7,765)
03-35-35-3510-3510		Forest Management		
03-35-35-3510-3510	010	Personal Services- Permanent Classified	General Funds	(\$86,509)
03-35-35-3510-3510	010	Personal Services- Permanent Classified	Other Funds	\$86,509
03-35-35-3510-3510	020	Current Expenses	General Funds	(\$10,000)
03-35-35-3510-3510	060	Benefits	General Funds	(\$24,825)
03-35-35-3510-3510	060	Benefits	Other Funds	\$24,825
03-35-35-3510-2102		Fuelwood		
03-35-35-3510-2102	020	Current Expenses	Other Funds	\$10,000
03-35-35-3510-3520		Forest Protection		
03-35-35-3510-3520	010	Personal Services- Permanent Classified	General Funds	(\$55,996)
03-35-35-3510-3520	050	Personal Services - Temporary/Appointed	General Funds	(\$29,778)
03-35-35-3510-3520	060	Benefits	General Funds	(\$32,758)
03-35-35-3510-3492		Special Deputy Training		
03-35-35-3510-3492	050	Personal Services - Temporary/Appointed	Other Funds	\$25,000
03-35-35-3510-3492	060	Benefits	Other Funds	\$1,912
03-35-35-3505-3600		Economic Development Admin.		
03-35-35-3505-3600	020	Current Expenses	General Funds	(\$4,458)
03-35-35-3505-3600	069	Promotional And Marketing Expense	General Funds	(\$100,000)
03-35-35-3505-3612		Office of International Comm.		
03-35-35-3505-3612	020	Current Expenses	General Funds	(\$86,000)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
03-35-35-3505-3615		Industrial Research Center		
03-35-35-3505-3615	102	Contracts For Program Services	General Funds	(\$100,000)
03-35-35-3520-3620		Travel & Tourism		
03-35-35-3520-3620	069	Promotional And Marketing Expense	General Funds	(\$165,000)
03-35-35-3520-3576		International Tourism		
03-35-35-3520-3576	069	Promotional And Marketing Expense	General Funds	(\$5,000)
03-35-35-3520-5874		Travel & Tourism Dev Fund		
03-35-35-3520-5874	069	Promotional And Marketing Expense	General Funds	(\$40,000)
03-44		Environmental Services		
03-44-44-4400-1002		Administration and Support		
03-44-44-4400-1002	102	Contracts for Program Services	General Funds	(\$220,000)
03-44-44-4420-1003		State Aid Grants		
03-44-44-4420-1003	073	Grants - Non-Federal	General Funds	(\$327,701)
03-44-44-4420-1518		Lakes - Rivers Management		
03-44-44-4420-1518	102	Contracts for Program Services	General Funds	(\$100,000)
03-44-44-4420-1523		ShellFish Healthy Tides		
03-44-44-44201523	102	Contracts for Program Services	General Funds	(\$16,500)
03-44-44-4420-3800		Dam Maintenance Administration		
03-44-44-4420-3800	102	Contracts for Program Services	General Funds	(\$78,700)
03-44-44-4420-3800	303	Public Access Projects	General Funds	(\$25,000)
03-44-44-4440-2589		CERCLA Maintenance		
03-44-44-4440-2589	102	Contracts for Program Services	General Funds	(\$200,000)
03-44-44-4400-1002		Administration and Support		
03-44-44-4400-1002	010	Personal Services - Permanent Classified	General Funds	(\$75,373)
03-44-44-4400-1002	010	Personal Services - Permanent Classified	Other Funds	(\$34,982)
03-44-44-4400-1002	060	Benefits	General Funds	(\$40,861)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
03-44-44-4400-1002	060	Benefits	Other Funds	(\$18,965)
03-44-44-4420-3800		Dam Bureau Administration		
03-44-44-4420-3800	010	Personal Services - Permanent Classified	General Funds	(\$110,070)
03-44-44-4420-3800	060	Benefits	General Funds	(\$64,534)
03-44-44-4420-3800	010	Personal Services - Permanent Classified	Other Funds	(\$22,545)
03-44-44-4420-3800	060	Benefits	Other Funds	(\$13,218)
03-44-44-4420-3815		Wetlands Administration		
03-44-44-4420-3815	010	Personal Services - Permanent Classified	General Funds	(\$64,254)
03-44-44-4420-3815	060	Benefits	General Funds	(\$51,343)
03-44-44-4440-5402		Solid Waste Assist- Prmt- Enfor		
03-44-44-4440-5402	010	Personal Services - Permanent Classified	General Funds	(\$147,661)
03-44-44-4440-5402	060	Benefits	General Funds	(\$72,576)
03-44-44-4440-5492		RCRA State Match		
03-44-44-4440-5492	010	Personal Services - Permanent Classified	General Funds	(\$94,551)
03-44-44-4440-5492	060	Benefits	General Funds	(\$56,607)
03-44-44-4430-5496		Radon Program		
03-44-44-4430-5496	010	Personal Services - Permanent Classified	General Funds	(\$31,907)
03-44-44-4430-5496	060	Benefits	General Funds	(\$10,027)
03-44-44-4430-5496	010	Personal Services - Permanent Classified	Federal Funds	(\$31,907)
03-44-44-4430-5496	060	Benefits	Federal Funds	(\$10,028)
04-96		Department of Transportation		
04-96-96-9640-2931		Railroad		
04-96-96-9640-2931	010	Personal Services- Permanent Classified	General Funds	(\$34,866)
04-96-96-9640-2931	060	Benefits	General Funds	(\$21,800)
04-96-96-9640-2931	010	Personal Services- Permanent Classified	Federal Funds	\$34,866
04-96-96-9640-2931	060	Benefits	Federal Funds	\$21,800
04-96-96-9640-2107		Aeronautics		
04-96-96-9640-2107	070	In-State Travel	General Funds	(\$4)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
04-96-96-9640-2049		Land & Buildings		
04-96-96-9640-2049	046	Consultants (Non-Benefited)	General Funds	(\$2,500)
04-96-96-9640-2049	048	Contractual Maintenance - Buildings & Grounds	General Funds	(\$17,500)
04-96-96-9640-2049	400	Construction, Repair & Material	General Funds	(\$5,000)
04-96-96-9640-2058		Maintenance/Critical Repair		
04-96-96-9640-2058	048	Contractual Maintenance - Buildings & Grounds	General Funds	(\$10,000)
05-95		Department of Health and Human Services		
05-95-40		Division for Children, Youth and Families		
05-95-40-4030-5855		Child-Family Services		
05-95-40-4030-5855	101	Medical Payments to Providers	General Funds	(\$6,997)
05-95-40-4030-5855	101	Medical Payments to Providers	Federal Funds	(\$7,031)
05-95-40-4030-5855	533	Foster Care Services	General Funds	(\$172,486)
05-95-40-4030-5855	533	Foster Care Services	Federal Funds	(\$173,320)
05-95-40-4030-5855	535	Out Of Home Placements	General Funds	(\$232,263)
05-95-40-4030-5855	535	Out Of Home Placements	Federal Funds	(\$233,385)
05-95-40-4030-5855	550	Assessment and Counseling	General Funds	(\$1,716)
05-95-40-4030-5855	550	Assessment and Counseling	Federal Funds	(\$1,724)
05-95-40-4030-5855	563	Community Based Services	General Funds	(\$59,040)
05-95-40-4030-5855	563	Community Based Services	Federal Funds	(\$59,325)
05-95-40-4030-5857		DCYF-Prevention Programs		
05-95-40-4030-5857	073	Grants - Non-Federal	General Funds	(\$784,911)
05-95-45		Division of Family Assistance		
05-95-45-4500-6127		Employment Support		
05-95-45-4500-6127	102	Contracts For Program Services	General Funds	(\$73,000)
05-95-45-4500-6127	102	Contracts For Program Services	Federal Funds	(\$554,000)
05-95-48		Bureau of Elderly and Adult Services		
05-95-48-4810-8915		Congregate Housing		



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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-95-48-4810-8915	502	Payments to Providers	General Funds	(\$15,000)
05-95-48-4815-6173		Nursing Services		
05-95-48-4815-6173	504	Nursing Home Payments	General Funds	(\$2,057,000)
05-95-48-4815-6173	504	Nursing Home Payments	Federal Funds	(\$2,057,000)
05-95-48-4815-6173	505	Mid-Level Care Expenses	General Funds	(\$71,000)
05-95-48-4815-6173	505	Mid-Level Care Expenses	Federal Funds	(\$70,000)
05-95-48-4815-6173	506	Home Nursing Services	General Funds	(\$435,000)
05-95-48-4815-6173	506	Home Nursing Services	Federal Funds	(\$436,000)
05-95-48-4815-6173	529	Home Health Services	General Funds	\$274,000
05-95-48-4815-6173	529	Home Health Services	Federal Funds	\$274,000
05-95-90		Division of Public Health Services		
05-95-90-9015-5121		Health Promotion		
05-95-90-9015-5121	020	Current Expenses	General Funds	(\$12,422)
05-95-90-9015-5121	022	Rents & Leases Other than State	General Funds	(\$1,500)
05-95-90-9015-5121	050	Personal Services - Temporary/Appointed	General Funds	(\$9,503)
05-95-90-9015-5121	060	Benefits	General Funds	(\$727)
05-95-90-9020-2223		Boston EMA Title I		
05-95-90-9020-2223	568	TI HIV Care Boston Ema	General Funds	(\$400,000)
05-95-90-9025-5178		Immunization Program		
05-95-90-9025-5178	102	Contracts For Program Services	Federal Funds	(\$5,000)
05-95-90-9030-5230		Public Health Laboratories		
05-95-90-9030-5230	020	Current Expenses	General Funds	(\$20,400)
05-95-90-9030-5230	548	Reagents	General Funds	(\$27,000)
05-95-92		Bureau of Behavioral Health		
05-95-92-9200-7010		Community Mental Health Services		
05-95-92-9200-7010	552	Rehab Services	General Funds	(\$466,000)
05-95-92-9200-7010	552	Rehab Services	Federal Funds	(\$617,000)
05-95-93		Division of Developmental Services		
05-95-93-9300-7100		Developmental Services		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-95-93-9300-7100	102	Contracts for Program Services	General Funds	(\$30,000)
05-95-93-9300-7100	557	Medicaid Waiver Services	General Funds	(\$671,000)
05-95-93-9300-7100	557	Medicaid Waiver Services	Federal Funds	(\$671,000)
05-95-93-9300-7016		Acquired Brain Disorder Services		
05-95-93-9300-7016	557	Medicaid Waiver Services	General Funds	(\$120,000)
05-95-93-9300-7016	557	Medicaid Waiver Services	Federal Funds	(\$120,000)
05-95-93-9300-7559		NH Brain Injury Program		
05-95-93-9300-7559	502	Payments to Providers	General Funds	(\$50,000)
05-95-93-9300-5191		Special Medical Services		
05-95-93-9300-5191	046	Consultants (Non-Benefited)	General Funds	(\$41,000)
05-95-93-9300-5191	102	Contracts for Program Services	General Funds	(\$15,000)
05-95-93-9300-5191	561	Specialty Clinics	General Funds	(\$99,000)
05-95-94		New Hampshire Hospital		
05-95-94-9400-8750		Acute Psychiatric Services		
05-95-94-9400-8750	102	Contracts for Program Services	General Funds	(\$190,000)
05-95-94-9400-8750	102	Contracts for Program Services	Federal Funds	(\$22,000)
05-95-95-9560		Office of Medicaid and Business Policy		
05-95-95-9560-6126		Medicaid Administration		
05-95-95-9560-6126	512	Transportation Of Clients	General Funds	(\$306,000)
05-95-95-9560-6126	512	Transportation Of Clients	Federal Funds	(\$306,000)
05-95-95-9560-6143		Pharmacy Services		
05-95-95-9560-6143	503	State Phase Down	General Funds	(\$5,500,000)
05-95-95-9560-6147		Provider Payments		
05-95-95-9560-6147	101	Medical Payments to Providers	General Funds	(\$3,416,846)
05-95-95-9560-6147	101	Medical Payments to Providers	Federal Funds	(\$3,415,246)
05-95-95-9560-6147	565	Outpatient Hospital	General Funds	(\$350,000)
05-95-95-9560-6147	565	Outpatient Hospital	Federal Funds	(\$350,000)
05-95-95-9584		DCBCS Treatment & Prevention		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-95-95-9584-1388		Governor		
05-95-95-9584-1388	102	Contracts for Program Services	General Funds	(\$76,000)
05-43		New Hampshire Veterans Home		
05-43-43-4300-5358		Custodial Services		
05-43-43-4300-5358	018	Overtime	General Funds	(\$10,000)
05-43-43-4300-5358	019	Holiday Pay	General Funds	(\$5,000)
05-43-43-4300-5358	020	Current Expenses	General Funds	(\$10,000)
05-43-43-4300-5358	021	Food Institutions	General Funds	(\$26,000)
05-43-43-4300-5358	023	Heat, Electricity & Water	General Funds	(\$40,000)
05-43-43-4300-5358	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$50,000)
05-43-43-4300-5358	050	Personal Services - Temporary/Appointed	General Funds	(\$20,000)
05-43-43-4300-5358	070	In-State Travel	General Funds	(\$7,000)
05-43-43-4300-5359		Professional Services		
05-43-43-4300-5359	010	Personal Services- Permanent Classified	General Funds	(\$773,535)
05-43-43-4300-5359	010	Personal Services- Permanent Classified	Federal Funds	\$773,535
05-43-43-4300-5359	011	Personal Services - Unclassified	General Funds	(\$5,727)
05-43-43-4300-5359	011	Personal Services - Unclassified	Federal Funds	\$5,727
05-43-43-4300-5359	018	Overtime	General Funds	(\$6,180)
05-43-43-4300-5359	018	Overtime	Federal Funds	\$6,180
05-43-43-4300-5359	019	Holiday Pay	General Funds	(\$23,619)
05-43-43-4300-5359	019	Holiday Pay	Federal Funds	\$10,974
05-43-43-4300-5359	019	Holiday Pay	Other Funds	(\$9,540)
05-43-43-4300-5359	020	Current Expenses	General Funds	(\$31,999)
05-43-43-4300-5359	020	Current Expenses	Federal Funds	\$27,640
05-43-43-4300-5359	020	Current Expenses	Other Funds	(\$3,289)
05-43-43-4300-5359	026	Organizational Dues	General Funds	(\$119)
05-43-43-4300-5359	026	Organizational Dues	Federal Funds	\$119
05-43-43-4300-5359	027	Transfers to Office Information Technology	General Funds	(\$7,520)
05-43-43-4300-5359	027	Transfers to Office Information Technology	Federal Funds	\$7,520
05-43-43-4300-5359	030	Equipment New/Replacement	General Funds	(\$10,952)
05-43-43-4300-5359	030	Equipment New/Replacement	Federal Funds	\$10,952

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-43-43-4300-5359	041	Audit Fund Set Aside	General Funds	(\$377)
05-43-43-4300-5359	041	Audit Fund Set Aside	Federal Funds	\$377
05-43-43-4300-5359	046	Consultants (Non-Benefited)	General Funds	(\$18,775)
05-43-43-4300-5359	046	Consultants (Non-Benefited)	Federal Funds	\$18,775
05-43-43-4300-5359	050	Personal Services - Temporary/Appointed	General Funds	(\$40,051)
05-43-43-4300-5359	050	Personal Services - Temporary/Appointed	Federal Funds	\$40,051
05-43-43-4300-5359	060	Benefits	General Funds	(\$407,826)
05-43-43-4300-5359	060	Benefits	Federal Funds	\$407,826
05-43-43-4300-5359	070	In-State Travel	General Funds	(\$1,366)
05-43-43-4300-5359	070	In-State Travel	Federal Funds	\$527
05-43-43-4300-5359	070	In-State Travel	Other Funds	(\$633)
05-43-43-4300-5359	080	Out-of-State Travel	General Funds	(\$313)
05-43-43-4300-5359	080	Out-of-State Travel	Federal Funds	\$313
05-43-43-4300-5360		Pharmacy Services		
05-43-43-4300-5360	100	Prescription Drug Expenditures	General Funds	(\$54,000)
05-74		HHS Admin Attached Boards		
05-74-74-7405-7400		Board of Medicine		
05-74-74-7405-7400	018	Overtime	General Funds	(\$31)
05-74-74-7405-7400	020	Current Expenses	General Funds	(\$5,000)
05-74-74-7405-7400	050	Personal Services - Temporary/Appointed	General Funds	(\$18,810)
05-74-74-7405-7400	060	Benefits	General Funds	(\$1,552)
05-74-74-7410-7410		Board of Optometry		
05-74-74-7410-7410	020	Current Expenses	General Funds	(\$1,500)
05-74-74-7410-7410	070	In-State Travel	General Funds	(\$539)
05-74-74-7420-7420		Nursing Home Exam Board		
05-74-74-7420-7420	020	Current Expenses	General Funds	(\$500)
05-74-74-7420-7420	050	Personal Services - Temporary/Appointed	General Funds	(\$924)
05-74-74-7420-7420	060	Benefits	General Funds	(\$77)
05-74-74-7425-7425		Off of Allied Health Prof		
05-74-74-7425-7425	046	Consultants (Non-Benefited)	General Funds	(\$700)
05-74-74-7425-7425	050	Personal Services - Temporary/Appointed	General Funds	(\$4,883)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-74-74-7425-7425	060	Benefits	General Funds	(\$117)
05-74-74-7425-7425	070	In-State Travel	General Funds	(\$2,000)
05-74-74-7430-7430		Nurses Registration		
05-74-74-7430-7430	018	Overtime	General Funds	(\$8,000)
05-74-74-7430-7430	020	Current Expenses	General Funds	(\$10,000)
05-74-74-7430-7430	024	Maintenance Other Than Building & Grounds	General Funds	(\$3,000)
05-74-74-7430-7430	046	Consultants (Non-Benefited)	General Funds	(\$3,500)
05-74-74-7430-7430	050	Personal Services - Temporary/Appointed	General Funds	(\$924)
05-74-74-7430-7430	060	Benefits	General Funds	(\$77)
05-74-74-7430-7430	070	In-State Travel	General Funds	(\$500)
05-74-74-7431-7431		Nurses Registration		
05-74-74-7431-7431	020	Current Expenses	Other Funds	(\$1,000)
05-74-74-7431-7431	024	Maintenance Other Than Building & Grounds	Other Funds	(\$3,000)
05-74-74-7431-7431	042	Post Retirement (Additional Fringe Benefits)	Other Funds	(\$1,442)
05-74-74-7431-7431	050	Personal Services - Temporary/Appointed	Other Funds	(\$306)
05-74-74-7431-7431	060	Benefits	Other Funds	(\$500)
05-74-74-7432-7432		Nurses Registration		
05-74-74-7432-7432	020	Current Expenses	Other Funds	(\$9,000)
05-74-74-7432-7432	046	Consultants (Non-Benefited)	Other Funds	(\$250)
05-74-74-7432-7432	070	In-State Travel	Other Funds	(\$1,000)
05-74-74-7435-7435		Pharmacy Board		
05-74-74-7435-7435	018	Overtime	General Funds	(\$8,000)
05-74-74-7435-7435	020	Current Expenses	General Funds	(\$2,004)
05-74-74-7435-7435	022	Rents & Leases Other than State	General Funds	(\$1,000)
05-74-74-7435-7435	026	Organizational Dues	General Funds	(\$600)
05-74-74-7435-7435	046	Consultants (Non-Benefited)	General Funds	(\$2,500)
05-74-74-7435-7435	070	In-State Travel	General Funds	(\$6,000)
05-74-74-7440-7440		Chiropractic Examiners		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-74-74-7440-7440	010	Personal Services- Permanent Classified	General Funds	(\$10,156)
05-74-74-7440-7440	060	Benefits	General Funds	(\$5,542)
05-74-74-7445-7445		Cosmetology/Barbers Board		
05-74-74-7445-7445	010	Personal Services- Permanent Classified	General Funds	(\$8,385)
05-74-74-7445-7445	060	Benefits	General Funds	(\$10,632)
05-74-74-7450-7450		Dental Board		
05-74-74-7450-7450	020	Current Expenses	General Funds	(\$5,500)
05-74-74-7450-7450	026	Organizational Dues	General Funds	(\$590)
05-74-74-7450-7450	046	Consultants (Non-Benefited)	General Funds	(\$1,000)
05-74-74-7455-7455		Electrolysis Board		
05-74-74-7455-7455	020	Current Expenses	General Funds	(\$334)
05-74-74-7460-7460		Funeral Directors - Embalmers		
05-74-74-7460-7460	020	Current Expenses	General Funds	(\$994)
05-74-74-7460-7460	026	Organizational Dues	General Funds	(\$75)
05-74-74-7460-7460	046	Consultants (Non-Benefited)	General Funds	(\$1,000)
05-74-74-7465-7465		NH Bd of Mental Health Practice		
05-74-74-7465-7465	020	Current Expenses	General Funds	(\$3,000)
05-74-74-7465-7465	046	Consultants (Non-Benefited)	General Funds	(\$1,000)
05-74-74-7465-7465	050	Personal Services - Temporary/Appointed	General Funds	(\$8,847)
05-74-74-7465-7465	060	Benefits	General Funds	(\$733)
05-74-74-7470-7470		Ophthalmic Dispensers		
05-74-74-7470-7470	020	Current Expenses	General Funds	(\$1,410)
05-74-74-7475-7475		Naturopathic Examiners		
05-74-74-7475-7475	020	Current Expenses	General Funds	(\$197)
05-74-74-7475-7475	050	Personal Services - Temporary/Appointed	General Funds	(\$584)
05-74-74-7475-7475	060	Benefits	General Funds	(\$48)
05-74-74-7480-7480		Hearing Aid Dealers		
05-74-74-7480-7480	020	Current Expenses	General Funds	(\$1,000)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-74-74-7480-7480	070	In-State Travel	General Funds	(\$128)
05-74-74-7485-7485		Board of Acupuncture		
05-74-74-7485-7485	020	Current Expenses	General Funds	(\$183)
05-74-74-7485-7485	050	Personal Services - Temporary/Appointed	General Funds	(\$544)
05-74-74-7485-7485	060	Benefits	General Funds	(\$45)
05-74-74-7490-7490		Midwifery Council		
05-74-74-7490-7490	020	Current Expenses	General Funds	(\$64)
05-74-74-7492-7492		Bd of Alc - ODA Professionals		
05-74-74-7492-7492	070	In-State Travel	General Funds	(\$1,962)
05-74-74-7493-7493		Massage Therapy Advisory Board		
05-74-74-7493-7493	020	Current Expenses	General Funds	(\$5,821)
05-74-74-7495-7495		Bd of Licensed Dietitians		
05-74-74-7495-7495	050	Personal Services - Temporary/Appointed	General Funds	(\$1,158)
05-74-74-7495-7495	060	Benefits	General Funds	(\$96)
06-57		Postsecondary Education Commission		
06-57-57-5700-5407		Administration - Financial Aid		
06-57-57-5700-5407	021	Food Institutions	General Funds	(\$2,000)
06-57-57-5700-5407	050	Personal Services - Temporary/Appointed	General Funds	(\$20,659)
06-57-57-5700-5407	060	Benefits	General Funds	(\$1,580)
06-57-57-5700-6074		Granite State Scholars		
06-57-57-5700-6074	107	Scholarships & Grants	General Funds	(\$160,949)
06-57-57-5700-6075		Veterinary Education Program		
06-57-57-5700-6075	107	Scholarships & Grants	General Funds	(\$21,813)
06-57-57-5700-6076		Medical Education Program		
06-57-57-5700-6076	107	Scholarships & Grants	General Funds	(\$5,000)
06-56		Department of Education		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
06-56-56-5605-2022		Governance and Standards		
06-56-56-5605-2022	010	Personal Services- Permanent Classified	General Funds	(\$72,852)
06-56-56-5605-2022	046	Consultants (Non-Benefited)	General Funds	(\$7,810)
06-56-56-5605-2022	060	Benefits	General Funds	(\$21,412)
06-56-56-5605-2022	067	Training & Providers	General Funds	(\$5,000)
06-56-56-5605-2022	235	Transcription Services	General Funds	(\$1,203)
06-56-56-5610-6019		Other State Aid		
06-56-56-5610-6019	078	Cat Aid - Education	General Funds	(\$3,946,405)
06-56-56-5610-6019	600	Tuition and Transportation Aid	General Funds	(\$607,993)
06-56-56-5610-6019	606	Dropout Prevention	General Funds	(\$128,065)
06-56-56-5610-6019	607	Statewide Special Education	General Funds	(\$23,942)
06-56-56-5610-6019	609	Local Education Improvement	General Funds	(\$39,903)
06-56-56-5610-6019	610	Career Tech Student Orgs	General Funds	(\$9,178)
06-56-56-5615-4101		Court Ordered Placements		
06-56-56-5615-4101	602	State Fund Non-Match	General Funds	(\$122,710)
06-56-56-5620-6401		Instruction - State		
06-56-56-5620-6401	010	Personal Services- Permanent Classified	General Funds	(\$137,710)
06-56-56-5620-6401	060	Benefits	General Funds	(\$62,529)
06-56-56-5620-3260		Curriculum and Assessment		
06-56-56-5620-3260	010	Personal Services- Permanent Classified	General Funds	(\$63,180)
06-56-56-5620-3260	060	Benefits	General Funds	(\$27,613)
06-56-56-5620-3260	067	Training & Providers	General Funds	(\$1,836)
06-56-56-5620-3260	102	Contracts for Program Services	General Funds	(\$4,589)
06-56-56-5620-3260	103	Contracts for Operational Services	General Funds	(\$120)
06-56-56-5620-3260	612	State Testing	General Funds	(\$240,420)
06-56-56-5620-5406		Parent As Teacher		
06-56-56-5620-5406	602	State Fund Non-Match	General Funds	(\$65,000)
06-56-56-5635-4000		Program Support - State		
06-56-56-5635-4000	010	Personal Services- Permanent Classified	General Funds	(\$73,682)
06-56-56-5635-4000	060	Benefits	General Funds	(\$30,926)



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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
06-56-56-5635-4000	614	Data/Info Processing	General Funds	(\$2,190)
06-56-56-5640-3004		School Nutrition - Section IV		
06-56-56-5640-3004	602	State Fund Non-Match	General Funds	(\$15,961)
06-56-56-5650-4082		Career Tech - Adult Learn - ADM		
06-56-56-5650-4082	011	Personal Services-Unclassified	General Funds	(\$92,106)
06-56-56-5650-4082	060	Benefits	General Funds	(\$25,218)
06-56-56-5650-6030		Vocational Education - State		
06-56-56-5650-6030	010	Personal Services- Permanent Classified	General Funds	(\$30,888)
06-56-56-5650-6030	060	Benefits	General Funds	(\$13,235)
06-56-56-5660-7004		Adult Education		
06-56-56-5660-7004	602	State Fund Non-Match	General Funds	(\$102,920)
06-83		Lottery Commission		
06-83-83-8300-1029		Lottery Division		
06-83-83-8300-1029	022	Rents & Leases Other than State	Other Funds	(\$650,000)
06-61		McAuliffe-Shepard Discovery Center		
06-61-61-6100-3432		Administration		
06-61-61-6100-3432	018	Overtime	General Funds	(\$1,500)
06-61-61-6100-3432	020	Current Expenses	General Funds	(\$12,700)
06-61-61-6100-3432	023	Heat, Electricity & Water	General Funds	(\$21,100)
06-61-61-6100-3432	024	Maintenance Other Than Building & Grounds	General Funds	(\$1,500)
06-61-61-6100-3432	048	Contractual Maintenance - Building & Grounds	General Funds	(\$8,200)

Total appropriations and charges as included in category 01 thru and including 06

General fund	(\$33,759,257)
Federal funds	(\$7,474,655)
Other funds	(\$1,165,845)
<b>Total funds</b>	<b>(\$42,399,757)</b>

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1       104 Effective Date.

2           I. Sections 10-12, 41-44, 48, 50, 62-67, 69, 70, and 91-94 shall take effect July 1, 2010.

3           II. Section 45 and 46 of this act shall take effect June 15, 2010.

4           III. Section 68 of this act shall take effect November 1, 2012.

5           IV. Sections 75 and 77 of this act shall take effect July 1, 2011.

6           V. Sections 97-99 of this act shall take effect January 1, 2011.

7           VI. The remainder of this act shall take effect upon its passage.

2010-1953h

AMENDED ANALYSIS

1. Clarifies the administration of the New Hampshire employment program.
2. Makes the funded family assistance program (TANF) permissive rather than mandatory.
3. Allows the department of health and human services to make a claim for recovery of assistance for a deceased recipient from the division of abandoned property.
4. Repeals 2009, 144:211 requiring a report relative to suspending certain administrative requirements for community mental health centers for the biennium ending June 30, 2011.
5. Authorizes the commissioner of the department of health and human services to transfer funds within and among all accounting units within the department, to address present or projected budget deficits, or to respond to changes in federal laws, regulations, or programs, and as otherwise necessary for the efficient management of the department.
6. Permits funds from the lead paint poisoning prevention fund to be used to support program staff and administrative costs.
7. Transfers powers and duties for the New Hampshire refugee resettlement program from the governor's office to the department of health and human services.
8. Establishes a special account for civil fines collected by the department of health and human services under RSA 151.
9. Changes the due date for the Medicaid enhancement tax.
10. Renames the "multiple DWI offender intervention detention center program" as the "multiple DWI offender intervention program," and authorizes the commissioner of the department of health and human services to directly operate the program, to approve community-based providers of the program, or to contract with public or private entities to operate the program.
11. Requires the commission to examine driving while impaired education and intervention programs to study penalties for intoxication or under the influence of drugs offenses and submit a report of its findings.
12. Makes further reductions in the operating budget for the legislative and executive branches for fiscal years 2010 and 2011.
13. Requires the commissioner of the department of agriculture, markets and food to put out to bid administration of the animal population control fund.
14. Abolishes the position of animal population control assistant.
15. Provides that the department of health and human services shall not reduce funding provided to North Country Transportation used for meeting the state matching funds requirement for the Job Access and Reverse Committee (JARC).
16. Suspends the catastrophic illness program in the department of health and human services for the fiscal year ending June 30, 2011.
17. Suspends the senior volunteer grant program in the department of health and human

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services for the fiscal year ending June 30, 2011.

18. Reduces required funding by the department of health and human services for juvenile placement programs and requires the department to report biennially on the effectiveness of the programs.

19. Reduces the rate paid to residential providers subject to the rate setting rule of the department of health and human services by 2 percent.

20. Extends the suspension of direct graduate medical education payments to hospitals until July 1, 2011.

21. Suspends the provision of indirect graduate medical education payments to hospitals through June, 2011.

22. Suspends catastrophic aid payments to hospitals effective June 15, 2010 through June 30, 2011.

23. Conditions eligibility for cash assistance and medical assistance benefits on the recipient filing an application for any federal cash assistance benefits for which the individual may be entitled.

24. Allows a municipality, with the approval of its legislative body, to adopt a local meals and rooms tax in addition to the state meals and rooms tax.

25. Reduces rooms and meals tax revenue distributions to towns and cities an additional \$6,091,930.

26. Removes the application of the rooms and meals tax to campsites.

27. Authorizes the state treasurer to refinance certain debt service obligations.

28. Increases the bonded appropriation for the university system of New Hampshire KEEP NH program by \$25,000,000 for the biennium ending June 30, 2011.

29. Increases the tax rate imposed on tobacco products other than cigarettes.

30. Authorizes the department of administrative services to transfer moneys from certain dedicated funds or accounts maintained separately on the books of the state.

31. Requires the lapse of certain retirement pension benefit-health insurance funds.

32. Requires the lapse of certain judicial council funds for contracts for program services.

33. Requires the lapse of certain appropriations to the state treasurer for debt service.

34. Makes distributions from limited liability companies, partnerships, and associations subject to the interest and dividends tax only if they have transferable shares.

35. Establishes a commission to study business taxes.

36. Reduces the state's contribution for benefits under the New Hampshire retirement system for fiscal year 2011.

37. Increases the license fees for selling animals and birds.

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38. Requires the lottery commission to submit a report to the governor and the legislature describing how it proposes to modernize and update its products.
39. Transfers certain appropriations relating to adequate education grants.
40. Specifies that state agency appropriation reductions in this bill are in addition to the reductions required by 2009, 143:22, I and 2009, 144:289.
41. For the fiscal year ending June 30, 2011, suspends existing legal requirements for a special meeting of a school district and requires a special meeting of a school district to be held upon the majority vote of the school board to address changes to catastrophic aid funding.
42. Allows a town to call a special meeting during the 2011 fiscal year to address any reduction in the amount of state revenue distributed to the town which could affect the town's budget.
43. Allows state agencies to supplant general fund reductions with federal and other funds that may become available for that purpose.
44. Requires nonclassified and unclassified state employees to take 12 furlough days during fiscal year 2011.
45. Requires reductions in personnel expenditures in an agency to be distributed proportionately between classified and unclassified employees of such agency.
46. Provides that the procedure for reassignment of state employees prior to layoff is suspended and any positions intended by a department to be left vacant shall remain vacant.
47. Prohibits certain transfers of funds out of any class line which is the source of payment for Medicaid providers whose reimbursement rates are set by the department of health and human services and whose rates have been reduced by the department of health and human services through the use of a budget neutrality factor, a proportionate discount factor, or any similar reduction device.
48. Directs the department of health and human services to reduce state general fund appropriations from any line by a certain amount, excluding direct services unless approved by the fiscal committee of the general court and the governor and council.
49. Requires the relocation of the populations of the Anna Philbrook center, the Shea Farm transitional housing unit, the youth development center, and the state prison for women.
50. Establishes a committee to study the transfer of populations of the youth development center and the state prison for women.
51. Directs the state treasurer to deposit certain fine revenues in the general fund.
52. Replaces the electricity consumption tax paid by consumers with an electricity generation tax paid by generation facilities.
53. Sets the insurance premium tax at 2 percent for all lines of insurance.
54. Changes the rate of the New Hampshire estate tax to 8 percent of the gross value of the portion of the decedent's taxable estate that exceeds \$2,000,000.
55. Increases the fees for marriage licenses and vital record copies and amendments and requires a portion of the increase to be deposited in the general fund.

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56. Prohibits departments from delaying a payment or expenditure from one fiscal year to the subsequent fiscal year solely for the purpose of generating an unexpended balance that would lapse in the preceding year.

57. Makes appropriation reductions for fiscal year 2011.

Rep. Kurk, Hills. 7  
May 6, 2010  
2010-1963h  
01/09

**Amendment to SB 450-FN**

- 1 Amend the title of the bill by replacing all after section 51 with the following:

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1       52 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other  
2 law to the contrary, for the fiscal year ending June 30, 2010, the department of administrative  
3 services shall transfer funds from the following accounts or funds maintained separately on the  
4 books of the state to the general fund in the following amounts:

5           Account/Fund	Amount Transferred to General Fund
6 Statewide Public Boat Access Fund, RSA 233-A:13	\$500,000
7 Nitrogen Oxide Emissions Reduction Fund,	
8     RSA 125-J:13, II	\$90,000
9 Laboratory Equipment Fund, RSA 131:3-a, II	\$100,000
10 New Hampshire Hazardous Waste Cleanup Fund,	
11     RSA 147-B:3	\$100,000
12 Default Bench Warrant Fund, RSA 263:56-d	\$100,000
13 Fire Standards and Training and Emergency Medical	
14     Services Fund, RSA 21-P:12-d	\$1,500,000
15 Recount Administrative and Fee Account,	
16     RSA 660:31	\$110,000
17 Reflectorized Plates Inventory Fund, RSA 228:25	\$250,000
18 Education Credentialing Fund, RSA 186:11, X	\$250,000
19 Sludge Analysis Fund, RSA 485-A:4, XIV-c	\$25,000
20 Wastewater Plant Operator Certification Fund, RSA 485-A:7-a	\$75,000

21       53 Operating Budget; Lapse of Appropriation. New Hampshire Retirement System; Retirement  
22 Pension Benefit; Health Insurance. Amend 2009, 143:1, 01, 59, 59, 590510, 1052, class 064, footnote  
23 F to read as follows:

24       ~~[\*064 F. This appropriation shall not lapse until June 30, 2011]~~

25       54 Operating Budget. Lapse of Appropriation. Judicial Council; Contracts for Program  
26 Services. Amend 2009, 143:1, 02, 07, 070010, 1094, class 102, footnote F to read as follows:

27       ~~[\*102 F. This appropriation shall not lapse until June 30, 2011]~~

28       55 Department of Treasury. Lapse of Appropriation for Debt Service. Amend 2009, 143:1, 01,  
29 38, 38, 380010, 2076, class 043, footnote F and class 044, footnote F to read as follows:

30       ~~[Class Notes, 043 F. This appropriation shall not lapse until on June 30, 2011.~~

31       ~~Class Notes, 044 F. This appropriation shall not lapse until on June 30, 2011.]~~

32       56 Taxation of Interest and Dividends; Who Taxable. Amend RSA 77:3, I(b) to read as follows:

33           (b) *Partnerships, limited liability companies, associations, and* trusts, the  
34 beneficial interest in which is not represented by transferable shares, whose gross interest and  
35 dividend income from all sources exceeds \$2,400 during the taxable year, but not including a  
36 qualified investment company as defined in RSA 77-A:1, XXI, or a trust comprising a part of an  
37 employee benefit plan, as defined in the Employee Retirement Income Security Act of 1974, section



1 3.

2 57 Taxation of Interest and Dividends; What Taxable. RSA 77:4, III is repealed and reenacted  
3 to read as follows:

4 III. Dividends, other than stock dividends paid in new stock of the partnership, limited  
5 liability company, association, or trust issuing the same, on shares in partnerships, limited liability  
6 companies, associations, or trusts the beneficial interest in which is represented by transferable  
7 shares.

8 58 New Sections; Taxation of Interests and Dividends; Partnerships and Limited Liability  
9 Companies. Amend RSA 77 by inserting after section 14 the following new sections:

10 77:14-a Partnerships and Limited Liability Companies. Partnerships and limited liability  
11 companies having a usual place of business in this state, any member of which is an inhabitant  
12 thereof, shall be subject to taxes imposed by this chapter. If any of the members of the partnership  
13 or limited liability company are not inhabitants of this state only so much of the income thereof as is  
14 proportionate to the aggregate interest of the partners or members who are inhabitants of this state  
15 in the profits of the partnership or limited liability company shall be taxed.

16 77:14-b Partners and Members. The tax shall be assessed on such a partnership or limited  
17 liability company by the name under which it does business, and the partners or members shall not  
18 be taxed with respect to the taxable income derived by them from such a partnership or limited  
19 liability company.

20 77:14-c Members of Partnership or Limited Liability Company Outside the State. An inhabitant  
21 of this state who is a member of a partnership or limited liability company having no usual place of  
22 business in this state, who receives income from such partnership or limited liability company  
23 derived from such a source that it would be taxable if received directly from such source by such  
24 partner or member, shall as to such income be subject to the taxes imposed by this chapter.

25 77:14-d Application of Sections. RSA 77:14-a to 14-d shall apply, so far as apt, to associations  
26 and trusts, but not to partnerships, limited liability companies, associations, and trusts the  
27 beneficial interest in which is represented by transferable shares.

28 59 Repeal. RSA 77:1-a, relative to definitions, is repealed.

29 60 Applicability. Sections 56-59 of this act shall apply to taxable periods ending on or after  
30 December 31, 2010.

31 61 New Chapter; Commission to Study Business Taxes Established. Amend RSA by inserting  
32 after chapter 77-E the following new chapter:

33 CHAPTER 77-F

34 COMMISSION TO STUDY BUSINESS TAXES

35 77-F:1 Commission to Study Business Taxes Established.

36 I. There is a commission established to study business taxes.

37 II. The members of the commission shall be as follows:

- 1 (a) Three members of the senate, appointed by the president of the senate.
- 2 (b) Four members of the house of representatives, appointed by the speaker of the house  
3 of representatives.
- 4 (c) Five members of the public appointed by the governor, representing the following  
5 groups and interests:
- 6 (1) Tax experts and accountants;
- 7 (2) Small business;
- 8 (3) Real estate, finance, and investment; and
- 9 (4) Business trade associations.
- 10 II. The commission shall study and evaluate:
- 11 (a) The present system of business taxation in New Hampshire, including but not  
12 limited to the rates and allocation among taxpayers of the business enterprise tax, the business  
13 profits tax, and the interest and dividends tax.
- 14 (b) Whether there are changes to the present system of business taxes and rates of  
15 assessment that should be considered by the legislature in order to:
- 16 (1) Ensure fairness and equity in the allocation of business taxes including among  
17 similarly situated business entities and taxpayers;
- 18 (2) Ensure clear tax laws and synchronization with federal tax laws; and
- 19 (3) Continue to provide a business tax environment that enhances the growth of jobs,  
20 income in the state, and the transition to clean and renewable energy.
- 21 (c) Safe harbors for the reasonable compensation deduction under the business profits  
22 tax, including but not limited to:
- 23 (1) Safe harbors based on the percentage of the gross selling price on the sale of  
24 business assets other than inventory;
- 25 (2) The percentage of gross revenues and the percentage of gross business profits  
26 using the independent investor return test;
- 27 (3) The federal self-employment tax; and
- 28 (4) Any other issue related to the reasonable compensation deduction.
- 29 (d) Business tax credits and deductions including, but not limited to, net operating  
30 losses.
- 31 (e) Offering tax credits to insurance companies that create new net jobs in New  
32 Hampshire.
- 33 III. The commission may solicit and receive testimony and other information from any  
34 person or organization with information or expertise relevant to the committee's objective. State  
35 agencies shall cooperate with the commission, and provide data, information, reports, and testimony  
36 to the commission upon request.
- 37 IV. The governor shall appoint a chair from among the members. The first meeting of the

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1 commission shall be called by the chair and shall be held within 45 days of the effective date of this  
2 section. Seven members of the commission shall constitute a quorum.

3 V. Legislative members of the commission shall receive mileage at the legislative rate when  
4 attending meetings of the commission.

5 VI. The commission shall, following a public hearing on a draft final report, submit a final  
6 report on the items included in subparagraphs II(a) and (b) or before December 1, 2010, containing  
7 its findings and any recommendations for proposed legislation, to the governor, the president of the  
8 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
9 means committees, the house and senate clerks, and the state librarian.

10 VII. The commission shall, following a public hearing on a draft final report, submit a final  
11 report on the items included in subparagraphs II(c) and (d) or before November 1, 2012, containing  
12 its findings and any recommendations for proposed legislation, to the governor, the president of the  
13 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
14 means committees, the house and senate clerks, and the state librarian.

15 62 Repeal. RSA 77-F, relative to a commission to study business taxes, is repealed.

16 63 New Hampshire Retirement System; Employer Contributions; State Payment. Amend  
17 RSA 100-A:16, II(b)-(c) to read as follows:

18 (b) The contributions of each employer for benefits under the retirement system on  
19 account of group II members shall consist of a percentage of the earnable compensation of its  
20 members to be known as the "normal contribution," and an additional amount to be known as the  
21 "accrued liability contribution;" provided that any employer, other than the state, shall pay 70  
22 percent of such total contributions for state fiscal year 2010, and 30 percent thereof shall be paid by  
23 the state for state fiscal year 2010, and that beginning with state fiscal year 2011 any employer,  
24 other than the state, shall pay ~~[75]~~ 80 percent of such total contributions, and ~~[25]~~ 20 percent thereof  
25 shall be paid by the state, and that beginning with state fiscal year 2012, and every state fiscal year  
26 thereafter, any employer, other than the state, shall pay 65 percent of such total contributions, and  
27 35 percent thereof shall be paid by the state; and provided that, in the case of compensation  
28 attributable to extra or special duty, the employer shall pay the full amount of such total  
29 contributions; and provided further that, in case of group II members employed by the state, the  
30 state shall pay both normal and accrued liability contributions. The rate percent of such normal  
31 contribution, including contributions on behalf of group II members whose group II creditable service  
32 is in excess of 40 years, in each instance shall be fixed on the basis of the liabilities of the system  
33 with respect to the particular members of the various member classifications as shown by actuarial  
34 valuations, except as provided in subparagraphs (h) and (i).

35 (c) The contributions of each employer for benefits under the retirement system on  
36 account of group I members shall consist of a percentage of the earnable compensation of its  
37 members to be known as the "normal contribution," and an additional amount to be known as the

1 "accrued liability contribution;" provided that, in the case of teachers, any employer, other than the  
2 state, shall pay 70 percent of such total contributions for state fiscal year 2010, and 30 percent  
3 thereof shall be paid by the state for state fiscal year 2010, and that beginning with state fiscal year  
4 2011 any employer, other than the state, shall pay ~~[75]~~ 80 percent of such total contributions, and  
5 ~~[25]~~ 20 percent thereof shall be paid by the state, and that beginning with state fiscal year 2012, and  
6 every state fiscal year thereafter, any employer, other than the state, shall pay 65 percent of such  
7 total contributions, and 35 percent thereof shall be paid by the state; and provided further that in  
8 case of teacher members employed by the state the state shall pay both normal and accrued liability  
9 contributions. The rate percent of such normal contribution in each instance shall be fixed on the  
10 basis of the liabilities of the system with respect to the particular members of the various member  
11 classifications as shown by actuarial valuation, except as provided in subparagraphs (h) and (i).

12 64 Lottery Commission; Report Required. The lottery commission shall submit to the governor,  
13 the president of the senate, and the speaker of the house of representatives, no later than November  
14 15, 2010, a comprehensive report describing how it proposes to modernize and update its products  
15 within the next 5 years in order to maximize revenues in a competitive lottery environment.

16 65 Operating Budget; Transfer of Appropriations; Adequate Education Grants; Funds From  
17 Education Trust Fund Transferred to General Fund.

18 I. The commissioner of the department of administrative services is authorized to transfer  
19 up to \$80,000,000 from the appropriation in account 06-56-56-560010-7550 class line 086 for fiscal  
20 year 2011 into account 06-56-56-560010-7550, class line 086 for fiscal year 2010 on or before June 30,  
21 2010. Account 06-56-56-560010-7550, class line 079 for fiscal year 2010 shall be reduced by the same  
22 amount that is transferred into account 06-56-56-560010-7550, class line 086 for fiscal year 2010,  
23 and account 06-56-56-560010-7550, class line 079 for fiscal year 2011 shall be increased by the  
24 corresponding amount.

25 II. Notwithstanding RSA 198:39, any funds remaining in the education trust fund as of June  
26 30, 2010 shall be transferred to the general fund as undesignated surplus.

27 66 Application; Appropriations Reductions; All State Agencies. The reductions required by this  
28 act shall be in addition to the reductions required by 2009, 143:22, I and 2009, 144:289.

29 67 Special School District Meetings. Notwithstanding RSA 197:2 and RSA 197:3, for the fiscal  
30 year ending June 30, 2011, a special meeting of a school district shall be held upon the majority vote  
31 of the school board only for the purpose of addressing changes in catastrophic aid funding which  
32 could affect the school district during the 2011 year.

33 68 Repeal. Section 67 of this act, relative to special school district meetings, is repealed.

34 69 Special Meeting of Towns for the Fiscal Year Ending June 30, 2011. Notwithstanding any  
35 other provision of law to the contrary, for the fiscal year ending June 30, 2011, any town, including  
36 those towns that have adopted RSA 40:13 may, by a majority vote of the governing body, call a  
37 special meeting without court approval to address any reduction in the amount of state revenue

1 distributed to the town which could affect the town's budget. Such meetings shall be subject to the  
2 following:

3 I. The governing body of such town shall post a notice, which shall include the warrant, in at  
4 least 2 public places within the political subdivision, one of which shall be on the political  
5 subdivision's website, if such exists, at least 7 days prior to the meeting. Additional notice shall be  
6 published in a newspaper of general circulation in the political subdivision, provided that if there is  
7 no newspaper of general circulation in which notice can be published at least 7 days before the date  
8 of the meeting, public notice shall be posted in at least one additional place within the political  
9 subdivision.

10 II. The governing body shall hold a public hearing on the proposed warrant articles at the  
11 town meeting.

12 III. The governing body of any town that has adopted the provisions of RSA 40:13 may elect  
13 to hold and conduct the meeting in accordance with the provisions of RSA 39 and RSA 40 and other  
14 applicable law without regard to RSA 40:13. If the governing body elects to follow the provisions of  
15 RSA 40:13, it shall provide at least a 15-day period between the deliberative session and the vote for  
16 the purposes of proceedings under this section.

17 70 Repeal. Section 69 of this act, relative to the special meetings of towns, is repealed.

18 71 State Agencies; Supplanting General Fund Reductions With Other Funds. For the fiscal year  
19 ending June 30, 2011, any state agency may supplant general fund reductions required pursuant to  
20 this act with federal and other funds that may become available for that purpose. The department of  
21 administrative services shall report to the fiscal committee of the general court on or before July 30,  
22 2010 detailing the use of any such funds.

23 72 Furloughs Required for Certain State Employees. Nonclassified and unclassified state  
24 employees shall take 12 unpaid furlough days during fiscal year 2011.

25 73 Reductions in Personnel Expenditures. Notwithstanding any provision of law to the  
26 contrary, for the biennium ending June 30, 2011, any reductions in personnel expenditures in an  
27 agency shall be distributed proportionately between classified and unclassified employees of such  
28 agency. Upon petition by an agency, the fiscal committee of the general court may grant an  
29 exemption from this requirement.

30 74 Vacant Positions; Bumping Rights; Layoffs. Amend 2009, 144:64 to read as follows:

31 144:64 Department of Administrative Services; Suspension of Bumping Rights.

32 I. The displacement of classified state employees by more senior classified state employees,  
33 or so-called bumping, pursuant to administrative rule Per 1101.02 (i) through (l) under the authority  
34 of RSA 21-I:43 by the director of the division of personnel is hereby suspended from the effective date  
35 of this section to June 30, 2011.

36 II. The procedure for layoffs of permanent employees pursuant to administrative rule Per  
37 1101.02 (d), prohibiting the layoff of permanent employees while there are temporary fill-in, part-

1 time, or probationary employees serving in the same class of position within the same division of the  
2 agency, is hereby suspended from the effective date of this section to June 30, 2011.

3 *III. The reassignment prior to layoff of classified state employees into vacant but*  
4 *funded positions, pursuant to administrative rule Per 1101.02 (f) under the authority of*  
5 *RSA 21-I:43 by the director of the division of personnel is hereby suspended from the*  
6 *effective date of this section to June 30, 2011.*

7 75 Vacant Positions; Rehiring of Laid Off State Employees. Amend 2009, 144:65, II to read as  
8 follows:

9 II. It is the intent of the general court that any position which becomes available in a  
10 department or establishment, as defined in RSA 9:1, shall be filled, if possible, by a state employee  
11 laid off, as defined in paragraph I, if such person is not currently employed by the state of New  
12 Hampshire and if he or she meets the minimum qualifications for the position, *provided however*  
13 *that any position a department or establishment intends to leave vacant shall remain*  
14 *vacant.*

15 76 New Section; Certain Transfers Prohibited. Amend RSA 9 by inserting after section 16-b the  
16 following new section:

17 9:16-c Certain Transfers Prohibited. Notwithstanding any other provision of law to the  
18 contrary, no funds shall be transferred out of any class line which is the source of payment for  
19 Medicaid providers whose reimbursement rates are set by the department of health and human  
20 services and whose rates have been reduced by the department of health and human services  
21 through the use of a budget neutrality factor, a proportionate discount factor, or any similar  
22 reduction device.

23 77 Department of Health and Human Services; Reduction in Appropriation. Amend 2009, 143:9,  
24 as amended by 2010, 4:3 to read as follows:

25 143:9 Department of Health and Human Services; Reduction in Appropriation. The department  
26 of health and human services is hereby directed to reduce state general fund appropriations from any  
27 line by [~~\$10,559,231~~] **\$8,676,231** for the biennium ending June 30, 2011. Any direct services to New  
28 Hampshire citizens shall be excluded from these reductions unless expressly approved by the fiscal  
29 committee of the general court and the governor and council. The department shall provide a  
30 quarterly report of reductions made under this section to the fiscal committee of the general court  
31 and the governor and council.

32 78 Transfer of Anna Philbrook Center Residents. Notwithstanding any provision of law to the  
33 contrary:

34 I. The department of health and human services shall transfer all residents of the Anna  
35 Philbrook center to the F-Unit wing of New Hampshire hospital. After said transfer is complete, the  
36 department shall consider utilizing the Anna Philbrook center for office space as needed by the  
37 department, or taking steps to close the facility once vacant.

1           II. The department of health and human services shall utilize the I-Unit wing of the  
2 New Hampshire hospital to provide beds as necessary for adult patients displaced by the transfer of  
3 residents of the Anna Philbrook center to the F-Unit wing of New Hampshire hospital pursuant to  
4 paragraph I.

5           79 Shelter Care Services. For the biennium ending June 30, 2011, the department of health and  
6 human services shall continue to fund shelter care services at Midway Shelter in Bradford, Antrim  
7 Girls Shelter in Antrim, and North Country Shelter Care in Jefferson.

8           80 Shea Farm Transitional Housing Unit; Transfer to Tobey Building. The department of  
9 health and human services and department of corrections shall work in consultation to facilitate the  
10 transfer of the Shea Farm transitional housing unit to the Tobey building. Notwithstanding any  
11 provision of law to the contrary, all of the functions, positions, powers, duties, responsibilities, and  
12 funding for the Shea Farm transitional housing unit and the Tobey building shall be appropriately  
13 transferred to allow operation of the transitional housing unit and relocation of programs of the  
14 department of health and human services currently residing in the Tobey building. Said transfers  
15 shall include, but not be limited to, the use of existing capital and operating budget appropriations to  
16 allow for renovations to the Tobey building to ensure its appropriate use, as well as renovations to  
17 the Anna Philbrook center if the department of health and human services decides to utilize said  
18 facility for office space pursuant to section 85 of this act. The transfers provided in this section shall  
19 include all of the equipment, books, papers, and records of the departments necessary for the  
20 operation of the facilities.

21           81 Youth Development Center and State Prison for Women; Population Transfers.

22           I. Notwithstanding any provision of law to the contrary, the department of health and  
23 human services and department of corrections shall simultaneously transfer the population of the  
24 youth development center to suitable properties located at the lakes region facility located in  
25 Laconia, and the population of the state prison for women to the current facility of the youth  
26 development center by June 30, 2011. Once the populations of the youth development center and  
27 state prison for women are transferred to the proposed facilities, the department of corrections shall  
28 cease its contracts with Hillsborough and Strafford counties to house female offenders.  
29 Notwithstanding any provision of law to the contrary, all functions, positions, powers, duties, shall  
30 be appropriately transferred to allow the operation of the facilities for the use required by this  
31 section. The departments shall utilize existing capital and operating budget appropriations for  
32 renovations of the youth development center and the lakes region facility located in Laconia as  
33 necessary to effectuate the transfer of said populations. The transfers provided in this section shall  
34 include all of the equipment, books, papers, and records of the departments necessary for the  
35 operation of the facilities.

36           II. The department of health and human services and department of corrections shall work  
37 in consultation to develop a plan to effectuate the transfer of said populations. Said plan shall

1 include an estimate of any state general fund savings which will result from said transfers, and shall  
2 be submitted to the speaker of the house of representatives, the president of the senate, the fiscal  
3 committee of the general court, and the governor and executive councilors on or before  
4 September 1, 2010.

5 82 Committee to Study the Youth Development Center and State Prison for Women.

6 I. There is established a committee to study the transfer of populations of the youth  
7 development center and the state prison for women.

8 II. The members of the committee shall be as follows:

9 (a) Three members of the house of representatives, appointed by the speaker of the  
10 house of representatives.

11 (b) Two members of the senate, appointed by the president of the senate.

12 III. Members of the committee shall receive mileage at the legislative rate when attending to  
13 the duties of the committee.

14 IV. The committee shall study the transfer of the population of the youth development  
15 center to the lakes region facility located in Laconia, and the transfer of the population of the state  
16 prison for women to the current facility of the youth development center as required by section 81 of  
17 this act. The committee shall also determine all statutory or administrative rule changes that will  
18 be necessary to effectuate said transfers.

19 V. The members of the study committee shall elect a chairperson from among the members.  
20 The first meeting of the committee shall be called by the first-named senate member. The first  
21 meeting of the committee shall be held within 45 days of the effective date of this section. Three  
22 members of the committee shall constitute a quorum.

23 VI. The committee shall report its findings and any recommendations for proposed  
24 legislation to the president of the senate, the speaker of the house of representatives, the senate  
25 clerk, the house clerk, the governor, and the state library on or before November 1, 2010.

26 83 Fine Revenues. Notwithstanding the provisions of RSA 262:44, the state treasurer shall  
27 deposit into the general fund \$185,000 for fiscal year 2010 and \$760,000 for fiscal year 2011 from  
28 fine revenues received under RSA 262:44, I.

29 84 Prohibition on Delay of Payment or Expenditure. For the fiscal years ending June 30, 2010  
30 and June 30, 2011, no department as defined in RSA 9:1 shall delay a payment or expenditure from  
31 one fiscal year to the subsequent fiscal year solely for the purpose of generating an unexpended  
32 balance that would lapse in the preceding year.

33 85 Appropriations and Charges. In addition to any other sums appropriated for the fiscal year  
34 ending June 30, 2011, the following appropriations and charges are hereby authorized for the  
35 following departments and agencies. Said appropriations shall be a charge against the funds as  
36 specified in the individual appropriation:



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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
1-14		Department of Administrative Services		
01-14-14-1400-1042		Commissioner - Administration		
01-14-14-1400-1042	020	Current Expenses	General Funds	(\$1,000)
01-14-14-1400-1042	030	Equipment New/Replacement	General Funds	(\$500)
01-14-14-1400-1042	080	Out-of-State Travel	General Funds	(\$1,000)
01-14-14-1410-1044		Personnel Admin - Support		
01-14-14-1410-1044	020	Current Expenses	General Funds	(\$7,500)
01-14-14-1405-1310		Bureau of Accounting		
01-14-14-1405-1310	030	Equipment New/Replacement	General Funds	(\$250)
01-14-14-1405-1310	066	Employee Training	General Funds	(\$1,450)
01-14-14-1405-1330		Financial Reporting		
01-14-14-1405-1330	070	In-State Travel	General Funds	(\$150)
01-14-14-1405-1330	080	Out-of-State Travel	General Funds	(\$1,000)
01-14-14-1400-1350		Budget Office		
01-14-14-1400-1350	080	Out-of-State Travel	General Funds	(\$1,000)
01-14-14-1400-1360		Business Office		
01-14-14-1400-1360	020	Current Expenses	General Funds	(\$500)
01-14-14-1420-1370		Financial Data Management		
01-14-14-1420-1370	037	Technology - Hardware	General Funds	(\$25,352)
01-14-14-1420-1370	046	Consultants (non-benefited)	General Funds	(\$30,000)
01-14-14-1400-1375		Risk Management Unit		
01-14-14-1400-1375	020	Current Expenses	General Funds	(\$500)
01-14-14-1400-1375	030	Equipment New/Replacement	General Funds	(\$250)
01-14-14-1400-1375	080	Out-of-State Travel	General Funds	(\$1,000)
01-14-14-1415-1440		Plant & Property Administration		
01-14-14-1415-1440	070	In-State Travel	General Funds	(\$250)
01-14-14-1415-1440	080	Out-of-State Travel	General Funds	(\$1,450)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-14-14-1410-1442		Employee Relations		
01-14-14-1410-1442	020	Current Expenses	General Funds	(\$600)
01-14-14-1415-2040		General Services		
01-14-14-1415-2040	023	Heat, Electricity & Water	General Funds	(\$50,000)
01-14-14-1415-2040	080	Out-of-State Travel	General Funds	(\$184)
01-14-14-1415-2042		Bureau Facilities and Assets Management		
01-14-14-1415-2042	030	Equipment New/Replacement	General Funds	(\$5,300)
01-14-14-1415-2045		Bureau of Court Facilities		
01-14-14-1415-2045	023	Heat, Electricity & Water	Other Funds	(\$125,000)
01-14-14-1415-2045	047	Own Forces Maintenance - Building & Grounds	Other Funds	(\$6,500)
01-14-14-1415-2045	070	In-State Travel	Other Funds	(\$5,000)
01-14-14-1415-2045	201	Sheriff's Reimbursement	General Funds	(\$100,000)
01-14-14-1415-2083		M-S Building		
01-14-14-1415-2083	020	Current Expenses	General Funds	(\$10,000)
01-14-14-1415-2083	023	Heat, Electricity & Water	General Funds	(\$25,000)
01-14-14-1415-2083	030	Equipment New/Replacement	General Funds	(\$900)
01-14-14-1415-2083	070	In-State Travel	General Funds	(\$500)
01-14-14-1415-2091		Public Works Bureau		
01-14-14-1415-2091	020	Current Expenses	General Funds	(\$5,000)
01-14-14-1415-2091	030	Equipment New/Replacement	General Funds	(\$1,000)
01-14-14-1415-2091	070	In-State Travel	General Funds	(\$7,500)
01-14-14-1415-2098		Dept. Of Justice Building		
01-14-14-1415-2098	023	Heat, Electricity & Water	General Funds	(\$15,000)
01-14-14-1415-2098	030	Equipment New/Replacement	General Funds	(\$1,000)
01-14-14-1415-2099		Upham Walker Building		
01-14-14-1415-2099	023	Heat, Electricity & Water	General Funds	(\$5,000)
01-14-14-1415-5320		Lakes Region Campus		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-14-14-1415-5320	070	In-State Travel	General Funds	(\$300)
01-14-14-1400-1356		Retirees Health		
01-14-14-1400-1356	046	Consultants (Non-benefited)	General Funds	(\$7,790)
01-14-14-1400-1356	100	Prescription Drug Expenditures	General Funds	(\$1,423,300)
01-14-14-1400-1356	101	Medical Payments To Providers	General Funds	(\$1,010,800)
01-14-14-1400-1356	102	Contracts for Program Services	General Funds	(\$108,110)
01-34		Department of Cultural Resources		
01-34-34-3420-3420		Office of Preservation		
01-34-34-3420-3420	010	Personal Services - Permanent Classified	General Funds	(\$38,560)
01-34-34-3420-3420	060	Benefits	General Funds	(\$31,614)
01-34-34-3420-3441		Federal Preservation Programs		
01-34-34-3420-3441	010	Personal Services - Permanent Classified	Federal Funds	\$38,560
01-34-34-3420-3441	060	Benefits	Federal Funds	\$31,614
01-34-34-3405-7000		Central Library Services		
01-34-34-3405-7000	010	Personal Services - Permanent Classified	General Funds	(\$115,595)
01-34-34-3405-7000	060	Benefits	General Funds	(\$44,512)
01-34-34-3410-1250		State Arts Development		
01-34-34-3410-1250	011	Personal Services - Unclassified	General Funds	(\$32,561)
01-34-34-3410-1250	060	Benefits	General Funds	(\$12,469)
01-84		Dept of Revenue Administration		
01-84-84-8400-7884		Administration		
01-84-84-8400-7884	070	In-State Travel	General Funds	(\$50,000)
01-84-84-8405-1301		Audit Division		
01-84-84-8405-1301	010	Personal Services - Permanent Classified	General Funds	(\$319,665)
01-84-84-8405-1301	060	Benefits	General Funds	(\$180,391)
01-84-84-8405-1401		Collections Division		
01-84-84-8405-1401	010	Personal Services - Permanent Classified	General Funds	(\$47,981)
01-84-84-8405-1401	060	Benefits	General Funds	(\$24,135)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-84-84-8405-1501		Documents Processing Division		
01-84-84-8405-1501	010	Personal Services - Permanent Classified	General Funds	(\$126,805)
01-84-84-8405-1501	012	Personal Services - Unclassified	General Funds	(\$70,853)
01-84-84-8405-1501	045	Personal Services (Non-Benefited)	General Funds	(\$30,000)
01-84-84-8405-1501	060	Benefits	General Funds	(\$126,972)
01-84-84-8410-5413		Appraisal Services		
01-84-84-8410-5413	010	Personal Services - Permanent Classified	General Funds	(\$33,291)
01-84-84-8410-5413	060	Benefits	General Funds	(\$14,258)
01-28		Real Estate Commission		
01-28-28-2800-2054		Real Estate Comm Admin		
01-28-28-2800-2054	010	Personal Services- Permanent Classified	General Funds	(\$11,000)
01-28-28-2800-2054	104	Certification Expense	General Funds	(\$27,000)
01-29		Real Estate Appraiser Board		
01-29-29-2923-1140		Real Estate Appraiser Board Admin		
01-29-29-2923-1140	060	Benefits	General Funds	(\$7,155)
01-51		Board of Accountancy		
01-51-51-5100-2115		Board of Accountancy Admin		
01-51-51-5100-2115	020	Current Expenses	General Funds	(\$8,000)
01-51-51-5100-2115	046	Consultants (Non-benefited)	General Funds	(\$4,100)
01-31		Joint Board		
01-31-31-3100-2250		Joint Board Admin		
01-31-31-3100-2250	010	Personal Services- Permanent Classified	General Funds	(\$33,840)
01-31-31-3100-2250	060	Benefits	General Funds	(\$23,561)
01-39		Board of Manufactured Housing		
01-39-39-3923-4423		Board of Manufactured Housing		
01-39-39-3923-4423	020	Current Expense	General Funds	(\$1,451)
01-39-39-3923-4423	070	In-State Travel	General Funds	(\$260)
01-05		Executive Council		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-05-05-0520-1001		Executive Council		
01-05-05-0520-1001	012	Personal Services - Unclassified	General Funds	(\$300)
01-05-05-0520-1001	020	Current Expense	General Funds	(\$2,180)
01-05-05-0520-1001	027	Transfers to DoIT	General Funds	(\$500)
01-05-05-0520-1001	030	Equipment	General Funds	(\$600)
01-05-05-0520-1001	080	Out-of-State Travel	General Funds	(\$1,215)
01-02		Executive Office		
01-02-02-0200		Executive Office		
01-02-02-0200-1036		Office of the Governor		
01-02-02-0200-1036		Personal Services/Current Expenses/Benefits	General Funds	(\$75,665)
01-02-02-0205		Governor's Commission on Disability		
01-02-02-0205-1004		Commission on Disability		
01-02-02-0205-1004	011	Personal Services - Unclassified	General Funds	(\$31,237)
01-02-02-0205-1006	020	Current Expenses	General Funds	(\$500)
01-02-02-0205-1004	026	Organizational Dues	General Funds	(\$100)
01-02-02-0205-1006	030	Equipment	General Funds	(\$500)
01-02-02-0205-1006	046	Consultants (Non-Benefited)	General Funds	(\$750)
01-02-02-0205-1004	060	Benefits	General Funds	(\$4,881)
01-02-02-0205-1006	070	In-State Travel	General Funds	(\$1,500)
01-02-02-0205-1006	080	Out-of-State	General Funds	(\$559)
01-02-02-0205-1004	230	Interpreter Services	General Funds	(\$2,000)
01-02-02-0240		Office of Energy and Planning Administration		
01-02-02-0240-6400				
01-02-02-0240-6400	010	Personal Services- Permanent Classified	General Funds	(\$21,204)
01-02-02-0240-6400	016	Personal Services - Non-Classified	General Funds	(\$12,659)
01-02-02-0240-6400	046	Consultants (Non-Benefited)	General Funds	(\$10,000)
01-02-02-0240-6400	060	Benefits	General Funds	(\$6,942)
01-02-02-0240-6400	068	Remuneration	General Funds	(\$18,607)
01-02-02-0240-6570		Municipal/Regional Assistance		
01-02-02-0240-6570	010	Personal Services- Permanent Classified	General Funds	(\$2,150)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
01-02-02-0240-6570	060	Benefits	General Funds	(\$332)
01-02-02-0240-6570	073	Grants - Non Federal	General Funds	(\$30,000)
01-02-02-0240-4096		Connecticut River Valley		
01-02-02-0240-4096	068	Remuneration	General Funds	(\$26,136)
01-02-02-0240-8114		Unemployment Compensation		
01-02-02-0240-8114	061	Unemployment Compensation	General Funds	(\$5,000)
02-12		Adjutant General Department		
02-12-12-1200-2220		Administration and Armories		
02-12-12-1200-2220	010	Personal Services- Permanent Classified	General Funds	(\$89,318)
02-12-12-1200-2220	020	Current Expense	General Funds	(\$15,000)
02-12-12-1200-2220	022	Rents & Leases Other than State	General Funds	(\$6,853)
02-12-12-1200-2220	060	Benefits	General Funds	(\$63,308)
02-12-12-1200-2233		Air National Guard MNT/OPER		
02-12-12-1200-2233	020	Current Expenses	General Funds	(\$5,000)
02-12-12-1200-2233	020	Current Expenses	Federal Funds	(\$15,000)
02-12-12-1200-2233	023	Heat, Electricity, & Water	General Funds	(\$5,000)
02-12-12-1200-2233	023	Heat, Electricity, & Water	Federal Funds	(\$15,000)
02-12-12-1200-2233	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$5,000)
02-12-12-1200-2233	047	Own Forces Maintenance - Building & Grounds	Federal Funds	(\$15,000)
02-12-12-1200-2240		Army and State 50/50		
02-12-12-1200-2240	023	Heat, Electricity, & Water	General Funds	(\$45,000)
02-12-12-1200-2240	023	Heat, Electricity, & Water	Federal Funds	(\$45,000)
02-12-12-1200-2240	103	Contracts for Operational Services	General Funds	(\$88,374)
02-12-12-1200-2240	103	Contracts for Operational Services	Federal Funds	(\$88,374)
02-12-12-1210-2260		NH State Veterans Cemetery Operations		
02-12-12-1210-2260	050	Personal Services - Temporary/Appointed	General Funds	(\$15,000)
02-12-12-1210-2260	060	Benefits	General Funds	(\$1,147)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-18		Department of Agriculture, Markets & Food		
02-18-18-1825-2705		Animal Population Control		
02-18-18-1825-2705	010	Personal Services- Permanent Classified	General Funds	(\$30,888)
02-18-18-1825-2705	060	Benefits	General Funds	(\$30,098)
02-18-18-1830-2137		Pesticide Regulation		
02-18-18-1830-2137	060	Benefits	General Funds	(\$31,626)
02-18-18-1830-2137	060	Benefits	Other Funds	\$31,626
02-18-18-1805-2133		Division of Weights & Measures		
02-18-18-1805-2133	018	Overtime	General Funds	(\$31,041)
02-18-19-1900-7883		Board of Veterinary Medicine		
02-18-19-1900-7883	010	Personal Services- Permanent Classified	General Funds	(\$9,688)
02-18-19-1900-7883	060	Benefits	General Funds	(\$5,677)
02-20		Department of Justice		
02-20-20-2000-2601		Attorney General		
02-20-20-2000-2601	010	Personal Services- Permanent Classified	General Funds	(\$89,379)
02-20-20-2000-2601	060	Benefits	General Funds	(\$32,799)
02-20-20-2005-2610		Criminal Bureau		
02-20-20-2005-2610	010	Personal Services- Permanent Classified	General Funds	(\$124,374)
02-20-20-2005-2610	060	Benefits	General Funds	(\$63,229)
02-20-20-2005-2610	010	Personal Services- Permanent Classified	Federal Funds	\$92,428
02-20-20-2005-2610	060	Benefits	Federal Funds	\$42,264
02-20-20-2005-2611		Consumer Bureau		
02-20-20-2005-2611	010	Personal Services- Permanent Classified	General Funds	(\$39,990)
02-20-20-2005-2611	014	Personal Services- Unclassified	General Funds	(\$68,092)
02-20-20-2005-2611	060	Benefits	General Funds	(\$43,025)
02-20-20-2005-2611	010	Personal Services- Permanent Classified	Other Funds	\$39,990
02-20-20-2005-2611	014	Personal Services- Unclassified	Other Funds	\$68,092
02-20-20-2005-2611	060	Benefits	Other Funds	\$43,025

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-20-20-2010-2620		Civil Bureau		
02-20-20-2010-2620	010	Personal Services- Permanent Classified	General Funds	(\$47,310)
02-20-20-2010-2620	013	Personal Services- Unclassified	General Funds	(\$172,374)
02-20-20-2010-2620	060	Benefits	General Funds	(\$106,062)
02-73		Public Employee Labor Relations Board		
02-73-73-7300-2066		Public Employee Labor Relations Board		
02-73-73-7300-2066	010	Personal Services- Permanent Classified	General Funds	(\$14,936)
02-73-73-7300-2066	020	Current Expenses	General Funds	(\$1,500)
02-73-73-7300-2066	026	Organizational Dues	General Funds	(\$115)
02-73-73-7300-2066	046	Consultants (Non-Benefited)	General Funds	(\$1,200)
02-73-73-7300-2066	050	Personal Services- Temporary/Appointed	General Funds	(\$4,500)
02-73-73-7300-2066	070	In-State Travel	General Funds	(\$250)
02-86		Racing & Charitable Gaming Commission		
02-86-86-8600-2210		Racing & Charitable Gaming Commission		
02-86-86-8600-2210	018	Overtime	General Funds	(\$5,000)
02-86-86-8600-2210	019	Holiday Pay	General Funds	(\$1,000)
02-86-86-8600-2210	020	Current Expenses	General Funds	(\$15,000)
02-86-86-8600-2210	024	Maintenance Other than Building & Grounds	General Funds	(\$500)
02-86-86-8600-2210	059	Full-Time Temporary	General Funds	(\$20,000)
02-86-86-8600-2210	060	Benefits	General Funds	(\$10,000)
02-86-86-8600-2210	070	In-State Travel	General Funds	(\$5,000)
02-26		Department of Labor		
02-26-26-2605-6100		Inspection Division		
02-26-26-2605-6100	010	Personal Services- Permanent Classified	General Funds	(\$57,826)
02-26-26-2605-6100	060	Benefits	General Funds	(\$50,174)
02-77		Liquor Commission		
02-77-77-7705-7878		Enforcement		
02-77-77-7705-7878	18	Overtime	Other Funds	(\$60,000)
02-77-77-7705-7878	30	Equipment New/Replacement	Other Funds	(\$70,000)
02-77-77-7705-1021		Licensing		



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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-77-77-7705-1021	22	Rents & Leases Other Than State	Other Funds	(\$40,000)
02-77-77-7710-1023		Financial Administration		
02-77-77-7710-1023	22	Rents & Leases Other Than State	Other Funds	(\$110,000)
02-77-77-7715-1024		Merchandising - Administration		
02-77-77-7715-1024	46	Consultants (Non-Benefited)	Other Funds	(\$225,000)
02-46		Department of Corrections		
02-46-46-4650-8236		Pharmacy		
02-46-46-4650-8236	070	In-State travel	General Funds	(\$1,601)
02-46-46-4650-8236	100	Prescription Drug Expenditures	General Funds	(\$750,000)
02-46-46-4600-7101		Commissioner's Office		
02-46-46-4600-7101	020	Current Expenses	General Funds	(\$15,000)
02-46-46-4600-7101	066	Employee Training	General Funds	(\$15,000)
02-46-46-4600-7101	070	In-State travel	General Funds	(\$1,722)
02-46-46-4660-7111		NH State Prison for Women		
02-46-46-4660-7111	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4660-7111	023	Heat, Electricity & Water	General Funds	(\$11,493)
02-46-46-4660-7111	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$2,000)
02-46-46-4660-7111	048	Contractual Maintenance - Building & Grounds	General Funds	(\$3,000)
02-46-46-4660-7111	068	Remuneration	General Funds	(\$12,497)
02-46-46-4660-7111	070	In-State travel	General Funds	(\$3,257)
02-46-46-4660-7111	102	Contracts For Program Services	General Funds	(\$242,000)
02-46-46-4650-5833		Secured Psych Unit (SPU)		
02-46-46-4650-5833	020	Current Expenses	General Funds	(\$5,000)
02-46-46-4650-5833	024	Maintenance Other Than Building & Grounds	General Funds	(\$1,000)
02-46-46-4650-5833	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$5,000)
02-46-46-4650-5833	068	Remuneration	General Funds	(\$4,507)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-46-46-4650-5833	070	In-State travel	General Funds	(\$1,831)
02-46-46-4630-7103		NHSP/M - Kitchen		
02-46-46-4630-7103	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4630-7103	024	Maintenance Other Than Building & Grounds	General Funds	(\$2,000)
02-46-46-4630-7108		NHSP/M - Warehouse		
02-46-46-4630-7108	020	Current Expenses	General Funds	(\$40,000)
02-46-46-4630-7108	070	In-State travel	General Funds	(\$217)
02-46-46-4630-7113		NHSP/M - Admin		
02-46-46-4630-7113	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4630-7113	024	Maintenance Other Than Building & Grounds	General Funds	(\$1,000)
02-46-46-4630-7113	070	In-State travel	General Funds	(\$25,727)
02-46-46-4630-7120		NHSP/M - Security		
02-46-46-4630-7120	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4630-7120	068	Remuneration	General Funds	(\$150,173)
02-46-46-4630-7140		NHSP/M - Maintenance		
02-46-46-4630-7140	020	Current Expenses	General Funds	(\$40,000)
02-46-46-4630-7140	023	Heat, Electricity & Water	General Funds	(\$158,914)
02-46-46-4630-7140	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$10,000)
02-46-46-4630-7140	070	In-State travel	General Funds	(\$3,257)
02-46-46-4600-7170		Parole Board		
02-46-46-4600-7170	020	Current Expenses	General Funds	(\$5,000)
02-46-46-4600-7170	068	Remuneration	General Funds	(\$200)
02-46-46-4600-7170	070	In-State travel	General Funds	(\$9,874)
02-46-46-4650-8231		Mental Health		
02-46-46-4650-8231	020	Current Expenses	General Funds	(\$1,000)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-46-46-4650-8231	070	In-State travel	General Funds	(\$2,569)
02-46-46-4650-8235		Residential Treatment Unit (RTU)		
02-46-46-4650-8235	020	Current Expenses	General Funds	(\$5,000)
02-46-46-4650-8235	070	In-State travel	General Funds	(\$2,910)
02-46-46-4610-8300		Financial Services		
02-46-46-4610-8300	020	Current Expenses	General Funds	(\$1,000)
02-46-46-4610-8300	070	In-State travel	General Funds	(\$286)
02-46-46-4640-8302		Field Services		
02-46-46-4640-8302	020	Current Expenses	General Funds	(\$10,000)
02-46-46-4640-8302	023	Heat, Electricity & Water	General Funds	(\$1,562)
02-46-46-4640-8302	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$2,000)
02-46-46-4640-8302	070	In-State travel	General Funds	(\$90,733)
02-46-46-4600-8360		Training		
02-46-46-4600-8360	020	Current Expenses	General Funds	(\$2,000)
02-46-46-4600-8360	070	In-State travel	General Funds	(\$1,329)
02-46-46-4645-7874		Calumet House		
02-46-46-4645-7874	023	Heat, Electricity & Water	General Funds	(\$2,455)
02-46-46-4645-7874	024	Maintenance Other Than Building & Grounds	General Funds	(\$2,000)
02-46-46-4645-7874	070	In-State travel	General Funds	(\$1,086)
02-46-46-4650-8234		Medical - Dental		
02-46-46-4650-8234	024	Maintenance Other Than Building & Grounds	General Funds	(\$3,000)
02-46-46-4650-8234	070	In-State travel	General Funds	(\$11,326)
02-46-46-4645-5172		Shea Farm		
02-46-46-4645-5172	023	Heat, Electricity & Water	General Funds	(\$2,947)
02-46-46-4645-5172	048	Contractual Maintenance - Building & Grounds	General Funds	(\$6,000)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
02-46-46-4645-7107		North End House		
02-46-46-4645-7107	070	In-State travel	General Funds	(\$543)
02-46-46-4600-8301		Human Resources		
02-46-46-4600-8301	070	In-State travel	General Funds	(\$615)
02-76		NH Commission for Human Rights		
02-76-76-7600-7882		NH Commission for Human Rights		
02-76-76-7600-7882	020	Current Expenses	General Funds	(\$2,175)
02-76-76-7600-7882	020	Current Expenses	Federal Funds	(\$458)
02-76-76-7600-7882	038	Technology - Software	General Funds	(\$2,557)
02-76-76-7600-7882	038	Technology - Software	Federal Funds	(\$539)
02-76-76-7600-7882	050	Personal Services- Temporary/Appointed	General Funds	(\$1,638)
02-76-76-7600-7882	050	Personal Services- Temporary/Appointed	Federal Funds	(\$345)
02-76-76-7600-7882	057	Books, Periodicals, Subscriptions	General Funds	(\$1,922)
02-76-76-7600-7882	057	Books, Periodicals, Subscriptions	Federal Funds	(\$405)
02-76-76-7600-7882	066	Employee Training	General Funds	(\$814)
02-76-76-7600-7882	066	Employee Training	Federal Funds	(\$171)
02-76-76-7600-7882	068	Remuneration	General Funds	(\$826)
02-76-76-7600-7882	068	Remuneration	Federal Funds	(\$174)
02-76-76-7600-7882	070	In-State Travel	General Funds	(\$1,264)
02-76-76-7600-7882	070	In-State Travel	Federal Funds	(\$266)
02-76-76-7600-7882	103	Contracts for Operational Services	General Funds	(\$25)
02-76-76-7600-7882	103	Contracts for Operational Services	Federal Funds	(\$5)
03-35		Department of Resources and Economic Development		
03-35-35-3500-3400		Office of the Commissioner		
03-35-35-3500-3400	040	Indirect Costs	General Funds	(\$1,657)
03-35-35-3500-3401		Design Development-Maintenance		
03-35-35-3500-3401	010	Personal Services- Permanent Classified	General Funds	(\$36,025)
03-35-35-3500-3401	010	Personal Services- Permanent Classified	Other Funds	(\$41,782)
03-35-35-3500-3401	060	Benefits	General Funds	(\$14,395)
03-35-35-3500-3401	060	Benefits	Other Funds	(\$16,694)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
03-35-35-3500-3402		Bureau Of Historic Sites		
03-35-35-3500-3402	070	In-State Travel	General Funds	(\$500)
03-35-35-3510-3500		Forest And Lands/Adm.		
03-35-35-3510-3500	045	Personal Services (Non-Benefited)	General Funds	(\$16,000)
03-35-35-3510-3505		Management & Protection		
03-35-35-3510-3505	010	Personal Services- Permanent Classified	Other Funds	(\$19,413)
03-35-35-3510-3505	060	Benefits	Other Funds	(\$7,765)
03-35-35-3510-3510		Forest Management		
03-35-35-3510-3510	010	Personal Services- Permanent Classified	General Funds	(\$86,509)
03-35-35-3510-3510	010	Personal Services- Permanent Classified	Other Funds	\$86,509
03-35-35-3510-3510	020	Current Expenses	General Funds	(\$10,000)
03-35-35-3510-3510	060	Benefits	General Funds	(\$24,825)
03-35-35-3510-3510	060	Benefits	Other Funds	\$24,825
03-35-35-3510-2102		Fuelwood		
03-35-35-3510-2102	020	Current Expenses	Other Funds	\$10,000
03-35-35-3510-3520		Forest Protection		
03-35-35-3510-3520	010	Personal Services- Permanent Classified	General Funds	(\$55,996)
03-35-35-3510-3520	050	Personal Services - Temporary/Appointed	General Funds	(\$29,778)
03-35-35-3510-3520	060	Benefits	General Funds	(\$32,758)
03-35-35-3510-3492		Special Deputy Training		
03-35-35-3510-3492	050	Personal Services - Temporary/Appointed	Other Funds	\$25,000
03-35-35-3510-3492	060	Benefits	Other Funds	\$1,912
03-35-35-3505-3600		Economic Development Admin.		
03-35-35-3505-3600	020	Current Expenses	General Funds	(\$4,458)
03-35-35-3505-3600	069	Promotional And Marketing Expense	General Funds	(\$100,000)
03-35-35-3505-3612		Office of International Comm.		
03-35-35-3505-3612	020	Current Expenses	General Funds	(\$86,000)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
03-35-35-3505-3615		Industrial Research Center		
03-35-35-3505-3615	102	Contracts For Program Services	General Funds	(\$100,000)
03-35-35-3520-3620		Travel & Tourism		
03-35-35-3520-3620	069	Promotional And Marketing Expense	General Funds	(\$165,000)
03-35-35-3520-3576		International Tourism		
03-35-35-3520-3576	069	Promotional And Marketing Expense	General Funds	(\$5,000)
03-35-35-3520-5874		Travel & Tourism Dev Fund		
03-35-35-3520-5874	069	Promotional And Marketing Expense	General Funds	(\$40,000)
03-44		Environmental Services		
03-44-44-4400-1002		Administration and Support		
03-44-44-4400-1002	102	Contracts for Program Services	General Funds	(\$220,000)
03-44-44-4420-1003		State Aid Grants		
03-44-44-4420-1003	073	Grants - Non-Federal	General Funds	(\$327,701)
03-44-44-4420-1518		Lakes - Rivers Management		
03-44-44-4420-1518	102	Contracts for Program Services	General Funds	(\$100,000)
03-44-44-4420-1523		ShellFish Healthy Tides		
03-44-44-44201523	102	Contracts for Program Services	General Funds	(\$16,500)
03-44-44-4420-3800		Dam Maintenance Administration		
03-44-44-4420-3800	102	Contracts for Program Services	General Funds	(\$78,700)
03-44-44-4420-3800	303	Public Access Projects	General Funds	(\$25,000)
03-44-44-4440-2589		CERCLA Maintenance		
03-44-44-4440-2589	102	Contracts for Program Services	General Funds	(\$200,000)
03-44-44-4400-1002		Administration and Support		
03-44-44-4400-1002	010	Personal Services - Permanent Classified	General Funds	(\$75,373)
03-44-44-4400-1002	010	Personal Services - Permanent Classified	Other Funds	(\$34,982)
03-44-44-4400-1002	060	Benefits	General Funds	(\$40,861)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
03-44-44-4400-1002	060	Benefits	Other Funds	(\$18,965)
03-44-44-4420-3800		Dam Bureau Administration		
03-44-44-4420-3800	010	Personal Services - Permanent Classified	General Funds	(\$110,070)
03-44-44-4420-3800	060	Benefits	General Funds	(\$64,534)
03-44-44-4420-3800	010	Personal Services - Permanent Classified	Other Funds	(\$22,545)
03-44-44-4420-3800	060	Benefits	Other Funds	(\$13,218)
03-44-44-4420-3815		Wetlands Administration		
03-44-44-4420-3815	010	Personal Services - Permanent Classified	General Funds	(\$64,254)
03-44-44-4420-3815	060	Benefits	General Funds	(\$51,343)
03-44-44-4440-5402		Solid Waste Assist- Prmt- Enfor		
03-44-44-4440-5402	010	Personal Services - Permanent Classified	General Funds	(\$147,661)
03-44-44-4440-5402	060	Benefits	General Funds	(\$72,576)
03-44-44-4440-5492		RCRA State Match		
03-44-44-4440-5492	010	Personal Services - Permanent Classified	General Funds	(\$94,551)
03-44-44-4440-5492	060	Benefits	General Funds	(\$56,607)
03-44-44-4430-5496		Radon Program		
03-44-44-4430-5496	010	Personal Services - Permanent Classified	General Funds	(\$31,907)
03-44-44-4430-5496	060	Benefits	General Funds	(\$10,027)
03-44-44-4430-5496	010	Personal Services - Permanent Classified	Federal Funds	(\$31,907)
03-44-44-4430-5496	060	Benefits	Federal Funds	(\$10,028)
04-96		Department of Transportation		
04-96-96-9640-2931		Railroad		
04-96-96-9640-2931	010	Personal Services- Permanent Classified	General Funds	(\$34,866)
04-96-96-9640-2931	060	Benefits	General Funds	(\$21,800)
04-96-96-9640-2931	010	Personal Services- Permanent Classified	Federal Funds	\$34,866
04-96-96-9640-2931	060	Benefits	Federal Funds	\$21,800
04-96-96-9640-2107		Aeronautics		
04-96-96-9640-2107	070	In-State Travel	General Funds	(\$4)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
04-96-96-9640-2049		Land & Buildings		
04-96-96-9640-2049	046	Consultants (Non-Benefited)	General Funds	(\$2,500)
04-96-96-9640-2049	048	Contractual Maintenance - Buildings & Grounds	General Funds	(\$17,500)
04-96-96-9640-2049	400	Construction, Repair & Material	General Funds	(\$5,000)
04-96-96-9640-2058		Maintenance/Critical Repair		
04-96-96-9640-2058	048	Contractual Maintenance - Buildings & Grounds	General Funds	(\$10,000)
05-95		Department of Health and Human Services		
05-95-40		Division for Children, Youth and Families		
05-95-40-4030-5855		Child-Family Services		
05-95-40-4030-5855	101	Medical Payments to Providers	General Funds	(\$6,997)
05-95-40-4030-5855	101	Medical Payments to Providers	Federal Funds	(\$7,031)
05-95-40-4030-5855	533	Foster Care Services	General Funds	(\$172,486)
05-95-40-4030-5855	533	Foster Care Services	Federal Funds	(\$173,320)
05-95-40-4030-5855	535	Out Of Home Placements	General Funds	(\$232,263)
05-95-40-4030-5855	535	Out Of Home Placements	Federal Funds	(\$233,385)
05-95-40-4030-5855	550	Assessment and Counseling	General Funds	(\$1,716)
05-95-40-4030-5855	550	Assessment and Counseling	Federal Funds	(\$1,724)
05-95-40-4030-5855	563	Community Based Services	General Funds	(\$59,040)
05-95-40-4030-5855	563	Community Based Services	Federal Funds	(\$59,325)
05-95-40-4030-5857		DCYF-Prevention Programs		
05-95-40-4030-5857	073	Grants - Non-Federal	General Funds	(\$784,911)
05-95-45		Division of Family Assistance		
05-95-45-4500-6127		Employment Support		
05-95-45-4500-6127	102	Contracts For Program Services	General Funds	(\$73,000)
05-95-45-4500-6127	102	Contracts For Program Services	Federal Funds	(\$554,000)
05-95-48		Bureau of Elderly and Adult Services		
05-95-48-4810-8915		Congregate Housing		



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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-95-48-4810-8915	502	Payments to Providers	General Funds	(\$15,000)
05-95-48-4815-6173		Nursing Services		
05-95-48-4815-6173	504	Nursing Home Payments	General Funds	(\$2,057,000)
05-95-48-4815-6173	504	Nursing Home Payments	Federal Funds	(\$2,057,000)
05-95-48-4815-6173	505	Mid-Level Care Expenses	General Funds	(\$71,000)
05-95-48-4815-6173	505	Mid-Level Care Expenses	Federal Funds	(\$70,000)
05-95-48-4815-6173	506	Home Nursing Services	General Funds	(\$435,000)
05-95-48-4815-6173	506	Home Nursing Services	Federal Funds	(\$436,000)
05-95-48-4815-6173	529	Home Health Services	General Funds	\$274,000
05-95-48-4815-6173	529	Home Health Services	Federal Funds	\$274,000
05-95-90		Division of Public Health Services		
05-95-90-9015-5121		Health Promotion		
05-95-90-9015-5121	020	Current Expenses	General Funds	(\$12,422)
05-95-90-9015-5121	022	Rents & Leases Other than State	General Funds	(\$1,500)
05-95-90-9015-5121	050	Personal Services - Temporary/Appointed	General Funds	(\$9,503)
05-95-90-9015-5121	060	Benefits	General Funds	(\$727)
05-95-90-9020-2223		Boston EMA Title I		
05-95-90-9020-2223	568	TI HIV Care Boston Ema	General Funds	(\$400,000)
05-95-90-9025-5178		Immunization Program		
05-95-90-9025-5178	102	Contracts For Program Services	Federal Funds	(\$5,000)
05-95-90-9030-5230		Public Health Laboratories		
05-95-90-9030-5230	020	Current Expenses	General Funds	(\$20,400)
05-95-90-9030-5230	548	Reagents	General Funds	(\$27,000)
05-95-92		Bureau of Behavioral Health		
05-95-92-9200-7010		Community Mental Health Services		
05-95-92-9200-7010	552	Rehab Services	General Funds	(\$466,000)
05-95-92-9200-7010	552	Rehab Services	Federal Funds	(\$617,000)
05-95-93		Division of Developmental Services		
05-95-93-9300-7100		Developmental Services		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-95-93-9300-7100	102	Contracts for Program Services	General Funds	(\$30,000)
05-95-93-9300-7100	557	Medicaid Waiver Services	General Funds	(\$671,000)
05-95-93-9300-7100	557	Medicaid Waiver Services	Federal Funds	(\$671,000)
05-95-93-9300-7016		Acquired Brain Disorder Services		
05-95-93-9300-7016	557	Medicaid Waiver Services	General Funds	(\$120,000)
05-95-93-9300-7016	557	Medicaid Waiver Services	Federal Funds	(\$120,000)
05-95-93-9300-7559		NH Brain Injury Program		
05-95-93-9300-7559	502	Payments to Providers	General Funds	(\$50,000)
05-95-93-9300-5191		Special Medical Services		
05-95-93-9300-5191	046	Consultants (Non-Benefited)	General Funds	(\$41,000)
05-95-93-9300-5191	102	Contracts for Program Services	General Funds	(\$15,000)
05-95-93-9300-5191	561	Specialty Clinics	General Funds	(\$99,000)
05-95-94		New Hampshire Hospital		
05-95-94-9400-8750		Acute Psychiatric Services		
05-95-94-9400-8750	102	Contracts for Program Services	General Funds	(\$190,000)
05-95-94-9400-8750	102	Contracts for Program Services	Federal Funds	(\$22,000)
05-95-95-9560		Office of Medicaid and Business Policy		
05-95-95-9560-6126		Medicaid Administration		
05-95-95-9560-6126	512	Transportation Of Clients	General Funds	(\$306,000)
05-95-95-9560-6126	512	Transportation Of Clients	Federal Funds	(\$306,000)
05-95-95-9560-6143		Pharmacy Services		
05-95-95-9560-6143	503	State Phase Down	General Funds	(\$5,500,000)
05-95-95-9560-6147		Provider Payments		
05-95-95-9560-6147	101	Medical Payments to Providers	General Funds	(\$3,416,846)
05-95-95-9560-6147	101	Medical Payments to Providers	Federal Funds	(\$3,415,246)
05-95-95-9560-6147	565	Outpatient Hospital	General Funds	(\$350,000)
05-95-95-9560-6147	565	Outpatient Hospital	Federal Funds	(\$350,000)
05-95-95-9584		DCBCS Treatment & Prevention		

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-95-95-9584-1388		Governor		
05-95-95-9584-1388	102	Contracts for Program Services	General Funds	(\$76,000)
05-43		New Hampshire Veterans Home		
05-43-43-4300-5358		Custodial Services		
05-43-43-4300-5358	018	Overtime	General Funds	(\$10,000)
05-43-43-4300-5358	019	Holiday Pay	General Funds	(\$5,000)
05-43-43-4300-5358	020	Current Expenses	General Funds	(\$10,000)
05-43-43-4300-5358	021	Food Institutions	General Funds	(\$26,000)
05-43-43-4300-5358	023	Heat, Electricity & Water	General Funds	(\$40,000)
05-43-43-4300-5358	047	Own Forces Maintenance - Building & Grounds	General Funds	(\$50,000)
05-43-43-4300-5358	050	Personal Services - Temporary/Appointed	General Funds	(\$20,000)
05-43-43-4300-5358	070	In-State Travel	General Funds	(\$7,000)
05-43-43-4300-5359		Professional Services		
05-43-43-4300-5359	010	Personal Services- Permanent Classified	General Funds	(\$773,535)
05-43-43-4300-5359	010	Personal Services- Permanent Classified	Federal Funds	\$773,535
05-43-43-4300-5359	011	Personal Services - Unclassified	General Funds	(\$5,727)
05-43-43-4300-5359	011	Personal Services - Unclassified	Federal Funds	\$5,727
05-43-43-4300-5359	018	Overtime	General Funds	(\$6,180)
05-43-43-4300-5359	018	Overtime	Federal Funds	\$6,180
05-43-43-4300-5359	019	Holiday Pay	General Funds	(\$23,619)
05-43-43-4300-5359	019	Holiday Pay	Federal Funds	\$10,974
05-43-43-4300-5359	019	Holiday Pay	Other Funds	(\$9,540)
05-43-43-4300-5359	020	Current Expenses	General Funds	(\$31,999)
05-43-43-4300-5359	020	Current Expenses	Federal Funds	\$27,640
05-43-43-4300-5359	020	Current Expenses	Other Funds	(\$3,289)
05-43-43-4300-5359	026	Organizational Dues	General Funds	(\$119)
05-43-43-4300-5359	026	Organizational Dues	Federal Funds	\$119
05-43-43-4300-5359	027	Transfers to Office Information Technology	General Funds	(\$7,520)
05-43-43-4300-5359	027	Transfers to Office Information Technology	Federal Funds	\$7,520
05-43-43-4300-5359	030	Equipment New/Replacement	General Funds	(\$10,952)
05-43-43-4300-5359	030	Equipment New/Replacement	Federal Funds	\$10,952

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-43-43-4300-5359	041	Audit Fund Set Aside	General Funds	(\$377)
05-43-43-4300-5359	041	Audit Fund Set Aside	Federal Funds	\$377
05-43-43-4300-5359	046	Consultants (Non-Benefited)	General Funds	(\$18,775)
05-43-43-4300-5359	046	Consultants (Non-Benefited)	Federal Funds	\$18,775
05-43-43-4300-5359	050	Personal Services - Temporary/Appointed	General Funds	(\$40,051)
05-43-43-4300-5359	050	Personal Services - Temporary/Appointed	Federal Funds	\$40,051
05-43-43-4300-5359	060	Benefits	General Funds	(\$407,826)
05-43-43-4300-5359	060	Benefits	Federal Funds	\$407,826
05-43-43-4300-5359	070	In-State Travel	General Funds	(\$1,366)
05-43-43-4300-5359	070	In-State Travel	Federal Funds	\$527
05-43-43-4300-5359	070	In-State Travel	Other Funds	(\$633)
05-43-43-4300-5359	080	Out-of-State Travel	General Funds	(\$313)
05-43-43-4300-5359	080	Out-of-State Travel	Federal Funds	\$313
05-43-43-4300-5360		Pharmacy Services		
05-43-43-4300-5360	100	Prescription Drug Expenditures	General Funds	(\$54,000)
05-74		HHS Admin Attached Boards		
05-74-74-7405-7400		Board of Medicine		
05-74-74-7405-7400	018	Overtime	General Funds	(\$31)
05-74-74-7405-7400	020	Current Expenses	General Funds	(\$5,000)
05-74-74-7405-7400	050	Personal Services - Temporary/Appointed	General Funds	(\$18,810)
05-74-74-7405-7400	060	Benefits	General Funds	(\$1,552)
05-74-74-7410-7410		Board of Optometry		
05-74-74-7410-7410	020	Current Expenses	General Funds	(\$1,500)
05-74-74-7410-7410	070	In-State Travel	General Funds	(\$539)
05-74-74-7420-7420		Nursing Home Exam Board		
05-74-74-7420-7420	020	Current Expenses	General Funds	(\$500)
05-74-74-7420-7420	050	Personal Services - Temporary/Appointed	General Funds	(\$924)
05-74-74-7420-7420	060	Benefits	General Funds	(\$77)
05-74-74-7425-7425		Off of Allied Health Prof		
05-74-74-7425-7425	046	Consultants (Non-Benefited)	General Funds	(\$700)
05-74-74-7425-7425	050	Personal Services - Temporary/Appointed	General Funds	(\$4,883)

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<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-74-74-7425-7425	060	Benefits	General Funds	(\$117)
05-74-74-7425-7425	070	In-State Travel	General Funds	(\$2,000)
05-74-74-7430-7430		Nurses Registration		
05-74-74-7430-7430	018	Overtime	General Funds	(\$8,000)
05-74-74-7430-7430	020	Current Expenses	General Funds	(\$10,000)
05-74-74-7430-7430	024	Maintenance Other Than Building & Grounds	General Funds	(\$3,000)
05-74-74-7430-7430	046	Consultants (Non-Benefited)	General Funds	(\$3,500)
05-74-74-7430-7430	050	Personal Services - Temporary/Appointed	General Funds	(\$924)
05-74-74-7430-7430	060	Benefits	General Funds	(\$77)
05-74-74-7430-7430	070	In-State Travel	General Funds	(\$500)
05-74-74-7431-7431		Nurses Registration		
05-74-74-7431-7431	020	Current Expenses	Other Funds	(\$1,000)
05-74-74-7431-7431	024	Maintenance Other Than Building & Grounds	Other Funds	(\$3,000)
05-74-74-7431-7431	042	Post Retirement (Additional Fringe Benefits)	Other Funds	(\$1,442)
05-74-74-7431-7431	050	Personal Services - Temporary/Appointed	Other Funds	(\$306)
05-74-74-7431-7431	060	Benefits	Other Funds	(\$500)
05-74-74-7432-7432		Nurses Registration		
05-74-74-7432-7432	020	Current Expenses	Other Funds	(\$9,000)
05-74-74-7432-7432	046	Consultants (Non-Benefited)	Other Funds	(\$250)
05-74-74-7432-7432	070	In-State Travel	Other Funds	(\$1,000)
05-74-74-7435-7435		Pharmacy Board		
05-74-74-7435-7435	018	Overtime	General Funds	(\$8,000)
05-74-74-7435-7435	020	Current Expenses	General Funds	(\$2,004)
05-74-74-7435-7435	022	Rents & Leases Other than State	General Funds	(\$1,000)
05-74-74-7435-7435	026	Organizational Dues	General Funds	(\$600)
05-74-74-7435-7435	046	Consultants (Non-Benefited)	General Funds	(\$2,500)
05-74-74-7435-7435	070	In-State Travel	General Funds	(\$6,000)
05-74-74-7440-7440		Chiropractic Examiners		

**Amendment to SB 450-FN  
- Page 32 -**

<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-74-74-7440-7440	010	Personal Services- Permanent Classified	General Funds	(\$10,156)
05-74-74-7440-7440	060	Benefits	General Funds	(\$5,542)
05-74-74-7445-7445		Cosmetology/Barbers Board		
05-74-74-7445-7445	010	Personal Services- Permanent Classified	General Funds	(\$8,385)
05-74-74-7445-7445	060	Benefits	General Funds	(\$10,632)
05-74-74-7450-7450		Dental Board		
05-74-74-7450-7450	020	Current Expenses	General Funds	(\$5,500)
05-74-74-7450-7450	026	Organizational Dues	General Funds	(\$590)
05-74-74-7450-7450	046	Consultants (Non-Benefited)	General Funds	(\$1,000)
05-74-74-7455-7455		Electrolysis Board		
05-74-74-7455-7455	020	Current Expenses	General Funds	(\$334)
05-74-74-7460-7460		Funeral Directors - Embalmers		
05-74-74-7460-7460	020	Current Expenses	General Funds	(\$994)
05-74-74-7460-7460	026	Organizational Dues	General Funds	(\$75)
05-74-74-7460-7460	046	Consultants (Non-Benefited)	General Funds	(\$1,000)
05-74-74-7465-7465		NH Bd of Mental Health Practice		
05-74-74-7465-7465	020	Current Expenses	General Funds	(\$3,000)
05-74-74-7465-7465	046	Consultants (Non-Benefited)	General Funds	(\$1,000)
05-74-74-7465-7465	050	Personal Services - Temporary/Appointed	General Funds	(\$8,847)
05-74-74-7465-7465	060	Benefits	General Funds	(\$733)
05-74-74-7470-7470		Ophthalmic Dispensers		
05-74-74-7470-7470	020	Current Expenses	General Funds	(\$1,410)
05-74-74-7475-7475		Naturopathic Examiners		
05-74-74-7475-7475	020	Current Expenses	General Funds	(\$197)
05-74-74-7475-7475	050	Personal Services - Temporary/Appointed	General Funds	(\$584)
05-74-74-7475-7475	060	Benefits	General Funds	(\$48)
05-74-74-7480-7480		Hearing Aid Dealers		
05-74-74-7480-7480	020	Current Expenses	General Funds	(\$1,000)

**Amendment to SB 450-FN  
- Page 33 -**

<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
05-74-74-7480-7480	070	In-State Travel	General Funds	(\$128)
05-74-74-7485-7485		Board of Acupuncture		
05-74-74-7485-7485	020	Current Expenses	General Funds	(\$183)
05-74-74-7485-7485	050	Personal Services - Temporary/Appointed	General Funds	(\$544)
05-74-74-7485-7485	060	Benefits	General Funds	(\$45)
05-74-74-7490-7490		Midwifery Council		
05-74-74-7490-7490	020	Current Expenses	General Funds	(\$64)
05-74-74-7492-7492		Bd of Alc - ODA Professionals		
05-74-74-7492-7492	070	In-State Travel	General Funds	(\$1,962)
05-74-74-7493-7493		Massage Therapy Advisory Board		
05-74-74-7493-7493	020	Current Expenses	General Funds	(\$5,821)
05-74-74-7495-7495		Bd of Licensed Dietitians		
05-74-74-7495-7495	050	Personal Services - Temporary/Appointed	General Funds	(\$1,158)
05-74-74-7495-7495	060	Benefits	General Funds	(\$96)
06-57		Postsecondary Education Commission		
06-57-57-5700-5407		Administration - Financial Aid		
06-57-57-5700-5407	021	Food Institutions	General Funds	(\$2,000)
06-57-57-5700-5407	050	Personal Services - Temporary/Appointed	General Funds	(\$20,659)
06-57-57-5700-5407	060	Benefits	General Funds	(\$1,580)
06-57-57-5700-6074		Granite State Scholars		
06-57-57-5700-6074	107	Scholarships & Grants	General Funds	(\$160,949)
06-57-57-5700-6075		Veterinary Education Program		
06-57-57-5700-6075	107	Scholarships & Grants	General Funds	(\$21,813)
06-57-57-5700-6076		Medical Education Program		
06-57-57-5700-6076	107	Scholarships & Grants	General Funds	(\$5,000)
06-56		Department of Education		

**Amendment to SB 450-FN  
- Page 34 -**

<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
06-56-56-5605-2022		Governance and Standards		
06-56-56-5605-2022	010	Personal Services- Permanent Classified	General Funds	(\$72,852)
06-56-56-5605-2022	046	Consultants (Non-Benefited)	General Funds	(\$7,810)
06-56-56-5605-2022	060	Benefits	General Funds	(\$21,412)
06-56-56-5605-2022	067	Training & Providers	General Funds	(\$5,000)
06-56-56-5605-2022	235	Transcription Services	General Funds	(\$1,203)
06-56-56-5610-6019		Other State Aid		
06-56-56-5610-6019	078	Cat Aid - Education	General Funds	(\$3,946,405)
06-56-56-5610-6019	600	Tuition and Transportation Aid	General Funds	(\$607,993)
06-56-56-5610-6019	606	Dropout Prevention	General Funds	(\$128,065)
06-56-56-5610-6019	607	Statewide Special Education	General Funds	(\$23,942)
06-56-56-5610-6019	609	Local Education Improvement	General Funds	(\$39,903)
06-56-56-5610-6019	610	Career Tech Student Orgs	General Funds	(\$9,178)
06-56-56-5615-4101		Court Ordered Placements		
06-56-56-5615-4101	602	State Fund Non-Match	General Funds	(\$122,710)
06-56-56-5620-6401		Instruction - State		
06-56-56-5620-6401	010	Personal Services- Permanent Classified	General Funds	(\$137,710)
06-56-56-5620-6401	060	Benefits	General Funds	(\$62,529)
06-56-56-5620-3260		Curriculum and Assessment		
06-56-56-5620-3260	010	Personal Services- Permanent Classified	General Funds	(\$63,180)
06-56-56-5620-3260	060	Benefits	General Funds	(\$27,613)
06-56-56-5620-3260	067	Training & Providers	General Funds	(\$1,836)
06-56-56-5620-3260	102	Contracts for Program Services	General Funds	(\$4,589)
06-56-56-5620-3260	103	Contracts for Operational Services	General Funds	(\$120)
06-56-56-5620-3260	612	State Testing	General Funds	(\$240,420)
06-56-56-5620-5406		Parent As Teacher		
06-56-56-5620-5406	602	State Fund Non-Match	General Funds	(\$65,000)
06-56-56-5635-4000		Program Support - State		
06-56-56-5635-4000	010	Personal Services- Permanent Classified	General Funds	(\$73,682)
06-56-56-5635-4000	060	Benefits	General Funds	(\$30,926)



**Amendment to SB 450-FN  
- Page 35 -**

<u>Accounting Unit</u>	<u>Class</u>	<u>Department/Agency</u>	<u>Source of Funds</u>	<u>FY 2011</u>
06-56-56-5635-4000	614	Data/Info Processing	General Funds	(\$2,190)
06-56-56-5640-3004		School Nutrition - Section IV		
06-56-56-5640-3004	602	State Fund Non-Match	General Funds	(\$15,961)
06-56-56-5650-4082		Career Tech - Adult Learn - ADM		
06-56-56-5650-4082	011	Personal Services-Unclassified	General Funds	(\$92,106)
06-56-56-5650-4082	060	Benefits	General Funds	(\$25,218)
06-56-56-5650-6030		Vocational Education - State		
06-56-56-5650-6030	010	Personal Services- Permanent Classified	General Funds	(\$30,888)
06-56-56-5650-6030	060	Benefits	General Funds	(\$13,235)
06-56-56-5660-7004		Adult Education		
06-56-56-5660-7004	602	State Fund Non-Match	General Funds	(\$102,920)
06-83		Lottery Commission		
06-83-83-8300-1029		Lottery Division		
06-83-83-8300-1029	022	Rents & Leases Other than State	Other Funds	(\$650,000)
06-61		McAuliffe-Shepard Discovery Center		
06-61-61-6100-3432		Administration		
06-61-61-6100-3432	018	Overtime	General Funds	(\$1,500)
06-61-61-6100-3432	020	Current Expenses	General Funds	(\$12,700)
06-61-61-6100-3432	023	Heat, Electricity & Water	General Funds	(\$21,100)
06-61-61-6100-3432	024	Maintenance Other Than Building & Grounds	General Funds	(\$1,500)
06-61-61-6100-3432	048	Contractual Maintenance - Building & Grounds	General Funds	(\$8,200)

Total appropriations and charges as included in category 01 thru and including 06

General fund	(\$33,759,257)
Federal funds	(\$7,474,655)
Other funds	(\$1,165,845)
<b>Total funds</b>	<b>(\$42,399,757)</b>

1 86 Effective Date.

2 I. Sections 10-12, 41-44, 48, 50, 56-61, and 63 shall take effect July 1, 2010.

3 II. Section 45 and 46 of this act shall take effect June 15, 2010.

4 III. Section 62 of this act shall take effect November 1, 2012.

5 IV. Sections 68 and 70 of this act shall take effect July 1, 2011.

6 V. The remainder of this act shall take effect upon its passage.

2010-1963h

AMENDED ANALYSIS

1. Clarifies the administration of the New Hampshire employment program.
2. Makes the funded family assistance program (TANF) permissive rather than mandatory.
3. Allows the department of health and human services to make a claim for recovery of assistance for a deceased recipient from the division of abandoned property.
4. Repeals 2009, 144:211 requiring a report relative to suspending certain administrative requirements for community mental health centers for the biennium ending June 30, 2011.
5. Authorizes the commissioner of the department of health and human services to transfer funds within and among all accounting units within the department, to address present or projected budget deficits, or to respond to changes in federal laws, regulations, or programs, and as otherwise necessary for the efficient management of the department.
6. Permits funds from the lead paint poisoning prevention fund to be used to support program staff and administrative costs.
7. Transfers powers and duties for the New Hampshire refugee resettlement program from the governor's office to the department of health and human services.
8. Establishes a special account for civil fines collected by the department of health and human services under RSA 151.
9. Changes the due date for the Medicaid enhancement tax.
10. Renames the "multiple DWI offender intervention detention center program" as the "multiple DWI offender intervention program," and authorizes the commissioner of the department of health and human services to directly operate the program, to approve community-based providers of the program, or to contract with public or private entities to operate the program.
11. Requires the commission to examine driving while impaired education and intervention programs to study penalties for intoxication or under the influence of drugs offenses and submit a report of its findings.
12. Makes further reductions in the operating budget for the legislative and executive branches for fiscal years 2010 and 2011.
13. Requires the commissioner of the department of agriculture, markets and food to put out to bid administration of the animal population control fund.
14. Abolishes the position of animal population control assistant.
15. Provides that the department of health and human services shall not reduce funding provided to North Country Transportation used for meeting the state matching funds requirement for the Job Access and Reverse Committee (JARC).
16. Suspends the catastrophic illness program in the department of health and human services for the fiscal year ending June 30, 2011.
17. Suspends the senior volunteer grant program in the department of health and human

services for the fiscal year ending June 30, 2011.

18. Reduces required funding by the department of health and human services for juvenile placement programs and requires the department to report biennially on the effectiveness of the programs.

19. Reduces the rate paid to residential providers subject to the rate setting rule of the department of health and human services by 2 percent.

20. Extends the suspension of direct graduate medical education payments to hospitals until July 1, 2011.

21. Suspends the provision of indirect graduate medical education payments to hospitals through June, 2011.

22. Suspends catastrophic aid payments to hospitals effective June 15, 2010 through June 30, 2011.

23. Conditions eligibility for cash assistance and medical assistance benefits on the recipient filing an application for any federal cash assistance benefits for which the individual may be entitled.

24. Allows a municipality, with the approval of its legislative body, to adopt a local meals and rooms tax in addition to the state meals and rooms tax.

25. Reduces rooms and meals tax revenue distributions to towns and cities an additional \$6,091,930.

26. Removes the application of the rooms and meals tax to campsites.

27. Authorizes the department of administrative services to transfer moneys from certain dedicated funds or accounts maintained separately on the books of the state.

28. Requires the lapse of certain retirement pension benefit-health insurance funds.

29. Requires the lapse of certain judicial council funds for contracts for program services.

30. Requires the lapse of certain appropriations to the state treasurer for debt service.

31. Makes distributions from limited liability companies, partnerships, and associations subject to the interest and dividends tax only if they have transferable shares.

32. Establishes a commission to study business taxes.

33. Reduces the state's contribution for benefits under the New Hampshire retirement system for fiscal year 2011.

34. Requires the lottery commission to submit a report to the governor and the legislature describing how it proposes to modernize and update its products.

35. Transfers certain appropriations relating to adequate education grants.

36. Specifies that state agency appropriation reductions in this bill are in addition to the reductions required by 2009, 143:22, I and 2009, 144:289.

37. For the fiscal year ending June 30, 2011, suspends existing legal requirements for a special meeting of a school district and requires a special meeting of a school district to be held upon the

**Amendment to SB 450-FN**

**- Page 39 -**

majority vote of the school board to address changes to catastrophic aid funding.

38. Allows a town to call a special meeting during the 2011 fiscal year to address any reduction in the amount of state revenue distributed to the town which could affect the town's budget.

39. Allows state agencies to supplant general fund reductions with federal and other funds that may become available for that purpose.

40. Requires nonclassified and unclassified state employees to take 12 furlough days during fiscal year 2011.

41. Requires reductions in personnel expenditures in an agency to be distributed proportionately between classified and unclassified employees of such agency.

42. Provides that the procedure for reassignment of state employees prior to layoff is suspended and any positions intended by a department to be left vacant shall remain vacant.

43. Prohibits certain transfers of funds out of any class line which is the source of payment for Medicaid providers whose reimbursement rates are set by the department of health and human services and whose rates have been reduced by the department of health and human services through the use of a budget neutrality factor, a proportionate discount factor, or any similar reduction device.

44. Directs the department of health and human services to reduce state general fund appropriations from any line by a certain amount, excluding direct services unless approved by the fiscal committee of the general court and the governor and council.

45. Requires the relocation of the populations of the Anna Philbrook center, the Shea Farm transitional housing unit, the youth development center, and the state prison for women.

46. Establishes a committee to study the transfer of populations of the youth development center and the state prison for women.

47. Directs the state treasurer to deposit certain fine revenues in the general fund.

48. Prohibits departments from delaying a payment or expenditure from one fiscal year to the subsequent fiscal year solely for the purpose of generating an unexpended balance that would lapse in the preceding year.

49. Makes appropriation reductions for fiscal year 2011.

# Committee Minutes

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**PUBLIC WORKS AND HIGHWAYS**

**JOINT WORK SESSION WITH HOUSE DIV. I FINANCE**

**SB 450 - Amendment Sections 82-85**

**APRIL 14, 2010**

**Work session started at 1:36 p.m.**

**U (Unknown): State Treasurer Catherine Provencher**

**Treasurer Provencher reviewed handout concerning use of debt to help balance the current state operating budget.**

**Reviewed 20-Yr Debt Repayment Schedule on page 2 of the handout. Most of the debt repayment schedule (80%) involves General Fund bonds.**

**Treasurer Provencher said we restructure debt payments all the time to delay debt repayments. Refunding debt payments is a way to save money on debt interest rates.**

**Declined to take a position on Governor Lynch's proposed debt restructuring as outlined in Section 82-85 when asked by Rep. Ramsey.**

**Said a \$220 million budget hole needs to be filled with about 14 months left to go in the operating budget. There are a lot of tough decisions which have to be made by policymakers like the legislature and governor.**

**Said that she hopes the state doesn't keep bonding school buildings as outlined on page 40 of the handout through Fiscal Year 2017.**

**Don't know if state can keep refinancing "there's nothing much left to squeeze out".**

**Have to pay \$50 million back over 10 years.**

**University System Chancellor Edwin McKay**

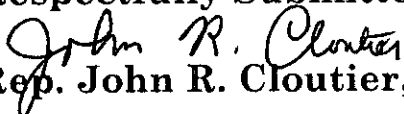
**Discussed Sections 83-85 of SB 450 amendment in relation to University System.**

**Answered questions from committee including Rep. Rausch, who expressed concern that if proposed the amendment as now written is approved that the University Systems would be breaking a pledge made to him when KEEP was first approved in 2001 that no funds for deferred maintenance would be bonded. Said breaking such pledge would cause not to support any more bonding proposals for University System.**

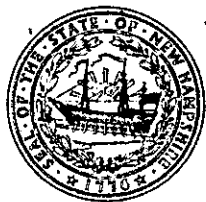
**Chancellor McKay corroborated Rep. Rausch's account of the 2001 pledge. But in response to Marjorie Smith's question, said that University System was approached by state's executive branch to undertake the proposal outlined in Section 83-83 including bonding of operating expenses as a temporary favor to the state as a way to help avoid tuition increases for University System students next year, or reduction in services provided to students.**

**Treasurer Provencher admitted that bond rating agencies usually don't look upon the bonding of operating expenses as a good practice. But because of the current fiscal problems encountered, including New Hampshire, they are now displaying a more relaxed attitude towards such bonding.**

**Respectfully Submitted:**

  
**Rep. John R. Cloutier, Clerk**





# State of New Hampshire

## HOUSE OF REPRESENTATIVES

CONCORD

Joint <sup>Work Session</sup> with House  
Div I  
Finance SB 450

Amendments ~~to SB 450~~

(P.1)

Sections 82-85  
4-1410

Work session started  
at 1:36 pm

State Treasurer  
Catherine Provencher

Treasurer Provencher  
received handout  
concerning use of debt  
to help balance the  
current state operating  
budget

SB 450

20-yr. P. 2 Reviewed  
Debt Repayment Schedule  
on p. 2 of the handout  
Most of the debt  
repayment schedule (80%)  
involves General Fund  
bonds.

Treasurer Provencher  
said we restructure  
debt payments <sup>all the time</sup> to delay  
debt repayments. Refunding  
debt payments is a way  
to save money on debt  
interest rates.



# State of New Hampshire

HOUSE OF REPRESENTATIVES

CONCORD

(P.3) Joint Work known  
with House Finance  
on SB 450 Sections 82-  
85

~~DD~~ Declined  
to take a position on  
Gov. Lynch's proposed  
debt restructuring as  
outlined in Sections 82-  
85 when asked by  
Rep. Ramsey.

Said a  
\$220 million budget hole  
needs to be filled  
with about 14 months left  
to go in the operating  
budget. ~~DD~~ A lot of  
tough decisions which have

(P.4) to be made by  
policymakers like the  
legislature and govern.

Said that  
he hopes ~~that the~~  
state doesn't keep  
funding school building  
as outlined on p. 40  
of the handout thru  
Fiscal year 2017.

Don't know  
if state can keep refinancing  
"there's nothing much  
left to squeeze out."



# State of New Hampshire

HOUSE OF REPRESENTATIVES

CONCORD

4-14-10 Work Session  
SB 450 Amendment

Sections 82-85

(P.S)

Provencher - Have  
to pay \$50 million

back over 10 years

University System  
~~Edwin McKay~~ Chancellor

Edwin McKay

Discussed

Sections 83-85 of  
SB 450 amendment in  
relation to University  
System.

(P.6)

Answers  
Questions from committee  
including Rep. Prausch  
who expressed concern  
that ~~not~~ if ~~the~~ proposed  
amendment as now  
written is approved  
that the University System  
would be breaking a  
pledge made to him  
when KEEP was first  
approved in 2001 that  
no funds for deferred  
maintenance would be bonded  
said breaking such a  
pledge would cause  
not to support any  
more bonding proposals  
on University System



# State of New Hampshire

HOUSE OF REPRESENTATIVES

CONCORD

(P-7)

4-14-10

Work Session on  
~~SB 450~~

SB 450 Amendment  
Sections 82-85

Chancellor

McKay corroborated  
Rep. Rauch's account  
of the 2001 pledge. But  
in response to Rep.

Margorie Smith's question,  
said that University System  
was approached by

state's executive branch to  
undertake the proposal  
outlined in sections 83-85  
including bonding of operating expenses,  
or a temporary loan to

the state as a way to  
help avoid tuition increase for  
University System students.

next year, or reduction  
in services provided  
(P-8) to students.

Treasurer Ogden  
admitted that ~~bond~~  
rating & agencies usually don't  
look upon the bonding  
of operating expenses  
~~both~~ as a good practice.

But because of the  
current fiscal problems  
encountered by many  
states, including N.H.,  
they ~~are not displaying~~  
a more relaxed <sup>attitude</sup>  
towards such bonding. (P-8)



**PUBLIC WORKS AND HIGHWAYS**

**JOINT WORK SESSION WITH HOUSE DIV. I FINANCE**

**SB 450 - Amendment Sections 82-85**

**APRIL 14, 2010**

**Work session started at 1:36 p.m.**

*U(Unknown):* **State Treasurer Catherine Provencher**

**Treasurer Provencher reviewed handout concerning use of debt to help balance the current state operating budget.**

**Reviewed 20-Yr Debt Repayment Schedule on page 2 of the handout. Most of the debt repayment schedule (80%) involves General Fund bonds.**

**Treasurer Provencher said we restructure debt payments all the time to delay debt repayments. Refunding debt payments is a way to save money on debt interest rates.**

**Declined to take a position on Governor Lynch's proposed debt restructuring as outlined in Section 82-85 when asked by Rep. Ramsey.**

**Said a \$220 million budget hole needs to be filled with about 14 months left to go in the operating budget. <sup>There are</sup> ~~A~~ lot of ~~touch~~ decisions which have to be made by policymakers like the legislature and governor.**

**Said that she hopes the state doesn't keep bonding school buildings as outlined on page 40 of the handout through Fiscal Year 2017.**

**Don't know if state can keep refinancing "there's nothing much left to squeeze out".**

**Have to pay \$50 million back over 10 years.**

U (Unknown) University System Chancellor Edwin McKay

**Discussed Sections 83-85 of SB 450 amendment in relation to University System.**

**Answered questions from committee including Rep. Rausch, who expressed concern that if proposed the amendment as now written is approved that the University Systems would be breaking a pledge made to him when KEEP was first approved in 2001 that no funds for deferred maintenance would be bonded. Said breaking such pledge would cause not to support any more bonding proposals for University System.**

**Chancellor McKay corroborated Rep. Rausch's account of the 2001 pledge. But in response to Marjorie Smith's question, said that University System was approached by state's executive branch to undertake the proposal outlined in Section 83-83 including bonding of operating expenses as a temporary favor to the state as a way to help avoid tuition increases for University System students next year, or reduction in services provided to students.**

**Treasurer Provencher admitted that bond rating agencies usually don't look upon the bonding of operating expenses as a good practice. But because of the current fiscal problems encountered, including New Hampshire, they are now displaying a more relaxed attitude towards such bonding.**

**Respectfully Submitted:**

**Rep. John R. Cloutier, Clerk**

State Treasury  
Joint Presentation to House Public Works and Finance Committees  
Use of Debt in Governor's Plan to Balance the Current Biennial Budget  
April 14, 2010

1. Sections 82 through 84 of the amendment to SB 450
2. \$25 million increase in USNH KEEP capital program
  - a. 20 year amortization schedule for bonding \$25 million in FY 11
3. Restructuring a portion of FY 11 debt service payments
  - a. The present value cost and the cash flow cost of doing so
4. Debt Statistics under various scenarios
  - a. Baseline: Debt Service as a % of General Fund Unrestricted Revenues (including school building aid FY 09 -11) at normal capital budget levels
  - b. Debt Service as a % of General Fund Unrestricted Revenues adding \$25 million for USNH KEEP and restructuring a portion of FY 11 debt (excluding school building aid bonds)
  - c. Debt Service as a % of General Fund Unrestricted Revenues adding \$25 million for USNH KEEP and restructuring a portion of FY 11 debt (including school building aid bonds for FY 09 - 11)
  - d. Debt Service as a % of General Fund Unrestricted Revenues adding \$25 million for USNH KEEP and restructuring a portion of FY 11 debt (including school building aid bonds for FY 09-17 )
  - e. Comparison of Annual Debt Service Payments FY 11 -- FY 17 (comparing page 4a to page 4c)
  - f. Historical Debt Service as a % of General Fund Unrestricted Revenue

EXCERPT : AMENDMENT TO SB 450

12 82 Authorization for Debt Restructuring. The state treasurer is hereby authorized to refinance  
13 all or a portion of the state's fiscal year 2011 debt service obligations by the issuance at one time or  
14 from time to time of up to \$55,000,000 aggregate principal amount of general obligation refunding  
15 bonds, which shall mature in such amounts and at such time as the state treasurer, with the  
16 approval of the governor and council, shall determine; provided that the final maturity of such bonds  
17 shall not be later than June 30, 2021. The issue of such bonds shall be subject to the same  
18 requirements and provisions of law as would then be applicable to the issue of the bonds being  
19 refunded, except as provided in this section. Such refinancing is intended to result in a general fund  
20 reduction of the required debt service for the biennium ending June 30, 2011 of approximately  
21 \$40,000,000. The amount of general fund debt service so refinanced shall lapse to the general fund  
22 on or before June 30, 2011.

23 83 Capital Appropriation Increased; University System of New Hampshire; KEEP NH. Amend  
24 the introductory paragraph of 2005, 259:2, I to read as follows:

25 I. The Knowledge Economy Education Plan (KEEP NH) documents the need for investment  
26 in university system of New Hampshire projects primarily to renovate and expand science,  
27 engineering and technology facilities. The sum of [~~\$109,500,000~~] \$134,500,000 is hereby committed  
28 and appropriated to the university system of New Hampshire (USNH) for the KEEP NH plan,  
29 effective July 1, 2005 but limited to the drawdown of funds as stated in this section. The  
30 appropriation is for the following capital projects:

31 84 Capital Appropriation; University System of New Hampshire; KEEP NH. Amend 2005,  
32 259:2, II, C and D to read as follows:

33 C. [~~\$74,500,000~~] \$99,500,000 through the biennium ending June 30, 2011 (~~[\$35,000,000]~~  
34 \$60,000,000 in new authorization for the biennium).

35 D. [~~\$109,500,000~~] \$134,500,000 through the biennium ending June 30, 2013  
36 (\$35,000,000 in new authorization for the biennium).

37 85 Capital Budget; Bonds Authorized; University System of New Hampshire; KEEP. Amend  
1 2005, 259:8, II to read as follows:

2 II. To provide funds for the appropriation made in section 2, paragraphs I and II, the state  
3 treasurer is hereby authorized to borrow upon the credit of the state not exceeding the sum of  
4 [~~\$109,500,000~~] \$134,500,000 and for said purposes may issue bonds and notes in the name of and on  
5 behalf of the state of New Hampshire in accordance with RSA 6-A; provided the cumulative bonds or  
6 notes shall not be issued in excess of:

- 7 (1) \$4,500,000 through the biennium ending June 30, 2007.  
8 (2) \$39,500,000 through the biennium ending June 30, 2009.  
9 (3) [~~\$74,500,000~~] \$99,500,000 through the biennium ending June 30, 2011.  
10 (4) [~~\$109,500,000~~] \$134,500,000 through the biennium ending June 30, 2013.

**State of New Hampshire  
Treasury Department**

**20 Year Schedule \***

PAY DATE	FISCAL YEAR	RATE *	Principal	Interest	Principal & Interest	Fiscal Year Totals
			25,000,000			
06/01/10	2010			437,500	437,500	437,500
12/01/10	2011	3.50%	1,500,000	437,500	1,937,500	2,348,750
06/01/11				411,250	411,250	
12/01/11	2012	3.50%	1,500,000	411,250	1,911,250	2,296,250
06/01/12				385,000	385,000	
12/01/12	2013	3.50%	1,500,000	385,000	1,885,000	2,243,750
06/01/13				358,750	358,750	
12/01/13	2014	3.50%	1,500,000	358,750	1,858,750	2,191,250
06/01/14				332,500	332,500	
12/01/14	2015	3.50%	1,500,000	332,500	1,832,500	2,138,750
06/01/15				306,250	306,250	
12/01/15	2016	3.50%	1,500,000	306,250	1,806,250	2,086,250
06/01/16				280,000	280,000	
12/01/16	2017	3.50%	1,500,000	280,000	1,780,000	2,033,750
06/01/17				253,750	253,750	
12/01/17	2018	3.50%	1,500,000	253,750	1,753,750	1,981,250
06/01/18				227,500	227,500	
12/01/18	2019	3.50%	1,500,000	227,500	1,727,500	1,928,750
06/01/19				201,250	201,250	
12/01/19	2020	3.50%	1,500,000	201,250	1,701,250	1,876,250
06/01/20				175,000	175,000	
12/01/20	2021	3.50%	1,000,000	175,000	1,175,000	1,332,500
06/01/21				157,500	157,500	
12/01/21	2022	3.50%	1,000,000	157,500	1,157,500	1,297,500
06/01/22				140,000	140,000	
12/01/22	2023	3.50%	1,000,000	140,000	1,140,000	1,262,500
06/01/23				122,500	122,500	
12/01/23	2024	3.50%	1,000,000	122,500	1,122,500	1,227,500
06/01/24				105,000	105,000	
12/01/24	2025	3.50%	1,000,000	105,000	1,105,000	1,192,500
06/01/25				87,500	87,500	
12/01/25	2026	3.50%	1,000,000	87,500	1,087,500	1,157,500
06/01/26				70,000	70,000	
12/01/26	2027	3.50%	1,000,000	70,000	1,070,000	1,122,500
06/01/27				52,500	52,500	
12/01/27	2028	3.50%	1,000,000	52,500	1,052,500	1,087,500
06/01/28				35,000	35,000	
12/01/28	2029	3.50%	1,000,000	35,000	1,035,000	1,052,500
06/01/29				17,500	17,500	
12/01/29	2030	3.50%	1,000,000	17,500	1,017,500	1,017,500
			25,000,000	8,312,500	33,312,500	33,312,500

\* This amortization schedule uses a fixed 3.5% coupon. - If done today, this would be the effective interest rates. Actual coupon rates would be lower in early years and higher in later years.

State Treasury

Debt Service Payments for Restructuring A Portion of FY 11 Debt

Prepared by Provencher 4/12/10

Represents Total General Obligation Debt, about 80% of which is General Funded

Fiscal Year	Debt Service on "Old Bonds"	Debt Service on "New Bonds"	Difference cash "saved"/ (cash paid)	Present Value at 2.41%
2011	51,183,250	1,977,871	49,205,379	48,357,572
2012		2,057,900	(2,057,900)	(1,975,356)
2013		6,937,900	(6,937,900)	(6,474,743)
2014		6,936,500	(6,936,500)	(6,319,535)
2015		6,935,750	(6,935,750)	(6,168,601)
2016		6,937,000	(6,937,000)	(6,022,442)
2017		6,940,250	(6,940,250)	(5,881,373)
2018		6,939,750	(6,939,750)	(5,740,440)
2019		6,940,000	(6,940,000)	(5,603,420)
2020		6,935,250	(6,935,250)	(5,465,659)
	<u>51,183,250</u>	<u>59,538,171</u>	<u>(8,354,921)</u>	<u>(1,293,997)</u>
				<i>Present Value cost of the transaction</i>
General Fund Portion	x 80%	x 80%	x 80%	x 80%
	<u>40,946,600</u>	<u>47,630,537</u>	<u>(6,683,937)</u>	<u>(1,035,198)</u>

Cash "saved" in FY 11 = \$49 million x 80% General Fund = \$39 million in Governor's plan

If done today, the effective interest rate on this 10 year transaction would be about 2.5%. ←

The present value has been calculated using the arbitrage yield, an industry standard for this type of calculation.

State Treasury

General Fund Debt Statistics

Baseline Issuing \$65 Million in General Funded Bonds Annually

Includes bonding of School Building Aid for FY 09 -11

Prepared by Provencher 4/14/09

Page 4A

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	
A Assumed Debt Service (millions)	\$ 90.3	\$ 97.9	\$ 108.2	\$ 108.9	\$ 110.0	\$ 110.6	\$ 115.6	\$ 115.6	\$ 116.7	
B General Fund Unrestricted Revenues	\$ 1,375.3	\$ 1,375.3	\$ 1,375.3	\$ 1,430.3	\$ 1,487.5	\$ 1,547.0	\$ 1,608.9	\$ 1,673.3	\$ 1,740.2	
C debt service as a % of general fund unrestricted revenue	6.6%	7.1%	7.9%	7.6%	7.4%	7.1%	7.2%	6.9%	6.7%	
D debt to personal income	1.3%	1.4%	1.4%	1.4%	1.3%	1.3%	1.2%	1.1%	1.1%	
E debt per capita	\$ 578	\$ 638	\$ 674	\$ 710	\$ 701	\$ 691	\$ 681	\$ 670	\$ 656	
F Moody's 2009 State Debt Medians:										
G debt to personal income					2.6%					
H debt per capita					\$ 889					

**IMPORTANT ASSUMPTIONS:**

1. Issuance of General Fund capital improvement bonds of \$65 million per year (biennial capital budget of \$130 million of General Fund including USNH KEEP)
2. Amounts include bonding for School Building Aid at \$40 mil in FY 10, \$45 mil in FY 11, \$46 mil in FY 12
3. General Fund unrestricted revenue is constant for FY 2009, 2010, 2011 and grows at 4% per annum thereafter.  
(On average, over the past 20 years, General Fund unrestricted revenue has grown over 5% per annum.)

source: debt sensitivity analysis run by PRAG

State Treasury  
 General Fund Debt Statistics  
 Restructuring a portion of FY 11 and bonding \$25 mil for USNH  
 Excludes Bonding for School Building Aid  
 Prepared by Provencher 4/14/09

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	
A Assumed Debt Service (millions)	\$ 90.3	\$ 97.5	\$ 54.2	\$ 103.1	\$ 105.4	\$ 106.3	\$ 111.7	\$ 112.0	\$ 113.4	
B General Fund Unrestricted Revenues	\$ 1,375.3	\$ 1,375.3	\$ 1,375.3	\$ 1,430.3	\$ 1,487.5	\$ 1,547.0	\$ 1,608.9	\$ 1,673.3	\$ 1,740.2	
C debt service as a % of general fund unrestricted revenue	6.6%	7.1%	3.9%	7.2%	7.1%	6.9%	6.9%	6.7%	6.5%	
D debt to personal income	1.3%	1.3%	1.3%	1.2%	1.1%	1.1%	1.0%	1.0%	0.9%	
E debt per capita	\$ 578	\$ 596	\$ 616	\$ 613	\$ 606	\$ 598	\$ 591	\$ 581	\$ 568	
F Moody's 2009 State Debt Medians:										
G debt to personal income		2.6%								
H debt per capita	\$ 889									

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**IMPORTANT ASSUMPTIONS:**

1. Issuance of General Fund capital improvement bonds of \$65 million per year (biennial capital budget of \$130 million of General Fund including USNH KEEP)
2. Issuance of new additional \$25 million of USNH KEEP bonds in FY 2011.
3. Issuance of \$45 million restructuring bonds in FY 2010.
4. Amounts exclude bonding for School Building Aid - debt service is funded by a restricted General Fund revenue
5. General Fund unrestricted revenue is constant for FY 2009, 2010, 2011 and grows at 4% per annum thereafter.  
 (On average, over the past 20 years, General Fund unrestricted revenue has grown over 5% per annum.)

source: debt sensitivity analysis run by PRAG



State Treasury

General Fund Debt Statistics

Restructuring a portion of FY 11 and bonding \$25 mil for USNH

Includes bonding of School Building Aid for FY 09 -11

Prepared by Provencher 4/14/09

	2009	2010	2011	2012	Fiscal Year 2013	2014	2015	2016	2017
A Assumed Debt Service (millions)	\$ 90.3	\$ 97.9	\$ 59.7	\$ 113.7	\$ 119.7	\$ 120.2	\$ 125.2	\$ 125.0	\$ 126.1
B General Fund Unrestricted Revenues	\$ 1,375.3	\$ 1,375.3	\$ 1,375.3	\$ 1,430.3	\$ 1,487.5	\$ 1,547.0	\$ 1,608.9	\$ 1,673.3	\$ 1,740.2
C debt service as a % of general fund unrestricted revenue	6.6%	7.1%	4.3%	8.0%	8.0%	7.8%	7.8%	7.5%	7.2%
D debt to personal income	1.3%	1.3%	1.4%	1.4%	1.3%	1.3%	1.2%	1.1%	1.0%
E debt per capita	\$ 578	\$ 634	\$ 693	\$ 728	\$ 712	\$ 696	\$ 681	\$ 663	\$ 643
F Moody's 2009 State Debt Medians:									
G debt to personal income		2.6%							
H debt per capita	\$ 889								

Prag  
AC

**IMPORTANT ASSUMPTIONS:**

1. Issuance of General Fund capital improvement bonds of \$65 million per year (biennial capital budget of \$130 million of General Fund including USNH KEEP)
2. Issuance of new additional \$25 million of USNH KEEP bonds in FY 2011.
3. Issuance of \$45 million restructuring bonds in FY 2010.
4. Amounts include bonding for School Building Aid at \$40 mil in FY 10, \$45 mil in FY 11 and \$46 mil in FY 12
5. General Fund unrestricted revenue is constant for FY 2009, 2010, 2011 and grows at 4% per annum thereafter.  
(On average, over the past 20 years, General Fund unrestricted revenue has grown over 5% per annum.)

source: debt sensitivity analysis run by PRAG

State Treasury  
 General Fund Debt Statistics  
 Restructuring a portion of FY 11 and bonding \$25 mil for USNH  
 Includes bonding of School Building Aid for FY 09 -17  
 Prepared by Provencher 4/14/09

	2009	2010	2011	2012	Fiscal Year		2013	2014	2015	2016	2017
A Assumed Debt Service (millions)	\$ 90.3	\$ 97.9	\$ 59.7	\$ 113.7	\$ 121.1	\$ 127.2	\$ 137.7	\$ 142.9	\$ 149.1		
B General Fund Unrestricted Revenues	\$ 1,375.3	\$ 1,375.3	\$ 1,375.3	\$ 1,430.3	\$ 1,487.5	\$ 1,547.0	\$ 1,608.9	\$ 1,673.3	\$ 1,740.2		
C debt service as a % of general fund unrestricted revenue	6.6%	7.1%	4.3%	8.0%	8.1%	8.2%	8.6%	8.5%	8.6%		
D debt to personal income	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%		
E debt per capita	\$ 578	\$ 634	\$ 693	\$ 728	\$ 758	\$ 785	\$ 808	\$ 825	\$ 837		
F Moody's 2009 State Debt Medians:											
G debt to personal income					2.6%						
H debt per capita					\$ 889						

Page 4 D

**IMPORTANT ASSUMPTIONS:**

1. Issuance of General Fund capital improvement bonds of \$65 million per year (biennial capital budget of \$130 million of General Fund including USNH KEEP)
2. Issuance of new additional \$25 million of USNH KEEP bonds in FY 2011.
3. Issuance of \$45 million restructuring bonds in FY 2010.
4. Amounts include bonding for School Building Aid at \$40 mil in FY 10, \$45 mil in FY 11, \$46 mil in FY 12 and \$50 mil FY 13 -17
5. General Fund unrestricted revenue is constant for FY 2009, 2010, 2011 and grows at 4% per annum thereafter.  
 (On average, over the past 20 years, General Fund unrestricted revenue has grown over 5% per annum.)

source: debt sensitivity analysis run by PRAG

State Treasury  
 Comparison of Annual Debt Service FY 10 - FY 17  
 Base Case to USNH and Restructuring  
 (includes debt service for school building aid)

Fiscal Year	Base including Authorized Building Aid	(in thousands)		(decrease)/increase in annual debt service	Approximate General Fund Impact 80% of restruc
		Base with \$25 mil for USNH in FY 11 and restructuring in FY 10 (includes building aid)			
2010	\$ 97,884	\$ 97,884	\$	-	
2011	\$ 108,246	\$ 59,728	\$	(48,518)	\$ (38,814)
2012	\$ 108,854	\$ 113,746	\$	4,892	\$ 4,100
2013	\$ 110,045	\$ 119,734	\$	9,689	\$ 8,100
2014	\$ 110,575	\$ 120,181	\$	9,606	\$ 8,100
2015	\$ 115,640	\$ 125,162	\$	9,522	\$ 8,100
2016	\$ 115,587	\$ 125,027	\$	9,440	\$ 8,100
2017	\$ 116,692	\$ 126,053	\$	9,361	\$ 8,100

About \$7 million of the annual increase in debt service in FY 13 - 17 comes from restructuring, with about \$2.5 million of the increase coming from the added \$25 million USNH bonds.

To estimate the General Fund impact, used 80% of the FY 11 decrease in debt service, 80% of the approximately \$7 million increase from restructuring and \$2.5 million increase from USNH portion.

State Treasury  
Historical Debt Statistic  
Debt Service to General Fund Unrestricted Revenues  
FY 1987 - 2009  
Prepared April 2, 2010

1987	6.4%
1988	6.1%
1989	6.0%
1990	6.7%
1991	7.1%
1992	6.2%
1993	5.8%
1994	4.3%
1995	5.3%
1996	7.3%
1997	6.9%
1998	6.3%
1999	6.4%
2000	6.5%
2001	5.8%
2002	6.1%
2003	6.5%
2004	5.8%
2005	5.6%
2006	6.1%
2007	5.8%
2008	5.7%
2009	6.6%

**Amendment to SB 450-FN**

Amend the title of the bill by replacing it with the following:

**AN ACT** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, relative to the due date for the Medicaid enhancement tax, and making certain general fund reductions and revenue changes.

Amend the bill by replacing all after section 33 with the following:

**34 Operating Budget; Lapse of Appropriation Reductions; Legislative Branch.** Notwithstanding 2009, 143:1, the legislative branch shall lapse an additional \$312,000 for the fiscal year ending June 30, 2010 and lapse an additional \$398,000 for the fiscal year ending June 30, 2011. The reductions required by this section shall be in addition to the lapse required pursuant to 2009, 143:10 and in addition to the lapse required pursuant to 2010, 4:1.

**35 Operating Budget; General Fund Appropriation Reduction; Judicial Branch; Notwithstanding 2009, 143:1,** the state general fund appropriation for the judicial branch shall be reduced by an additional \$4,000,000 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to the reductions required of the judicial branch pursuant to 2009, 143:18 and in addition to the lapse required pursuant to 2010, 4:2. The director of the administrative office of the courts shall submit to the fiscal committee of the general court and the commissioner of the department of administrative services an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

**36 Operating Budget; General Fund Appropriation Reductions; Department of Information Technology.** Notwithstanding 2009, 143:1, the department of information technology, in consultation with the department of administrative services, shall reduce class lines of the department by an amount that will result in additional reductions of general funded agencies' appropriations for class 27 totaling \$2,175,000 for the fiscal year ending June 30, 2011. The reductions required under this section shall be in addition to any reductions required pursuant to 2009, 143:12 and by Executive Order No. 2010-02. The commissioner of the department of information technology shall submit to the fiscal committee of the general court and the commissioner of the department of administrative services an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

**37 Operating Budget; General Fund Appropriation Reduction; Department of Administrative Services.** Notwithstanding 2009, 143:1, the state general fund appropriations for the department of administrative services shall be reduced by an additional \$2,850,436 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The commissioner of the department of administrative services shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

**38 Operating Budget; General Fund Appropriation Reduction; Department of State.** Notwithstanding 2009, 143:1, the state general fund appropriations for the department of state shall be reduced by an additional \$149,000 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The secretary of state shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

**39 Operating Budget; General Fund Appropriation Reduction; Cultural Resources.** Notwithstanding 2009, 143:1, the state general fund appropriations for the department of cultural resources shall be reduced by an additional \$275,311 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to 2009, 143:19 and by Executive Order No. 2010-02. The commissioner of cultural resources shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

**40 Operating Budget; General Fund Appropriation Reduction; Department of Revenue Administration.** Notwithstanding 2009, 143:1, the state general fund appropriations for the department of revenue administration shall be reduced by an additional \$1,024,351 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to 2009, 143:11 and by Executive Order No. 2010-02. The commissioner of revenue administration shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

41 Operating Budget; General Fund Appropriation Reduction; Board of Tax and Land Appeals. Notwithstanding 2009, 143:1, the state general fund appropriations for the board of tax and land appeals shall be reduced by an additional \$41,454 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The chairman of the board of land and tax appeals shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

42 Operating Budget; General Fund Appropriation Reduction; Real Estate Commission. Notwithstanding 2009, 143:1, the state general fund appropriations for the real estate commission shall be reduced by an additional \$38,000 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The chairperson of the real estate commission shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

43 Operating Budget; General Fund Appropriation Reduction; Real Estate Appraiser Board. Notwithstanding 2009, 143:1, the state general fund appropriations for the real estate appraiser board shall be reduced by an additional \$7,155 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The chairman of the real estate appraiser board shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

44 Operating Budget; General Fund Appropriation Reduction; Board of Accountancy. Notwithstanding 2009, 143:1, the state general fund appropriations for the board of accountancy shall be reduced by an additional \$12,100 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The chairperson of the board of accountancy shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

45 Operating Budget; General Fund Appropriation Reduction; Joint Board of Licensure and Certification. Notwithstanding 2009, 143:1, the state general fund appropriations for the joint board of licensure and certification shall be reduced by an additional \$57,401 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The executive director of the joint board of licensure and certification shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

46 Operating Budget; General Fund Appropriation Reduction; Board of Manufactured Housing. Notwithstanding 2009, 143:1, the state general fund appropriations for the board of manufactured housing shall be reduced by an additional \$1,711 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The chairperson of the board of manufactured housing shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

47 Operating Budget; General Fund Appropriation Reduction; Executive Council. Notwithstanding 2009, 143:1, the state general fund appropriations for the executive council shall be reduced by an additional \$4,795 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The executive council shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

48 Operating Budget; General Fund Appropriation Reduction; Adjutant General. Notwithstanding 2009, 143:1, the state general fund appropriations for the adjutant general shall be reduced by an additional \$339,000 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The adjutant general shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

49 Operating Budget; General Fund Appropriation Reduction; Department of Agriculture, Markets and Food. Notwithstanding 2009, 143:1, the state general fund appropriations for the department of agriculture, markets and food shall be reduced by an additional \$233,000 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required

pursuant to Executive Order No. 2010-02. The commissioner of agriculture, markets and food shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

50 Operating Budget; General Fund Appropriation Reduction; Department of Justice. Notwithstanding 2009, 143:1, the state general fund appropriations for the department of justice shall be reduced by an additional \$786,634 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The attorney general shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

51 Operating Budget; General Fund Appropriation Reduction; Public Employee Relations Board. Notwithstanding 2009, 143:1, the state general fund appropriations for the public employee relations board shall be reduced by an additional \$22,501 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The chairman of the public employee relations board shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

52 Operating Budget; General Fund Appropriation Reduction; Racing and Charitable Gaming Commission. Notwithstanding 2009, 143:1, the state general fund appropriations for the racing and charitable gaming commission shall be reduced by an additional \$56,500 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The chairperson of the racing and charitable gaming commission shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

53 Operating Budget; General Fund Appropriation Reduction; Department of Labor. Notwithstanding 2009, 143:1, the state general fund appropriations for the department of labor shall be reduced by an additional \$108,000 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The labor commissioner shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

54 Operating Budget; Appropriation Reduction; Liquor Commission. Notwithstanding 2009, 143:1, the appropriations for the liquor commission shall be reduced by an additional \$505,000 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The liquor commission shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

55 Operating Budget; General Fund Appropriation Reduction; Department of Corrections. Notwithstanding 2009, 143:1, the state general fund appropriations for the department of corrections shall be reduced by an additional \$1,711,628 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The commissioner of corrections shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

56 Operating Budget; General Fund Appropriation Reduction; Commission for Human Rights. Notwithstanding 2009, 143:1, the state general fund appropriations for the commission for human rights shall be reduced by an additional \$11,221 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The commission for human rights shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

57 Operating Budget; General Fund Appropriation Reduction; Department of Resources and Economic Development. Notwithstanding 2009, 143:1, the state general fund appropriations for the department of resources and economic development shall be reduced by an additional \$808,900 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The commissioner of resources and economic development shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

58 Operating Budget; General Fund Appropriation Reduction; Department of Environmental Services. Notwithstanding 2009, 143:1, the state general fund appropriations for the department of

environmental services shall be reduced by an additional \$1,847,000 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The commissioner of environmental services shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

59 Operating Budget; General Fund Appropriation Reduction; Department of Transportation. Notwithstanding 2009, 143:1, the state general fund appropriations for the department of transportation shall be reduced by an additional \$91,670 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to Executive Order No. 2010-02. The commissioner of the department of transportation shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

60 Operating Budget; General Fund Appropriation Reduction; Health and Human Services. Notwithstanding 2009, 143:1, the state general fund appropriations for the department of health and human services shall be reduced by an additional \$22,977,000 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required pursuant to 2009, 143:9, as amended by 2010, 4:3, and 2009, 143:13 and in addition to the reductions required by Executive Order No. 2010-02. The commissioner of the department of health and human services shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

61 Operating Budget; General Fund Appropriation Reduction; New Hampshire Veterans' Home. Notwithstanding 2009, 143:1, the state general fund appropriations for the New Hampshire veterans' home shall be reduced by an additional \$1,550,360 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required by Executive Order No. 2010-02. The New Hampshire veterans' home shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

62 Operating Budget; General Fund Appropriation Reduction; Health and Human Services Administratively Attached Boards. Notwithstanding 2009, 143:1, the total state general fund appropriations for health and human services administratively attached boards shall be reduced by an additional \$153,766 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required by Executive Order No. 2010-02. The chairman of the affected boards shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

63 Operating Budget; General Fund Appropriation Reduction; Postsecondary Education Commission. Notwithstanding 2009, 143:1, the total state general fund appropriations for the postsecondary education commission shall be reduced by an additional \$212,001 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required by 2009, 143:21 and Executive Order No. 2010-02. The executive director of the postsecondary education commission shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

64 Operating Budget; General Fund Appropriation Reduction; Department of Education. Notwithstanding 2009, 143:1, the total state general fund appropriations for the department of education shall be reduced by an additional \$9,923,000 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required by Executive Order No. 2010-02. The commissioner of the department of education shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

65 Operating Budget; Appropriation Reduction; The Lottery Commission. Notwithstanding 2009, 143:1, the total appropriations for the lottery commission shall be reduced by an additional \$650,000 for the fiscal year ending June 30, 2011. The reduction required by this section shall be in addition to any reductions required by Executive Order No. 2010-02. The chairman of the lottery commission shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

66 Operating Budget; General Fund Appropriation Reduction; McAuliffe-Shepard Discovery Center. Notwithstanding 2009, 143:1, the total state general fund appropriations for the McAuliffe-Shepard Discovery Center shall be reduced by an additional \$45,000 for the fiscal year ending June 30,



2011. The reduction required by this section shall be in addition to any reductions required by Executive Order No. 2010-02. The chairman of the center shall submit to the fiscal committee of the general court an itemization of the reductions in expenditure classes made to implement this section on or before June 15, 2011.

67 Department of Health and Human Services; Suspension of Home Health Rate Setting Rule. Notwithstanding any provision of the law or rule to the contrary, for the biennium ending June 30, 2011, He-W 553 relative to the home health services rate setting is suspended. Payments for home health services shall be limited to appropriations for home health services as may be restricted or reduced by action by the fiscal committee of the general court or other legislative action. The commissioner shall retain the discretion to prioritize within the line items.

68 Department of Health and Human Services; Suspension of Catastrophic Illness Program. Notwithstanding any provision of law or rule to the contrary, for the fiscal year ending June 30, 2011, the catastrophic illness program under RSA 137-G is suspended.

69 Department of Health and Human Services; Suspension of Senior Volunteer Grant Program. Notwithstanding any provision of law or rule to the contrary, for the fiscal year ending June 30, 2011, the senior volunteer grant program under RSA 161-F:40 is suspended.

70 Department of Health and Human Services. Alcohol Abuse Prevention and Treatment Fund. Amend RSA 176-A:1, III to read as follows:

III. Moneys shall be disbursed from the fund upon the authorization of the ~~[governor's commission on alcohol and drug abuse prevention, intervention, and treatment established pursuant to RSA 12-J:1]~~ **commissioner of the department of health and human services**. Funds disbursed shall be used for alcohol and other drug abuse prevention, intervention, and treatment services, and ~~[other purposes related to the duties of the commission under RSA 12-J:3]~~ **for costs related to the administration of this fund.**

71 Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention, and Treatment; Duties. Amend RSA 12-J:3 to read as follows:

12-J:3 Duties. The duties of the commission shall be to:

I. **Collaborate with the department of health and human services** to develop and revise, as necessary, a statewide plan for the effective prevention of alcohol and drug abuse, particularly among youth, and a comprehensive system of intervention and treatment for individuals and families affected by alcohol and drug abuse. The statewide plan shall:

(a) Identify the causes, nature and scope, and the impact of alcohol and drug abuse in New Hampshire.

(b) Identify and prioritize unmet needs for prevention, intervention, and treatment.

(c) Recommend initiatives to reduce the incidence of alcohol and drug abuse in New Hampshire.

(d) Identify and quantify public and private resources available to support alcohol and drug abuse prevention, intervention and treatment.

(e) Specify additional resources necessary to address unmet needs for prevention, intervention, and treatment.

(f) Specify evaluation and monitoring methodology.

II. Promote collaboration between and among state agencies and communities to foster the development of effective community-based alcohol and drug abuse prevention programs.

III. Promote the development of treatment services to meet the needs of citizens addicted to alcohol or other drugs.

IV. Identify unmet needs and the resources required to reduce the incidence of alcohol and drug abuse in New Hampshire and to make recommendations to the governor regarding legislation and funding to address such needs.

~~[V. Authorize the disbursement of moneys from the alcohol abuse prevention and treatment fund, pursuant to RSA 176-A:1, III.]~~

72 Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention, and Treatment; Meetings and Reports. Amend RSA 12-J:4, II(b) to read as follows:

(b) Indicate the progress made during the prior year toward the implementation of the statewide plan developed ~~[by the commission]~~ pursuant to RSA 12-J:3, I;

73 Services for Children, Youth, and Families; Suspension of Incentive Funds. Notwithstanding any provision of law or rule to the contrary, for the fiscal year ending June 30, 2011 the requirement for the department of health and human services to distribute incentive funds for juvenile placement programs pursuant to RSA 170-G:4, XVI is suspended.

74 Department of Health and Human Services; Suspension of Residential Rate Setting Rule. Amend 2009, 144:32 to read as follows:

144:32 Department of Health and Human Services; Suspension of Residential Rate Setting Rule. Notwithstanding any provision of the law or rule to the contrary, for the biennium ending June 30, 2011, He-C 6422 relative to the residential child care facilities rate setting is suspended. The base rate for residential providers for the ~~[biennium]~~ *state fiscal year* ending June 30, ~~[2011]~~ *2010* shall be the rate in effect on June 30, 2009. *For the state fiscal year ending June 30, 2011, the rate paid to residential providers subject to the rate setting rule as of June 30, 2009 shall be reduced by 2 percent. The base rate for the calculation of the 2 percent rate reduction shall be the rate in effect on June 30, 2009. Notwithstanding any provision of law or rule to the contrary, for state fiscal year 2011, the rate established pursuant to RSA 170-G:4, XVII for all other services and programs which are paid for by the department pursuant to RSA 169-B:40, 169-C:27, and 169-D:29 shall be reduced by 2 percent. The base rate for the calculation of the 2 percent rate reduction shall be the rate in effect on July 1, 2009.*

75 Department of Health and Human Services; Direct Graduate Medical Education; Suspension. Amend 2009, 144:24 to read as follows:

144:24 Department of Health and Human Services; Direct Graduate Medical Education. The commissioner of the department of health and human services shall submit a Title XIX Medicaid state plan amendment to the federal Centers for Medicare and Medicaid Services to suspend the provision of direct graduate medical education payments to hospitals as contemplated at 42 U.S.C. section 1396a(a)(30)(A) to be effective July 1, 2009. Upon approval of the state plan amendment, and as of the effective date of the state plan amendment, any obligations for payment of direct graduate medical education are suspended until ~~[June 30, 2011]~~ *July 1, 2011.*

76 Department of Health and Human Services; Indirect Graduate Medical Education Suspension. The commissioner of the department of health and human services shall submit a Title XIX Medicaid state plan amendment to the federal Centers for Medicare and Medicaid Services to suspend the provision of indirect graduate medical education payments to hospitals effective June 15, 2010. Upon approval of the state plan amendment, and as of the effective date of the state plan amendment, any obligations for payment of indirect graduate medical education shall be suspended until July 1, 2011.

77 Department of Health and Human Services; Suspension of Catastrophic Aid Payment. Notwithstanding 2009, 144:160, the commissioner of the department of health and human services shall submit a Title XIX Medicaid state plan amendment to the federal Centers for Medicare and Medicaid Services to suspend all catastrophic aid payments to hospitals effective April 1, 2010 and continuing through June 30, 2011.

78 Department of Health and Human Services. Temporary Assistance to Needy Families. Amend 2009, 143 in PAU 05, 95,45, 450010, 6146, Class Notes to read as follows:

CLASS NOTES

041 D. The funds in this appropriation shall not be transferred or expended for any other purpose ~~[502 From amounts appropriated herein, the division of family assistance shall expend \$400,000 in FY 2010, and \$400,000 in FY 2011 for the home visiting program.]~~

79 Department of Health and Human Services; Public Assistance; Definitions. Amend RSA 167:6, VI to read as follows:

VI. For the purposes hereof, a person shall be eligible for aid to the permanently and totally disabled who is between the ages of 18 and 64 years of age inclusive; is a resident of the state; and is disabled as defined in the federal Social Security Act, Titles II and XVI and the regulations adopted under such act, except that the minimum required duration of the impairment shall be 48 months, unless and until the department adopts a 12-month standard in accordance with RSA 167:3-j. In determining disability, the standards for "substantial gainful activity" as used in the Social Security Act shall apply, including all work incentive provisions including Impairment Related Work Expenses, Plans to Achieve Self Support, and subsidies. *Notwithstanding any provision of law to the contrary, eligibility for cash assistance and medical assistance shall be conditioned upon the recipient filing an application or applications for any federal cash assistance benefits for which the individual may be entitled and pursuing any appeals available for those federal benefits. Cash assistance shall terminate upon a finding of clinical ineligibility for such federal benefits, except that any individual receiving cash assistance on July 1, 2010 shall only be ineligible for cash assistance upon a second finding of clinical ineligibility. Notwithstanding any provision of law to the contrary, an individual who appeals the closure*

*of cash assistance, pursuant to RSA 161:4, IV for the reasons set forth in this paragraph shall not continue to receive such cash assistance benefits during the pendency of such appeal.* No person shall be eligible to receive such aid while receiving old age assistance, aid to the needy blind, or aid to families with dependent children.

80 Rooms and Meals Tax; Distribution to Cities and Towns. Notwithstanding any provision of law, for the fiscal year ending June 30, 2011, the state treasurer shall reduce the total revenue distributed to cities and towns authorized by 2009, 143:1 and 2009, 144:8 by the sum of \$6,019,930. The remaining funds shall be distributed to cities and towns pursuant to the formula for determining the amount of revenue returnable to cities and towns under RSA 78-A:26, I and II.

81 Meals and Rooms Tax; Definition of Hotel; Campsites. Amend the introductory paragraph of RSA 78-A:3, III to read as follows:

III. "Hotel" means an establishment which holds itself out to the public by offering sleeping accommodations for rent, whether or not the major portion of its operating receipts is derived from sleeping accommodations. The term includes, but is not limited to, inns, motels, tourist homes and cabins, ski dormitories, ski lodges, lodging homes, rooming houses, furnished room houses, boarding houses, private clubs, hostels, cottages, camps, [~~campsites,~~] chalets, barracks, dormitories, and apartments. The term does not include the following:

82 Authorization for Debt Restructuring. The state treasurer is hereby authorized to refinance all or a portion of the state's fiscal year 2011 debt service obligations by the issuance at one time or from time to time of up to \$55,000,000 aggregate principal amount of general obligation refunding bonds, which shall mature in such amounts and at such time as the state treasurer, with the approval of the governor and council, shall determine; provided that the final maturity of such bonds shall not be later than June 30, 2021. The issue of such bonds shall be subject to the same requirements and provisions of law as would then be applicable to the issue of the bonds being refunded, except as provided in this section. Such refinancing is intended to result in a general fund reduction of the required debt service for the biennium ending June 30, 2011 of approximately \$40,000,000. The amount of general fund debt service so refinanced shall lapse to the general fund on or before June 30, 2011.

83 Capital Appropriation Increased; University System of New Hampshire; KEEP NH. Amend the introductory paragraph of 2005, 259:2, I to read as follows:

I. The Knowledge Economy Education Plan (KEEP NH) documents the need for investment in university system of New Hampshire projects primarily to renovate and expand science, engineering and technology facilities. The sum of [~~\$109,500,000~~] **\$134,500,000** is hereby committed and appropriated to the university system of New Hampshire (USNH) for the KEEP NH plan, effective July 1, 2005 but limited to the drawdown of funds as stated in this section. The appropriation is for the following capital projects:

84 Capital Appropriation; University System of New Hampshire; KEEP NH. Amend 2005, 259:2, II, C and D to read as follows:

C. [~~\$74,500,000~~] **\$99,500,000** through the biennium ending June 30, 2011 (~~[\$35,000,000]~~ **\$60,000,000** in new authorization for the biennium).

D. [~~\$109,500,000~~] **\$134,500,000** through the biennium ending June 30, 2013 (~~\$35,000,000~~ in new authorization for the biennium).

85 Capital Budget; Bonds Authorized; University System of New Hampshire; KEEP. Amend 2005, 259:8, II to read as follows:

II. To provide funds for the appropriation made in section 2, paragraphs I and II, the state treasurer is hereby authorized to borrow upon the credit of the state not exceeding the sum of [~~\$109,500,000~~] **\$134,500,000** and for said purposes may issue bonds and notes in the name of and on behalf of the state of New Hampshire in accordance with RSA 6-A; provided the cumulative bonds or notes shall not be issued in excess of:

(1) \$4,500,000 through the biennium ending June 30, 2007.

(2) \$39,500,000 through the biennium ending June 30, 2009.

(3) [~~\$74,500,000~~] **\$99,500,000** through the biennium ending June 30, 2011.

(4) [~~\$109,500,000~~] **\$134,500,000** through the biennium ending June 30, 2013.

86 Tobacco Tax. Rate Increased. Amend RSA 78:7 to read as follows:

78:7 Tax Imposed. A tax upon the retail consumer is hereby imposed at the rate of [~~\$1-78~~] **\$1.98** for each package containing 20 cigarettes or at a rate proportional to such rate for packages containing more or less than 20 cigarettes, on all cigarettes sold at retail in this state. The payment of the tax shall be evidenced by affixing stamps to the smallest packages containing the cigarettes in which such products usually are sold at retail. The word "package" as used in this section shall not include

individual cigarettes. No tax is imposed on any transactions, the taxation of which by this state is prohibited by the Constitution of the United States.

87 Applicability; Tobacco Tax. Section 86 of this act shall apply to all persons licensed under RSA 78:2. Such persons shall inventory all taxable tobacco products in their possession and file a report of such inventory with the department of revenue administration on a form prescribed by the commissioner within 20 days after the effective date of this section. The tax rate effective on the effective date of this section shall apply to such inventory and the difference, if any, in the amount paid previously on such inventory and the current effective rate of tax shall be paid with the inventory form. The inventory form shall be treated as a tax return for the purpose of computing penalties under RSA 21-J.

88 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other law to the contrary, for the fiscal year ending June 30, 2010 and with the prior approval of the fiscal committee of the general court, the department of administrative services is authorized to transfer to the general fund up to \$2,000,000 from accounts or funds maintained separately on the books of the state.

89 Operating Budget; Lapse of Appropriation. New Hampshire Retirement System; Retirement Pension Benefit; Health Insurance. Amend 2009, 143:1, 01, 59, 59, 590510, 1052, class 064, footnote F to read as follows:

~~[\*064 F. This appropriation shall not lapse until June 30, 2011]~~

90 Operating Budget. Lapse of Appropriation. Judicial Council; Contracts for Program Services. Amend 2009, 143:1, 02, 07, 070010, 1094, class 102, footnote F to read as follows:

~~[\*102 F. This appropriation shall not lapse until June 30, 2011]~~

91 Department of Treasury. Lapse of Appropriation for Debt Service. Amend 2009, 143:1, 01, 38, 38, 380010, 2076, class 043, footnote F and class 044, footnote F to read as follows:

~~[Class Notes, 043 F. This appropriation shall not lapse until on June 30, 2011.]~~

~~[Class Notes, 044 F. This appropriation shall not lapse until on June 30, 2011.]~~

92 Taxation of Interest and Dividends; Who Taxable. Amend RSA 77:3, 1(b) to read as follows:

(b) **Partnerships, limited liability companies, associations, and trusts**, the beneficial interest in which is not represented by transferable shares, whose gross interest and dividend income from all sources exceeds \$2,400 during the taxable year, but not including a qualified investment company as defined in RSA 77-A:1, XXI, or a trust comprising a part of an employee benefit plan, as defined in the Employee Retirement Income Security Act of 1974, section 3.

93 Taxation of Interest and Dividends; What Taxable. RSA 77:4, III is repealed and reenacted to read as follows:

III. Dividends, other than stock dividends paid in new stock of the partnership, limited liability company, association, or trust issuing the same, on shares in partnerships, limited liability companies, associations, or trusts the beneficial interest in which is represented by transferable shares.

94 New Sections; Taxation of Interests and Dividends; Partnerships and Limited Liability Companies. Amend RSA 77 by inserting after section 14 the following new sections:

77:14-a Partnerships and Limited Liability Companies. Partnerships and limited liability companies having a usual place of business in this state, any member of which is an inhabitant thereof, shall be subject to taxes imposed by this chapter. If any of the members of the partnership or limited liability company are not inhabitants of this state only so much of the income thereof as is proportionate to the aggregate interest of the partners or members who are inhabitants of this state in the profits of the partnership or limited liability company shall be taxed.

77:14-b Partners and Members. The tax shall be assessed on such a partnership or limited liability company by the name under which it does business, and the partners or members shall not be taxed with respect to the taxable income derived by them from such a partnership or limited liability company.

77:14-c Members of Partnership or Limited Liability Company Outside the State. An inhabitant of this state who is a member of a partnership or limited liability company having no usual place of business in this state, who receives income from such partnership or limited liability company derived from such a source that it would be taxable if received directly from such source by such partner or member, shall as to such income be subject to the taxes imposed by this chapter.

77:14-d Application of Sections. RSA 77:14-a to 14-d shall apply, so far as apt, to associations and trusts, but not to partnerships, limited liability companies, associations, and trusts the beneficial interest in which is represented by transferable shares.

95 Repeal. RSA 77:1-a, relative to definitions, is repealed.

96 Applicability. Sections 92-95 shall apply to taxable periods ending on or after December 31, 2010.

97 Commission Established. There is a commission established to study business taxes and safe harbor deductions for the reasonable compensation deduction under the business profits tax.

I. The members of the commission shall be as follows:

(a) Three members of the senate, appointed by the president of the senate.

(b) Four members of the house of representatives, appointed by the speaker of the house of representatives.

(c) Five members of the public appointed by the governor, representing the following groups and interests:

(1) Tax experts and accountants;

(2) Small business;

(3) Real estate, finance, and investment; and

(4) Business trade associations.

II. The commission shall study and evaluate:

(a) The present system of business taxation in New Hampshire, including but not limited to the rates and allocation among taxpayers of the business enterprise tax, the business profits tax, and the interest and dividends tax.

(b) Whether there are changes to the present system of business taxes and rates of assessment that should be considered by the legislature in order to:

(1) Ensure fairness and equity in the allocation of business taxes including among similarly situated business entities and taxpayers;

(2) Ensure clear tax laws; and

(3) Continue to provide a business tax environment that enhances the growth of jobs and income in the state.

(c) Safe harbors for the reasonable compensation deduction under the business profits tax, including but not limited to:

(1) Safe harbors based on the percentage of the gross selling price on the sale of business assets other than inventory;

(2) The percentage of gross revenues and the percentage of gross business profits using the independent investor return test;

(3) The federal self-employment tax; and

(4) Any other issue related to the reasonable compensation deduction.

III. The commission may solicit and receive testimony and other information from any person or organization with information or expertise relevant to the committee's objective. State agencies shall cooperate with the commission, and provide data, information, reports and testimony to the commission upon request.

IV. The governor shall appoint a chair from among the members. The first meeting of the commission shall be called by the chair and shall be held within 45 days of the effective date of this section. Seven members of the commission shall constitute a quorum.

V. Legislative members of the commission shall receive mileage at the legislative rate when attending meetings of the commission.

VI. The commission shall, following a public hearing on a draft final report, submit a final report on or before December 1, 2010, containing its findings and any recommendations for proposed legislation, to the governor, the president of the senate, the speaker of the house of representatives, the house and senate clerks, and the state librarian.

98 New Hampshire Retirement System; Employer Contributions; State Payment. Amend RSA 100-A:16, II(b)-(c) to read as follows:

(b) The contributions of each employer for benefits under the retirement system on account of group II members shall consist of a percentage of the earnable compensation of its members to be known as the "normal contribution," and an additional amount to be known as the "accrued liability contribution," provided that any employer, other than the state, shall pay 70 percent of such total contributions for state fiscal year 2010, and 30 percent thereof shall be paid by the state for state fiscal year 2010, and that beginning with state fiscal year 2011 any employer, other than the state, shall pay [75] 80 percent of such total contributions, and [25] 20 percent thereof shall be paid by the state, and that beginning with state fiscal year 2012, and every state fiscal year thereafter, any employer, other than the state, shall pay 65 percent of such total contributions, and 35 percent thereof shall be paid by

the state; and provided that, in the case of compensation attributable to extra or special duty, the employer shall pay the full amount of such total contributions; and provided further that, in case of group II members employed by the state, the state shall pay both normal and accrued liability contributions. The rate percent of such normal contribution, including contributions on behalf of group II members whose group II creditable service is in excess of 40 years, in each instance shall be fixed on the basis of the liabilities of the system with respect to the particular members of the various member classifications as shown by actuarial valuations, except as provided in subparagraphs (h) and (i).

(c) The contributions of each employer for benefits under the retirement system on account of group I members shall consist of a percentage of the earnable compensation of its members to be known as the "normal contribution," and an additional amount to be known as the "accrued liability contribution;" provided that, in the case of teachers, any employer, other than the state, shall pay 70 percent of such total contributions for state fiscal year 2010, and 30 percent thereof shall be paid by the state for state fiscal year 2010, and that beginning with state fiscal year 2011 any employer, other than the state, shall pay ~~[75]~~ 80 percent of such total contributions, and ~~[25]~~ 20 percent thereof shall be paid by the state, and that beginning with state fiscal year 2012, and every state fiscal year thereafter, any employer, other than the state, shall pay 65 percent of such total contributions, and 35 percent thereof shall be paid by the state; and provided further that in case of teacher members employed by the state the state shall pay both normal and accrued liability contributions. The rate percent of such normal contribution in each instance shall be fixed on the basis of the liabilities of the system with respect to the particular members of the various member classifications as shown by actuarial valuation, except as provided in subparagraphs (h) and (i).

99 Department of Agriculture; Licenses; Transfers of Animals and Birds. Amend RSA 437:3 to read as follows:

437:3 Licenses. Applications for licenses shall be made annually in writing to the department accompanied by a license fee of ~~[\$200]~~ \$350. After January 1, the license fee shall be ~~[\$100]~~ \$175. If after inspection the department finds that the premises, cages and facilities thereon meet the proper standards for health and sanitation and that their use will not result in inhumane treatment of said animals or birds, and proof is provided with the application that the zoning enforcement official of the municipality wherein such facility is to be maintained has certified that the facility conforms to the municipal zoning regulations, a license shall be issued. Licenses shall expire on June 30 following issue, and may be renewed on application to the department accompanied by a renewal fee of ~~[\$200]~~ \$350. Such licenses shall be in the form prescribed by the department, shall be publicly displayed at the premises covered by them and adjacent to animal display cages. Each such license shall be subject to revocation at any time by the department, if in the judgment of the department the conditions under which it was issued are not being maintained. Each licensee shall be inspected by an employee of the department or by a person appointed by the department no less frequently than every 6 months. Upon receipt of a written complaint alleging violation of this subdivision, the department shall investigate said complaint within a reasonable time. All license fees shall be deposited in the state treasury.

100 Lottery Commission; Report Required. The lottery commission shall submit to the governor, the president of the senate, and the speaker of the house of representatives, no later than November 15, 2010, a comprehensive report describing how it proposes to modernize and update its products within the next 5 years in order to maximize revenues in a competitive lottery environment. The report shall address, among other products, the feasibility of offering online fantasy sports games. The commission's evaluation of online fantasy sports games shall include: a 5-year financial analysis of the costs and revenues associated with sponsoring fantasy sports as a New Hampshire lottery product; a detailed explanation of how fantasy sports games would be implemented and conducted, and the rules under which such games would be offered; how fantasy sports games would be advertised and marketed, including how the content of third-party advertising would be controlled; how age verification for participation would be assured; and how participation in New Hampshire lottery sponsored on-line fantasy sports games would be undertaken consistent with all applicable state and federal laws regulating on-line gaming.

101 Operating Budget; Transfer of Appropriations; Adequate Education Grants; Funds From Education Trust Fund Transferred to General Fund.

I. The commissioner of the department of administrative services is authorized to transfer up to \$80,000,000 from the appropriation in account 06-56-56-560010-7550 class line 086 for fiscal year 2011 into account 06-56-56-560010-7550, class line 086 for fiscal year 2010 on or before June 30, 2010. Account 06-56-56-560010-7550, class line 079 for fiscal year 2010 shall be reduced by the same amount that is transferred into account 06-56-56-560010-7550, class line 086 for fiscal year 2010, and account

06-56-56-560010-7550, class line 079 for fiscal year 2011 shall be increased by the corresponding amount.

II. Notwithstanding RSA 198:39, any funds remaining in the education trust fund as of June 30, 2010 shall be transferred to the general fund as undesignated surplus.

102 Application; Appropriations Reductions; All State Agencies. The reductions required by this act shall be in addition to the reductions required by 2009, 143:22, I and 2009, 144:289.

103 Effective Date.

I. Section 5 of this act shall take effect as provided in section 33 of this act.

II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.

III. Sections 75 and 76 shall take effect June 15, 2010.

IV. The remainder of this act shall take effect upon its passage.

#### AMENDED ANALYSIS

This bill:

1. Exempts certain rates for services, placements, and programs for children and families from RSA 541-A.
2. Clarifies the administration of the New Hampshire employment program.
3. Makes the funded family assistance program (FANF) permissive rather than mandatory.
4. Requires recipients of medical assistance to name the state of New Hampshire as beneficiary of all life insurance policies, except under certain circumstances.
5. Allows the department of health and human services to make a claim for recovery of assistance for a deceased recipient from the division of abandoned property.
6. Authorizes the commissioner of the department of health and human services to transfer funds within and among all PAUs within the department, to address present or projected budget deficits, or to respond to changes in federal laws, regulations, or programs, and as otherwise necessary for the efficient management of the department.
7. Permits funds from the lead paint poisoning prevention fund to be used to support program staff and administrative costs.
8. Transfers powers and duties for the New Hampshire refugee resettlement program from the governor's office to the department of health and human services.
9. Establishes a special account for civil fines collected by the department of health and human services under RSA 151.
10. Clarifies criteria for determining eligibility for services under the Medicaid waiver.
11. Changes the due date for the Medicaid enhancement tax.
12. Renames the "multiple DWI offender intervention detention center program" as the "multiple DWI offender intervention program," and authorizes the commissioner of the department of health and human services to directly operate the program, to approve community-based providers of the program, or to contract with public or private entities to operate the program.
13. Requires the commission to examine driving while impaired education and intervention programs to study penalties for intoxication or under the influence of drugs offenses and submit a report of its findings.
14. Makes further reductions in the operating budget for the legislative, judicial, and executive branches for fiscal years 2010 and 2011.
15. Suspends the home health service rate setting rule for the biennium ending June 30, 2011.
16. Suspends the catastrophic illness program in the department of health and human services for the fiscal year ending June 30, 2011.
17. Suspends the senior volunteer grant program in the department of health and human services for the fiscal year ending June 30, 2011.
18. Authorizes the commissioner of the department of health and human services to disburse funds from the alcohol abuse prevention and treatment fund.
19. Amends the duties of the governor's commission on alcohol and drug abuse prevention, intervention, and treatment and deletes the authority for disbursement of funds from the alcohol abuse prevention and treatment fund.
20. Suspends the requirement for the department of health and human services to distribute incentive funds for juvenile placement programs.
21. Reduces the rate paid to residential providers subject to the rate setting rule of the department of health and human services by 2 percent.
22. Extends the suspension of direct graduate medical education payments to hospitals until July 1, 2011.

23. Suspends the provision of indirect graduate medical education payments to hospitals through June 30, 2011.
24. Suspends catastrophic aid payments to hospitals effective April 1, 2010 through June 30, 2011.
25. Amends the state operating budget by deleting expenditures in fiscal years 2010 and 2011 for the home visiting program.
26. Conditions eligibility for cash assistance and medical assistance benefits on the recipient filing an application for any federal cash assistance benefits for which the individual may be entitled.
27. Reduces rooms and meals tax revenue distributions to towns and cities an additional \$6,019,930.
28. Removes the application of the rooms and meals tax to campsites.
29. Authorizes the state treasurer to refinance certain debt service obligations.
30. Increases the bonded appropriation for the university system of New Hampshire KEEP NH program by \$25,000,000 for the biennium ending June 30, 2011.
31. Increases the tobacco tax rate by \$.20 for each package containing 20 cigarettes.
32. Authorizes the department of administrative services to transfer \$2,000,000 from certain dedicated funds or accounts maintained separately on the books of the state.
33. Requires the lapse of certain retirement pension benefit-health insurance funds.
34. Requires the lapse of certain judicial council funds for contracts for program services.
35. Requires the lapse of certain appropriations to the state treasurer for debt service.
36. Makes distributions from limited liability companies, partnerships, and associations subject to the interest and dividends tax only if they have transferable shares.
37. Establishes a commission to study business taxes and safe harbor deductions for the reasonable compensation deduction under the business profits tax.
38. Reduces the state's contribution for benefits under the New Hampshire retirement system for fiscal year 2011.
39. Increases the license fees for selling animals and birds.
40. Requires the lottery commission to submit a report to the governor and the legislature on the feasibility of offering online fantasy sports games.
41. Transfers certain appropriations relating to adequate education grants.



Public Works

201  
1 PM

SB 450 (prop. AM)  
sec. 82, 83-85

## HOUSE AND SENATE FINANCE COMMITTEES

Legislative Office Building, Rooms 210-211

Concord, NH

Thursday, April 15, 2010

**SENATE BILL 450-FN, AN ACT** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

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CHAIRMAN SMITH: I'd like to call the joint meeting of House and Senate Finance Committee to order. This is -- this is a public hearing. This is an opportunity for the Members of the Committee to hear from the public. After today, we will have a series of workshops that will be the House Finance Committee. This bill is before the House Finance Committee. We will have a series of work sessions that are in the calendar that are posted when we will be able to explore in-depth each of the sections that is before us. Today is an opportunity for us to hear from the public and I would open the hearing by recognizing the prime sponsor of SB 450, Senator Sgambati.

KATHLEEN SGAMBATI, State Senator, Senate District #4: Thank you, Madam Chair. Hum -- I am introducing Senate Bill 450 as passed by the Senate. And the bill as passed reduces administrative expenditures, simplifies some regulations and processes, modifies some requirements, and corrects some program issues with little or no impact on people.

The first -- if people want to follow with the bill, in the first section it relieves the Department of rulemaking related and publication of reimbursement rates. It's simply an administrative change that doesn't have -- correct much value. In Section 3 of the bill, it gives the Department the option rather than the current mandate to contract with Employment Security. We currently spend \$1 million plus on that contract. Other citizens of the State receive that -- those services for free. So this opens negotiations and opens the Commissioner's ability to reduce the volume and the size of this contract.

In Section 4, the non-TANF program for two families is become -- is suggested to be optional

rather than mandatory. This is not to take the program away, but the intent is that the change in accounting and how it's accounted for allows us to better meet the State's maintenance of effort requirement for TANF.

In Section 5 is a recovery provision that allows us to enhance the recovery of State expenditures by attaching life insurance that's in excess of \$1,500. That repayment of State expenditures will be applicable to all, except for a living spouse, a surviving spouse, or a child with a disability, an adult child with a disability that lives -- that supersedes or outlives the beneficiary.

In this Section 6, it authorizes and makes some changes on a database that allows for an accounting change. And in Section 9 grants the Department broad transfer authority among all accounts, because this is an unprecedented option in management for the Department. It is time limited till the end of the biennium and expires on June 30<sup>th</sup>, 2011.

In Section 10 of the bill, which is the lead poisoning prevention, it allows the Department to charge additional fees for specific activities, and those fees are dedicated to administrative and staff costs. And the intent is to, hopefully, restore the staff for this program which the general court embraced two years ago.

Section 12 is a reorganization move which moves -- transfers refugee resettlement to the Department. It will allow a reduction in administrative expenditures as well as an enhancement of services.

Section 13 allows the Department to create a

fund or creates a fund within Treasury to allow civil penalties to be collected from the Department and for them to earn interest on those penalties.

Within Section 15 is probably the only impact on individuals. Within the different methodologies and innovations that the Senate passed, the intention here is to correct a problem with a federal program requirement that the State is out of compliance with. The State can no longer allow the level of eligibility for financial eligibility for home and community-based services. It currently exceeds the federal limit and would need to be changed to three times the SSI limit. That will have an impact on about 70 individuals going forward.

The Medicaid Enhancement Tax is a date change to allow the collection on an easier basis, and the remainder of the bill creates changes to the Multiple Offender Program. It allows the Department to contract because as everyone is aware we have closed that program. So this simply changes all of the statutes related to the Multiple Offender Program and allows the provisions for contracting. It also requires within this set of changes that there is a study of the effectiveness of the Multiple Offender Program so that we know whether our dollars are being well spent on this important intervention.

The savings throughout are variable, but what is as important as the savings that the Senate identified with the Department are those risks and penalties that would be assessed if we do not deal with certain compliance issues. So the processing of this -- the process of review will continue. We have worked with the Department to identify administrative savings and changes in the way we do business in order to offset the need for cuts going

forward. That review will continue. The Commissioner is doing a re-engineering of services by engaging community members and we will, hopefully, identify more savings as we go forward. But this is the bill as the Senate passed counting on administrative changes and reductions and innovations to offset the needs for additional reductions. Thank you, Madam Chairman. I would be happy to answer questions.

CHAIRMAN SMITH: Thank you very much, Senator Sgambati, for walking us through Senate Bill 450 as it comes to the House. Are there any questions? Not seeing any, I thank you again for laying the ground work for today's hearing.

SEN. SGAMBATI: Thank you.

CHAIRMAN SMITH: We are going to just take one minute to distribute some materials to the Committee, and then we will go on.

I'd like to end the brief recess and recognize the Governor of the State of New Hampshire.

HON. JOHN LYNCH, Governor, Executive Branch: Thank you all very much. Please all be seated.

CHAIRMAN SMITH: Good morning, Governor.

GOVERNOR LYNCH: Good morning. Good morning, everybody, and thank you all very much for allowing me to say a few words about the current budget situation and proposed solution. And before I begin, let me just say to all of you, thank you very much for all that you do. I know you do this job because you care about New Hampshire, you care about the people of New Hampshire, you want to make a difference in their lives and you're not doing it for the salary. I'm well aware of that. So I very

much appreciate all that you do, and I mean that.

I also believe that as difficult a situation as we are in today, not unlike that being faced by many other states, I do think if we're able to work together we'll be able to develop a solution that will work for New Hampshire. And as Governor, I'm committed to working with each of you to make that happen.

You all know Kristyn. What Kristyn and I would like to do, Madam Chair -- what Kristyn and I would like to do, Madam Chair, is walk you through which are really the highlights of the solution that we have to the proposed budget shortfall that we face. And my suggestion would be, if you would let us walk through this with you, and then answer any questions that you may have after we walk through it. In part, because questions may be answered by a discussion that we have as a result of an issue that's developed on a subsequent page. And we can go through this fairly quickly and then open up to any questions that you may have of Kristyn or me.

If we go to just Page 2, and a lot of these as I said I can go through very quickly. Between 40 and 45 states around the country are facing a significant revenue shortfall situation. It seems like the only states that are not are those energy-producing states, like, North Dakota. So we're in the same situation as our other states. In fact, many other states are significantly worse off than New Hampshire. So we should feel, I think, some consolation in that. Our revenue shortfall, although it is a difficult shortfall to manage, is significantly below the national average.

Page 3, Fiscal Year 2010 revenues are projected to be below 2006 levels. And as I've said to some of you in the past, in the private sector when

revenues go down, you're variable costs go down. So you get a little bit of grace in terms of managing the overall budget in the private sector. What we see in State government is that when revenues go down, which is what we're experiencing now, costs go up. They don't go down. Variable costs go up driven by higher caseloads in Health and Human Services. Obviously, exacerbated by the unemployment rate that we're experiencing here in New Hampshire. And even though our unemployment is 30% below the national average, we still have 50,000 of our neighbors and friends who are out of work. So as our revenues go down, our costs go up. It's -- the recession has increased the demand for State services, particularly Medicaid and TANF. And that is all reflected in what we're seeing in the Health and Human Services Budget.

The shortfall also is the result of our inability to transfer JUA funds, and I'll talk in a minute about what that means for Fiscal Year '10 and Fiscal Year '11. So we're estimating right now a potential shortfall of between 210 and 200 -- what am I doing here?

KRISTYN VAN OSTERN, Budget Director, Executive Branch: Closer.

GOVERNOR LYNCH: I'm doing my best, Madam Chair.

CHAIRMAN SMITH: I'm sorry to interrupt you, Governor. But there's so many people who would like to hear you and that microphone works only if it is much closer to you than you would like it to be.

GOVERNOR LYNCH: Okay. So right now we are looking at a potential shortfall of between 210 and \$220 million. And that's a shortfall for this biennium. That means for the rest of this Fiscal



Year, Fiscal Year '10, and Fiscal Year '11.

If we go to Page 4, it's really a three-part solution that we are proposing and it's meant to be a balanced approach to how we address this revenue shortfall. Reductions in general fund spending we're proposing. We are proposing to refinance and restructure debt and I'll talk about that in a little bit, as well as some increases in revenues from federal and state sources. So the solution that we're proposing equals about the amount of shortfall that we're facing.

Page 5, and again, we don't have to spend time on this. I know you know this. We arguably are facing some of the most difficult economic challenges since the 1940s, and it's a tough time. You know, none of us is responsible for the economic recession that we're in, but I do think it's incumbent on us to work together and work our way through it.

With this plan, we're making the tough decisions to cut State spending and ensure a balanced budget and ensure a balanced budget for not only the biennium but for this Fiscal Year, doing what we can to protect core services, and also keeping New Hampshire taxes among the lowest in the nation.

Page 6, we're proposing about \$85 million in general fund spending cuts for this biennium. The projected general fund spending for this biennium is actually 3% below general fund spending in the previous biennium. We're also proposing to refinance and restructure debt. I'll talk about the mechanics of that in a minute to take advantage of favorable interest rates and at the same time to provide relief to the general fund, which is stressed right now.

We're also proposing, and again, I'll get into this more detail, to amend the Capital Budget to include \$25 million additional for USNH to pay for deferred maintenance at the University System of New Hampshire institutions. As you know, USNH includes UNH, Plymouth, Keene and Granite State College. These are, in fact, state-owned buildings. And this is money to go toward deferred maintenance and it's money that if we take care of deferred maintenance now, it will cost us less in the long-term. So I think this is money -- and I know this is money that would be well spent. At the same time, the State pays the debt service for USNH which equates to \$19 million a year. So USNH would pay to the State \$25 million out of their reserve funds to help offset the debt service that the State currently pays for USNH. We're also proposing a 20-cents tobacco tax increase, and we can talk about what the expected revenue is from that source in just a moment.

On Page 8, talk about expediting government restructure initiatives to provide relief to 2010 and '11. It does defer and suspend initiatives and programs until the economy recovers. And as I've said before, this is not a forever situation that we're in, and we're going to need to make some tough decisions to get through this downturn. Eventually the economy will he recover. In fact, I think there are some signs of some gradual recovering already happening as I talk with people throughout New Hampshire.

Clearly, the cuts are not going to be without pain, and I think we all recognize that, and services to some citizens will, in fact, be impacted. Page 9, it includes 30 to 35 lay-offs. Thirty-three notices have gone out already and these lay-offs are in addition to the 300 lay-offs

that we've had so far. The majority of the lay-offs relate to restructuring or closure of programs that we're proposing as part of the general cost reductions. It continues the freeze to hiring, out-of-state travel and equipment purchases, a freeze which really began back in 2008 as a result of the Executive Order which I issued at that time. The statewide general fund vacancy rate is in the low teens with some departments now over 20 percent in terms of their vacancy rates.

Page 10, this is something that I'd like to spend just a moment on. And I think a number of you have seen this chart. If we look and see where we spend our money now, you know, where does the money go that we're currently spending both for education and general dollars -- general fund dollars? Forty-five percent goes to State Aid to cities and towns. Forty-five percent. It's almost half the budget. So I know sometimes it's tempting to say, you know, just cut the budget by a certain percent across the board and sometimes people will say that also say, by the way, don't cut -- don't cut aid to cities and towns. It's very difficult to argue we should just cut the budget across the board by X percent but not touch half the budget.

At the same time, 30% of the budget goes for Health and Human Services. And I already talked about how our costs in Health and Human Services are increasing, not declining. So, again, some -- who would argue to just cut the budget across the board by X percent might also say, by the way, don't only not touch aid to cities and towns, but don't touch Health and Human Services. Then we are up to 75% of the budget. And it's difficult to make these cuts without touching each one of these parts of the diagram. Debt service, Corrections. Talk about Corrections for just a minute. Corrections cost in Fiscal Year '10 are lower than Fiscal Year

'09. They're \$109 million in this Fiscal Year. We're proposing to make further reductions. But I also believe and we're studying this with the help of many of you, we need to do more to lower our recidivism rate in Corrections. You know, I've been saying for a long time we don't have a capacity problem here in New Hampshire. We have recidivism problem. And I would rather invest dollars in lowering our recidivism rate than adding capacity to Corrections.

Four percent goes to the Judicial Branch, Justice, and the Judicial Council and some would suggest we not touch that as well.

Five percent goes to the University System of New Hampshire and the Community Colleges. Some would suggest that we're already under funding those institutions.

So Madam Chair, and Senator D'Allesandro, what you get to is that some would argue to cut the budget by X percent across the board might also suggest, by the way, don't touch 95% of the budget and that's not possible, which is why as we're looking at where we can cut and where we have to make these difficult decisions. Unfortunately, you can't do it without touching almost every part of state government and looking at how we spend our money today. And as I said, 45 percent of that goes to aid to cities and towns.

Right now we spend about \$2.2 billion on aid to cities and towns and that's for the biennium. This proposal cuts spending to cities and towns by about \$30 million, which is -- it's actually less than \$30 million, but it's roughly 1 percent. And we can compare that to what we're asking in terms of cost reductions from other agencies and departments as well.

Page 11, it allows Health and Human Services to meet increasing demand for Medicaid and TANF and I know that you all will be having the Department heads come and talk with you about what their proposed cuts are and what the impact is on services and on the citizens of our great state. It maintains funding for the DD and the ABD Wait List. So we maintain funding for that. It also provides an additional million dollars for child care. And we know what's happening with child care and the need for child care. Certainly it's increasing. It's not decreasing. The wait lists are increasing. So it does provide an additional million dollars there.

Page 12, it provides for -- and it pays for the repeal of the extension of rooms and meals to campgrounds. And I know that's passed the House and the Senate. It pays for the repeal of the interest and dividends tax extension which also applies to LLCs, the so-called LLC tax, and it has a 20-cents tobacco tax increase which I referred to already.

Page 13, it establishes a Commission to Study New Hampshire's Business Taxes to ensure equity and fairness. Business taxes here in New Hampshire have evolved over the last almost 100 years, and they have evolved in somewhat of a fragmented way as the world has changed. And I think we need to step back working with all of you, working with practitioners, business people, other representatives of the Executive Branch, to talk about how we should modify our business tax laws to ensure fairness, equity, and look at them in a more comprehensive and integrated way than what has been done previously. It also directs the Lottery Commission to issue a report by November on ways that it can modernize its product offerings and to

assess the feasibility of fantasy sports, whether it's feasible or not. It may be, it may not be; but it's asking the Lottery to study that.

On Page 14, again, this really, I think, is a good page, which demonstrates the different components of the revenue shortfall. We are estimating that revenues will be down \$80 million in this Fiscal Year and another \$32 million in Fiscal Year '11. And as I have talked about with some of you, predicting revenue is inherently difficult to do. The best run companies in America have a hard time projecting what revenues will be two quarters out, and we're trying to project what they're going to be now five quarters out. When we do the budget we try to project what they're going to be eight quarters out. It's inherently difficult to do. As hard as we work on it, as hard as it's done in the private sector, it's a challenge. So this is what we're predicting now. May be better, may be worse, but this is our best estimate at this point.

We were assuming \$45 million in this biennium from the JUA. Obviously, that did not materialize. Fiscal Stabilization money was accelerated into Fiscal Year '09. I talked about Health and Human Services and how they're costs are going up. This is their current estimate right now in terms of their projected internal shortfall. This provides for the repeal of the campground and the I&D tax as it applies to LLC and others. So this proposal actually pays for the lost revenue that we incur by repealing those two taxes. And there are a number of miscellaneous contributors to the shortfall. A lot of it includes timing issues as a result of the \$25 million in personnel reductions that we were mandated to take.

Page 15, this is a summary of our proposed

*House and Senate Finance Committee*

*April 15, 2010*

*Senate Bill 450-FN*

solutions. One is moving Fiscal Stabilization money from '11 to '10. And by the way, our goals in all of this is to ensure a balanced budget for the biennium, and to do everything we can to ensure a balanced budget for Fiscal Year '10. So our goal, our plan, is to move Stabilization money to Fiscal Year '10. We already talked about the reductions and this is where those savings would fall in terms of Fiscal Year '10 and Fiscal Year '11, additional F-MAP money that we are expecting, the revenue that we would get from increasing the tobacco tax, \$12 million. We are going to sweep some dedicated funds and we expect \$2 million there. Health and Human Services is projecting that as a result of national healthcare reform that we will be saving an additional \$5 million in Fiscal Year '11. Debt refunding and restructuring we're expecting to save \$45 million. And then University System of New Hampshire paying to the State \$25 million to help offset the interest charge that the State pays for the University System, and if you add all of this together that proposes a solution of \$217 million.

Now, what we've tried to do is to take a balanced approach to what is admittedly a complicated and difficult challenge. The approach includes the cost reductions and I know those decisions are tough ones, and they're not without pain, and not without impact to citizens. It includes what I think are some modest expectations of additional revenues from federal and state sources, as well as restructuring and refunding some of the debt and also UNH -- USNH paying off or helping to defray the cost of the debt service that the State pays for them.

Page 16, basically covered that in terms of what we were proposing to do with respect to the federal funds. I talked about the \$5 million in estimated savings and those savings basically are

the result of the State's retiree healthcare program in Fiscal Year '11 and how it would be impacted by national healthcare reform.

Page 17, and I'd just like to take a moment on this. The debt refunding and restructuring that we're talking about and the restructuring, by the way, brings in \$39 million for Fiscal Year '11. To do that, what we are doing is restructuring existing bonds. So we're not adding new debt to our capital structure at all, we're just reconstructing the bonds that we have and allows us to save \$39 million on a net present value basis, and that means looking at the cash flows over ten years, and discounting them back to the present, if you assume a 3% cost of capital in terms of restructuring, basically it's cost neutral.

The Treasurer would say use 2.2 percent. That's the arbitrage cost. Then it would be a million dollars cost. So I think in terms of where we are and what we are doing and how we are looking to ensure a balanced budget, to be able to save \$39 million and at a cost of capital of 3% on net present value basis costs you nothing. And we're not adding new debt. We are reconstructing existing debt. I think it's a prudent move. I think it's a prudent move whether we're talking state government or the private sector.

By the way, we have, and I'm sure you all know this, some of the strongest ratios as you look at our capital structure and our capital costs. In some cases the ratios are actually about half of what medians -- Moody's median ratios are. So we have a very, very, very strong balance sheet. It's a very conservative balance sheet. And even assuming we go forward with the capital appropriation for the University System, and assuming we go forward with the restructuring of



the \$43 million of debt, it remains a very, very, very strong balance sheet with outstanding ratios; ratios, whether you look at the coverage ratios, or the debt per capita, or the debt per income, which is what the rating agencies look at.

Page 18, again, I talked about what we're doing for the University System. And again, I think this is very prudent to do as well. Where they would make a debt -- they would make a payment to us, again, of \$25 million for Fiscal Year '10. The State pays \$19 million a year for their debt service. And by the way, that doesn't happen in all states. Some states require the University, their own University System to pay that. So they would make a \$25 million payment to offset that. And then what we would do is increase their capital appropriation which those dollars are already reflected in the ratios I just discussed in order to pay for deferred maintenance on buildings that are state-owned buildings. So I think that makes sense to do going forward and certainly helps with the budget.

Page 19, and I know Senator Sgambati covered what was in SB 450 Amendment, but this -- this I think reiterates what Senator Sgambati talked about. So I won't go over that again

CHAIRMAN SMITH: Excuse me, Governor.

GOVERNOR LYNCH: Yes.

CHAIRMAN SMITH: Senator Sgambati presented to us Senate Bill 450 as it came --

GOVERNOR LYNCH: Okay.

CHAIRMAN SMITH: -- out of the Senate to the House. She did not address the Amendment that has

come in since then.

GOVERNOR LYNCH: Okay. Well, thank you. Thank you. So what I'll do then is just say what would be in the Amendment. It would be the reductions in Fiscal Year '11, any further Fiscal Year '10 reductions requiring legislative action that were not included in what was just passed by Fiscal. The transferring of the Fiscal Stabilization dollars from '11 to '10. The dedicated fund sweep which I talked about. The debt restructuring which we discussed. It would include repealing the I&D extension as well as the campground tax. Increasing the capital appropriation for the University System by \$25 million in Fiscal Year '11. The tobacco tax increase. And it allows for non-lapsing funds at Retirement and Treasury to lapse in Fiscal Year '10. So those would be parts of the Amendment to 450.

On Page 20, let me just say a couple things. This proposal going forward -- oh, thanks. This proposal going forward is our very best work as to how to address a \$220 million shortfall. We have worked very closely with the Department heads, and I know you'll be talking with the Department heads. The Department heads have been wonderful. I mean, we are fortunate in New Hampshire even -- not even considering this exercise, that we have just a wonderful group of Department heads who have the job only because they want to make, like you all, a difference in the lives of the people of New Hampshire. So I think and I know you agree that the Department heads are -- they'll be very open and candid with you as they talk about what the impact of their reductions will be on their budgets. Also, as we go forward, I fully respect the role of the Legislative Branch in all of this. Obviously, I do. And I'm open to any changes or suggestions or thoughts that you may have. And if you have

suggestions, thoughts about a better way to do this, I am very willing to talk with you. Come see me. And if we work together, as I said, and we can get some of the politics out of it, which sometimes creeps into these discussions, I'm sure that we will emerge as an even stronger state going forward. So thank you very much, Madam Chair. Thank you, Senator D'Allesandro, and all of you, and I'm happy to answer any questions. And my great Budget Director is here to answer any questions as well.

CHAIRMAN SMITH: Thank you very much, Governor. Are there any question for the Governor?  
Representative Buco.

REP. BUCO: Thank you, Madam Chair. Thank you, Governor, for coming today. And I guess I would first commend you for making the effort to scale back the state government to its core, essential functions. However, some of these cuts seem to go directly to direct services while not addressing administration within departments. Could you address that, please?

GOVERNOR LYNCH: Well, I mean, I think we did not attempt, as I said, just to cut costs across the Board, but in some cases actually restructure and close programs. We talked about, for example, and the cuts include what we would propose to do with Philbrick Center and any of the children who are there at Philbrick and actually restructure that program such as they would be serviced out of a wing at New Hampshire Hospital. So I think quite apart from just the issue of administrative cuts and there are those here, I think the goal is not to, as I said, just do across the board cuts but actually to look to see what programs we could close or defer. Obviously, there are proposals in here to make some changes with regard to the Sununu Center. Now, the Sununu Center has been operating

at less than 50 percent capacity so it's not efficient in the way it works. So there's a proposal in order to not only save money but also to take advantage of the excess capacity at the Sununu Center. So I think there are a variety of options that this includes. And again, I think the Department heads working with me have proposed these cuts in a very, very thoughtful way.

REP. BUCO: Thank you.

CHAIRMAN SMITH: Thank you. Representative Wendelboe.

REP. WENDELBOE: Thank you, Madam Chairman. Good morning, Governor, and thank you for being with us today. You mentioned the necessary pink slips for State employees and I was wondering if there was any room in the Amendment to perhaps address some of the end terms that we keep reading about with the State employees offering certain suggestions of reductions, as well as potentially having State employees be able to bid on contracts and perhaps be able to save money there. Is there any focus on doing that?

GOVERNOR LYNCH: Yes. In fact, in some cases we've actually brought work or -- or services that have been contracted out back into state government. I think the State employees have recognized that to be the case. You know, my preference like last time was not to do lay-offs. My preference last time was to put in place a well-structured furlough program as a way to save money. Unfortunately, that didn't get agreed to in the final collective bargaining discussions. I'd still be opened to that. You know, furloughs are something that are being done in other states, being done in the private sector. So if there were a way to put in place a well-structured furlough

program, I would be open to that. Some of these -- many of these lay-offs do come from closing programs, restructuring. That is the cause of many of these lay-offs. But again, Representative Wendelboe, you know, my first approach was not to go forward with lay-offs. It was to find another way to do it, but that didn't happen as part of the collective bargaining process. And I'm always open to ways to work with the State employees and the collective bargaining process to save money and to reduce the number of lay-offs.

REP. WENDELBOE: Thank you.

CHAIRMAN SMITH: Representative.

REP. ELLIOTT: Governor, thank you for being with us this morning. It was nice having coffee with you this morning. My question to you, sir, I know that one of the -- as you know, I represent Salem and Windham.

GOVERNOR LYNCH: Hm-hum.

REP. ELLIOTT: My question to you is I know that your objection to gambling is proliferation. And my question would be if the House were to make an amendment to the Senate Bill and we allowed -- and we included a clause that said that there will be no proliferation allowed for the next six years, would you be in favor of Senator D'Allesandro's gambling bill?

GOVERNOR LYNCH: Hum -- couple responses to that. One is, as you know, as we discussed this morning, we have a commission in place that is, I think, doing an objective analysis as to various models that could be put in place here in New Hampshire. They're looking at the impact on economics, the true impact on economics, including

whether there would be any cannibalization from multiple casinos. They're looking at the impact on social costs, potential crime increase, and they're, I think, looking at models as they would apply to New Hampshire getting good data from what happens in other states. And I want to see their results and what their findings are. They'll have their findings at the end of April before we have further discussion about it.

REP. ELLIOTT: Okay. Thank you, Governor.

CHAIRMAN SMITH: Thank you, Representative Elliott. Representative Harris.

REP. HARRIS: Thank you, Madam Chair. Thank you, Governor. I appreciate you being here. I'm going to ask you a tough question that my constituents are asking me. This is very painful. It's hard for all of us to make these cuts as I'm sure it was hard for you. It's looking very difficult now and it's going to be difficult in the next biennium and my constituents have called me and said why aren't we looking at other revenue sources like a sales tax or like an income tax?

GOVERNOR LYNCH: Well, thank you for the question, Representative. As you know, I oppose a sales or income tax, and I would veto one if it comes to my desk. I think it would hurt New Hampshire. I think it's important that we keep our taxes low and we keep our tax structure low. It's important for economic development. We are doing better, as I mentioned, than many other states, including most of the other states in the Northeast. Our unemployment is 30% below that which exists on the national average. And we're doing relatively well compared to other states for a reason. And I think one of the reasons we're doing well is our low tax structure. And I'm committed to

doing everything we can to keeping our taxes low. That includes keeping spending low. And we have -- we're the fourth lowest in terms of State spending per capita. The fourth lowest. And I think we need to continue to keep spending low, keep taxes low. Overall that helps the economy and that helps everybody.

CHAIRMAN SMITH: Thank you, Governor.  
Representative Almy.

REP. ALMY: Thank you, Madam Chair. On Page 14 under Miscellaneous, you say that that's timing issues for the 25 million personnel reduction, which is entirely understandable given the union negotiations but also unbudgeted appropriations. Could you tell me, is that a real number or an assumption that we're going to pass something that costs money?

GOVERNOR LYNCH: You want to talk about that?

MS. VAN OSTERN: Sure.

CHAIRMAN SMITH: Ms. Van Ostern's going to answer that question.

MS. VAN OSTERN: The unbudgeted appropriations are for the Judicial Council, for the Department of Justice, for those items that have come before Fiscal and that are appropriations that were unbudgeted. It's not making any assumptions about further legislative spending.

REP. ALMY: Thank you.

CHAIRMAN SMITH: Representative Emerton.

REP. EMERTON: Thank you, Madam Chairman. Good, morning, Governor. I'm sitting over here.

GOVERNOR LYNCH: Okay. Thank you.

REP. EMERTON: I'm just wondering how you justify the \$4 million cut in the Judicial system on top of the \$3.1 million you did in Senate Bill back in March?

GOVERNOR LYNCH: Well, all the state agencies were subject to the previous cost reductions as you know. So everybody went through that. And now what we're looking at are on top of that additional cost reductions. Now, as you may know, while I put out a request for other states to look at reducing their costs by 2 percent in Fiscal Year '10 and 8% in Fiscal Year '11, the \$4 million represents -- is it a 4% or 6%?

MS. VAN OSTERN: Six percent.

GOVERNOR LYNCH: A 6% cost reduction for the Judicial Branch. Everybody is being asked to tighten their belts. Everybody is being asked to work hard to be more effective and be more efficient. So what is being asked of the Judicial Branch in this proposal is actually less than what other State agencies were asked to comply with and forced to comply with.

Also, the vacancy rates in terms of the number of positions that aren't filled, it's actually lower in the Judicial Branch than in other parts of State government. I also think there are opportunities for the Judicial Branch, and they know their budget well. They should know their budget well. As you know, it's a lump sum appropriation that -- that we all give to the Judicial Branch. But there's also areas that I think they should be asked to look at. You know, and again, we've looked at, for example, they bring



in over \$1 million from court fines and fees for technology projects. And just like we're doing in the rest of State government, I think they need to look and see where they can defer projects, albeit as important they are. I mean, we're doing that in State government -- in the rest of State government and in the Legislative and Judicial Branches. They have \$450,000 appropriated for equipment. Well, I mean, I think -- I think they, like the rest of State government, needs to look at that and see what equipment do they not now need or can they defer until Fiscal Year '12. The court has \$827,000 budgeted for books, periodicals, and subscriptions. Well, like other branches, like other departments, I mean, they have to look at that and see what -- what can they, just like the Commissioner of Health and Human Services has done and Corrections has done, that the rest of Executive Branch has done, they need to look to see where they can reduce their costs, but still meet the needs of the people of New Hampshire and I think that they have to continue to scrutinize their budget to do that. But as I said, the money that's in there now, the 6%, the \$4 million, is less than what was asked of other departments here in the Executive Branch. Thank you for the question.

CHAIRMAN SMITH: Thank you. Are there any other questions for the Governor? Oh, I'm sorry, Representative Major. Yes. And then Representative Dokmo.

REP. MAJOR: Good morning, Governor.

GOVERNOR LYNCH: Good morning, Representative.

REP. MAJOR: Thank you for taking my question. Mine has to do with Page 15, the F-MAP, approximately \$44.5 million. You had mentioned you had expected additional F-MAP money. Where is this

coming from and how sure are we that it's essentially \$45 million is going to be?

GOVERNOR LYNCH: Yep, good question.

MS. VAN OSTERN: Sure. So of the \$44.4 million that's reflected on Slide 15, \$30 million of that for Fiscal Year '11 is attributable to the six-month extension on F-MAP. We are waiting for Congress to pass a -- for both bodies to get together and confirm it, but both the House and the Senate have passed versions of it. And the President has included money for it in his budget. So that's what 30 million of the 33.7 is for Fiscal Year '11. The remaining 14 million across both years is for an adjustment to F-MAP to Part D, which we found out about a couple months ago. We've already received from CMS exactly when we are going to receive those funds. And so we can attribute those as 10.7 in Fiscal Year '10 and 3.7 in Fiscal Year '11.

REP. MAJOR: Thank you.

MS. VAN OSTERN: Yes.

CHAIRMAN SMITH: Thank you. Representative Dokmo.

REP. DOKMO: Thank you very much. Thank you for being here, Governor.

GOVERNOR LYNCH: You're welcome.

REP. DOKMO: I know you have a very tough task and so do we. But I will tell you that it continues to disturb me that when you were talking about cuts to the Judiciary, you lump them or you compare them to cuts to an agency. The Judiciary is an entire branch of government. It is not an agency. It is

not a department. And even on your chart on Page 10, you put the Judicial Branch funds with the Justice Department and Judicial Council. So what I would ask you is just the Judicial Council, what is -- what is the percentage of just the Judicial Branch of the cost here?

GOVERNOR LYNCH: You talking about what is the percent of the cost on Page 10?

REP. DOKMO: Right.

GOVERNOR LYNCH: Do you know?

MS. VAN OSTERN: I don't off the top of my head.

GOVERNOR LYNCH: I can get that for you. But I mean, the fact is, and I appreciate what you're saying, they are a separate equal branch of state government. I appreciate that. But they're also funded through the general fund appropriation. And they're funded by the taxpayers of New Hampshire, the citizens of New Hampshire. So just as everybody else is asking -- is doing what they can to be more effective and efficient, tightening their belt, I think the same expectation should be asked of them, a branch of government paid for by the taxpayers that is being asked of everybody else. So I understand full well that they're a separate branch of state government. But like you, I also see the people who are served by the Health and Human Services, I see the need the people around New Hampshire have and I think there's an equity issue here and I think they need to be part of that process.

REP. DOKMO: Thank you.

CHAIRMAN SMITH: Representative Bergin.

REP. BERGIN: Thank you, Madam Chair. Thank you, Governor, for coming. It's always great to see you.

GOVERNOR LYNCH: You're welcome.

REP. BERGIN: In your bill you're proposing to repeal the LLC tax and we have already passed the camp tax. How did you settle in on the tobacco tax? Did you look at other taxes or how did you settle in on this?

GOVERNOR LYNCH: You know, there's a lot of things in here that in better times, obviously, Representative, we wouldn't do. We still have, I think, some competitive advantage with our border states in terms of competition. If we add the 20-cent tobacco tax increase, I know that our retail price competitive advantage versus Massachusetts is 94-cents so -- which is, obviously, where the bulk of the border sales come from. It becomes less so, obviously, with the border communities as they are against Maine and Vermont. And I think the balance is for me is if you don't do this, then what additional \$12 million do you cut or what are other options that you have, which is really what this proposal is about. The proposal is really a balance between, you know, a number of different options, some of which may not be ones we would do in better times. So again, it's meant to be our best proposal going forward in terms of how to deal with a very complicated situation. As I mentioned, Representative, I am certainly open to doing various parts of this in a different way. And I'm very willing to work with you, as you know, Representative, and the other members to come up with a proposal that, again, gets us through these difficult times.

REP. BERGIN: Thank you.

CHAIRMAN SMITH: Representative Kurk.

REP. KURK: Thank you, Madam Chairman. Good morning, Governor.

GOVERNOR LYNCH: Good morning, Representative Kurk.

REP. KURK: Did you by any chance look at the revenue implications of reducing the cigarette tax that we might get more money through that tax as well as others if the price went down, the competitive advantage increased?

GOVERNOR LYNCH: I'm open to looking at that.

REP. KURK: Further question, Madam Chairman?

CHAIRMAN SMITH: Certainly.

REP. KURK: On the JUA money, it's my understanding that the Supreme Court decision provided a road map for the State to justify constitutionally the use of part of that money for specific social services. Did you look into that possibility?

GOVERNOR LYNCH: You know, the Attorney General, along with my legal counsel, continues to evaluate that to see whether there, you know, is the possibility of using any of that money for that purpose and going back to the court. It's not money in hand. It's not money, obviously, that we can reasonably expect at this point. So I think it would be very, very premature and speculative to include revenue from that in this proposal.

REP. KURK: Thank you. Thank you, Madam Chair.

CHAIRMAN SMITH: Thank you. Are there any other questions for the Governor? Senator Gallus.

SEN. GALLUS: Thank you, Madam Chair. Governor.

GOVERNOR LYNCH: Good morning, Senator.

SEN. GALLUS: Thank you for being here. How reliable is the estimate of this deficit? Are we going to be coming back to the table again in the future or are these estimates pretty reliable?

GOVERNOR LYNCH: I believe that at this point in time that the projection of this shortfall is accurate. But we have to continue to monitor the situation. No economist knows where the economy is headed over the next three, four, or five quarters. Nobody knows. In fact, economists disagree as to whether or not and how quickly the economy will recover. As I mentioned, it is very difficult to predict at this point what revenues are going to be in the fourth quarter of the next Fiscal Year. We can estimate it and this is our best estimate at this point in time. But we need to continue working with you to monitor the situation very, very carefully.

CHAIRMAN SMITH: Again, Senator Gallus.

SEN. GALLUS: Follow-up? Thank you. Thank you, Madam Chair. One of the other issues I have with some of the cuts, first of all, the North Country New Hampshire's dramatically hurt by loss of jobs that we have had over the last 30 years. We continue to be at the, you know, bottom of the economic ladder in the State of New Hampshire. I think we're, you know, finally the southern section of New Hampshire is experiencing some of what we have gone through for 20, 30 years. I was really

hoping that somewhere along the line that the gambling bill which was in front of the House actually would go forward and we would have some jobs coming to the North Country. I need jobs more than anything else. What I see with some of the cuts in here, those same people who are going to be out of jobs in the North Country are also going to be hurt by lack of some social services or some programs that are being cut. My folks also, I'll bet you, I have the heaviest smoking population in the state are going to be hurt again by increases in cigarette costs. I think, you know, the North Country New Hampshire gets especially hit in trying times like this. I would have liked to have seen or I would like to see the legislature come forward with that additional revenue stream that would be created and those jobs from that particular bill. I'd like to see something on the horizon that, you know, is going to benefit the North Country New Hampshire. I have not seen a job created in the North Country in, I think, 30 years or few jobs here and there. But we have lost thousands and thousands of jobs so going forward I'd like us to be a little bit more proactive with some type of revenues. I'm opposed as you are to sales and income taxes. I like to see something on the table. I am not a gaming person as such. I'm a job creation guy. I was looking for 200 jobs, 400 jobs out of the potential casinos in North Country New Hampshire. No matter what the Governor's Gaming Commission says, in a month down the road or two months down the road, there are people in this very room have looked at that issue for the last 20, 30 years. I think that's a statement more than anything else.

GOVERNOR LYNCH: No, and I appreciate that statement. You know, Senator Gallus, I have a strong affection for the people of the North Country. I've been there many times. I know the

North Country well. And like you, I love the people in the North Country. And they have been economically distressed. If there are cuts in here that you think would particularly impact the people in the North Country and if there are substitute cuts that you think we could make as a state, I'm very, very open to having that discussion with you.

SEN. GALLUS: Thank you.

GOVERNOR LYNCH: Thank you. Thank you, Senator Gallus.

SEN. GALLUS: Thank you, Madam Chair.

CHAIRMAN SMITH: Thank you. Are there any other questions for the Governor? Not seeing any, I'd like to thank the Governor very much for joining us this morning, and we will do the best that we can with the hand that was dealt.

GOVERNOR LYNCH: Thank you very much. Thank you all for all that you're doing. Thank you.

CHAIRMAN SMITH: Thank you. I'd like to call back into session -- I'd like to just discuss a few logistics of what is going to happen now. The Speaker of the House has identified a number of sections of the Amendment that -- Amendment 1311 which is the Governor's proposal to go to other House Committees. The Ways and Means Committee chaired by Susan Almy is going to next week look at the tobacco tax, the transfer of the dedicated funds, the Business Tax Commission, and the increase in the pet shop license fees. Those are sections 86, 87, 88, 97, and 99. I believe that will be a work session and it is scheduled for -- it's public -- I'm sorry -- it's a public hearing. It will be scheduled for April 20<sup>th</sup> and they will be in the calendar.



SEN. SGAMBATI: Madam Chair, would you repeat those sections, please?

CHAIRMAN SMITH: Yes. Eighty-six, 87, 88, 97, and 99. The pet shop -- Representative Almy, tell me if these are correct. The pet shop license fee increase is at 10. The Business Tax Commission at 10:30, tobacco at 1, and the transfer of dedicated funds at 2:30.

REP. ALMY: Yes.

CHAIRMAN SMITH: Is that correct? And Ways and Means will be looking at these and will at the end of their process make a recommendation to House Finance for inclusion in the bill.

Section 82 that deals with the debt restructuring and Section 83 through 85 which address the University System of New Hampshire Capital Budget issues will be reviewed by Public Works and Highways under the leadership of Chairman Bouchard. I believe that that will take place on April 20<sup>th</sup> at 1:00 p.m. So those will be opportunities for people interested in those issues to go to another Committee, not here, but one of two other committees just down the hall next Tuesday to look in more depth at those.

All of the other issues will be addressed here. We have a series of -- of work sessions scheduled Tuesday and Thursday of next week and then the week after. We will be hearing from commissioners and working through in some detail some of the proposals. We begin at 10 o'clock on the 20<sup>th</sup> with Health and Human Services. And I will give you the rest of the schedule a little later. What we are -- all the members of the House and Senate Committees who are here today are here in order to hear from

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the public in a hearing about what the public's view is at the moment of the Governor's proposal. We have many, many cards.

The first thing I want to note is if you have an opinion but do not choose to speak, I can assure you that the Committee will read anything that you submit to us in writing and we urge you to sign one of the blue sheets out in the hall where you can sign your name and address and list your view. If you choose to speak and have filled out a pink card, we will look forward to hearing from you. In order to make sure that we hear from as many people as possible, we are asking you to limit your comments to no more than three minutes. If someone has said something before that is exactly what you would have said, you can just stand up and say I'm here to speak about the widget issue and I support what has just been said about the widget issue and we will note that. And if there are several of you who have come together, and I call one name, not knowing that you're in a group, please feel free to bring up with you others who, you know, are here on the same -- for the same purpose and one of you can then speak.

I think those are all the logistics. Excuse me, Representative Almy.

REP. ALMY: Thank you, Madam Chair. I just wanted to bring up an issue that most of my Committee and Public Works cannot be here this afternoon. We have to be somewhere else this afternoon. And for the sections that we have to come back to you with our recommendations, is there a way if there's someone here who intends to speak only here that we can find out what they said?

CHAIRMAN SMITH: Certainly. Representative Almy. We will have a transcript available. In addition,

this entire hearing is being recorded. And we'll be able to be heard by anyone who chooses to go to the State web site. And we will try to make note of the time, if it's at all possible, when people are here talking about one of the issues that will go to one of the other committees.

REP. ALMY: Thank you.

CHAIRMAN SMITH: Any other logistical issues? We are not planning to take a break for lunch. We are going to just work straight through. And you will see a few members at a time leaving. It might be for lunch. It also might be because they have to appear before another Committee, and they will return. They, too, will have access to all the written materials to be able to hear the audio that is available on our web site, and the transcript. So please, as you see people leave, do not think in any way it is a discourtesy to you. It is trying to make sure we do all the jobs that we have to do.

All right. Anything else on logistics? Senator Sgambati.

SEN. SGAMBATI: Thank you. I just have a question as to procedure that clearly Senate Members or Committee Senate Members have to leave, too, by 3 o'clock. I'm concerned that the Amendment itself has very general single dollar amounts for each agency and very little detail as to what the dollar amounts mean. So I guess my question is given the limits of time and the number of people that signed up to speak, are we hearing from commissioners today to detail that or is that another hearing?

CHAIRMAN SMITH: No. This is a public hearing to hear from citizens who have come in, Senator Sgambati, and I'm glad you asked that question. We

will be hearing in detail from the commissioners and there is a schedule and I wonder if perhaps we could have that, the schedule as we have it now available for people.

SEN. SGAMBATI: Thank you.

CHAIRMAN SMITH: And Senator Sgambati, you are right in noting that there are just general lines. The Finance Committee in the House could not make an informed decision based on that general information. And we will be receiving very specific program and line item information from the Governor's Office or if that's not available from the commissioners themselves in order for us to be able to work our way through this. So there's a tremendous amount of work that has to be done in a very short time period, and we're going to do the best we can.

SEN. SGAMBATI: Thank you.

CHAIRMAN SMITH: Thank you. Any other questions?

If not, then I am going to -- I'm going to call two names. The first is the name of the person who we would welcome to come up and testify. The second is the next speaker so that perhaps you could make your way up through the hordes and be ready to speak so that, again, we can hear from as many people as possible.

The Chair recognizes Andrew DeVeer. And the next speaker would be Jennifer Decker. Mr. DeVeer.

ANDREW DEVEER, Northfield, NH: My name is Andrew DeVeer.

CHAIRMAN SMITH: Good afternoon. Could you please speak into the -- very close to the

microphone so that the people behind you can hear the message you want to deliver? Thank you.

MR. DEVEER: My name is Andrew DeVeer. I am speaking on matter 450, I believe. And I -- what I have to say is I think that places like -- I think kids shouldn't be having to be sent to institutions, like, YDC and things like that because I've been to other places, like, Odyssey and other places, and I wouldn't be sitting here today if I had to sit through the whole thing in YDC. Hum -- a lot of the kids that get sent out aren't just in trouble. They're -- they have problems at home and have no spots for their family to send them. And I know they wouldn't get out if they didn't have the right help and everyone that I do know that went through it all went through it and made it and has a lot better life now rather than what it would be. So I don't think that it should be cut and I think that people rather than kids shouldn't be institutionalized for it. But that was all I had to say.

CHAIRMAN SMITH: Well, it's an important message and I thank you very much for taking the time to come. Are there any questions? If not, thank you again very much.

Jennifer Decker. And after Ms. Decker, Ryan Donnelly. Is Jennifer Decker here.

MR. JEFF DICKINSON, Granite State Independent Living: Yes. Making her way.

CHAIRMAN SMITH: Good afternoon. I couldn't see you past all the people.

JENNIFER DECKER, Portsmouth, NH: Sorry about that.

CHAIRMAN SMITH: Good afternoon. Thank you very much for coming.

MS. DECKER: Thank you. Hum -- I wanted to speak to you today about the reduction in the Medicaid reimbursement under the home and community-based care waiver. I'm somebody that has lived with a disability my entire life and for the past four years has required services of personal care attendant to help me to live independently. And without those services I would be unable to live on my own. I would be unable to attend school or go to work on a regular basis. And again, without those services I would be forced to either return home and live with family members or live in a more institutional setting, which I feel would not only decrease productivity for myself but also for those family members that may be forced to reduce their own work hours in order to provide me with the care that I need to get through everything that I have to do on a daily basis. So I would just urge you to consider the importance of the personal care services that are currently covered under the HCBC waiver program and how important those are to people with disabilities in the State of New Hampshire. Thank you.

CHAIRMAN SMITH: Thank you very much for your testimony. Thank you for taking the time and effort to come this afternoon.

MS. DECKER: Thank you.

CHAIRMAN SMITH: Ryan Donnelly, followed by Janine Clark.

RYAN DONNELLY, Acton, NH: Hello. My name is Ryan Donnelly and I would just like to endorse the previous statements.

CHAIRMAN SMITH: Thank you very much. That was very effective testimony.

(Applause.)

CHAIRMAN SMITH: Janine Clark. Followed by Cheryl Cutting.

JACKIE COWELL, Early Learning-New Hampshire: Good morning. My name is Jackie Cowell and with me is Janine Clark. We are going to speak very briefly together. I'm from Early Learning-New Hampshire. We're an agency that works with child care and Head Start and preschool, and I wanted to be here today very briefly to let you know how upset we are about the cuts that have already happened in child care and to -- we very much appreciate the million dollars the Governor is putting into and understanding the need. We want to be able to highlight to you the fact that there's about a \$10 million gap that's been happened between last year and this year -- excuse me -- this year and next year because of the increased need. I have with me Janine Clark, a mom who would like to tell you she's on the child care wait list and tell you briefly about that. I have parent stories that I will share with you, and I will leave copies of all the parent stories for you. Thank you.

CHAIRMAN SMITH: Thank you very much, Ms. Cowell.

JANINE CLARKE, Milton, NH: My name is Janine Clarke, and I'm here to share my story. Hum -- I have been married for 15 years. And after eight years of trying we were blessed with our now three-year old son. In February my husband lost his job, a job that he's held for over ten years. I have been working as a toddler teacher for over

15 years and I have a Bachelor's degree that I'm still paying for. We own a home and we have a three-year old son, and we take care of my sickly 76-year old mother in our house.

Now my income is the only one that is supporting us. And though my husband has filed for unemployment, he has yet to receive any compensation. I called the Department of Health and Human Services and asked about child care assistance. They told me they could put my name on a wait list, but it would be at least six months and most likely over a year before I would get any help. I pay \$600 a month in child care costs. That's over \$7,000 a year. And I work at a center that my child attends. Yes, I could take him out of child care and he could stay home with his father until he finds a job. But how is his father supposed to look for a job or go on job interviews with a three-year old in tow? And what happens when he gets a job? It might not be a spot for my son at his child care when I need one. My mother is too sick to take care of him by herself. He's been in child care since he was ten weeks old. He loves going to school and he thrives there. He has an amazing vocabulary and social skills. And much of that is because of the high quality child care that he is attended, something that I refuse to compromise on. Because I could save a few dollars by sending him somewhere that would not give him what he needs and where I would be worried about the quality of care he was getting.

I am appalled that I have never had to ask for state financial assistance before. And now when I really need some help, I am told I am going to have to wait for what seems like an eternity, especially when you're living on less than half of what you were used to living on a few months ago and trying to support four people on my own. I sucked up my



pride and I asked for help, something that I hate more than anything to do, and I am told, be patient. You'll have to wait. Wait until what? I can't put food on the table anymore or they're putting a foreclosure sign in front of my house? Why should I sacrifice my son's development because I can no longer afford the quality care for him?

MS. COWELL: There are others here who would like to say they would have testified if you don't mind who are able to join us today, but they will not be testifying.

CHAIRMAN SMITH: Thank you very much for being here. We appreciate it and we will certainly make note of that and understand that you were representing a group of family members who are sharing the same difficulties. Thank you very much.

Cheryl Cutting next followed by Elizabeth Harrington. Good afternoon.

CHERYL CUTTING, Sanbornton, NH: Good afternoon. My name is Cheryl Cutting. I'm a resident of Sanbornton and a life-long resident of New Hampshire. I'm here today to ask you to keep the catastrophic illness program intact. Hum -- I am a five-year cancer survivor myself, and I volunteer at a local cancer treatment center where every week I meet cancer patients who are in the fight of their lives for their lives. And I see great need from those patients, whether it's young families who have school-age children and don't know how they're going to provide for them, older families that are trying to get their kids through college and don't know how they will finance that now, older people who are looking at using their retirement to pay for their treatment, and retirees who have little or no resources who are choosing between food and their -- their therapy, their

drugs. None of these people are looking for a handout. They're looking for a hand up and this program provides that. It doesn't solve all their problems, but it is a stepping stone until other things can kick in for them.

Hum -- you know, when you're diagnosed with cancer your life gets put on hold but everyday life goes on. So they have all of those things to deal with plus their cancer diagnosis, which a lot of times means loss of work time so loss of income for them. Many people are on oral chemotherapy drugs that insurance does not pay for, and that can be in the hundreds and thousands of dollars per month that they have to bear the burden of. So as a volunteer in the treatment center, I try to help folks find those resources that will help them out. And this is one of the programs that I have been able to point to that will help them. And the relief on their faces when they find out that there's someplace for them to go, and if you eliminate this program I'll no longer be able to give them that choice.

So I know that you have a tremendously hard job ahead of you, and I appreciate the fact that you do serve us and work so hard at it. But I ask you on behalf of the 700 cancer patients that use this program every year and have for a quarter of a century to please keep the catastrophic illness program intact. Thank you.

CHAIRMAN SMITH: Thank you very much for taking the time to come. Thank you for being here. Elizabeth Harrington followed by Robert Cormier. Good afternoon, Miss Harrington.

ELIZABETH HARRINGTON, Nashua, NH: Good afternoon. My name is Elizabeth Harrington, and I am here for the -- to discuss the budget cut of

400,000 to the AIDS Resources. And I am a mother of a child who is also HIV positive as am I. And this organization that provides the assistance that we get, it's like the lady before me said, it gives you a hand up. Hum -- without their help we would have been living in our car and eating nothing, whatever we could find. They actually helped us. They helped us get on our feet. They provide many services that I wouldn't know the first thing about how to get them without them. They're a wonderful organization and they help many people. Excuse me. Hum -- without their help, myself and my daughter would not be in fairly decent health. We would not be able to be here. They just -- they do many things for many people. And if they are -- if this cut goes through, they will lose many of the services they provide, without which some of us would be in dire straits. Thank you.

CHAIRMAN SMITH: Thank you very much for taking the time to be here. Robert Cormier followed by Charles Marston.

PROFESSOR ROBERT CORMIER Suncook, NH: Madam Chairwoman, Members of the Joint House and Senate Finance Committee, my name is Robert Cormier, and I'm here also today to speak with you about the proposed \$400,000 cut to AIDS service organizations. I would like to do this by sharing with you my experience of living with AIDS in New Hampshire.

I was diagnosed with AIDS-related complex on March 13, 1989, and with no available treatments it was believed that I would die from AIDS within three years. At the time I was a second year social work student. Through 1996, though I had symptoms of HIV infection, I was not disabled by my illness and I worked. I attended college and graduate school full-time, and I became employed as an

Associate Professor of Social Science at NHTI-Concord Community College.

In 1996, I began having fevers that created disability and at that time the fevers progressed over 18 months and progressed in severity and duration until I became less and less able to care for myself. I exhausted my life savings paying for testing and treatment for these so-called fevers of undetermined origin. In a matter of seven months I had depleted my life savings. At 35, despite graduating from college the valedictorian of my class and then completing a graduate program in counseling psychology, I was impoverished, disabled, and threatened with homelessness. It was at this point that I turned to the Southern New Hampshire HIV/AIDS Task Force for a lifeline. I was sick, I was afraid, and I was ashamed. Immediately, the task force provided me with a case manager and together we waged war on the disease process that had overtaken my life.

With the help of the task force, I accessed a program at Dartmouth-Hitchcock Hospital and began a series of tests that included a lung biopsy, two lymph node biopsies, a spinal tap, a liver biopsy, and six bone marrow biopsies. It was then that I was diagnosed with fourth stage Hodgkin's Lymphoma. Though I was tired and ill and unable to work or drive myself to appointments, the task force assured me that I mattered here in New Hampshire, and along side me they fought for my life. They helped me find medication, an affordable apartment. While the illness and disability became my only focus, my case manager had an eye on practical matters.

With her help I applied for and received assistance from New Hampshire's Aid to the Totally and Permanently Disabled Program while my Social

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Security application was being considered. During this time my case manager brought food to me from the food pantry at the task force, sent a volunteer to my home to help with sanitation, and provided me with mental health counselor to deal with my growing depression. They provided me transportation to appointments and they helped me to pay my utility bills.

When the end-stage cancer was diagnosed and I received a prognosis of less than 50 percent chance of one year remission, and zero percent chance of five-year recovery, they helped prepare me to die. But they never gave up on me. My case manager from the task force worked with a nurse case manager at Dartmouth-Hitchcock and they found a clinical trial for which I was appropriate. Because of her help I have survived 12 years post-chemo and that dismal prognosis.

During those 12 years I have served as an AIDS educator and prevention volunteer. I provided free child care for my sister's autistic son. I also provided end of life care for my grandmother who was dying and was deemed a medical non-compliant. I was able to return to work for a time and I no longer needed public assistance because the task force provided me the help I needed to plug the holes in my budget which allowed me to remain a contributor to New Hampshire's economy, rather than just a consumer of services.

In 2002, I began having heart attacks as a result of the same experimental drugs that had saved my life. I have since had four myocardial infarctions, eight angioplasties and four stint implants. Since the first heart attack, the task force has provided me with nutritional counseling with a registered dietician, and I have been building a stronger body. I have participated in

eight fund-raising bicycle events that funded research projects that are now in Phase II clinical trials at both Emory University and UCLA AIDS Institute. As you can see, the task force has been essential to my survival with AIDS in New Hampshire. They have helped me to navigate variable health and changing eligibility for various programs, while ensuring the seamless delivery of the medications that have kept me alive. Without their help, I would have died alone, hungry, and homeless.

Today, I have returned to part-time work at NHTI as an Academic Advisor and Adjunct Associate Professor of Social Science. While budgeting remains an issue for me, I no longer need a rent subsidy or help to pay for Medicare. I hope that you will reconsider the Governor's proposed budget cuts to the New Hampshire's AIDS service organization. It is because of their highly-trained, committed, and very under paid staff that I sit here before you today. And I thank you for this time you've afforded me.

CHAIRMAN SMITH: Thank you very much for your testimony, and thank you for taking the time to come. Charles Marston followed by Karen White.

CHARLES MARSTON, Newbury, NH: Hello. My name is Charles Marston and thank you for giving me this time to speak. I am a cancer patient. I am 21 years old. I was just about to graduate when I was given this life-altering news. I have Stage IV glioblastoma, the kind Senator Ted Kennedy died from not too long ago.

When you get a diagnosed illness like this, your first thought might be how much time do I have? I was no longer a graduating senior. I was with my whole life ahead of me. I was no longer off

to college with my classmates achieving my dream becoming a police officer and serving the State of New Hampshire, a dream that I have had since I was 13 years old when I got involved with the Police Explorers.

Every thought I had about my future was completely altered. I heard these words that you have cancer, it's not curable. After that, reality really sets in, especially when the hospital calls and says okay, we need an X amount of dollars for just for the first surgery. I'll never forget when my mother got the call. Here I am being given this diagnosis that I will probably not live, my life will end in two years. They're asking for money. I remember how she cried and asked them how we could come up with that kind of money. I wondered, are they going to let me die because of money?

In my opinion, the only thing that a family should have to worry about is the disease at hand, because they should not be focusing on getting the catastrophic news. Taking away the catastrophic illness program will mean when I was first sick my mom could not be with me. As it was, she did eventually have to stop working because I needed so much care -- 2000 -- so much care. \$2,500 might not seem like a lot of money, but to a family like mine, and the other 1,000 people, on the catastrophic illness plan, it can seem like a million. I urge you to please consider families like mine and others that need this money to stay in place. And I pray that you never have to see the look on a loved one's face when they're making this life-altering decision and have to hear, "Where's the money?" Thank you very much. Have a great day.

CHAIRMAN SMITH: Thank you very much for your testimony. I am sorry to say we will not have a great day. Karen White, followed by Norma Gecks.

Good afternoon, Ms. White.

KAREN WHITE, Weare, NH: Good afternoon. My name is, indeed, Karen White, and I am from Weare, and I wish to thank you all for giving us this opportunity to speak this afternoon.

I am here on behalf of the catastrophic illness program. I would like to ask to not suspend that program and its funding since this is a program that is increasingly needed in these tough economic times.

The catastrophic illness program is a vital lifeline that provides critical financial support to me as a cancer survivor with the form of cancer that reoccurs in most cases. Although I would receive only up to \$2500, a very small amount when compared to the total cost of my treatments, \$5,000 a quarter, even though I am, quote, in remission at this time, every little bit would help when my other financial options run out. You see, I'm a three-year survivor of inflammatory breast cancer, a very aggressive form of breast cancer, that as I mentioned, high degree of recurrence. This cancer took such a toll on me that after I worked two years, worked during my treatment time, I was advised to quit my job with a small business last year. A small business that was not able to offer me any disability options.

I was fortunate in that while I was working my husband and I lived very conservatively, very much within our means, and we were able to set aside money, money that was to go towards our retirement. Instead, it is now that money that is allowing me to pay my own way at this time, to not ask my care providers to rely on compensation from programs, such as the critical illness program. However, it is quite likely that in the not too distant future



-- like within the next 18 months -- I, like those 700 other cancer patients that you heard about earlier, will be looking for assistance. It will either need to come from the catastrophic illness program or by going without the necessary care or pleading with my medical providers to provide the care for free.

So on behalf of my family, and myself, and all those other cancer patients, I again ask that you please do not approve the suspension of that program and to help ensure assistance to those of us that need it. I know you have a tough job to do, and I truly do appreciate your services. Please continue to help me and the other cancer survivors continue to survive. Thank you for your time.

CHAIRMAN SMITH: Thank you very much for your testimony. Norma. Ha, good. So I'm not quite sure what that last name is. I'll have to -- followed by Paula Plona.

NORMA JEAN GECKS, Derry, NH: Thank you. My name is Norma Jean Gecks, and I'm a resident of Derry, New Hampshire, and I also am a cancer survivor. However, we were talking this morning with listening to the Governor talking about increasing tobacco tax and I know some of you on this Committee don't want to see that. But I can tell you from experience that we need to raise tobacco tax across the board, not just cigarettes, but with all products that are tobacco.

Tobacco is the leading cause of death and disease in New Hampshire. Tobacco is much more than cigarettes. There are many products that cause cancer. I believe that if we are going to raise the tobacco tax, we should make sure the tax is applied to all tobacco products, not just cigarettes. Tobacco products target our kids with sweet

flavors, new products that are attractive to youth. By exempting these products from the tax increase, you would be telling our kids to use these products.

As a mom, I have seen firsthand an appeal to these products. Sorry. I've seen the firsthand appeal of the products that they have the effect on our children. My youngest son, Ryan, who is now 20 who started smoking at the age of 16 -- and by the way, I started smoking at the age of 11 -- my one foot was in the door for cancer surgery and I was smoking a cigarette because of the addiction. My 20-year old son who started smoking at the age of 16 developed what is known as a smoker's cough. As he continued to smoke and continued and legally and allowed to buy tobacco products at an inexpensive price. I finally encouraged him he needed to quit smoking and it took six months to a year for my son to get over that smoker's cough. My son was not smoking cigarettes. My son was using chew, and he was also smoking grape-flavored cigars. We must make sure that all tobacco products across the board are included in this tax increase, including new products tobacco companies now manufacture that target our children, such as tabs, tablets, strips, sticks, spitless tobacco, et cetera. Tobacco taxes save lives. I ask that you make sure we save as many lives as possible by taxing products beyond just cigarettes, but totally across the board all tobacco products. They all do cause cancer, and they all have over 500 ingredients that are carcinogenic. Thank you for your time today.

CHAIRMAN SMITH: Thank you very much for your testimony. Paula Plona followed by Kathleen Smith.

PAULA PLONA, Derry, NH: Hi, everyone. Thank you all on behalf of all the citizens for all the work you do, citizens of New Hampshire.

Hello. My name is Paula Plona. I live in Derry and I work as an oncologist social worker at the Payson -- Concord Hospital Payson Center for Cancer Care since it opened about seven years ago. I've worked in oncology for about 20 years and I've witnessed many treatments offered to patients and changes over the years. I've seen improved outcomes as a result of these new treatments, and I've seen the cost of all of this to those diagnosed with cancer; physically, emotionally, and financially. A lot of my job nowadays is the financial part. Let me tell you about those who are helped by the catastrophic -- and that's what cancer is when it comes into your life -- illness program. It's true that some folks have private insurance, some have Medicare, some get help from Medicaid. But I want to tell you about the sometimes forgotten folks with no voice who are a segment of patients that I see. They are the self-employed, employed with no insurance, and the underinsured. So what about Bob?

Bob is a 50-year old man who was recently diagnosed with cancer. He has a family and the usual bills to pay. He has his own business that requires lots of physical labor. There's no sick time for him. When he doesn't work, he doesn't get paid. Between the economy and his diagnosis and a challenging treatment regime, his business has just about ground to a halt for now. He has a small savings and no health insurance. He's getting his treatment at a local cancer center with the help from the Hospital Financial Assistance Program but a main concern for him during this treatment, and again, it may seem like it's a small thing but it's very difficult to get these things, he was unable to pay for some of his immediate needs. He'd gotten lots of prescriptions for the side effects of his life-saving treatment, he had scripts for pain, and nausea, and constipation which is a side effect of pain med. He needed over-the-counter help, like,

Ibuprofen, stool softeners, nutritional supplements that keep him going while his -- until his appetite returns. So I don't know how much a pack of beer costs 'cause honestly, I know this is hard to believe, but at my age I've never bought a six-pack, but I do know a six-pack of Ensure or Boost can cost about eight or \$9. And when you have to supplement your nutrition, you have to have a couple cans a day. So it doesn't seem like a lot of money but it was for Bob.

In the past when he didn't have the cash he went without. He was so relieved to find out that because of catastrophic illness program, he could go to his pharmacy, get his scripts filled and get the over-the-counter help that he needed to get him through his treatment. These things I mentioned are just some of the help that the catastrophic illness program has given our patients on a daily basis. Please help Bob and so many others like him. Please save the catastrophic illness program. Thank you so much for your time.

CHAIRMAN SMITH: Thank you very much for your testimony. Kathleen Smith followed by Joseph Grady.

KATHLEEN SMITH, Merrimack, NH: Good afternoon. I want to thank you for the opportunity to speak today and just taking time to acknowledge the vast number of people who are here concerned with so many things. Much of what I wanted to tell you has already been said so I will speak very quickly and ask you, please, don't exempt tobacco from the tobacco tax. That's seems silly to say, but when we are talking about cigars and spitless tobacco and other products, we really need to make sure that we are leveling the playing field keeping the prices high enough to keep the product out of our children's hands. So thank you very much for your time. I have submitted my written testimony and

there's a whole lot more people to speak.

CHAIRMAN SMITH: Thank you very much. And we will make note of your comments to make sure the Ways and Means Committee is aware of it. Joseph Grady followed by John Dumais. Is Mr. Grady here?

Mr. Dumais followed by Mr. Demers.

JOHN DUMAIS, New Hampshire Grocers Association:  
Good afternoon, Madam Chairman, Members of the Committee. I'll keep my remarks very short. My name is John Dumais. I'm President of the New Hampshire Grocers Association representing food stores in the State of New Hampshire.

I was very pleased to hear Representative Kurk's remark about the potential for reducing the tobacco tax to increase revenues to the State. That's been a contention of ours for sometime. We are here definitely opposed to the increase. We have lost a lot of advantage. We have lost a lot of sales. We are losing a lot of independent grocers because of the increased taxes we have had and the loss and advantage we had coming across the border. We feel very impacted by what the State's going through right now and grocers are willing to do their share. However, not to the point where it's putting grocers out of business. And we would like to look at any alternatives, and as the Governor said this morning, you know, he's open to any other suggestions. One is that we talked about many times is the agency stores. And unfortunately, there's a problem with the bill that passed allowing for 11 agency stores to go forward and none are happening at this point. We think that it could generate a lot of revenue and do substantially more than the tobacco tax, and we'll talk about that further next Tuesday. And with that, I thank you very much for your time.

CHAIRMAN SMITH: Thank you very much. Representative Scamman has a question.

REP. SCAMMAN: Chairman. Has your agency or your group done any study to show what lowering the cigarette tax might bring in for more income? Or what would happen if you raise it to the level that the Governor has suggested?

MR. DUMAIS: Thank you very much for that question. In fact, we have done studies like that in the past and we have been very accurate in what we either projected for loss in sales or increased revenues for the State matched with the Department of Revenue substantially; but the part that has never discussed by the legislature, which we think is just as important, is the related sales. If you're coming to New Hampshire to buy low price liquor, low price cigarettes, you have empty gas tank, you have -- you're hungry, you're having a meal. You may stay overnight, have a room. All of those things are taxed by the State. That's additional revenue to the State and so we look at the entire shopping basket, not just one commodity and we think that the close -- the more advantage you give to encourage people to cross that border, the better. We are in a perfect time right now with this economy to grow New Hampshire tourism through lower pricing. We may not always have that advantage in the future but right now we do have that possibility. So we will update our study on that and have it here by next Tuesday.

CHAIRMAN SMITH: Thank you very much. I would also like to note that four of your colleagues have withdrawn their names today and intend to appear before Ways and Means Committee on Tuesday.

MR. DUMAIS: That's correct. Thank you.

CHAIRMAN SMITH: Thank you. Mr. Demers followed by Laurel Redden. Is Mr. Demers here? We go to Laurel Redden. Is Laurel Redden here?

REP. EATON: I just saw Laurel.

CHAIRMAN SMITH: Oh. Laurel Redden. And then there are a number of people here, many people here from NFI-North. Hum -- and I would call that group next and wonder if perhaps you might instead of having about 15 of you with three minutes each might choose one or two spokespersons to highlight. Glad to see you.

LAUREL REDDEN, Granite State Fair Tax Coalition: Good afternoon, Representative. My name is Laurel Redden. I'm the President of the Granite State Fair Tax Coalition. I do have testimony to also leave behind with you. And I appreciate your time today.

The Fair Tax Coalition has been working for several years to foster discussion of the State's revenue structure. The Coalition advocates a more balanced tax structure for the State, one that meets the needs of its citizens, but relies less on the property tax which overburdens those least able to pay. Through the amendment before you it centers primarily on State expenditures. You're also hearing discussion of new revenues today. Those are proposed by people who hope to prevent some of the cuts that are proposed in the amendment. We are here to call for a re-examination of revenue sources.

The bill before you is yet another stop-gap solution to a long-term problem. It's a quick fix that will exact a heavier toll down the road. Or to put it another way, here now, we're down the

road from some previous quick fix and the human casualties in this Amendment are the heavier price due today. The long-term problem, of course, is the structural deficit, our State's perpetual inability to meet its own commitments.

Year after year of political gimmicks, like the pledge, force us to resort to stop-gap measures and prevent us from ever resolving the long-term problems. The result is that our State relies on the property tax for 60% of its revenue. With property taxes among the highest in the nation, and in the absence of real solutions, I guarantee that they will continue to rise. The result is that the people with the lowest income pay the highest proportion of it in taxes, 8%. While those with the highest income pay the lowest proportion, 2%. The result is an upside down revenue system that spins New Hampshire in a vicious circle. High and ever-rising property taxes make housing less affordable, creating more poverty and homelessness, guaranteeing greater needs for state programs from A to Z, and in the absence of real revenue solutions can only be funded through rising property taxes. Any cuts you make are likely to be felt by those who also bear the burden of any greatest, the tax burden.

The Granite State Fair Tax Coalition neither supports nor opposes today's bill or amendment. Rather, in the short-term, we urge the Committee to seek answers to specific questions to ensure that the budget patches de jour, first do no harm. In the long-term, we urge the Committee and your colleagues and the legislature to move our state toward a more sustainable, adequate, and fair revenue system. To that end, we urge the legislature to evaluate and compare all possible revenue sources with hard data and standards set by experts. The Granite State Fair Tax Coalition has

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compiled these standards into "The Lens," a set of criteria for weighing any new revenue source based upon its equity, fairness, sufficiency, stability, impact on economic vitality, economic neutrality, efficiency, simplicity, transparency, and accountability. These factors, our group asserts, must be assessed to gauge the viability of any revenue source and compared to others promising to raise like revenue. I'm leaving behind with me today our "Lens" and I hope you will consider these as you weigh the very difficult decisions ahead of you today and down the road. Thank you.

CHAIRMAN SMITH: Thank you very much, Ms. Redden. Any questions? If not, thank you again very much. I will look forward to reading your testimony. All right. Now I have NFI-North.

PAUL DANN, Executive Director, NFI-North: Good morning, Chairwoman, and Senator D'Allesandro. I think we boiled our 15 people down to about four.

CHAIRMAN SMITH: Perfect. Thank you,

MR. DANN: In an effort to try to keep things moving. My name is Paul Dann and I'm the Executive Director of NFI-North. And I appear before you today in opposition of the Governor's proposal to close the shelter care facilities and three shelter care facilities that are operated throughout the state and to move them to the Sununu Center. I've got quite a little bit of information for you all. I'm not going to -- I'll have it passed around so you can have it available to you. I'll try to keep my comments very succinct and then I'll pass over to the next speaker.

Hum -- you have been told through the Governor's proposal that the plan to close these community-based shelter care programs will save

\$4.1 million. You have also been told through these proposals that 45 young people who are served throughout the various communities of Jefferson, Bradford, and Antrim, will now be served at the Sununu Center for no additional cost. I'm here to tell you that there are serious flaws with the Governor's plan.

First, our shelter care facilities do not cost \$4.1 million per year in annual funds and -- excuse me -- in general funds. They cost more in the neighborhood of about one and a half million dollars in general fund. Why? Because we draw down Medicaid funding. The ability to draw down Medicaid funding will be lost. You cannot participate in Medicaid funding at a state institution for corrections for juvenile justice.

In addition, our services are less expensive in their day-to-day operation. The Fiscal Year '08 rate for the YDC Center or Sununu Center is \$370 a day per child. Our average rate is \$253 a day per child and half of that -- roughly half of that is reimbursed by Medicaid.

Secondly, you've been told it's not going to be a problem to have the young children there at the institution. Well, I want you to be aware, and I'm sure you are, that New Hampshire statutes 169 require judges to make dispositional authority to least restrictive settings. Federal regulations under IV-E, Title IV-E require reasonable efforts and the children be placed in least restrictive settings. There are multiple requirements and national standards to make sure that young people are not treated in a more institutionalized way.

In addition, I want you to know that as a nonprofit organization we are able to leverage funds through donations. The costs that we have in

our contracts to the State are offset by fund-raising that we do. Our organization last year raised \$139,000 to offset our costs. In addition, we receive multiple funding streams. Bureau of Nutrition, for example, a program called E-RATE through the federal government. We get technology grants. We're able to receive, as I mentioned, other types of grants and donations. The Sununu Center will not have the ability to access these sorts of funding.

It's important also to know that reverting back to institutionalized care is a poor public policy. Even Texas has figured it out right now and they're in the midst of closing down the institution that they've operated. New Hampshire has an outstanding track record of having a limited number of children in institutional care and I encourage you to continue that track record by rejecting this proposal on the part of the Governor's Budget.

When we do the cost benefit analysis, we win no matter what as it relates to community-based shelter cares. Ninety-five percent of the children that come through the shelter care program of which there are 550 a year, have never touched the institutions ground; 95%. Now we are talking about policy that will move all of those children to the institution.

Now, I ask you, is this a Sophie's choice? Are we in the position of having to make a decision with an institution that is under utilized, a choice to try to maintain an institution in its status quo, or should we continue to support children in the way that they need to be supported within the context of their community? I suggest to you that this Sophie's choice is not a very difficult one. We have an outstanding track record of serving children in the community and keeping

them in the community. If we have an empty institution, we need to pay attention to what our fixed costs are. And that reminds me of another point.

When the government in their wisdom signs a contract with my organization, or Lutheran Social Services, or any other organization, they establish that contract on what's called the per diem basis. In other words, if they send a child to us, then the government will pay us for that child service. That's the reality of private contracting with non-profits. The difference in state institution is once you build your fixed costs, you will have those fixed costs no matter how you slice or dice it from the government side of the equation. That's what the problem is at the Sununu Center currently. They have 60 children and they have built a building for 140. Let's not solve that particular problem by making the choice on the side of the equation of closing down these important programs.

Now, last comment and then I'll pass it along. These programs are located in rural areas; Bradford, Antrim and the North Country. And Senator Gallus, I thank you for your comments about positions in the North Country. The last 20 years we have been the largest employer, year-round employer in Jefferson, New Hampshire. July 1 we will be laying off 25 people there if this goes through. July 1 we will be laying off 25 people in Bradford and July 1 Lutheran Social Services in Antrim will be laying off 25 people. So I please ask you to consider these points of my testimony. Thank you so much and I really appreciate the time to speak.

CHAIRMAN SMITH: Thank you very much. I think Senator D'Allesandro has a question.

SEN. D'ALLESANDRO: Thanks very much. Your testimony indicates that 75 jobs will be lost, 25 at each one of those centers.

MR. DANN: About 75 to 80 jobs. Seventy-five directly on-site for each of those facilities. I'm sorry, 25 in each facility.

SEN. D'ALLESANDRO: What is the average salary of a person who will be losing that job?

MR. DANN: Our direct care counselors start at starting wage of about \$23,000 a year. It's a benefited position. They're typically bachelor's level people. Incidentally, it's a considerably lower paid rate than what's paid at the State for the higher qualification.

SEN. D'ALLESANDRO: Thank you.

CHAIRMAN SMITH: Thank you. Senator Hassan.

SEN. HASSAN: No. Representative Kurk.

CHAIRMAN SMITH: Ha. Representative Kurk.

REP. KURK: Thank you, Madam Chairman. Senator D'Allesandro asked my question.

CHAIRMAN SMITH: Thank you. Are there any other questions? Representative Casey and then Representative Elliott.

REP. CASEY: You -- you said that you were drawing some federal funds. There were multiple funding streams, some of them coming from the federal, and the Sununu Center wouldn't be able to obtain these federal funds; but you weren't specific as to why. For some of us that -- I know

it's complicated, but can you give us a small example?

MR. DANN: Yes, I can give you -- the funding that we receive is for rehabilitative and treatment services through what's called PNMI. And the P in PNMI is private, private non-medical institution, and the restrictions are quite clear about being able to be reimbursed under that program that you may not be a state institution for corrections for juvenile justice. You may not be contiguous with a locked facility. I know there's talk about a few alterations to the Sununu Center in order to make it work. The federal government would disagree with this.

Now, it's important that we as a state not end up in situation we are with the disproportionate share audit that happened through CMS where there's a difference on the part of the federal government saying we owe \$35 million as a state back because we made some full-hearted or inaccurate decisions based on what we thought Medicaid would reimburse. So this is -- I think we have to be very careful.

Now, there could be a couple of little funding things that could happen. For example, if the Sununu Center was JCAHO accredited which is by the high, high standard of accreditation, they could participate in some forms of Medicaid reimbursement; but the Sununu Center is not accredited in that context.

REP. CASEY: Thank you. Thank you very much.

MR. DANN: Thank you.

CHAIRMAN SMITH: Representative Elliott.

REP. ELLIOTT: Thank you, Madam Chairman. Thank

you for being here, sir. You've made some serious contradictions to what the Governor's testimony was when given to us this morning. I would like to see a copy of your report. But before I do that, I want to ask you a question. Am I correct in saying that if you close down, you'll be -- there are 500 students involved or 500 clients involved in your program and the center -- the youth center only holds 140 clients? Number one. And number two, the Governor says \$4.1 million will be saved. You're talking about \$1.1 million; is that correct?

MR. DANN: Thank you for the question. I appreciate that. The shelters are designed to work with children in a short-term basis to help return them home. By and large, most of the children do go home. So we have a capacity in each of those sites of 15 children. Antrim is an all girls' program, North Country is a co-ed program, and Midway is an all boys' program. During the course of the year, the students stay an average of 22, 23 days. So that's how you get to your 550. There's 45 young people at the current moment in those -- in those programs and then they'll rotate through. Your other question had to do --

REP. ELLIOTT: With the amount.

MR. DANN: Yeah. The -- if you took -- if you took all the contracts that are currently out there, total amount, you would come up with the 4.1 million. That's how the Governor's Office has come up with that figure.

REP. ELLIOTT: Okay.

MR. DANN: When you look at the sources for that funding, we get paid by the Department of Education for special-education funding. We get paid by the Medicaid reimbursement. We have Bureau

of Nutrition from the federal government reimbursement. So all of these things come off the top. And in the end, there's about one and a half million obligation from general fund for all three places combined. So I think it's important if we are going to say we are going to save 4.1 million that not be a squishy number.

REP. ELLIOTT: You have that in writing?

MR. DANN: The report that went around has a lot of detail. I want to ask you to pay attention to Page 3 as we go into work sessions next week because that has a lot of questions that you will want -- you will want to follow-up with --

REP. ELLIOTT: Thank you very much.

MR. DANN: -- with the Commissioner.

CHAIRMAN SMITH: I don't believe it's been handed out yet. I imagine holes are being punched, we hope.

MR. DANN: There may be holes in it.

CHAIRMAN SMITH: No, no, no.

MR. DANN: We tried to be very thorough. By the way, someone would say, well, Paul that \$370 rate for the Sununu Center, how do you get that? Well, that's the '08 rate that was published through the counties when there were more students there. So I've tried to be very conservative. If you look at total cost at the Sununu Center and divide it by the 60 divided by 365 that number is going to be bumped up.

CHAIRMAN SMITH: Thank you very much. I think you have three other people you'd like to introduce



us to.

MR. DANN: Yes, I would. I'd like to introduce to you this young woman who's been happy to come over and speak.

CHAIRMAN SMITH: If you could just tell us your name.

SARAH MILLER, Contoocook, NH: Hi. I am Sarah Miller.

CHAIRMAN SMITH: Hello, Miss Miller. Glad to have you.

MS. MILLER: Thanks. I wrote a letter this morning.

CHAIRMAN SMITH: If you could speak into the microphone. Hold it real close.

MS. MILLER: Dear Finance Committee: My name is Sarah Miller. I was a resident of North Country Shelter and currently live at home. I can say while at NCS they raised me. It was home. They helped me work on my anger and taught me lots of stuff. The staff was welcoming, very patient, and provided me with a education and helped me with my educational needs. There is no point to move the kids to a state institution for no reason. Lots of kids go to shelter because their families can't raise them. I am asking you not to approve the budget to move the shelters to an institution. Thank you.

CHAIRMAN SMITH: Thank you very much, Miss Miller, for your testimony.

MR. DANN: We have two more NFI people. They'll be brief.

CHAIRMAN SMITH: Good afternoon.

TARA MACKILLAP, Whitefield, NH: Good afternoon. My name is Tara MacKillap and I'm a resident of the North Country, and the program director at North Country Shelter for 17 years.

With me today I have many staff that have been there for 15 to 20 years working as counselors and family workers and clinicians at North Country Shelter. This very important service has provided jobs for many people in the North Country. And as Senator Gallus said, 25 jobs in the North Country right now is over 100 to 200 jobs in the southern part of the state. It's just devastating. I have people working for me that have lost their jobs at the mill. I have many people right now that are benefited, long-term, dedicated employees that are serving kids. They're very seasoned staff. If you hire at the institution to work with kids, they may not be seasoned at running shelters. It's hard. We serve 175 kids in this one shelter per year. So you're constantly working to build relationships and provide positive clinical services for these children.

As Paul stated, the budget, what's proposed, is totally misconceived and is not an accurate account of what is really going to happen if this is approved. So I'm asking all of you, please, don't turn your eye against the North Country. We need the jobs and the kids need the services. Right now out of my 15 kids I have eight kids from the North Country that would have to travel to Manchester. Their parents would have to travel to Manchester to see them. It's got to be geographically located around the state to provide appropriate shelter care services at a fiscally responsible way. Thank you very much.

CHAIRMAN SMITH: Thank you very much.

MEGAN MCDEVITT, Newport, NH: Hi. My name is Megan McDevitt and I'm a junior at New England College in Henniker, New Hampshire. And I'm interning at Midway Shelter right now. And I just think it's very important to know that Midway is community-based and we are building a relationship with New England College right now. And the boys have come to New England College for lunch and it's very good to know that they see New England College and that's something they look toward, they work towards, and they see the relationship that we build with them and they look toward that's something they want to work towards. And that when I go there everyday, I build a relationship with them and I think if they're institutionalized they won't get that same relationship building and they won't be able to see the community-based things that they get now at Midway. And I guess that's all I have to say.

CHAIRMAN SMITH: Thank you very, very much. Is your internship through your college?

MS. MCDEVITT: Yeah.

CHAIRMAN SMITH: Thank you very much. Ceil, do you need a break?

I would like to just read the names of the others who are here in the room, and particularly interested in this issue. Kristyn Bond, Lynne Conway, Karen Cusano, Jill Dagenais, Michelle Galligan, Thomas Grasse, and Danielle Vyce, all of whom are here and share those same concerns.

Okay. We are just bringing in two more chairs. And I'd like next to recognize -- Mr. Zibel, can you see anything happening?

I'd like to recognize the Chief Justice of New Hampshire, Chief Justice Broderick, and he is coming, he's going to be joined by the judges, Judges Lynne, King and Kelly who are heads of the superior, district, and probate courts. Good afternoon, Mr. Chief Justice.

HON. JOHN BRODERICK, Chief Justice, N.H. Supreme Court: Good afternoon, Madam Chair.

CHAIRMAN SMITH: And if you could please remember to keep that microphone very, very close. Much closer than you would choose. The people behind you will be able to hear that way. Otherwise, they won't.

CHIEF JUSTICE BRODERICK: Is that better?

CHAIRMAN SMITH: As close as you can. It makes all the difference.

CHIEF JUSTICE BRODERICK: Thank you. First of all, I appreciate the opportunity to appear here today. I know it's a short opportunity, and I know how busy you are; but I wouldn't miss it for the world. I've been a lawyer and judge in New Hampshire for 38 years. I was a trial lawyer before I went on the Supreme Court. And I confess I have a bias. I love the state courts of New Hampshire. And I know from 38 years of experience on both sides of the bench how incredibly valuable they are to the citizens of our state. In many ways, this is the saddest day I've spent in those 38 years where the people in this state through their representatives and their Governor are suggesting it's okay to close the courts, because we can't afford to keep them open. With all --

CHAIRMAN SMITH: Mr. Chief Justice, if I could

just interrupt you. I'm sure that you're not used to being interrupted, but I don't know of anyone who thinks it's okay. We're all here struggling trying to figure out how to solve a problem. We take the problem very seriously, and I would hope that you would not for a moment think that any one of us sitting here thinks it's okay. We would love to have any suggestions from you as to how we can meet the obligations to the citizens of the state in the most fair and equitable way. And I thought that's what you had said you would be talking about.

CHIEF JUSTICE BRODERICK: It was, Madam Chairman.

CHAIRMAN SMITH: Thank you.

CHIEF JUSTICE BRODERICK: But what I would like to say, respectfully, is I respectfully disagree with that. That there aren't people in this state that think it's okay. The Governor's Office -- that's why I'm here -- the Governor's suggested to all of you that we should cut \$4 million more from the court system. The Governor knew, I spent 75 minutes with the Governor, I explained to him, I wrote him a letter. I think all of you have it. The Governor thinks it's okay to take \$4 million from the state courts. That's why I'm here today. And I think if we don't find a solution, the courts will be severely impacted. 230,000 cases a year are filed, I think it's important for people to know that. Those are real people with real life problems. Many of them are poor. Many of them can't afford lawyers. Most of them are not here today. But I'm here speaking for them in my role as Chief Justice. So to suggest, Madam Chair, respectfully, that no one thinks we should cut the court's budget, that's not so. They do think we should cut the court's budget.

It's hard in ten minutes to explain the critical nature of the courts but let me say this. There are people in this state, in this legislature, and in the Governor's Office, who feel it's okay to close the courts. They're closed now. We are closing them now. I didn't hear anybody say you can't do that. You can't do that. In my view, respectfully, we cannot afford to close the courts. That's the value judgment. It's the third branch of government. It's the only place people on the minority end of an issue can go in this society and have their case heard. And I don't mean to be rude or intemperate, but I feel so deeply about this issue and I see the court system slipping away. And not on my watch will it happen, unless everyone knows what's at stake.

Now, in terms of how you find the money, I don't know that. I don't know that. I'm not a Representative or a Senator. I don't know the budget nearly as well as all of you do. But I do know this. It's more important to have the courts open than to have Fish and Game open. I know that much. It's more important to have the courts open than to have 5,000 automobiles and vehicles on the state rolls. I know that much, Madam Chairman. It's more important to have the courts open than for this legislature to have millions of dollars sitting in a fund that's not designated for any specific activity to my knowledge.

Where would I find the money? I don't know if everyone is aware of this. I wasn't aware of it until very recently. The Highway Trust Fund generates \$225 million a year for the Department of Transportation. It generates \$78 million a year to the Department of Safety. We get \$2 million of it. I'd start there. I'd start there.

Every year we provide information, arithmetic for this legislature. It indicates that about 13 million of our 76 million is spent on activities that would be motor vehicle related. We get \$2 million. I'd start there.

CHAIRMAN SMITH: I just looked around and I don't have my little black book here, Mr. Chief Justice, but you probably know the Constitution much better than I do. Could you refresh my memory as to which article in the Constitution restricts the state use of highway funds for non-highway purposes?

CHIEF JUSTICE BRODERICK: I'm not asking you to do that. What I'm saying, Madam Chair, is we get \$2 million now from the Highway Fund.

CHAIRMAN SMITH: I know that.

CHIEF JUSTICE BRODERICK: So we receive the money. There's nothing in the Constitution that says if our math supports a higher percentage we can't get it. I would respectfully suggest to this Committee that you should take \$3 million from the Department of Transportation who gets 222 million. They wouldn't miss it and Safety would lose a million. They'd get \$77 million.

Let me also, if I can, because the myth is growing. The myth is that all aspects of state government are suffering. That's not true, Madam Chairman, and you know that. The Department of Safety has less than half of one percent of its budget comes from operating funds. No one's being furloughed. No one's being laid off. In the Governor's proposal to this legislature for FY11, the Department of Safety is not going to lose five-cents of its budget. The Department of Transportation gets a million dollars a year; a

million dollars a year from the general fund. The Governor proposed to give back 90,000 of that million. And if you look at the Governor's Budget summary, nobody's losing their job. They're just transferring those few people to other funds.

On the campus I sit in everyday at the top of the hill over there overlooking the river, the Department of Transportation is not suffering. They're not in the Constitution, by the way. The Department of Safety is not suffering. They're not in the Constitution. And so I don't think the myth should continue.

At some point I think it's fair to say that we have done all that we could reasonably do. I want to give you two examples of the unfairness in this process. Governor Lynch proposed a year ago that we close courts and consolidate courts for efficiency. I supported the Governor. I agreed with it. There were four courts that were looked at. The legislature said in its wisdom, your call, I understand that, we don't want to close them, Judge Broderick, but we don't want to give you the lease money to keep them open. We don't want to close them, but we won't give you the money to rent them.

Then we have court security officers, Madam Chair, who are the lowest paid people in state government, the system that I work in everyday, is supposed to take a fist or bullet or knife point for all of us. All of us. We pay them \$65 a day. We negotiated because they formed a union. We negotiated. We had to. We agreed on \$80 wage per day. We came to the legislature and said you have to approve it. And if you approve it, please fund it because we don't have the money. It was over \$800,000 for this biennium. The way the rest of that bill says, we are going to approve it and we are not going to fund it, and you can elect to



clean out some funds you have in the system. If I do that, Madam Chair, one of the great innovations in the court system was thanks to this legislature we were able to start is the Office of Mediation/ Arbitration. We are eating our young here.

I cannot believe that the Department of Safety and the Department of Transportation, those of which are not in the Constitution of our state, are more important than the function coming to the front doors on domestic violence, stalking petitions, divorce, custody, juvenile delinquency.

I'll close with this. Yesterday, someone e-mailed me an op-ed piece that was written by a lawyer in Kansas who was bemoaning the fact that they're closing the courts in Kansas, too. And he said, when I served in the United States military, I served in Bosnia, and I was very proud of my service. Because I was bringing the rule of law, he said, to a part of the world where it had not been implanted. And then he said, I came home to Kansas and they're closing the courts in Kansas. He said, as he ended that piece, it seems like a third world nation.

Respectfully, it's not about the money. It's about our values. It's about what our Constitution promises, not what I promised. I said to Governor Lynch last week, open the Constitution, Governor, some day when you have time. I know how busy you are. Look at Part I, Article 14. It makes promises for all of us. 1784 the promise was made. Talks about prompt access to justice. Apparently, they could afford that in 1784. I said to the Governor we have three options. One, we can pretend the promises don't exist and go our merry way and cut the courts and cut the courts. We can read the promises and recognize they're made and they're solemn, and we can say we can't afford the

promises. Let's amend the Constitution to remove them. Or we can do what I suggest, we can read the promises from 1784 and fulfill them. Somebody thought it was pretty important in 1784 when they had sick children, when they had sick children, when they had transportation issues or road problems. They put the courts in the Constitution because in a majority-rules government, this great Republic, who protects the minority, Madam Chair? Who protects them on the days the courts are closed? We are better than that. We are better than that.

I did not take this job as Chief Justice to act like it doesn't matter. And I may not persuade one person in this room today, but I will say this with all of my heart. If you continue what you're doing to the court system, everyone of you in this room will regret it. People will say five years from now, what happened to the courts? It's happening now to the courts. We can fix-it now.

Respectfully, I ask that not only that you not cut us \$4 million more when we are already laying people off essentially through furlough days, we have 10% vacancies, we have essentially laid off 35 people and to solve this problem by further lay-offs I'd have to lay-off 71 people. That's 165 people are missing out of 620 slots. If you think that's a justice system, I want to say respectfully I disagree with you. We are better than this. We are much better than this. Thank you for listening.

CHAIRMAN SMITH: Thank you very much for coming, Mr. Chief Justice. Very pleased to hear from you. I don't know if your colleagues would like to speak. I would like to say that I am sorry that you chose to use the time today to draw a line as if you were on one side, the bright side, and everyone else was on the other. We are struggling mightily

to solve a problem that is not new to New Hampshire, but that is worse today than it has been in many years. And that is a problem that we deliberately have a system in which our basic needs, the way we -- the essential expenditures exceed the revenue streams that we have in place. That is a policy decision and it has caused problems over the years. This problem is worse than ever.

Everyone on my Committee is struggling to figure out how to solve the problem. And we do not have the luxury of saying we're noble and pure and understand the purposes of the Constitution and anyone who doesn't agree with us is on the other side. We also don't have the luxury of saying protect my pot of the money, maybe even give me more and just take it from other people. I hope you and your colleagues can stay with us for the rest of the day and listen to the people who are here who are receiving essential services from the State that might not be available after June 30<sup>th</sup>. And we see ourselves at this table of being in this together. We hope with the Executive and the Judicial Branch to try to figure out how we can solve problems. And we cannot solve them by deciding that we will take all the money from X, and give it to Y. I hope that you will join with us in trying to figure out the best way to get through this and to understand that using the words of one of your personal friends, we do feel your pain. Thank you, Mr. Chief Justice. Would the other judges like to say anything?

CHIEF JUSTICE BRODERICK: Might I respond to that?

CHAIRMAN SMITH: Of course.

CHIEF JUSTICE BRODERICK: I am not saying that

I'm noble and pure. I am not saying that people don't understand. Believe, me I'm not saying that. I'm not saying that there aren't sick children for whom all of us should feel and want to help. What I am saying is the only reason I'm here today is the Chief Executive Officer of our State has recommended that our budget be cut by \$4 million. My job as Chief Justice, respectfully, is to say you can do that if you want. You can take \$6 million from us, but you won't have a court system at the end of the day that you want. I can guarantee you all that. We're already doing a lot. We're not special. Trust me, I know that. I'm not tone deaf. But we are different. And you'll find the promises about our branch of government in a document older than any of our grandparents. That's why I'm here, Madam Chair. Not because I think anyone here wants to do harm, I don't believe that for a minute. But my goal is to say, please, don't do harm unintentionally.

There are no bad people here. I've said that to the Governor. I've said it publicly. Nobody is a bad person. My job is just to say please, don't harm us anymore because you're going to compromise the ability of this branch of government to meet fundamental constitutional guarantees. That's my pitch. It's not to insult anyone here. The last thing I would do is to insult anyone in this room. I'm glad I don't have your jobs. They're difficult jobs. But my job is difficult, too. Sometimes you have to say unpopular things to people who control the money you get. So it's a difficult job days, too. It's your court system. You'll decide in your own wisdom how good it should be. I don't get to play. Appropriately, I don't get to play. Thank you.

CHAIRMAN SMITH: Thank you. Representative Kurk.

REP. KURK: Thank you, Madam Chairman. Chief Justice, good afternoon.

CHIEF JUSTICE BRODERICK: Good afternoon.

REP. KURK: I share and support the Chairman's remarks, but I do have a question for you. You've appointed a Commission, I guess, to look at the court system and how it will behave, how it will function in the future. And I think that's a commendable step forward. The question is do you expect that Commission to report back with recommendations that would make such changes in the court system that it might affect the budget of the court system? And if so, when might those suggestions be offered by the Commission?

CHIEF JUSTICE BRODERICK: For those of you who do not know, we appointed a Judicial Branch Innovation Commission headed by Eric Herr who is now the Chair of the New Hampshire Judicial Council. He's a private sector person. He was a major player at Sun Microsystems and at Autodesk. Because I believe firmly that the model on the ground today is part of our problem and part of the reason we are back here every two years saying we need more money, we need more staff, is because the model on the ground is wearing out. So I agree with that, Representative Kurk. My goal is not to have the court system become the General Motors of the 21<sup>st</sup> Century. That's my goal. Because if we don't change, if we're not smart enough to do business more efficiently, we will eventually fail on our own watch without anybody assisting us. And so what I'm trying to do is to come up with some big ideas, systemic change ideas, and ultimately, I think, it will require an investment of money from this body in 21<sup>st</sup> Century technology. And so over time the people we are hiring at \$40,000 a year and then the benefit packages another 30, we won't have to do

that. You're exactly right. I believe as much as anybody in this state that the courts on the ground are not the model for the 21<sup>st</sup> Century. We need to change. Can I give just one brief example, and you'll see how difficult sometimes it is.

The superior court system was built on a county model. We have a superior court in every county. We have one in Keene, and we have one in Newport for the two counties. Neither of them are adequate. The only reason that exists is we had a county court system. If we didn't today, I would say why don't we build a county courthouse for those two counties, the superior court, somewhere equal distant from where they are now. We'd have fewer bodies in the buildings, we'd have fewer security costs, we'd have fewer building costs. So we need to do a lot of things, not just internally, but externally and I hope that it will have some longer term impact on the budget. I think in the short-term people will have to look at it not so much as an expense, as an investment. We need to invest in the future and we can't continue the way we are. I agree with you, Representative Kurk.

REP. KURK: Thank you. Thank you, Madam Chair.

CHAIRMAN SMITH: Thank you. Representative Elliott.

REP. ELLIOTT: Thank you, Madam. Chief Justice, I want you to know that in the two years I've been on the Finance Committee, this morning you gave one of the finest speeches I've heard in this room. And I agree with what you've said. And I heard what you said. That it's a question of values for us. And we have to be the ones who will decide which is more important. The present Judicial Branch gets four percent of the total budget. All other agencies aside from the ones that are already on this

diagram get 7%. I would agree with you, I'm not sure that I would obliterate the Fish and Game Commission completely, but it certainly seems to me that the Judicial Branch should get at least as much as the other agencies which would be 7% rather than the 4%. I don't have a question for you. I simply have a statement to let you know that on this Committee there will be one man who will not cut a single dime further from the Judicial Branch budget. Thank you for being here.

CHIEF JUSTICE BRODERICK: Thank you very much. I appreciate that.

CHAIRMAN SMITH: I do want to point out, Representative Elliott, that the 4% in the materials that were shared with us this morning are not related only to the Judicial Branch. They include expenditures relating to judicial activities or the Judiciary in the Executive Branch, including the Department of Justice.

REP. ELLIOTT: Right.

CHAIRMAN SMITH: So it's in justice-related expenditures. I believe the courts get a much smaller percentage of the total than that.

Does anyone else have any -- Senator Sgambati.  
And --

SEN. SGAMBATI: Thank you, Madam Chair. This is purely a question, not a comment. In your work with other chief justices and with other states, are there different funding mechanisms to fund the court systems? Is it just that other states have additional general funds or are there higher court fees or indirect costs charged to state agencies? Are there other models that states use to fund their courts?

CHIEF JUSTICE BRODERICK: Well, I don't -- I could get you the information in some detail from the National Center for State Courts in Williamsburg, and if you're interested I will. From my discussions with other chiefs around the country, all but a few states are feeling what you're feeling here. There's no silver bullet. And I don't think it odd, Senator, that we are where we are. Everybody in this state is hurting. So please, don't hear me say don't hurt us. We are already hurting. I would hope, for example, maybe one of the things we could look at is some additional dedicated fund money that could be justified coming to us. That might help us.

The last thing I would say is HHS, for example, and they do incredible work, I have great regard for Commissioner Toumpas, they're about 33 percent of the state budget of \$2 billion. And so a million dollars at HHS as valuable as it is, is like a Tuesday afternoon. A million dollars in the court system is a lot of money. It's a lot of money. And what I feel saddest about, I know it's moving away from me. I know it's moving away from me and we need to fix-it. We need to stop hurting it at a minimum. If you take \$4 million from us, folks, I cannot be more sincere when I say to you, you are doing damage you do not intend. I believe that, too.

CHAIRMAN SMITH: Representative Weyler had a question.

REP. WEYLER: Thank you, Madam Chair. I have a question for Judge Kelly. I believe he's the chief justice of the district courts.

CHAIRMAN SMITH: Good afternoon, Judge Kelly. Glad to have you.



HON. EDWIN KELLY, Administrative Judge, N.H. District Court: Good afternoon, Madam Chairman. Thank you very much. Representative Weyler.

REP. WEYLER: Do you have district courts that are open 1 or 2 days a week but are staffed for five days a week?

JUDGE KELLY: Yes, we do.

REP. WEYLER: Thank you. Thank you, Madam Chair.

CHAIRMAN SMITH: Are there any other questions? Judge King? Judge -- no.

SEN. D'ALLESANDRO: Lynn.

CHAIRMAN SMITH: Right. Judge Lynn. I'm sorry. My mind went blank for a second. It appears that you've been able to just enjoy this frolic in the park with no questions addressed to you. We thank you very much for being here and for working with us over the years as we try to go through this very difficult process. So again, thank you very much for being here.

JUDGE KING: Thank you.

JUDGE LYNN: Thank you.

CHIEF JUSTICE BRODERICK: Thank you very much.

CHAIRMAN SMITH: The Chair would next recognize Nina Gardner. The Chair recognizes Nina Gardner. It's wonderful always to see your face there.

NINA GARDNER, Executive Director, Judicial Council: Thank you.

CHAIRMAN SMITH: Miss Gardner, and we thought we needed a change.

MS. GARDNER: A break. Well, good afternoon, Madam Chairman, and Members of the Joint Committee. For the record, my name is Nina Gardner. I'm the Executive Director of the Judicial Council, and I'm here this afternoon in a role that sometimes is somewhat different than I usually come. I'm not here to ask for money for my budget. And I want to also just briefly mention that the reductions that are proposed by the Governor are absolutely agreed to by me. I'm in Section 80 something. My reason for being here is really on behalf of the citizens of this state and it comes as a result of a meeting that the Judicial Council had Monday which had a very interesting agenda and we immediately co-opted the agenda because members of the public who serve on the Judicial Council were absolutely concerned about the depth of cuts the Judicial Branch was facing and wanted us to address that.

The Judicial Council has 24 members, seven of whom are members of the public appointed through variety of sources. And I think what was most interesting about the day was their concerns about the impact on the administration of justice, which is part of the charge of the Judicial Council. It's a part that I oftentimes don't have much opportunity to talk about.

The concern of the Judicial Council on Monday and going forward through this process is that the depth of reductions will have the kind of impacts on the citizens of the state that I think you heard about in terms of other aspects of the budget this afternoon. And we felt that the voices of those people needed to be heard. Those people who go to the courts for domestic violence. The 5300 families who are there in terms of juvenile matters, who are

there in terms of stalking petitions, and their voices needed to be heard here today. And so for them I am here to speak representing the public members of the Council.

The other issue of concern to us was the value of the Constitution, the value of a Constitution that puts three branches of government in an orbit of inter-reaction and interplay and the one place where the public can go, as Judge Broderick said, to resolve their differences. Clearly, the folks that I am usually here talking about, the criminal justice aspect of the system, will not be significantly impacted by the reductions in the court budget. Those cases have to be heard. They'll be scheduled. A lot of the lay members of the court of the Judicial Council suggested, oh, goodness, it will simply just be a criminal court and that reality simply becomes part of the large budget reductions proposed.

The other concern people had was that access to justice will become increasingly meaningless as people wait long periods of time for orders coming from the courts. And we felt that issue needed to be raised here as well.

The other part of our testimony was to talk to the issue that Representative Kurk mentioned and that is the Commission that Chairman Herr of the Judicial Council who is also Chair of the Commission on Innovations, is involved in. He promises and made the commitments when we unrolled the Commission that it would report its findings early and so that some impact could be had in the budget process.

One of the things I would ask all of you is to be open -- and I know a lot of you are part of the Legislative Steering Committee -- I hope you would

be open to some of the suggestions that may come forward. I thought Representative Weyler's question was a very good one. One of the suggestions that may well come forward are thoughts of consolidation, of looking at courts that are open just a few days a week, and whether or not it's viable in the footprint that we currently have.

So as the conversation goes forward, and we urge the Judicial Branch to be part of a conversation with you, to find ways to handle the proposed reductions, to look for innovations, I'm a member of that Commission, and I can tell you I have thoughts on how the courts can become more efficient. We can work better with them. And I hope all of you will be open to those thoughts as we go forward. But I did feel the need to speak today on behalf of the citizens whose services will be vastly impacted by a reduction of this size. And I, of course, would be glad to answer any questions. And I'm always grateful for the opportunity to come before all of you. Thank you.

CHAIRMAN SMITH: Thank you, Miss Gardner. And we are always very appreciative because no one could be a finer advocate for the Judicial Branch and the court system and justice in this state than you. And we thank you for your comments. Does anyone have any questions for Miss Gardner? Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you very much, Madam Chair. Nina, I think you've said one thing that I think is an imperative. Is there the willingness to look at this system and to promote change that makes it more effective, makes it more efficient in terms of delivering justice in a timely fashion and making that justice equal across -- across the board? And I think those are the imperatives that people out there look at everyday. I go to those

district courts and listen to what happens at the district courts and there are times when people are of the feeling that justice is not what they're getting. And I think that's something that has become pervasive throughout this state based on activities that have taken place within the system over the last decade. Now that's an imperative. Because if people, regardless of whether they're open or closed, the real issue is when I go to that court am I getting justice and is justice equal for everybody. That's the imperative.

MS. GARDNER: Senator D'Allesandro, I think those are the kind of things that the Commission is going to be looking at and talking about, both in a short-term range and long-term range. But in a short-term we need to think about doing things differently, and that means all of us need to embrace that notion of change in however it may present itself. Not all of the ideas the Commission comes up with are going to be appealing to everybody. But I hope that the dialogue will be just as honest as you would like it to be and I can assure you from my part it will be.

SEN. D'ALLESANDRO: Thank you.

MS. GARDNER: Thank you.

CHAIRMAN SMITH: Any other questions? If not, thank you very much, Miss Gardner. James Tenn, and then followed by Mr. Douglas and Mr. Holmes.

JAMES TENN, ESQ., Manchester, NH: Madam Chair, Senator D'Allesandro, and Members of the Joint Committee, good afternoon. My name is Jim Tenn and with me is Marilyn McNamara. I have the privilege of serving as the President of the New Hampshire Bar Association and Marilyn has the pleasure to serve as the president coming in in a month or two.

Our Association represents the interests of 5,000 active lawyers and a lot of those lawyers are in this room today. We are here not to draw a line in the sand. We are here to try to provide evidence to you and important information demonstrating that the court system is in trouble and that our system of justice is in trouble.

I have practiced law in Manchester for 20 years. And I'm a life-long resident of the State of New Hampshire. And on behalf of the Bar Association, I speak today to oppose the \$4 million in cuts to the Judicial Branch. The issue that we face today is whether our state will adhere to the guarantee set forth in the New Hampshire State Constitution, a guarantee to provide New Hampshire citizens with meaningful access to a justice system, meaningful access to a justice system.

Access to justice is not just an academic concept. It's a fundamental cornerstone of the constitutional system of government in which we all work and live. And Part I, Article 14 of the New Hampshire State Constitution provides that every citizen has the right to obtain justice freely, promptly, and without delay. We, as New Hampshire citizens, like all citizens in a democracy, rely upon a system that can peacefully, predictably, and promptly resolve disputes to enforce the rule of law. Because the rule of law is never so much required as it is when people of New Hampshire turn to the courts as a place of last resort. Courts exist to protect fundamental rights, to protect people and families from violence, to protect them from injury, and to hold those who violate the laws accountable.

You're well aware that the court system in New Hampshire has begun closing on certain days and you're also aware that the court staff and judges

have taken unpaid furlough days in an effort to meet those budgetary constraints. For members of the Bar, closing of courthouse doors is alarming because we, as members of the Bar, advocate for citizens of New Hampshire and we advocate in numerous ways. We try to help people who are victims of domestic and stalking cases. We advocate for families. We advocate for businesses. And we work within a system that needs some flexibility and responsibility and without adequate funding we are losing that.

The closures are depriving New Hampshire citizens from the right to obtain justice. People today, and I acknowledge Senator D'Allesandro's comments, they struggle in real-life situations, and they need responses that provide justice, but the daily work of the court is being delayed. It's being delayed and in some places it's grinding to a halt. Hearings are not available in timely fashions, orders are not processed at a time that they're needed; people, parents, children, families, are suffering in the system today, and businesses wait far too long for resolution of disputes. And the Bar is here to ask and to work with you in the hope that we remain ever vigilant and not permit a lack of resources or jeopardize the expectation of New Hampshire citizens that the courts can do justice.

Former United States Supreme Court Chief Justice Warren Burger noted that confidence in the courts is essential to maintain the fabric of ordered liberty. These are high goals and high aspirations. But if people of New Hampshire feel that the courts cannot fulfill them, we have done damage to our system.

Chief Justice Broderick just spoke and he laid out for you the warnings that he has concluded

based upon his review of the damage that a \$4 million reduction would do. And what I'd like to close with is that the Judicial Branch is a co-equal pillar of our three branches of government. And when I was a child in the Manchester school system I read about the founding fathers. And the founding fathers told us that they recognized that the administration of justice is to be the firmest pillar of government. That pillar is cracking today. And on behalf of the attorneys and members of the New Hampshire Bar in this room, I will pledge to work in any way that we can to assisting in keeping our system of justice as meaningful, and I thank you for the opportunity to make a few remarks today.

CHAIRMAN SMITH: Thank you very much.  
Representative Kurk.

REP. KURK: Thank you, Madam Chairman. Good afternoon. A couple of questions. Three specifically. How would you react to try to raise revenue for the court by putting a fee on attorneys who bring contingent fee cases?

Number two. How would you react to reducing the load on the court by instituting the English system whereby the loser pays rather than the current system whereby each party bears the cost of his attorney fees?

And finally, probably more practically, do you have any suggestions -- does your organization have any suggestions for efficiencies in how the court is run since as practitioners you're more familiar with it than anyone else? For example, is there some other way to issue orders more rapidly with fewer employees? I don't expect an answer now, but if you could get us something in a few days, at least that would be very helpful.



MR. TENN: That would be fine. I'd be happy to answer all three of those questions. And I'd be happy to get you that information in a prompt way. I would also tell you that this person sitting next to me is on the Innovation Commission that's been established by the New Hampshire Supreme Court, and so she's heard it and will respond as well.

CHAIRMAN SMITH: Thank you very much. Are there any other questions? Senator Sgambati.

SEN. SGAMBATI: Thank you. Do you have any data on how the length of time to get to court has increased or what the -- how the delays have moved over time?

MR. TENN: We have data from a number of different sources. The most recent data we have is attorneys who write into the Bar Center and explain to us the delay that they face. For example, in a regular divorce action, a divorce petition needs to be filed. Orders of notice are then sent to the clerk's office to be processed. In too many counties those orders of notice are not being processed and so parties are forced to wait for hearing dates. When the hearing dates then arrive, they're months down the road. And so in a situation in which two parents are fighting over who will pay utility bills, those parents go for months sometimes without a decision. And then when they finally get to court, they're told, sometimes, that there's a delay in processing the order, because there's inadequate staff and too much demand. I've got statistics and we can provide them if you'd like.

SEN. SGAMBATI: That would be helpful. Thank you.

CHAIRMAN SMITH: Thank you very much.  
Representative Emerton.

REP. EMERTON: Thank you very much, Madam Chairman. Good afternoon. In view of the fact that you are having a Herr Commission coming forward, hopefully soon, will that be -- the recommendations of that Commission come out at a time the budget comes up for the next biennium which we know we'll be in excess of \$500 million in the hole. That's what we are told.

MR. TENN: Is your question when will the Herr Commission Report have its recommendations?

REP. EMERTON: Yes.

MR. TENN: Will they have it by that time?

REP. EMERTON: Yes.

MR. TENN: It's my understanding that they will have those recommendations by that time.

REP. EMERTON: Thank you.

CHAIRMAN SMITH: Are there any other questions? If not, thank you very much for your time. Miss McNamara, if you could fill out a pink card so we have a record.

MS. MCNAMARA: Certainly.

CHAIRMAN SMITH: We would appreciate that very much.

MR. TENN: Thank you.

CHAIRMAN SMITH: And I believe I next call Mr. Douglas. And is that Mr. Holmes am I seeing?

RALPH HOLMES, ESQ., Manchester, NH: It is.

CHAIRMAN SMITH: All right. I'm sympathetic. You haven't seen my handwriting.

MR. HOLMES: Good afternoon, Madam Chair, and Members of the Joint Committee. Very pleased to appear before you today. My name is Ralph Holmes. I'm an attorney in Manchester and I serve as President of the New Hampshire Association for Justice which is an organization of about 500 attorneys devoted principally to preserving the Constitutional access to the courts.

Madam Chair, in your -- in your earlier comments you commented in your discussion with the Chief Justice, you know, we need a solution. And we are here today, we believe, with what can be -- my apologies. Let me just take a step back.

There are many lawyers in the room here who have these yellow badges that say "Save Justice" and we are wearing these badges because we are very concerned about the state of the Judiciary and the impacts that cuts will have. And many of these people will not speak and some of them do not have these stickers identifying themselves. And I would just ask all the people who are in the room who are concerned about the Judiciary and the threat of cuts to raise their hands just so there can be a visual display. And again, I appreciate that. Thank you.

All of you are concerned about that as well. And we're not here just to oppose the cuts, and that's what I was commenting on before. We understand you have an incredibly difficult job before you and we are coming here with what we believe to be a potential solution. We have

identified over \$4 million in restricted revenue that will not go, will actually will disappear from the State budget otherwise. Essentially results in a loophole in the revenue funding system that could be used to fund the \$4 million proposed cuts to the Judiciary and allow Judiciary funding to stay the same. And Attorney Douglas will speak to that now.

CHARLES DOUGLAS, ESQ., Concord, NH: Thank you, Ralph. Madam Chairman, Members of the Committee, I'm Charles Douglas of Concord. And just by way of background, I want you to know that we actually have some good news for you. I have been here for the last three hours and you have not heard any good news, but we honestly feel we have something that will help.

I understand the problem you're going through. My first job in state government was with the New Hampshire House full-time in the '65 session. I was the Administrative Assistant to Sandy Taft and I worked over there because there was no LOB here.

I've also worked in the Governor's Office for two years in the '70s. And obviously, I was a judge for ten years, and I have never seen it, for that branch of government, as tough as it is now. I was on the court in '83 and '84 when we had a recession. But this is the steepest and deepest cutting I've ever seen for the courts. And so we looked at it and said as an Association for justice, can we come up with an answer that may be helpful?

The Chief, I think, mentioned and it's in their budget, \$2 million a year currently goes into the court system from the Highway Fund. And 332,000 goes in through 4-D money, HHS, federal 4-D money, to help subsidize child support enforcement cases. What we're proposing is that you expand that

because there are three state agencies who are regulatory agencies, who have fees, and those fees are in surplus at the present time. That's Insurance, Banking, and Public Utilities. And what we would suggest is the following:

The relevant statutes that deal with those three agencies talk about the fact that they're regulatory agencies, and that they do incur costs, which they're largely self-financed by the fees charged. The premium tax for insurance, for instance. We would propose that the \$2.2 million excess be transferred to the courts for this year coming up and the next year. The LBA figures that we have seen preliminary numbers on indicate that's about 4 million. Insurance has about a million in surplus; the PUC, about 650,000 at the end of FY09, and we're not sure what the current surplus is; and Banking has a potential of about a half a million. Because those industries and those agencies impact the courts, but they pay nothing for it, it seems a logical extension on the Highway Fund model. And the Chairman asked a question which was what's the provision that deals with that? And it's Part II, Article 6-a. And in 1977, I was a co-author of two opinions that year that the legislature asked the Supreme Court, can we use highway money for the elderly, and we said no unanimously. But on the other hand, you asked another question that went to the court, and that was could we use it for the Detective Bureau at State Police? And we said yes, you can, to the extent that it relates to motor vehicle homicides or deaths, et cetera. And those opinion of the justices were unanimous in both cases. It is my opinion that you are not entering into a JUA cul-de-sac. Totally, totally different. They were not a state agency. We are dealing with state agencies, Banking, Insurance, and PUC.

Just to give you an example of the impact the

PUC and that industry has, three weeks ago Pennichuck Water Works case that started in 2002 came down from the Supreme Court affirming the Public Utilities Commission, 22-page opinion, very involved, eight law firms. That takes court time. That is part of the business of the courts. But the PUC and that regulatory fee, none of that goes to the courts. None of the money comes from insurance. None of it comes from banking. And so that is our suggestion. And we will work with you next Tuesday. But I am convinced the precedent is clear. I was part of it in '77 and nothing's changed since then.

The other thing I wanted to just close with is two quick thoughts. The Chief mentioned Part 1, Article 14, and what I've done, and I have ample copies for the Committee, is I did three or four-page summary of the key parts of various opinions under that provision of the Constitution dealing with promptness and openness and the fact that civil cases have to be heard. And if the cut occurs, and civil cases are cancelled, that violates Part 1, Article 14, and interestingly enough, the jury trial right is keyed into that. And the jury Amendment, Part 1 or provision in our Bill of Rights, Part 1, Article 20, says the right to jury trial will be sacred. Well, trust me, that is a higher level than cherishing education. Sacredness exceeds cherishing. Therefore, you can see where that may go. And so what I would prefer is to pass these out or have you do whatever you folks want with them. I'm not going to go through it now.

And the final thing I wanted to mention is this on disproportionality. And as I say, I've worked and gotten a state paycheck from all three branches. And you're a Committee of numbers. Write down if you would four numbers for me. Thirty-five, draw a line and underneath it write 11,514. And if

you do the math, that 35 lay-off out of 11,514 state workers is .003%. But if you take 71 and draw a line under it and put the number 600 under it, that fraction is 12%. You cannot in good conscious cut an equal branch of government's staff, the entire branch, by 12%, and cut the Executive Branch by .003%. It just isn't proportional. It isn't equal to the task that that branch has to cover.

So I'll end right now. I appreciate it. We'll work with you next Tuesday. But we did come to you, we hope with some good news, and what I would recommend is that if you can restore those cuts that were made part of the 3.1 million by drawing these other funds in, it would go a long way towards helping to reduce the furloughs in that branch of government for next year, for the next Fiscal Year. So I would not say just don't cut the 4 million and we've -- we're done. But if there's two or three or 400,000 that can come back in at least, we shouldn't be closing courts. You can go to Fish and Game five days a week and get a license. You can't go to court five days a week and get justice. I'll be glad to take questions.

CHAIRMAN SMITH: Thank you. Mr. Douglas, as you well know, Fish and Game is funded by user fees.

MR. DOUGLAS: Right.

CHAIRMAN SMITH: The last thing we would ever suggest is that the court be funded by user fees, so --

MR. DOUGLAS: I agree.

CHAIRMAN SMITH: -- the Fish and Game money is not available to us to solve -- to solve this problem.

MR. DOUGLAS: I agree with you, Madam Chair. It's just that -- I guess I'm saying it's incongruous that you have a facility, important though it is, I have a hunt/fish license. I like going there to get it renewed. I'm just saying it's a little -- I think it's ironic that they're open and the courts are closed.

CHAIRMAN SMITH: I quite agree with you.

MR. DOUGLAS: That's all I'm suggesting.

CHAIRMAN SMITH: I also would point out that the court has complete control over how to allocate its funds. I find myself in a bizarre position because for all the years that I've been in this legislature, I have been the strongest possible supporter of the Judicial Branch and I continue to be because it is the only place an individual can get redress of grievances. And the conversations that have taken place today, I think, are unfortunate and come from, perhaps out of frustration, an approach of attack rather than mediation, people working together to try to solve a very complicated problem.

MR. DOUGLAS: I hope my remarks weren't seen as an attack. I was trying --

CHAIRMAN SMITH: Absolutely not.

MR. DOUGLAS: -- trying to offer some positive program as opposed to just coming here and pounding the table, so.

CHAIRMAN SMITH: And we thank you very much for -- for what you are bringing to us and creating an opportunity for us to think outside the box that has hemmed us in.



MR. DOUGLAS: Okay.

CHAIRMAN SMITH: I think did I see a hand over here. Yes, I certainly did. Senator Larsen.

SEN. LARSEN: A question on the question of the court has said that you can charge a fee if it's not grossly disproportionate. How will we -- how -- is there any justification -- it appears you would suggest that the funding solution you've brought forward would deplete all of the remaining surpluses in the three agencies that you identified. Wouldn't there be a necessity to justify and that it's not disproportionate and how would we do that?

MR. DOUGLAS: It's a good point. And Senator Larsen, I don't have an answer sitting here. I know the court opinions talk about disproportionality and I'm sure there is a point at which if you said, well, we're going to fund all 70 million of the courts through the Insurance Department, that industry would come forth and say, wait a minute. I mean, we didn't mind paying the premium tax to fund the Department and our share of the courts, but we're not paying the whole thing. That's disproportionate. Then it becomes a tax.

Admittedly, I can't give you a bright line rule. I can just tell you my experience in '77 when we had those two questions that came from the legislature, we did our best to say you can do this one but you can't do that one. And I must say, it's not written in simple clarity, but I don't see -- if they're running surpluses each year in those accounts, then clearly they're not excessively overfeeding those industries or they would have gone to court by now over it. And all we're asking is don't forget us. We're the branch that has to do 22-page opinions when Pennichuck Water Works goes

into the PUC or when there's an insurance issue or when there's a Banking issue, you go to court. And so it's fair, the Chief said, well, maybe we should get more from Highway. I, frankly, think he's right there, too. The Highway -- we have 230,000 court cases a year. And I have chart if the Committee wants it, it breaks it down by type of case and by court. Uh -- and the bulk of those are motor vehicle related; speeding, DWI, running a stop sign, car accidents. You know, a lot of folks in this room who have these, I call them more -- I don't know if they're more greenish yellow, all that relates to the insurance industry. Most of those cases have an insurance company behind it and not be named in the lawsuit but Allstate, AETna, Geico, they're the ones writing the check. They ought to help us keep those doors open.

SEN. LARSEN: Thank you.

CHAIRMAN SMITH: Thank you very much and if you would leave all the material.

MR. DOUGLAS: I will.

CHAIRMAN SMITH: Thank you.

MR. DOUGLAS: Thank you, Madam Chair.

CHAIRMAN SMITH: Thank you very much. We are going to take -- I'm sorry.

DAVID L. NIXON, State Representative, Hillsborough County, District #17: I left a card this morning. I've been here since nine. Mind if I say a couple words?

CHAIRMAN SMITH: If you've been here since nine you were here two hours before we started but we are very glad to have you.

REP. NIXON: Thank you.

CHAIRMAN SMITH: Sit down.

REP. NIXON: Thank you, Madam Chair. My name is David L. Nixon and I'm not here on behalf officially of any organization, except possibly the House of Representatives, which half the people in this room are members. I have a background with issues of this nature going back to 1969 when I served in the House for the good Representative from Stratham and the Republican administration at the time proposed an income tax because of financial difficulties, which did not pass, but the business profits tax did and I was a spokesperson principally for both. Another crisis of a financial nature have struck New Hampshire. The room and meals tax and the lottery bailed us out of one situation when John King was Governor. And the business enterprise tax bailed us out of a situation when Steve Merrill was Governor. We now face a crisis that's both within the state boundaries and without and of no making on the part of the state. It's a different time. And a lot has been said about the fact that the Judiciary Department is an equal branch of government, Part 1 Article 14, dating back to the year 1784 and so forth.

What I suggest to you is only this. That as a person who's worked in the court system for 52 years now, in the pits, so to speak, as a private, as a member of the House, so to speak, and as President of the Senate, and having seen these crisis come and go, I agree with you and you've said it many times, that we are now -- and Senator D'Allesandro as well -- in a worse situation than ever before, albeit a little better than some states around us.

Difficult times call for difficult solutions. I suggest to you, and one question was what can the court system to be more efficient and you've heard several suggestions. I serve on a volunteer basis in the district courts often in what are called DOV cases, domestic violence cases, where someone is accused of physical and/or emotional or both abuse, sometimes leading, as you know from reading the papers, to murder. Those cases are not able to be timely heard. Those people are in great, great need. And it's not just because the Constitution is supposed to guarantee swift justice, it's because the need is so great.

On the alternative side, and I know a question that you've asked everybody that's come to you and said on bended knee, do more for the people that I represent. You've said where do -- have you got any suggestions for income. You just heard a couple of good ones. You heard eloquence from the President of the Bar. I would suggest to you, most respectfully, as a person who has been against gambling, since I knew what gambling was, and who has spoken against it, and against liquor sales on Sundays, and against liquor sales on the highways, that now is the time for this state and those of us charged with the responsibility of meeting these fundamental needs to think about alternative means of revenue that do not involve compulsion. Bad as they may be, I do not think they are half as bad as the alternatives we face. And that is all I will say to you now. I appreciate very much the courtesy of being allowed to speak. And I'm sorry I was two hours early, but I had other things to do up here. And I will be two hours early to speak to this Committee any time you'll have me. Thank you very much.

CHAIRMAN SMITH: Thank you very much,  
Representative Nixon. We are going to take a

five-minute break.

(Recess taken at 2:19 p.m.)

(Reconvened at 2:24 p.m.)

CHAIRMAN SMITH: And I'd like to recognize Karen Jameson, Stephanie Smilie, and Chelsea Ragusa. And I believe that might be six people instead of three.

KAREN JAMESON, R.N., Good Beginnings: Well, I don't have a baby with me but yeah.

CHAIRMAN SMITH: Okay.

MS. JAMESON: Thank you. I don't think they can hear out in the hallway that you called their name. That's the problem. Can you just yell out in the hallway? Sheri, would you yell to them. They're trying to feed some babies. May I begin?

CHAIRMAN SMITH: Yes, please do. And if you need anyone to hold one of those babies, I'd be happy to help.

MS. JAMESON: My name is Karen Jameson and I'm a maternal and child health nurse at Good Beginnings, a family support program that serves Sullivan and lower Grafton County. I speak for the nurses and family support workers from all over New Hampshire who would like to speak today, many are here behind me, but who out of respect for the Committee and others waiting to speak are reserving their comments. I also speak on behalf of New Hampshire women and children who depend on family support services.

We urge the legislature to retain the Footnote 102 on House passed Page 733 and Footnote 502 on House passed Page 734. Everyday my colleagues and I travel to homes throughout rural New Hampshire to assess the health of pregnant women and children, screen them for substance abuse and depression, educate them about labor and delivery, nutrition, child health and development, and connect them with other resources and help them follow through with recommended medical care. The women and mothers who we help are frequently poor, lack transportation, lack education, are isolated, homeless, addicted, in violent relationships or are survivors of childhood trauma.

Yesterday, I made three home visits to a 15-year old a girl with a one-month old baby, to a seriously ill mother who is at high risk for premature delivery of twins, and to a formerly opiate addicted mother who is staying clean and raising her six-month old baby. Each of these women and their babies were and are at grave risk for a poor outcome; a pre-term birth, a fetal demise, a drug addicted or seriously ill baby, child abuse or neglect. With the help of Good Beginnings and the other programs that provide home visiting, these women are achieving their goals to deliver healthy babies and raise healthy children.

I grew up in New England. Before I became a nurse, I was an animal science graduate working in animal research. The farmers I worked with had Yankee common sense. They understood that preventing illness in their animals was not only humane but a smart business decision.

In the field of human reproduction, we

know about the benefits of prevention. Research has shown that providing home visits to pregnant women and young children is a cost-effective strategy that results in better outcomes for mothers and children. The Obama Administration recognizes this research and has designated funding for home visiting. That funding must supplement, not supplant, state funding. If New Hampshire chooses to cut Medicaid funds and incentive funds that support home visiting, we may very well lose federal funding.

The United States lags behind other countries in both maternal and infant mortality. The U.S. ranks far below Europe and the Far East in infant mortality. In the U.S. 6.9 babies died out of every one thousand live births. According to Dr. Marian McDorman of the CDC, the U.S. does a good job of saving babies when they are born pre-term. The problem we have is prevention, preventing that pre-term birth, and that's where we are in trouble. Saving babies who are born pre-term is wonderful. It is also extremely expensive. Preventing pre-term birth is common sense. Through a combination of raising revenues and making modest, reasonable cuts in non-essential services, we can preserve the safety net. We must preserve preventative services. It's simply common sense. Thank you.

CHAIRMAN SMITH: Thank you very much for your testimony. And are there other women in the group of you who would like to speak?

MS. JAMESON: Stephanie would like to speak.

CHAIRMAN SMITH: Thank you very much.

STEPHANIE SMILIE: Hi.

CHAIRMAN SMITH: Hello.

MS. SMILIE: My name is Stephanie Smilie and I'm here today to share my story on how the Home Visiting New Hampshire program greatly benefited my life. I'm not here on a political front or to represent single moms. I'm simply taking this opportunity to give back to the program that gave so much to me.

Last summer when I found out I was pregnant, I was excited and anxious, but more so I was petrified. Growing up I was raised by a single father. Everyday I saw the sacrifices and struggles he made to give my brother and I the best life he could give. I always knew I had enough love to give my baby, but I doubted my ability to be able to handle the stress of it. At the time I was battling staying sober from alcohol, had lost my license, was living in an unsafe apartment with drug addicts, and was working a thankless minimum wage job. I was in an abusive relationship and had disappointed my family one too many times causing any support system I had to be shattered. On top of all this, I was a high-risk pregnancy. Stress was an understatement. I knew the life I was leading was not ideal for bringing a child into.

When Jessica, my counselor, started visiting she was the first person that had reassured me I could do this by simply putting one foot in front of the other. I cried a lot to her and got mad and frustrated, but she never doubted my abilities and always listened. This program I learned was not about them



fixing my problems, but rather giving me the tools and direction so that I could take control of those problems.

By the end of the nine months, I had managed to stay sober. I had my own apartment. I had completed the counseling to get my license back. I had worked my butt off at that thankless job by earning praise and recognition. I also enrolled myself in a dental assistant program to start in September, had finally broken up with that abusive boyfriend and had regained some trust with my family to have them back in my life. Most importantly, I could smile and believe in myself.

It was no easy task and I could have not done it without Jessica or Sara, my home visiting nurse. They helped with every aspect of planning from finding housing, to picking out a day care, down to getting excited about those kicks and getting through the all day sickness that I had throughout my whole pregnancy. I had planned to breast feed, and after I got home from the hospital I realized how hard it was. The baby was screaming because she was hungry. I was crying because I was so tired. My breasts were gorged and it was 9:00 p.m. on a Thursday night with no help in sight. Sara came to my house and spent hours helping me feed the baby, holding her so I could relax. She waited till we both fell asleep before she left. Three and a half weeks later my baby has gained over a pound, and the doctor wonders if I produce breast cream because of how much she has grown.

Not only have these women given me back the confidence to move forward with my baby and

my life in a positive manner, they have become my friends. I can't say I wouldn't have figured out my own path, but the path travelled with the Home Visiting Program of New Hampshire was a stable and supportive one. They reminded me that taking care of myself was the only way to assure that I could take care of my baby. Thank you.

CHAIRMAN SMITH: Thank you very much for being here and could you tell us the baby's name?

MS. SMILIE: It's Annabelle.

CHAIRMAN SMITH: It's a very nice name.

MS. SMILIE: She's been very patient all day so she's starting to get a little cranky.

CHAIRMAN SMITH: Actually, I think there are many people in this room who are cranky. Thank you very much and for coming and sharing this very important story with us. And are there other people here, would you like to introduce yourselves?

HEIDI THAYER: My name is Heidi Thayer. I'm a home visitor in the Concord area.

JOY EVALL: I'm Joy Evall (phonetic spelling). I'm a home visitor in the Concord area.

ELLEN DeSTEFANO, Bow, NH: I'm Ellen DeStefano. I'm a nurse educator. I live in Bow, but I work out of a Concord office.

CYNTHIA HOYT: Cynthia Hoyt. I'm a home visitor in Concord.

CYNTHIA HERMAN: Cynthia Herman, Child Family Services.

FARRAH DESELLE, RN: Farrah Deselle and I'm a registered nurse, visiting nurse, in Manchester, for Child Family Services.

CHAIRMAN SMITH: Thank you very much.

MS. JAMESON: Can we turn in a written --

CHAIRMAN SMITH: Yes, that would be very good. Mr. Murphy will take that from you.

MS. JAMESON: Thank you.

CHAIRMAN SMITH: Thank you very much. Yes, I have cards from Sharon Francis, George Watkins and Adair Mulligan. Would they like to come up together?

SHARON FRANCES, Executive Director, Connecticut River Joint Commissions: Madam Chairman, Senator D'Allesandro, Representatives, and Senators, thank you so much for the opportunity you are giving us. You are not paid enough for the hard work you're doing. It's not just sitting and listening as we have been able to do today listening to each other, but you hold so much in your hands of democracy and of what this state means, and I commend you. I thank you.

I'm Executive Director of the Connecticut River Joint Commissions. Adair Mulligan is our Conservation Director. George Watkins is one of our 15 river commissioners. He is from Walpole. We'll each speak briefly..

We are faced in the proposed budget with extinction. We believe, as has this legislature in the past when it established the Connecticut River Commission that, indeed, that river raises to the level of I think the word was sacred used by a previous speaker, but it is a great resource of the State of New Hampshire, even if it is over on the "West Coast".

We are administratively attached to the Office of Energy and Planning. That agency in figuring out how to achieve a 10% budget reduction had the brilliant idea that we could be funded at zero and their 10% reduction would not be so painful. We well understand our relative responsibility to take a 10% reduction. We're not very happy with being exterminated, eliminated, annihilated, whatever you might want to say. Our current budget is \$57,900, not very much for what we do.

We and our partner twin commission from the State of Vermont work together as a complete partnership, the Connecticut River Joint Commissions, already have raised 455,000 additional dollars from federal sources for activities on the Connecticut River in Fiscal '11. That federal money depends upon match of state funds. If we lose these state funds, we also lose the federal funds. And Senator Gallus, one of our most important projects this coming year is restoring the riverbank, the eroded riverbank at the Colebrook Business Park. We have worked for over a year to raise matching money for the EDA grant application for that project. You perhaps know better than I how many jobs are at stake. But I don't think either you and I can look those people in the eye and say we can't restore that riverbank. We have to. And we're doing it with good science,

with bio-engineering. We need New Hampshire's support to be able to bring in the federal money to do that project.

One of our creations is the Connecticut River Scenic Byway. Think of it as all the roads on both sides of the Connecticut River, a national Scenic Byway, an avenue for heritage, tourism, an avenue for bringing in the people who spend money on rooms and meals to be thrilled by our towns, villages, historic, agricultural, wonderful mill town heritage. We have \$10,000 of our State money pledged to match federal Scenic Byway money for projects along the Byway. No State money, no federal money. I'm not talking salaries. I'm talking work on the ground that is -- it's the heritage of New Hampshire, it's what we all care about, why we're here, and not in Arkansas or some other places. Why we're here and as I listen to the human interest stories and listen to the -- the just -- the voices of justice earlier today, I think are we a luxury? No. We're not a luxury. Our river is not a luxury. \$57,000, cut it by 10%, \$52,000, it's a nickel, a dime. And I hope that when you're done with us, we will thrive another 20 years and not be annihilated. And I want to pass the microphone to Adair. I have copies of testimony, and it's punched three holes.

CHAIRMAN SMITH: Oh, perfect.

ADAIR MULLIGAN, Conservation Director,  
Connecticut River Joint Commissions: Thank you very much. Thank you for your consideration and also your endurance. We want to point out that we're not just talking about a river, we are talking about a valley. Our river commission is assigned to guide brook and development in

two-thirds -- excuse me -- one-third of the State of New Hampshire and two-fifths of the State of Vermont. Over 7,000 square miles worth of territory. It's a 275-mile long west coast that we have, the very best part of New England's largest river. Now our work is not just focused on the river itself. It is the valley. It's here that our farming heritage survives. I -- from where I live in New Lyme, New Hampshire, I look on New Hampshire as an agricultural state and actually much of our success in the river valley has been working with and for the farming community.

Our partnership with Vermont has proven to be a very long-term and brilliant success story. We brought huge financial investment, as Sharon said, to the valley but we have also delivered very strong and huge human capital. Over the last 20 years that we have been working in the valley we have enlisted over 100 -- excuse me -- 150 local citizen volunteers to work with us in developing stewardship from 53 towns and in addition to our 30 commissioners. Their product is a river management plan for the Connecticut and all of these -- all of these are different. One for each 15-mile stretch of the river. This is grassroots planning at its best. This is citizen engagement in its best. Representative Larry Rappaport from Colebrook helped write this one. Representative Susan Almy from Lebanon helped write this one. And many of your other constituents participated in those from various sections of the river. These have now been recognized by the Federal Energy Regulatory Commission as comprehensive plans for the Connecticut and are consulted every time there's a license to be considered.

We do assist land owners and communities in finding help for their river problems and have been successful in many different areas, whether it's water quality or funding assistance or helping to preserve that old town hall. Cutting this very small budget item, and we are small potatoes here, we are nice potatoes but we are small potatoes, will extinguish that volunteerism and stewardship spirit we have been nourishing for the last 20 years. This is too good to let go, and unfortunately, because we are the liaison with Vermont it's a much more complicated situation.

Vermont is much more focused on Lake Champlain. We have been able to draw their center of gravity so it's kind of teetering on the spine of the Green Mountains and they now are remembering that, indeed, while they don't own the Connecticut River, they do have two-fifths of that state very much affects the quality of the waters that we are responsible for.

We testify on pending legislation in the Vermont legislature, we are encouraging Vermont towns to take actions to bring Vermont up to New Hampshire's standards. No matter what you may think from their glossy advertising, their river protections are nowhere near what New Hampshire has had in place for 20 years. They have no dock legislation, they have no shoreline legislation. They're way behind New Hampshire. We are trying to get them to the table to protect your river for you. This is why you receive letters, many of you, from Vermont River Basin planners yesterday.

Two more quick comments: EPA has now set phosphorus limits for Long Island Sound. That

means they're looking up the Connecticut River at us, at our wastewater treatment plants, and at the phosphorous we are letting go from our communities with real financial implications for our citizens. We are working with Vermont on that and we are working with New Hampshire citizens and towns on that. As Sharon, said we are directly involved in tourism promotion, New Hampshire's second most lucrative industry. And I want to close by asking you to please continue to support New Hampshire's and Vermont's investment in the Connecticut River Valley and its future. Whatever we may think of old -- of Old King George, he gave you this river to protect. And if you fail to protect your own river, Vermont will most certainly abandon it, too. So George.

GEORGE WATKINS, Commissioner, Connecticut River Joint Commissions: Thank you.

MS. FRANCES: This is not King George but Commissioner George and we are very grateful for him.

MR. WATKINS: I am George Watkins. I live in Walpole, New Hampshire. And I've been a commissioner for over ten years. The -- I'm -- I currently am the treasurer of the Joint Commissions. And I understand that our \$57,000 budget is going to be eliminated and I'd like to give you a very brief view of what this would mean.

What will we lose if we lose this budget? We'll lose 60 commissioners' eyes who watch what's going on everyday in the river and watch for adverse development. We'll lose nearly 200 subcommittee eyes that do the same thing in the Connecticut and in the tributary areas and



adjacent lands. And while some will continue to watch, they will lose the means by which to do anything about it. And without any budget, the Joint Commissions will cease to exist.

We'll lose the personnel and activities necessary to get outside private and government funds applied to problems in the Connecticut River Valley. These funds in this year's budget are ten times the cost to the State of New Hampshire and Vermont. We'll lose the interstate cooperation of Vermont and -- and we believe the future of the Connecticut Valley is critical -- is critical enough that the Joint Commission should be continued. Thank you.

REP. FOOSE: Thank you very much. Are there questions? Senator Odell.

SEN. ODELL: Thank you, Mr. Chair. Governor Lynch this morning started off the proceedings by talking about the fact that all 45 states are taking -- having difficulties with their revenue picture and revenues are down. I suspect Vermont would be in that category. What are they doing about their matching grant to -- their equal grant for the Commission?

MS. FRANCES: Something very analogous happened in February to what's happened to us here last week. The agency of natural resources in Vermont proposed to make its target budget reduction as required by the Governor by eliminating funding for the Connecticut River Commission. However, some legislators spoke with the Governor and he changed his mind on the spot. He said, oh, I thought it was something else. I don't want to lose CRJC, the Connecticut River Joint Commission, and the money immediately went back into the budget. So

thank you for the question.

VICE-CHAIRMAN FOOSE: Follow-up?

SEN. ODELL: Yeah, thank you. I would just note that the fear that I have is having watched this group work for over 20 years, and the success they have had that this is one of those cases where we pull the rug out from under them this time this will just, I fear, put an end to it. It will be very hard to come back and put all the pieces together again, take a new statute and so forth. So I just remind Committee members that this is ending a program very abruptly and yet our peers in Vermont are going forward.

REP. FOOSE: Have elected to proceed with it. Right. Representative Weyler.

REP. WEYLER: Thank you, Mr. Chairman. Congratulations on how you leveraged this money and all the volunteer efforts that you mentioned. What is the chance that the river bank communities could become subscribers to this Commission and contribute financially?

MS. MULLIGAN: Thank you for the question. Actually, we have been researching just that with the other local advisory committees throughout the state. Hum -- at this point we can't expect our 53 river towns to all come through for us with a new line item that would be proposed at all of their 53 town meetings. Maybe we could get -- maybe we could get \$3,000 out of them all together. That's about the speed at which the other local advisory committees are working. But they're dealing with smaller areas. They're not dealing with 275 miles. They're dealing with, you know, four

or five towns at a time.

REP. WEYLER: Thank you very much.

REP. FOOSE: Representative Kurk.

REP. KURK: Thank you, Mr. Chairman. Good afternoon. Along the lines of the prior question, there are a number of watershed associations throughout the state protecting various rivers. And these are non-profits which rely largely, in fact almost exclusively for their operating expenses, on contributions from their members. Why can't you folks raise \$57,000 from the, I assume, hundreds of thousand of people within the riverbanks, so to speak, or within the river valley area?

MS. FRANCES: I think we do raise gifts. We do raise foundation funds. But we were really set up in a different way to be a quasi-branch of state government of the two states and to work cooperatively state to state. Our fund-raising is going to be competitive and has been competitive with the Upper Valley Land Trust, with the Nature Conservancy, with the Society for Protection of New Hampshire Forests, with the Historic Preservation organizations and we have felt that we don't want to take bread out of their hands and that we were established to do something a bit different from being a membership organization. It was John Tucker when he was Speaker of the House and who was the author of the legislation establishing the New Hampshire Commission, and he had seen what the citizen organizations were able to do and knew that this great river needed another level of boost from that.

REP. KURK: Thank you. Thank you, Mr.

Chair.

REP. FOOSE: Any other questions? Thank you very much for your testimony. And I'd like to call Jeff Dickinson and then Jan Soderquist.

JEFF DICKINSON, Granite State Independent Living: Good afternoon. For the record, my name is Jeff Dickinson, and I'm here representing Granite State Independent Living. We are New Hampshire's non-profit, consumer-controlled independent living center.

On behalf of GSIL, I want to let you know the effects that the 2 percent reduction in Medicaid reimbursement rate for HCBC, CFI, home services, contained in Senate Bill 450 will impact those who receive these services and ask that you reconsider this reduction.

Granite State Independent Living has been operating consumer directed personal care attendant programs in New Hampshire since 1980. Under two programs, we currently are providing services to 627 consumers, folks with physical disabilities and other, and also employ 927 personal care workers who provide assistance to those folks in their homes.

Our model is often referred to as what's called an agency with choice where Granite State Independent Living is the employer of record, performing administrative functions, payroll functions, handling workers' compensation, liability insurance, and most importantly, skills training to consumers on how to operate a successful personal care attendant/personal care services program.

The consumer is considered the employer

from the standpoint of advertising for staff, interviewing staff, hiring staff, and managing them as well as setting schedules and what activities the person would like or needs help within the house. Individuals in our program report a high level of satisfaction with this consumer directed model because it provides them control and flexibility over who's in their home, what services are provided, and how they're provided to them, and also when they're provided.

Our organization and providers of similar services were already struggling to absorb previous rate reductions. The effect of a further reduction, such as the one in this bill, means that in the face of this bad economy increased demand for services and rising costs of operating programs, like ours, that we will be being reimbursed at 2006 levels. Any further reductions in rates will make it harder for organizations like ours and others to continue to provide personal care service programs in the state and also will make it harder to hire, theoretically, personal care attendants because as the reimbursement rate goes down, our fear is that the rates that personal care providers are able to be paid also will go down, thereby making what is already a very difficult job of hiring these folks an even more difficult job. So what that means is that, quite literally, some of our citizens in the state will not be able to stay in their homes, will not be able to get out of bed in the morning, get dressed, get a meal, or do any of the other daily activities that most of us, I think, probably take for granted until something happens that makes it difficult for us to do them.

One of the long range costs of that is that folks who are currently getting community-based services, which are a lot -- a lot of studies have shown are one-third, often about one-third the cost of institutional care, may be forced to go into institutional care at a higher rate of reimbursement and against their wishes when they would rather be in the community with their families, friends, and neighbors. As I mentioned, it's already difficult to find and retain personal care workers. Further cuts make it something that's very difficult, potentially closer to impossible. These folks are arguably among some of the lowest paid workers. They - especially, I would say, considering the importance of the work that they do. They have been hit hard by the effects of the current economic crisis as we all have. But in a lot of cases, and I'm speaking from the experience of hiring my own personal care workers, I think a lot of them that I've had work for me have been hit harder by it than a lot of other people have, because they're already earning a relatively low wage and a relatively low living. And so they have been affected mightily by it.

As an organization, we recognize that these are tough economic times, affecting all of us in many ways, and I think we all are individually and as organizations and as a legislature trying to cut costs and reduce unnecessary expenses. But I think there needs to be a more balanced approach to state budgeting. So far we have seen lots of painful cuts to human services, and in all honesty heard relatively little discussion about raising revenue. The State has many options for revenue. Gaming is not the only choice, although so far it's the only one that really

is being -- been brought across. But things like nuclear power tax, the increase cigarette tax, taxes on capital gains and large inheritances, among others, all should be seriously considered. And what we would ask is you balance the budget with a reasonable combination of new revenue and budget reductions that do the least harm. Please do not further reduce Medicaid reimbursement rates for personal care services. And thank you for listening. I appreciate it.

CHAIRMAN SMITH: Thank you very much for your thoughtful and thorough testimony. Are there any questions? If not, thank you again --

MR. DICKINSON: You're welcome.

CHAIRMAN SMITH: -- for being here. Jan Soderquist.

JAN SODERQUIST, Rehabilitation Equipment Association: Good afternoon. My name is Jan Soderquist. I am a small private business owner. I represent Rehabilitation Equipment Association which is a small durable medical equipment company that has provided services to people with disability in the State of New Hampshire for the past 26 years. I have been involved in this line of work, this service, for over 30 years. I would like to express support to some of Jeff's and Jenn's testimonies today. I have served in the past with Granite State Independent Living on their Executive Board for over 20 years under the direction of Larry Robinson and Ellen Koenig who are familiar names, I'm sure, to many of you. I'm here today to talk about the cuts to the durable medical equipment industry.

Durable medical equipment may not sound significant to many of those in this room. However, I'm sure Jeff and Jenn and many other recipients recognize what the simple opportunity to have the necessary equipment available to them so that they can, in fact, participate fully in society. We serve thousands of people through the year, 40 percent of which are children. We create opportunities for children with very severe disabilities to attend school, to drive wheel-chairs independently, sometimes not even with their hand, but with the motion of their head or their feet. We provide communication aids to people and children who are unable to speak as we have all done today. We are the least costly way of providing and entitling our citizens to independence and normal lifestyles. Having said this, I hope I have at least given you a little glimpse of the necessity of the services that are provided by this industry.

Now I'm going to give you a ray of sunshine mixed with a little bit of a mixed message. Recently, the Medicaid Department changed the rate of reimbursement to us from a cost plus 30 to a cost plus 10%. I would challenge any businessman in this room to say that they could operate a business, provide services, both in our location, or in a client's home, if they are not able to come to us or at a school if it's a child at 10% over your gross costs of doing business. 10% has to pay salaries, lights, rent, vehicles, gas consumption, health insurance. They have put an imposition on the industry that is unmanageable. That's a 66 percent cut to an industry that serves or consumes less than a half of one percent of the Medicaid budget. If you cut the entire industry out, we couldn't



help you enough and we would disable and put thousands of people in bed. It is insane thinking.

Now having said that, I also want to express a feeling that this is a very awkward situation, not only for the State of New Hampshire, but for all states, and as an industry we want to work with the Medicaid Department, take some of the inefficiencies, help them with getting rid of some of the inefficiencies in providing services, help them to formulate a more consistent plan of deciding how they will work out rates of reimbursement. There are about 25 different ways that they formulate how they're going to pay us. It is grossly inefficient and archaic.

Many of the pricing that we send in has to be manually managed by manpower. Not by a computer, but by people sitting down and figuring it out. It is ridiculous.

Our association would like very much to have the opportunity to sit with Medicaid, work with them as partners and look for ways that we can cut in the budget. The numbers that are on the Excel spreadsheets are grossly inadequate, but I'm sure that we can actually find more savings if we can work in a conciliatory way for this very committed and well-intended and least-costly way of delivering services. I'm not very experienced at this so I apologize for my awkwardness.

CHAIRMAN SMITH: You're doing very, very well. And thank you very much.

MS. SODERQUIST: Thank you for your time.

CHAIRMAN SMITH: And you made your point very clearly.

MS. SODERQUIST: Thank you very much for your time and all of your hard-working commitment. Thank you.

CHAIRMAN SMITH: Thank you very much. Ellen Fineberg.

AUDIENCE MEMBER: She wasn't able to stay.

CHAIRMAN SMITH: All right. I'm sorry. Robert Fox and Randa Tenney.

RANDA TENNEY, Program Manager, Antrim Girls' Shelter: I think Robert had to leave so I'll suffice.

ROBERT FOX, Manchester, NH: No, I didn't give up.

MS. TENNEY: Thank you very much. I'll try and make it brief. I know it's been a long day for all of you.

CHAIRMAN SMITH: Well, for those of you who are sitting here, too, we really do want to hear from all of you. But we just, you know, it's hard to do everything we want to do.

MS. TENNEY: I understand. And I thank you very much. My name is Randa Tenney. The good news today is today I have a job. The bad news is if this bill passes, as of July 1<sup>st</sup> I'll be out of work. I am here today to advocate that the Committee look seriously at not closing the three shelter cares in the state. My job is the Program Manager at the Antrim Girls' Shelter, the only all-girl shelter in the State of New

Hampshire. Today, I want to just briefly tell you about one story of one girl that the staff at the shelter saved from a very dire situation. I will change her name to protect her identity.

In dollars and cents we saved the State of New Hampshire from the cost of a life sentence in the state prison system. You see, Jane's mother murdered her father after suffering many years of domestic abuse. Jane and her younger sister came upon the scene of the crime shortly after it was committed at the ripe ages of 8 and 10 years old. Their alcoholic grandmother tried to provide for them but her age and alcoholism and interfered with her good intentions.

Soon both girls were running the streets of New Hampshire's largest city using drugs, alcohol, skipping school, and becoming involved with street gangs and violence. When we first met Jane, everything about her screamed stay away from me. She had numerous piercings, tattoos, street gang attire, all in black, and her hair hung over her face shielding her from all. Her defenses were all that she had and she did not trust any of us. She yelled, she cheated, she swore at us, she threatened us, she refused to follow any of the rules, and she protested that somehow we were the enemy.

I won't tell you that we somehow transformed her in a magical 30-day stay. No. She returned to us on four different occasions and after much patience, utilizing all the therapeutic behavioral techniques the staff were trained in, art therapy, music, counseling, therapeutic riding, individualized education, and yet even more patience,

understanding, and consistency by the staff, something began to shift within Jane. She held her head higher. She combed her hair away from her eyes, she went to an authentic beauty all day conference with three other girls and myself. The day was a gift from one of the local churches. One of the staff took her to an art studio, we bought her art supplies and helped her make a portfolio of her art. The staff helped her look into art classes, and eventually helped her transition to a foster home. She regularly calls us, she visits us, she is doing well, she's in a home, and she's getting A's and B's in school. This is the letter she wrote to staff on the day that she left.

Dear AGS: My past months here I have really learned a lot about myself but I couldn't have done it without you guys. You are all very hard-working staff, and you deserve a lot of credit. Although I don't believe I will be coming back here, I want you to know that I will always be thinking of this place and how much it changed me. I strongly believe that everything happens for a reason, and I am so grateful to have come here. This isn't exactly the place everyone wants to be, and it certainly isn't camp fun. But to me, everyone should be grateful for this place and the fact that they got out of a bad situation and into a better one. Thank you for putting up with me for three months. I love you guys. With all my heart. Without you I wouldn't be the person I am. Thank you for saving my life. Jane. Thank you.

CHAIRMAN SMITH: Thank you very much. Would you like to add anything?

MR. FOX: I would, Madam Chairman. I would only point out to the Committee a couple of key numbers; 239 which is the cost per day per girl that is staying at the shelter. My understanding is that the alternative that's been proposed would cost \$300 a day.

As a financial person in my day job, I would not quite understand the logic of the savings involved there, unless the intent is to cut the service, in which case zero is less than 239.

The other point I would add was made earlier by the gentleman who very aptly and correctly pointed out some of the distinctions between a private group and the state providing the care in the case of Antrim School Shelter which was started by the Lutheran Social Services. I'm not a Lutheran by way of full decoration. It's supported by a tremendous number of the churches across the state and synagogues and even the mosques because of what they do and what they represent. And almost everybody that visits and goes on a tour is very touched by the way that they do their work. I would challenge the State, even the best correctional institution and any of the good facilities we have, to try to provide the kind of care that's taken 20 years for the Antrim Girls' Shelter to develop through their skill and their good work. If that's not funded to the degree the state does fund it, it will dissipate and will go away and it is not something that could easily be replicated in our life times. So I would just suggest that the Committee do their homework and understand what the costs involved are and where the savings may or may not be and ask the hard questions in a case like this because the

alternatives are, I think, very serious in the case of a place like a shelter. Thank you for your time.

CHAIRMAN SMITH: Thank you very much. Thank you for being here. Christina Shaffer. Kim Vallaro. Carolyn Virtue.

CAROLYN VIRTUE, Heritage Case Management: Here. Thank you, Madam Chair, Members -- remaining Members of the waning Committee. I know you've had a long day. I will keep my testimony as brief as possible. I'm here today in regard to Section 15 of the bill as it came over from the Senate. Section 15 was added as an amendment. Section 15 was added to the bill in the Senate after the public hearing on the bill. So this is the only opportunity available to testify on it, which is why I waited. I passed out two packets of handouts. One of them is a letter from a consumer who is one of the 70 individuals Senator Sgambati mentioned in her testimony this morning. I will not read that now on the Chairman's assurance that it will -- of this morning that that will be given to everybody and given consideration for the record. The letter is submitted from Crystal Glover of Merrimack, New Hampshire.

Section 15 of Senate Bill 450 was offered previously in the House Policy Committee a few weeks ago as an amendment to House Bill 1526. The Policy Committee rejected the amendment. It was added in the Senate and you have it before you now. There are alternatives available to this policy that -- that they're putting in here. And those alternatives deserve to be vetted, discussed, as to the soundness of the policy and the fiscal impact in hearings of their own, not as an amendment. The DHHS has

been aware of this issue since 2002. I've included the original 2002 CMS notice in your packet. So this is nothing that should be in an 11<sup>th</sup> hour emergency as it's being handled now.

The policy, if you choose to pass it as requested, is contrary to the Americans with Disabilities Act, and the *Olmstead* decision, and it could open the possibility for lawsuits against the State of New Hampshire. New Jersey implemented a similar policy, and in the packet I've included the information on a lawsuit pending against that state after having implemented the same policy. So I've given you information on the New Jersey lawsuit. Hum -- eligibility is currently, for the HCBC-ECI waiver program, is currently set in statute and it is determined by the full membership of the House and the Senate. Section 15 changes that policy decision and delegates it to the members of the Joint Legislative Committee on Administrative Rules. While I sincerely appreciate the work of those ten members of the joint bodies, I think a policy decision of this magnitude should be set in statute, not in rule.

I do have a few questions about the impact to the 70 individuals, which are not included in the two sentences in Section 15 that change the policy. Hum -- I would like to know what is the process for terminating these 70 consumers from the program? How much notice will they receive? Some of these consumers are located in counties which do not have nursing home beds available, and I was wondering if there would be provisions for the continuation of care for those consumers as they're waiting for an in-patient bed to be transferred when they lose their community care status?

Certain consumers were grandfathered when ineligibility was changed in rule, and it is not clear how -- how this legislation impacts the existing consumers who were previously grandfathered. Additionally -- hum -- in addition, to the policy and financial questions, I'm sure you all understand the human toll to these 70 individuals. I'd be happy to take any questions.

CHAIRMAN SMITH: Thank you very much, Miss Virtue. Are there any questions? I don't see any, but I hope you or colleague would be available next Tuesday at 10:00 a.m. when we will be focusing on the HHS portion of the bill and the amendment that came in today.

MS. VIRTUE: I almost want to say can you promise I'll be out before two, but I will be here at ten.

CHAIRMAN SMITH: I can't promise you that unless I give up my responsibility to hear from everybody who wants to say something.

MS. VIRTUE: Then I will see you next Tuesday at 10, Madam Chair, even if that means being here until two.

CHAIRMAN SMITH: Actually, we have only -- at the moment we have only allowed two hours on Tuesday for HHS issues. So that might give you some encouragement unless you're interested in all the other issues we have to cope with. And we will obviously be revisiting HHS on more than one occasion after that.

MS. VIRTUE: I will see you next week.



CHAIRMAN SMITH: Thank you very much.

MS. VIRTUE: Thank you for the opportunity to be here.

CHAIRMAN SMITH: Richard Crane. Norman Brown. Mr. Brown just breathe a sigh of relief. He's wondering what he's done to deserve this.

NORMAN BROWN, Jefferson, NH: I'll try not to be cranky. I do have copies of my testimony.

Good afternoon, Madam Chair, and Members of the Committee. I want to thank you for the opportunity to be here today.

My name is Norman Brown. I'm from Jefferson, New Hampshire. I serve on the Board of Selectmen there in the Town of Jefferson. I'm also the retired superintendent of the Coos County Department of Corrections. I come before you today to talk about several issues with regards to the closing of the three juvenile shelters across the state. If we look at the statutes, they're geographically located for a reason. That's for convenience for families, as well as the consumers that go there. Eliminating those contracts certainly -- to me certainly doesn't pass the common sense test. I don't know if anyone has considered the long-term impacts of not providing services to these youth such as the shelters. I can tell you firsthand from over 20 years of experience in the corrections field that if the services aren't provided for these kids, there's a long-term effect. You will see them again in your adult system, which is very unfortunate. So yes, you may find a short-term fix to the budget, but the long-term devastation to these youth and to the State of New Hampshire will be

felt for many years.

No one would believe that these services, if they're eliminated at three shelters now, are going to be able to be better provided at the Sununu Center, particularly at no cost. We all know better than that. Everything has a cost to it, And providing these services is certainly no different. Where will they go? I mean, what we are doing now and have been doing at these shelters is making an investment in our youth. If we don't make that investment now, the payoff will certainly be a whole lot different down the road.

The Governor talked about recidivism versus capacity at the Department of Corrections. Well, if we are talking about recidivism, then let's continue to make our investment in providing the services to the children of this state that are certainly needed. Historical data will tell us that those youth that are not provided services will end up in adult system. Certainly a majority of them will. And here again, we are looking at continuing the shifting of costs to local and county governments. If you move this semi-detention facility shelter, if you will, to Manchester, the transportation of those children have been primarily borne by the Sheriffs' Departments at the county level, a shifting of cost, certainly, whereas now being strategically located throughout the State that cost is certainly much less.

The other question that you may ask down the road is once the Sununu Center is full, how will state government manage that revolving door? Who's going to determine who's the most neediest of those knocking on the door? Does

someone get kicked out so that we make room for someone else? Certainly, a logistical nightmare for whoever is going to be responsible for that. How will they be screened to enter those facilities? The impact on local communities certainly will be devastating.

I'll talk a little bit from my position as selectman in the Town of Jefferson. The shelter is one of the major employers, if not the major employer for the Town of Jefferson. Those people not only pay taxes in the Town of Jefferson and live there, but they also -- the shelter in Jefferson as well as the folks that work there, they provide additional revenues to the local economy. They buy their groceries there. They buy their gasoline there. The shelters also provide -- buy commodities within the communities where they're located as well. So something, again, that you need to consider. If you eliminate those jobs, I mean, we've talked many times in this legislature about the brain drain, if you will, for folks -- some kids graduating from high school and leaving the North Country. Well, here again, are we looking to transition adults away from the North Country as well by eliminating those jobs? Certainly doesn't make a whole lot of sense.

There's discussion about funding issues, too, earlier. And I will say that one of the things I don't know that people have considered is that I know there's a lot of discussion about protected funding, meaning the penalty assessment funds that come from those that violate the law and pay a penalty assessment, a portion of that going to Police Standards and Training for training police officers and another portion going to the courts. Well,

what's wrong with using some of those dollars as a preventative measure? Why can't we take some of those dollars? We take those dollars and we train police officers to deal with juvenile issues, we train police officers to be school resource officers to deal with juveniles. What's wrong with tapping some of those funds in order to prevent basically juveniles from entering into the adult system, thus helping fund certainly the three shelters that do great work.

You know, I would suggest to anyone of you if there's any doubt in your mind about the quality of work that these shelters do, I would ask you to take a day and go visit one and spend some time with the staff and those kids at the shelters and you will see the remarkable results that you get. The best bang for the dollar certainly is keeping the shelters open and continuing to let those folks that are professionals continue to do the work for the youth of New Hampshire. And that concludes my testimony subject to any of your questions.

CHAIRMAN SMITH: Thank you very much. Any questions? If not, thank you again for making the trip down here and staying to listen to all of your fellow citizens. Ellen Edgerly. Excuse me. Mark Gearreald.

MARK GEARREALD, ESQ., Town Attorney, Town of Hampton: Gearreald.

CHAIRMAN SMITH: Gearreald. Close.

MR. GEARREALD: At least you could read it. My name is Mark Gearreald. I'm the Town Attorney for the Town of Hampton. I've been a lawyer of the New Hampshire Bar for 31 years. I

an formerly Interim Town Manager for the Town of Hampton and Former President of the New Hampshire Association for Justice. I'm here to talk about the \$4 million proposed cut to the Judiciary.

I have read Judge Broderick's letter to the Governor which indicates the loss to the civil side of the system of justice if the cuts proposed go through. I would like for you to, hopefully, see that this is not merely a budget cut when you cut the civil side of the system in this way. It is also a revenue cut. And let me explain.

Part of your our civil justice system in New Hampshire deals with appeals from Board of Adjustment decisions and Planning Board decisions. As a matter of fact, under RSA 677:5, as well as 677:15, this legislature has mandated that these cases of appeals from those decisions receive priority on the court's calendar. There's a reason for that. The developments that come through the local land use boards and get to court have a time sensitivity to them in that they're geared for a certain market, if you will, a certain economy. That's why the developer proposes them. If the court system is delayed significantly in dealing with those appeals and do not get the priority that this legislature has mandated that they get, the developments can be lost.

You might think, well, the developer, maybe the development wasn't so great anyway, but the point is that local land use boards made up of volunteer citizens reading local ordinances felt that those developments were worthy of approval. Many of those developments

are economic generators for this state. Not only are they generators of jobs, they're generators of business enterprise taxes, they are generators of land use recording taxes that make up part of revenue. So those are revenues that are lost. Economic health is lost, and the energy spent by volunteers of this State to approve those developments is wasted. I want to give you a prime example.

When you go to Hampton Beach and you're travelling north on Ocean Boulevard, and I don't necessarily recommend that in the summer 'cause you won't get there from here, in the off season you drive up north on Ocean Boulevard and you look between J and K Streets, you will see a large vacant lot that has been vacant now for almost 10 years. That is where the Old Salt Restaurant used to be and I do recommend going to the Old Salt Restaurant where LeMay's was now. But that is where the Old Salt Restaurant used to be before there was a fire. A major development was proposed for that site and you'll be able to see visually what it would have been because there's the big placard that shows a 43-unit condominium development that would have had commercial activity on the first floor. That was approved by the Zoning Board of Adjustment and the Planning Board in Hampton but was appealed to Superior Court. The entire process took about four years to go through to the Supreme Court and ultimately the Board decisions, the local Board decisions were affirmed. However, the market for which that development was proposed has obviously changed. That development is lost. I don't know when, if ever, that would -- will ever show up. It would have been in the private world a symbol of the New Hampton Beach.

The Town of Hampton itself who I represent daily, and I'm in-house, by the way, has spent \$12 million on infrastructure improvements to Hampton Beach to make it what it can be, which is a generator of economic prosperity for this state. This legislature has appropriated \$13 million to fix up aging facilities, such as the band shell which -- upon which work has just started. We, the Town of Hampton and this legislature, have committed to making Hampton Beach what it can be again, which is a -- a pleasant place for people to come from out-of-state and an economic generator of prosperity. However, we can't do it alone. Private investment is also needed. But if that private investment cannot be achieved because of delays in our court system, which not only serves people who are personally injured, but also serves the priority cases of local land use decisions, then that economic development will be squelched.

The court system -- I've heard Justice Broderick say the hard work of the court system is intangible and hard to put a value on. But I want to tell you there is a field of the court system that has a great economic value and that is to judge in those cases that this legislature has said have priority, those developments that are worthy of the proceeding and should do so on a priority basis. If that priority cannot be met, then those developments will not occur. And what you see between J and K Street will become the norm and not the exception. And that is a revenue loss and an economic loss.

So on that basis I would urge you to think carefully about not just the fact that there's

a \$4 million budget cut being proposed, but a great, much bigger economic cost, and revenue cost to our state. I also want to say that the Governor had mentioned that -- I heard him this morning, too. I wasn't quite here as long as Dave Nixon was, but I did hear him say that he thought the Judiciary could look at some other cuts, such as publications, and also technology. I'm here to tell you, I actually worked for my first two years for a judge as a law clerk. If you don't get your updates and your law from publication, you now get them from technology. That is, from on-line computer research services. If you cut both of those, you cut your ability to keep up on the law and you cut your judge's ability to give good decisions. If the judges can't get good decisions, it results in appeals to the Supreme Court and further delays in getting cases done. And I would hate to see that happen because the judges are -- because of a different priority, if their ability to render good decisions is taken away. Justice Broderick has sent you a letter that makes some very -- he indicated to the Governor what those cuts would be, if necessary, to meet \$4 million. And I think you can trust that he has looked at these carefully, and unfortunately, one of the major cuts that he has had, the 1.4 million was in judicial personnel. Without those -- that personnel, the criminal side of the system has to keep going because of speedy trial act rights or the criminals are let go which none of us want. But the civil side is the side that suffers. And not just the jury trials for those who are personally injured, but as I've said, the economic side of those municipal cases which make up a substantial portion of the court's docket, also.



CHAIRMAN SMITH: Thank you very much for your testimony. Representative Weyler and then Representative Scamman.

REP. WEYLER: Thank you, Madam Chair. Attorney Gearreald.

MR. GEARREALD: Yes, sir.

REP. WEYLER: That four-year delay was unconscionable. I mean, served many years on the Planning Board. I thought it was ridiculous. But that took place before there was any furloughs.

MR. GEARREALD: It did, sir.

REP. WEYLER: It seems to be a problem with the justice system inherent in it without any cuts.

MR. GEARREALD: I think that particular case actually involved three different decisions by Board of Adjustments. The developer kept going with different plans. And so you had three different decisions that all came up to the court at the same time at different points in time but were consolidated. That was a problem caused, in part, by the way that was approached. Nevertheless, if that were the kind of delay that occurs because the case isn't reached at all, you're going to have the same type of result. And that's why I think it's an analogy. And yes, it is unconscionable, and it's unfair to those who serve on planning boards and get, as you know, get into these cases in great detail, spend a lot of time away from home, and put a lot of effort into it themselves. And it just -- when it doesn't work, it's a disservice.

REP. WEYLER: Thank you.

CHAIRMAN SMITH: Thank you. Representative Scamman.

REP. SCAMMAN: Madam Chairman.

MR. GEARREALD: Nice to see you, Representative.

REP. SCAMMAN: Sir, earlier today Representative Kurk mentioned maybe there should be a user fee. I don't know who did the appealing, but if the appeal person was someone who lost, ultimately lost, and all the local boards that approved it and then they lose in the end, why should there not be a user fee put upon the people that brought that suit or maybe you can come up with a way that we could do that? 'Cause that -- that -- that certainly takes time and I think we've all read about cases where very well-to-do people has spent millions of dollars just to appeal because they don't want to see something near their property. That shouldn't be -- should not happen without a cost.

MR. GEARREALD: Well, sir, that's what you're mentioning is part of what the so-called English system rather than the American system. Under the system in England the user does pay the other side's attorney fees. I do have to tell you our system is based on a little different premise for most of the time, unless the case is found to have been brought in bad faith or is brought under a specific statute that requires you to pay attorney's fees if you lose. Each side pays its own fees. I do have to tell you that in that particular case of the

one I just mentioned at J and K Street, the people who brought the appeal didn't necessarily have a lot of money. As a matter of fact, they'd been foreclosed on. They're no longer living where they lived. But yes, they cared enough to take the risk of bringing the case and paying their own attorney's fees. I didn't agree with them; but nevertheless, they had access to the justice system even if they -- if they ultimately paid a high price for it. And I want to tell you that I don't think we want a system whose use depends on being so wealthy that you can pay two sides worth of attorney's fees. That's the down side to that.

I know there's a lot of pros and cons to both, but that's the con to it, really. And we don't want a system that's that way. And Representative Kurk, I know you may have the same question about contingent fee cases, but -- or perhaps charging for that. I do want to tell you that having represented injured people before I became town attorney for many years, those injured people don't have a lot of money either. They're dealing with expenses you can't imagine. They're out of work. They can't afford even basics. And to have to make them pay for access to the courts, too, is a very hard choice. And ultimately, I have to tell you the lawyers that take cases on contingent fee, part of every agreement is that the client ends up paying the costs for the reimbursing the attorney for those costs. Otherwise, we are into what's in England called champerty and maintenance and we don't do that in this country. The client ends up paying for those fees.

REP. KURK: Thank you, Madam Chairman. Good afternoon, sir. What's the former name of your

organization?

MR. GEARREALD: The organization was the New Hampshire Trial Lawyers Association.

REP. KURK: Thank you.

MR. GEARREALD: Absolutely.

CHAIRMAN SMITH: Any other questions? If not, thank you very, very much for sitting here. I hope you learned a lot and we certainly learned from you. The Chair now recognizes --

MR. GEARREALD: Thank you.

CHAIRMAN SMITH: -- Ed Hager.

ED HAGER, Goffstown, NH: Hager.

CHAIRMAN SMITH: Hager.

MR. HAGER: Thank you.

CHAIRMAN SMITH: Mr. Hager, thank you. You are a patient man.

MR. HAGER: Aren't we all. For the record, my name is Ed Hager. I thank you, Madam Chair, and the rest of Committee, Representatives and Senators. I'm coming here kind of unique view, citizen taxpayer.

The cuts with Health and Human Services as a whole really don't effect me. My mother-in-law had cancer, but she was blessed enough to have health insurance and she's a survivor and hasn't gotten it since. And in 2001 my father had it so bad in his brain he died before we could really do anything, so.

However, I do recognize the suffering of these people. And I am here to oppose those cuts.

I'm a very religious man and I would actually like to read you something from the Gospel of Mark, Chapter 18. The disciples asked: Who is the greatest in the kingdom? Jesus calls over a child. Amen, I say to you, unless you turn and become like children, you will not enter the kingdom of heaven. Whoever humbles himself like this child is the greatest in the kingdom of heaven and whoever receives one child such as this in my name receives me. Very powerful words -- excuse me -- words, at least in my opinion. We are making cuts. We are looking at making cuts that will affect children's lives and could do irreparable harm to them. Not just physically, but emotionally, and spiritually down the road. We have our elderly. We are making cuts to Medicaid or looking to making cuts to Medicaid.

Now I've known people who have chosen to eat and get heating oil or fuel instead of getting medication to live. Also, in the Bible it talks about the elderly or older as to be revered for their longevity and their wisdom. Yet, in today's day and age they are more forgotten than anything. And then we have also heard many other cases of individuals with medical needs that are also looking at bad situations with these cuts.

Now, I obviously, you know, I'm just a regular person. I don't have the answers. I don't know when we started putting monetary values on human lives. You know, maybe it was when money was invented. I don't know. However, at least in my opinion, doesn't make it right. We are going to be looking at some difficult

choices down the road. Hum -- I would just hope with this, I know religion and government hasn't always matched over the years, doesn't mean they're not compatible, but that when you decide on these cuts, I personally give you all the credit in the world. I couldn't do your job. I can't put values on programs that could literally sign somebody's death warrant if they don't get their medication, they get cut their cancer treatment, or they can't go to court for domestic violence issue and end up being stuck in that home. You guys have a hard decision before you.

On another part, the Governor had talked about our taxes. Though I agree a little bit with him on our taxes, I mean, we are a lower burden state than some, however we are about 28<sup>th</sup>. I did a little research. We are about 28<sup>th</sup>, which means we are about in the middle as a whole for a tax burden. However, property taxes at least as by 2008 figure we are at 5.83% of a property owner's income is paid into property taxes. That's the highest in the country.

Like the Fair Tax Coalition representative said, most of our revenue from taxes in our towns is from property taxes. When the State cuts funds that it will give to the town, obviously, we'll see our property taxes go up. I mean, I'm assuming most of you own property. Myself, I live in Goffstown. I was just notified and we pretty much cut everything to the bone, we are going up \$1,000. I don't know, you know, and fortunately, I'm blessed enough that my wife works and I work and we still have jobs and right now we are still able to afford that. But there's a lot out there that can't. And with it even more cuts down the road, I

mean, obviously, I don't know what it will bring for my future, for wanting to, you know, be able to keep a home, but I do know two people that were friends of mine that are actually leaving New Hampshire to go somewhere else because they just feel it's too expensive to live here anymore and it's not worth it.

We've always talked about bringing jobs in. We have one of the highest corporate tax rates in the nation. We got to make it more affordable to bring in more businesses. So I guess in all, when you make these decisions, please just think really carefully because, unfortunately, our world revolves too much around money. But the money affects those who have technically have the least amount of it on the biggest part.

I, myself, am an avid voter. Some of you I recognize because I vote for you. I will tell you as a voter, as a citizen, this fall I will be looking for people that look outside the box to create revenue sources that aren't going to make cuts on the back of the people and are going to look to make our tax rates easier for all when I go to the polls. Thank you.

CHAIRMAN SMITH: Thank you very much for your testimony. Sarah Dustin.

SARA DUSTIN, Contoocook, NH: Good afternoon. For the record, my name is Sara Dustin. I'm a member of the Family Assistance Advisory Council and on which body I attempt to do my best to represent the interests of low-income, single parents of which I was one. Hum -- before I launch into my own testimony, I want to say -- convey to you something I learned at the fact meeting yesterday which is

that the Governor's submission to you severely under estimates the amount of Medicaid enhancement money that's in the line to come here. The bill has been passed -- has passed both Houses of Congress and it -- we can expect about 120 million, not 33 million, which is what the Governor has included in his budget. So I would ask you to delay any action on these cuts until you find out what's really going to happen.

Hum -- I wrote in my -- I put in my card that I oppose this bill. Actually I'm grateful for a couple of things. First, that the TANF grant and eligibility is not on the line yet. And secondly, that you did add one million to the child care assistance fund. Unfortunately, in the second program, a million won't do much good. It will reduce an 18,000 -- 1800 grading list by 240. But the worst problem is that the problem has forced -- been forced to cut its assistance rates. And they are now so low that a mother working in a low-grade job making maybe \$9 an hour and taking home 1300 a month, according to sources in the field, these moms are actually being forced to leave their jobs because they can no longer afford on the very tight budgets that they have to pay the additional co-pays that they owe their child care provider. And so that all over the state women who have left TANF to work are now going back on the TANF program because they can't pay the co-pays. They take -- the organization no longer carry them with child care and they have no child care. And legally, under the TANF rules, that's reason to be exempt from the work requirements of TANF. So what you're looking at in the Governor's proposal in these cuts is a lot of unintended consequences.



I am also distressed -- which will be very expensive. I'm also distressed by the withdrawal of funding and sometimes total elimination of programs which are very important to the TANF population because you may not be aware that the TANF population is pretty much identical with the population of abused and battered moms.

If you meet a TANF mother and you will probably be meeting someone who was abused either psychologically or physically in her youth, and therefore, if you think about the attachment of young girls to their dads, how men are abusive, set up to make poor marital choices, and is apt to end up with an abusive husband or mate and when the children come it becomes impossible to even live with them and that's how you generate a TANF mom, because I'll tell you a New Hampshire woman who has a good man is not going to leave him lightly.

The programs that they need that are being cut are there's three or four of them that are particular and sort them out. The first one you've already heard about is the program that brings helping people to visit in families of very young women who have very young children, who are pregnant, and who have -- are on Medicaid because they are so low income. And you heard about the help with drug dependency and other problems which are all related to abuse in childhood. If this one is eliminated -- no, I think - in the first place, you heard why this is important. You have a cut to it. Now this is a program in the Medicaid Program that has an MOE. It may be possible that if you cut this program you will be facing a barrier to your receipt of the next round of Medicaid enhancement. So it's something you need to look

into and be careful with.

The second program which is very important to these moms is the program that sends workers into a family which is on the verge of losing its TANF grant because it's being sanctioned because they have too much mental illness, too much drug dependency or they're being harassed by an abusive mate and cannot keep up with their work obligations, work study obligations under the TANF program. I don't think this program -- you've heard from this program yet. It sends helpful people into the home to find out what's going on. Why the parent can't make it to her work appointments, and tries to resolve the barriers.

With the loss of this program, the unintended consequence is this. A mother who is sanctioned off TANF and is not functional in the workforce has no means of support except there's two good ones. One is prostitution, the other is drug sales. Both of these will land her in jail and the kids in fosterage, another solution which is very, very expensive for the state.

If she's not willing to do that, she'll land in the shelter because she'll become homeless and again, you have deterioration to the kids and expensive problems down the line.

The other two programs that I very much regret are being cut or eliminated are the diversion programs of the county, and the family resource centers, both of which offer the mother who was badly parented and is not skillful in parenting her children a chance to learn parenting skills so that the dysfunction in the family which prevents her from being

effective in school, in the workforce, in getting herself together, will not be passed onto those children.

Hum -- finally, I wanted to say something about revenue and let me say this very carefully. You know, that while we have an immediate crisis it's very clear right now that revenue is inadequate. You know, that this is just the tip of the iceberg, that for years you've been robbing Peter to pay Paul to try to fix gaps in the budget and our revenue system has been inadequate. This is not your fault.

Over the last 30 years our economy has been organized to pass more and more of the value of the income that has been earned by all of us through our work up in greater and greater proportion to the top one, two percent of families in this country of households. Right now the top one, two percent enjoy -- I think it's now 40 percent of all the income that all of us produce by working. This means that the -- not only that, but they have been increasingly immune to taxation. The taxation on them has fallen and in some places disappeared. It's become known if you talk around the halls that you can't tax the rich. They'll just move out of the way.

What this means to you is that you've had a smaller and smaller share of the income of this country to tax for government and you had to be harder and harder on the people you can reach which are the middle class and the poor, which makes you very unpopular.

There was a very vigorous demonstration out front of the State House. And I tried to talk to a few people. They do not understand

that they're losing income because it's going up the hill. I mean, up to the top of the income brackets.

Last year I thought the House did a very good thing. They passed two taxes on wealth. You cannot raise adequate income to support government on a decreasing share of national income. You've got to tap into the income of the very rich, because that's where the money is. Hum -- I thought last year the House did a very good thing. It passed a tax on very high inheritances and it passed a capital gains tax. Both of these were turned down in the Senate who offered you instead gambling.

Now gambling is a tax that takes money from the very, very poor and sends it back up. Again, the State will get its share but the rest of it is going to go into the coffers of very wealthy families and corporations and which the owners of which will grow even more wealthy. It's not a good idea, unless it's balanced. What I said in the Senate was that I could not support gambling unless we balanced it with taxes on wealth so to at least stop the increasing redistribution of income upward which is so damaging to our democracy.

What I hope you will do, this year it looks like the House is getting desperate enough to really take a serious look at gambling. What I hope you will do, if you do decide to go for gambling, is to extract a comparable concession from the Senate because on the basis of the House's reluctance to vote for gambling and make it tough and make sure they come through with a vote for your taxes on wealth because that's the thing that you need to do.

CHAIRMAN SMITH: Thank you very much, Ms. Dustin. I was not in the room, but I could hear you back there on that. So I was able to follow you your testimony, which as usual was full of lots of important information. Yvonne? Jessica Vaughn- Martin.

JESSICA VAUGHN-MARTIN, Family Intervention Program: I would first like to take this opportunity to present our situation. I am the program supervisor for the Family Intervention Program that is being -- that is suggested to be cut out of the next budget. And I want to be sure that as I'm sitting here today, whether or not I have a job on July 1<sup>st</sup>, I'm here to advocate for the State's -- some of the State's neediest families who get TANF. So it's not about my agency getting the contract or keeping a contract. It's about providing services to people that need it desperately.

I'd first like to start by saying the Family Intervention Program is currently a collaboration between Child and Family Services and four Family Resource Centers, and we provide services throughout the State of New Hampshire. And we are concerned that there is a vital loss, a vital service lost that helps people currently with barriers to employment and self-sufficiency and we feel that if this program is cut out of the budget that these families will continue to struggle and may actually get worse, as Sarah said before.

Since 1996, DHHS has seen the importance of a barrier resolution program and support services for people who are receiving TANF. And the barriers that we are speaking of are domestic violence which contributes to 17% of

the people that we see, mental health issues, substance abuse issues, and homelessness most recently. We currently provide briefing intensive case management, meeting weekly with clients, and we do things like help people coach through phone calls, we prepare them for legal services, we also provide advocacy within the community and we help them to access services that otherwise they may not be aware of or may not have access to. And some of the examples of the work that we have done include coordinating meetings with a client and her landlord to negotiate lower rent, avoid eviction so her and her children can stay in their home.

We have been able to help many clients in crisis overcome resistance to mental health treatment and make an appointment with a counselor for the very next day. Often our clients will tell us that a working relationship with us feels safe enough for them to admit to things like substance abuse, domestic violence, and be able to accept referrals to those services that they may otherwise not receive.

In just the first quarter of 2010, we have provided 1151 direct service hours to TANF clients. That's over 186 NHEP participants facilitating over 300 successful referrals to other community agencies and that affected the well-being of at least 360 children within those families and that was just in the past three months.

I'd like to read something that was recommended by the Child Welfare League as of March of 2010. They actually included that -- they believe that all families seeking TANF

assistance should participate in some type of screening. And the reason for that is the failure to help them with barriers that may be identified in that screening may later show up in the State's child welfare system or DCYF. Those common allegations and concerns identified when children enter the system included inadequate supervision, parental drug and alcohol misuses, parental mental illness, and inadequate food, clothing, and shelter, which we feel that we have been able to help clients avoid.

At this point, I would like to turn it over to Yvonne who is somebody that we have worked with. She's a little bit sleep deprived. She works -- she's working overnights currently and has been here all day waiting to give testimony. So with that I would pass it over to her.

YVONNE ISAAC: My name is Yvonne Isaac and I'd like to thank you for this opportunity and tell you a little bit about my story and the help I've received from Family Intervention Program.

I'm here speaking against Governor Lynch's recommendations to cut funding for the Family Intervention Program. I am a survivor of a 14-year long domestic violence relationship. I'm a mother of three and today my TANF is closed due to my employment. During the -- during the violent 14-year relationship I've tried leaving several times. Most recent, I've taken out a restraining order in September of '09 and have been dealing with homelessness because the home is in his name. The court has ordered a nesting arrangement which means to share the home with the children, even though I

have this restraining order. I am forced to stay in hotels with my 14-year old son days -- several days a week. I'm also struggling with no legal representation in court due to lack of pro bono resources, lack of assistance from the state and local resources that are designed to help in this specific situation, overwhelming feeling of hopelessness due to the inability to get help for my children and myself.

Although I'm still struggling to stabilize myself and my children, dealing with counseling appointments, the legal system, trying to find an apartment, I'm feeling much better. I feel I am at a much better place since December of '09 since working with Family Intervention Program. They helped me out a lot, meeting with me one on one, periodic phone calls, check-up on me, providing ongoing support, advocate for me at the town welfare office to get ongoing assistance, to help me with custody and court process. They have helped me get food and possible shelter for my animals which are like my babies. Most importantly, the unique relationship they have where they come to my home, flexible meeting hours -- times, can work with me on any issue that I have, as opposed to other agencies that only work with you with specific situations or issues.

For all these reasons, I'm really here to testify that Family Intervention -- excuse me -- I'm here to testify that the Family Intervention Program is necessary to keep. Although I'm aware of the budget crisis, someone who has worked with the State and NHEP, I do not believe that I'll be able to handle the level of intensive services required to fully help people like myself. Additionally, the budget cuts this level of service will not



be realistically be fulfilled in other agencies. People living through domestic violence may return to their abusers, they're unable to -- if they're unable to access services, which has happened to me. Returned to the abusive situation because there's no help where it's needed. Resources are already underfunded and hard to access within the state. Cutting the -- cutting the family -- sorry. Cutting the Family Assessment and Intervention Program would add even more stress and hardship to people struggling to survive in this type of situation. Thank you.

CHAIRMAN SMITH: Thank you very much for sharing your story with us.

MS. VAUGHN-MARTIN: Thank you. That will conclude our testimony unless anybody has a question.

CHAIRMAN SMITH: Does anyone have any questions? If not, thank you again very, very much. We'll take a five minute break.

(Recess taken at 4:11 p.m.)

(Reconvened at 4:20 p.m.)

CHAIRMAN SMITH: I'd like to call the Finance Committee back into session, and the Chair recognizes Michelle Dickson. Michelle Dickson here?

MICHELLE DICKSON, Greater New England Chapter of National MS Society: Thank you, Madam Chair, and Members of the Committee. Michelle Dickson, I'm representing the Greater New England Chapter of the National MS Society and I'm here in opposition, and specifically

going to focus my comments on the catastrophic illness fund, and I will be handing in written testimony so I promise to be brief.

Our organization represents more than 3,000 individuals with multiple sclerosis in New Hampshire. Multiple sclerosis is a chronic progressive neurological disease for which there is no cure. And our connection to the catastrophic illness fund started in 2005 when Senator Roberge worked with us to add multiple sclerosis to the eligibility criteria for the State's catastrophic illness program. And having worked with her and having come to understand a lot about the fund, I want to touch upon that briefly but just to let you know, we never envisioned when we worked to get MS added there would be hundreds of people that benefited from the fund. It's a very difficult fund to access. It's a fund of last resort and you have to be extremely poor and have certain out-of-pocket medical expenses and no other resources to help pay for them.

As I said, several hundred people have benefited since 2006. And MS, along with other conditions, such as cancer, are really of concern because it's documented in the study that came out last year, and I have a reference in my testimony, there's an article, a research study on bankruptcy and specifically medical bankruptcy attributed to out-of-pocket medical expenses and figures are really staggering. But specifically for those living with neurological progressive disorders, the average out-of-pocket medical expense for those declaring bankruptcy because of medical bills was over \$34,000. So it's a very significant problem. And I've come to understand personally from those that have benefited how important

this fund is and people aren't receiving a lot of money. But it's a difference between paying for treatment, accessing a wheelchair, a piece of durable medical equipment, or even a prescription drug. The program has been invaluable to our members.

I just want to touch upon a little bit of the history. I think this is very important for the legislature to understand and I apologize 'cause I know the Senate Finance Committee members, this is a little bit of a repeat.

CHAIRMAN SMITH: Excuse me. There are no Senate Finance members here. They're only House.

MS. DICKSON: Okay. I'm sorry.

CHAIRMAN SMITH: If you could just address --

MS. DICKSON: Sure.

CHAIRMAN SMITH: -- the Governor's proposal in the Amendment.

MS. DICKSON: Okay. Great.

CHAIRMAN SMITH: Thank you.

MS. DICKSON: We are asking that the program for next year not be defunded which is proposed. It's been cut 30 percent this year. And our concern is certainly there would be no money but we are very concerned that this fund has been in jeopardy since the last -- beginning of the last budget session when it was proposed not to be included in the budget. About a month ago we appeared before the Senate

Finance because it was actually threatened to be taken out of the State statute. It has a long history and so we are asking it not be defunded and if it has to be cut, fine; but please don't eliminate it from the budget. Thank you.

CHAIRMAN SMITH: Thank you very much and we will definitely read your written testimony.

MS. DICKSON: Thank you so much.

CHAIRMAN SMITH: Richard Cohen.

RICHARD COHEN, Executive Director, Disabilities Rights Center: Madam Chair, Members of the Committee, my name is Richard Cohen. I'm the Executive Director of the Disabilities Rights Center and speaking on behalf of Disabilities Rights Center. And I've come with kind of a -- hopefully a multi-media approach to maybe spice up the afternoon. I've got several buttons and I'll proceed verbally if you know how to Tweet or Twit or whatever that is I would do that as well.

CHAIRMAN SMITH: You have to be the Chair first.

MR. COHEN: Right, would be a mutual session. Actually, I do want to point to one button, the revenue button, and in that connection I note that the Governor mentioned that based on a study that was referenced in his PowerPoint that about 40 states, I think Senator Odell recalled 45, but I think was 40 have -- are facing a similar crisis and, in fact, that same study cites -- states that 33 of those states, most of which are or almost all of which tax their citizens more than we

do, have found revenue-raising measures, both new revenue-raising measures or increased old revenue measures to -- as well as cuts to deal with the crisis in their states. I think that's what people are saying. And our hope is that based on what you've heard today, my testimony based on your own analysis that you'll look to some of the revenue measures that have been mentioned already like many other states have as well.

My other button, Access for Justice, before I get to my prepared testimony, you know, both as a citizen, as a political science major more years ago than I'd like to mention, as a practicing attorney for 38 years, having used the state courts, both for to resolve private disputes and for important public interest matters on behalf of folks who are disenfranchised and powerless, I hope that you think long and hard about the cuts to that branch of government. It's -- obviously, it's important as this one is and the Executive Branch, I know you realize that. It's important that I think we support -- support what they're doing.

I remember days when we would ask for orders of notice, we would get orders of notice to serve within hours or couple days or we'd get final court orders within hours of what the court ruled. You didn't have to wait weeks and months which you're sometimes having to wait now. That's back in the seventies and eighties. I thought we were supposed to make progress, not go backwards. So I think there's some really valid points there. I think the courts can be more efficient, but I think they also need resources. As to what I was going to specifically talk about, it relates to really

three or four things, and I'll summarize --

CHAIRMAN SMITH: I hope you will not read your testimony.

MR. COHEN: No, I'm not. I was not. I'm going to summarize it. Absolutely.

CHAIRMAN SMITH: Good.

MR. COHEN: I want to address the Sununu Center piece, you heard a little bit about that. There's another piece to that. Also, the transfer of little kids from the Philbrick Center to the adolescent unit/adult unit at New Hampshire Hospital. There's also some other cuts to functional supports to mentally ill kids in the community, as well as some cuts to the DD System.

With regard to the Sununu and Philbrick Center and those proposals, let me just say that that cuts against in many ways what DHHS and others have been advancing and supporting for years and I'm talking about 30 or 40 years dating back to Frank Wayland, Gary Miller, we can go -- I can go back almost as far as Chuck Douglas, maybe to 1965. But what's been supported, of course, is a more community-based approach to services for children with emotional difficulties, children who have been victims of abuse or trauma, or children in the juvenile justice system. And this goes against both that philosophy which is well-supported by the research, putting kids from the community at Sununu Center, moving little kids into a more institutional setting. It's unfortunate what budget pressures can do to undermine one's own best instincts, knowledge-based and pilot programs and the like. I think the Governor was

very much ill-advised by both of these proposals.

Let me speak briefly to the Sununu Center one. You heard one piece of it. My understanding is that they're not only closing these three shelters, but they're also moving kids from residential treatment centers who are ready to be discharged, or close to be ready for discharge, like, Easter Seal, the Eckhardt Program, and then putting them into the Sununu Center so they can learn community skills to be ready for discharge. The purpose of these residential programs is to help kids -- teach residential community skills.

The third piece of it is to have some of these units be used for kids who might otherwise go right from the Sununu Center to the community; and again, they're going to use these units to teach kids community skills. Now, based on my experience consulting with experts, both with regard to the Sununu Center and many other institutions, you don't go to an institution to learn community skills. The mind set, the culture, et cetera, just doesn't exist even at the best institutions. This is totally in reverse of what we know and what we have been doing years. You've heard about the cost arguments, both with regard to the employees, Sununu Center now, with 60 individuals, is operating \$200,000 per year per child. And studies show, and I have attached one here, is that confining a child even with serious offenses, and this study actually goes to children with serious offenses, is no more effective than placing a child in good community supervision. So we are spending \$200,000 a year and we are having something that's no more effective than placing people in

community supervision. This is not belief or opinion. This is a peer review research. So it certainly doesn't make sense. We do know that operating privatized community services is far less expensive than putting someone in a state institutional model.

One other piece to that, and I know there's been discussion, and I'm just putting it on the table, because I'm no expert on women's corrections by any means, is that I know that the Goffstown facility for women there has been some discussion about moving that facility to the Sununu Center. The Sununu Center, as I say, has a capacity. It's a new facility. It's a very nice facility physically, has capacity of about 144. The women's population is about that amount. And based on everything I know is that most of the kids at even the Sununu Center based on normal national standards and standards in other states don't need to be at the Sununu Center. You can actually reduce the census, not increase the census. So one thing -- and I know there's a commission by -- chaired by Senator Larsen studying this -- whether or not that's a possibility of further reducing Sununu Center. Maybe developing a secure -- small secure facility of 10 to 20 kids, one north, one south, just throwing it out there for dangerous juveniles, the few that we have, and we do have some, and then converting the Sununu Center to a women's prison.

Again, I'm no expert on corrections, but I do know that that Goffstown facility needs to be addressed and addressed soon. This may be killing three or four birds with one stone. So I just throw that out.



I'd like to turn to the Philbrick Center. That's an equally poor idea. What they want to do there is take the kids at the Philbrick Center and place them at the adult psychiatric unit and the adolescent unit. Now, the adult -- and then take and shrink the capacity for adults even further. They're mixing kids who are 6 and 7 years old with mental illness, with adolescents in this situation. I wouldn't put my 6 or 7-year old grandson in with 17-year old adolescents with or without mental illness. You know, this is why we have Cub Scouts. This is why we have Boy Scouts. We don't put them together. This is why we have grades. This is why we have cabins at camp. We shouldn't be putting -- this defies common sense. It's a poor model.

We have a lot of questions about what they're doing. If they're mixing the kids in this one unit, there's a problem from a treatment point of view, from a modeling point of view, from many points of view. If they're going to put an architectural barrier in between, you're talking about a very restrictive small unit which doesn't make any sense. Where are these kids going to play? These are little kids. Where are they going to recreate? It's a highly restrictive stigmatizing facility. Philbrick may not be the greatest place and we are not advocating that stay open. Perhaps they should consider, we do have a very small census at Philbrick. Sometimes, you know, four or five kids. Maybe we ought to use a community-based approach for those children but we shouldn't be mixing little kids with adolescents at a restrictive setting.

One byproduct of this, both direct and

indirect, as I say, is we are going to shrink the capacity if this proposal goes through of serving adults. There will be less ability for New Hampshire to serve adults, which may or might be a bad thing. It's a bad thing now because the community mental health centers don't have the capacity to serve folks. So we're even going to put more burden on the community mental health system which can't meet the needs of current folks by shrinking the adult capacity at New Hampshire Hospital. We all know its costs there; increased suicide, family disintegration, increased incarceration, none of this makes any sense.

One other aspect of this is one of the proposals reduces functional supports to children with mental illness by two and a half hours per week. We don't think that makes any sense for many of the reasons I've talked about.

The last part of my testimony and because of time I won't go into it, but I feel very strongly about it and there's several cuts to the developmental disability and ABD system in case management for folks who are living somewhat independently and for -- as well as actual substantive services, and also for adults who are more dependent and under the waiver. We think those cuts don't make any sense. A lot of those folks, especially who are living independently, need more services, not less services. This is not based on any needs assessment, not based on any individual service planning. It's just kind of an across the board cut and we think it's also ill-advised. So for these reasons, and for many others, we hope that you think long and hard about these cuts and think more about revenue than reducing

services. Thank you.

CHAIRMAN SMITH: Thank you very much, Mr. Cohen. And we will read your testimony. Does anyone have any questions? If not, thank you again. The Chair recognizes Tricia Lucas.

TRICIA LUCAS, ESQ., Policy Director, New Futures NH: Representative -- I'm sorry. Good afternoon, Representative Smith. I've Tim Rourke who is -- my testimony deals with changes to the Governor's Commission statute in Section 70, 71 and 72 of the Amendment. Tim Rourke is the Chair of the Governor's Commission and so we are going to do this together if that's all right with you.

CHAIRMAN SMITH: Certainly.

TIMOTHY R. ROURKE, Bedford, NH: Thank you, everyone. For the record, my name is Tim Rourke. I'm a resident of Bedford, New Hampshire. In my professional career, I'm the Program Director and the grants overseer of substance abuse disorder services grant-making for the New Hampshire Charitable Foundation. I'm a credentialed substance abuse prevention specialist. I have been in the field in the State of New Hampshire for about 12 years. And in January was appointed by Governor and Executive Council to serve as Chair of the Governor's Commission on Alcohol and Other Drug Abuse Prevention, Intervention, and Treatment, and that's the lens under which I visit with you today.

I'll be incredibly brief which is my purpose today was really just to flag for you the existence of the information relative to the Governor's Commission in the proposed

amendment. These are Sections 70 through 72. The Commission is not at this time able to take a position on these. We were not informed in advance of this language being included in the amendment. The full Commission meets -- we discovered this Monday night. The full Commission meets tomorrow. So it is my intention to raise this issue with members of the Governor's Commission and to the extent that the Commission does have some feedback to share, we would be willing and would hope to be able to share with you on Tuesday, but certainly did want to flag for you the existence of this material, because it is not relative to cuts. It's relative to the nature of the scope of work of the Governor's Commission and the utilization of the alcohol fund. It does constitute a shift in both of those from what has existed previously. So that was all I wanted to say today and I'll yield my time to Tricia Lucas. Again, thank you.

CHAIRMAN SMITH: Thank you very much, Mr. Rourke.

MS. LUCAS: And since I am not a member of the Governor's Commission, I can take a position on these sections. Section 70, 71, and 72 of the amendment, we are very strongly opposed to these changes, these sections for two reasons. One is that they make a fundamental change in the purpose and work of the Governor's Commission and based on the information that has been provided by the Department as part of its financial analysis, from what I can tell, makes absolutely no contribution to fill the hole in the 2011 budget.

The Governor's Commission was created in

2000 -- in the year 2000 by creating an organization that had senior staff from every state agency and community whose work was affected by the problems of substance use and abuse. The purpose of the Commission was to allow these people to get together and collaborate effectively to develop community-based prevention and treatment services.

Under the provisions in Section 70 and 71 and 72 of the amendment, this collaborative work would be replaced by this authority being transferred to the Department of Health and Human Services. A major function of the Commission is the -- is the distribution of monies from the alcohol fund. That separately created fund that, in theory, has money from the proceeds from the sale of liquor. Traditionally, that has been suspended but monies have been appropriated to the Commission and are distributed by the Commission pursuant to their authority.

Under provision 70, Section 70 of the amendment, the authority to distribute those funds would shift from the Commission to the Department of Health and Human Services and would, in fact, be permitted to be used to cover administrative costs, not anything that is present now. The general court as part of its budget process has made very clear in footnotes since 19 -- since 2005 with regard to the alcohol fund money that says that the Department cannot use this money for their purposes. It has to be used for the development and delivery of the treatment and prevention services.

So Tim has explained to you that he didn't

know about it. We didn't know until we saw the Governor's -- until we saw the amendment on Monday. The Commission was not consulted nor was New Futures consulted and we think this change is unnecessary from a budget standpoint. It's a fundamental policy change that doesn't belong in a budget bill, and we ask that you remove Section 70 through 72 in the amendment. Thank you.

CHAIRMAN SMITH: Thank you very much. Does that money now appear in the Governor's Budget?

MS. LUCAS: In the existing 2011 budget?

CHAIRMAN SMITH: Yes.

MS. LUCAS: It does, but it has -- it appears in the Governor's Budget because it's not a dedicated fund. If you remember, every year in House Bill 2 you suspend the operation of the creation of the money in the dedicated fund.

CHAIRMAN SMITH: I know that. So this is part of the Governor's Office cuts. The Governor's Office has made cuts just as everybody else has been asked to make cuts.

MS. LUCAS: The -- Representative Smith, as I understand it, in the Executive Order on Monday for the 2010 budget, there was \$326,000 removed from the Governor's Commission fund as unencumbered, unexpended funds in 2010. The spreadsheet that I have seen from the Department for the 2011 cuts show a very limited cut. They show \$23,000 in prevention and a total of \$115,000 both state and general in treatment. The note to those reductions, which are only in the Department's confidential

document, which I think most of you know showed up on the State's web site last week, indicate that those cuts were included as a caveat -- with a caveat, that control over those funds would be transferred to the Department of Health and Human Services.

CHAIRMAN SMITH: Thank you very much. Any questions for Ms. Lucas? If not, thank you again for coming and staying. Jackie Valley.

MR. ROURKE: She's not here.

CHAIRMAN SMITH: Amanda Grady.

AMANDA GRADY, New Hampshire Coalition Against Domestic and Sexual Violence: Good afternoon, Madam Chair, and remaining Members of the Committee. For the record, my name is Amanda Grady. And I am here representing the New Hampshire Coalition Against Domestic and Sexual Violence and our 14 member programs that provide direct services to victims of domestic violence, sexual violence and stalking. And I'm also here today with Pam English who is our Administrative Director. She's been with the Coalition for 16 years and in that capacity she is responsible for managing the grants, the federal and state grants to our member programs. And Pam will briefly testify about the impact of the proposed cuts to the Domestic Violence Prevention Program, which can be found on Page 3, Section 42.

CHAIRMAN SMITH: Miss English, did you do a pink card?

MS. GRADY: She did not. You want me to fill --

CHAIRMAN SMITH: Afterwards, please.

MS. GRADY: Sure.

PAM ENGLISH, Administrative Director, New Hampshire Coalition Against Domestic and Sexual Violence: Thank you. The Domestic Prevention Program was created by the legislature in 1981, establishing a fund to support direct services to victims of domestic violence. The Coalition contracted with the Department of Health and Human Services to manage the Domestic Violence Prevention Program since that time. There has not been an increase in that award for over 15 years. The marriage license fee was used as a sole source of support for the Domestic Violence Prevention Program until 1994 when a general fund appropriation to match the revenue generated by the marriage license fees was included in the State Budget.

The general fund appropriation has been maintained in every state budget since at about \$318,000. The only exception to this level of general funds being allocated to the Domestic Violence Prevention Program was in 2008 when Governor Lynch reduced the general fund by \$118,000 by Executive Order. However, the \$119,000 was replaced in the current \$671,000 contract by excess marriage license fee revenues that had accumulated over the years so that there was no reduction in total level of support. There's no longer any excess in the marriage license fee revenues, and thus, any reduction in the State Fiscal Year 2010 and '11 budget would reduce the total state funding to support direct services to victims of domestic violence.

A reduction of 318,000 in the general fund .



appropriation for the domestic violence prevention program would equal an almost 50% cut in Domestic Violence Prevention Program funding and a 9% cut in total state and federal funding to support direct services to victims in the State Fiscal Year 2011. This funding reduction would come on top of existing funding cuts in other funding for our crisis centers that already represent a 20% reduction in direct services funding.

The Victims of Crime Act, the Family Violence Prevention and Services Act, and the Violence Against Women Rural Grant Act are three federal funding programs that have already been cut. In addition to these federal funding cuts, domestic violence crisis centers across the state have seen a drastic reduction in private funds they receive. These funding reductions already have -- are having a devastating impact on the provision of direct services to victims and their families.

Domestic violence crisis centers across the state have laid off direct service advocates. We have reduced direct service advocate hours and are contemplating closing our satellite offices. The timing could not be worse as the current economic climate is causing more victims than ever to seek support from our local domestic violence programs. These programs are busier than ever with a 36% increase in shelter bed nights just this last year, emergency shelter bed nights, and an 86% increase over the past four years.

The Coalition member programs are already doing more work than ever with 20% less funding. Domestic Violence Prevention Program funds support core services, such as emergency

shelter, work with children who have been exposed to violence, support for victims in the courts, and help the victims seeking assistance that will allow them to leave violent homes. The 12 domestic violence programs funded by the Domestic Violence Prevention Program would have to further cut direct service hours if the general fund appropriation for the DVPP is reduced. Each direct service advocate serves upward of 300 victims per year. A \$318,000 reduction in the Domestic Violence Prevention Program funding would mean that at least six victim advocate positions would be eliminated, and an estimated 1,800 victims a year would not be assisted.

Being available to assist every victim who reaches out for help is critical, given the serious safety issues involved in domestic violence. Three-quarters of the homicide victims in New Hampshire every year are due to domestic violence. Maintaining the network of domestic violence crisis centers throughout the state could literally save lives. As devastating as the reduction services to victims, and the actual number of victims able to get assistance, is the loss of state funding that is used to match federal funding. The majority of the direct service funds the Coalition passes through to member crisis centers come from federal programs that require a local or state match. The loss of 318,000 in state funds will equal at least 318,000 in lost federal funds in that we will not have sufficient match. The total effect of the 318,000 cut in funds could translate into more than 636,000 of lost funding.

We understand the current financial crisis we are all facing in our state and we also know

that you will not vote to support cuts to critical services without deliberations such as today and much agony. We are asking you consider the very real additional costs that will result in a cut to the Domestic Violence Prevention Program funding, such as increased crime rates, prosecution, court time, and potentially life-threatening injuries to victims and their children, and I thank you very much.

CHAIRMAN SMITH: Thank you very much for your testimony. Any questions? If not, Amanda, you have a copy?

MS. GRADY: Absolutely.

CHAIRMAN SMITH: Thank you very much. Perhaps you could just give it to Mr. Beardmore who's looking as if he's needs a little exercise. Thank you. I'm trying to keep him awake. Greg Burdwood.

GREG BURDWOOD, Executive Director, HUB Family Resource Center, Dover, NH: Thank you. I'm joined as well by Denise Lepine. I'm with the HUB Family Resource Center that serves the communities of Stratford County, and Denise manages our home visiting programs. But I'm also here today as the Board President of Family Support New Hampshire which represents 21 family resource centers across New Hampshire. And if I may, I'll send around this literature because it includes information about each family resource center and which ones are serving families within your district, if that's all right.

CHAIRMAN SMITH: Thank you. If you would again, Mr. Beardmore would be happy --

MR. BURDWOOD: Thank you.

CHAIRMAN SMITH: The trouble is they don't trust us with these things. They want to make sure that every one of us gets it, so that's why. And I don't -- did you fill out a pink card?

DENISE LEPINE, Family Wellness Program Manager, HUB Family Resource Center, Dover, NH: I did not.

CHAIRMAN SMITH: If you could after you finish.

MS. LEPINE I'm pretty much here to support everything he says.

MR. BURDWOOD: She's been here to show her support so I wanted her to come up and be with me.

CHAIRMAN SMITH: If you have written testimony, we appreciate you not read it. You just summarize.

MR. BURDWOOD: Absolutely.

CHAIRMAN SMITH: Thank you.

MR. BURDWOOD: Mostly, I want to emphasize that the family resource centers provide services that are primarily prevention-oriented and in so doing save the state millions of dollars every year. And so when the Governor this morning indicated that these budget cuts will come with some pain, I respectfully suggest that he was understating that. And I don't think it's indulging in hyperbole to say

that these budget cuts will come with tragedy, and we have heard many people speak today about the impact that -- a positive impact that the services that they have received have had in their lives and what they can anticipate or what the families that they serve can anticipate if those services are withdrawn.

People have referred to the Family Intervention Program. We are a subcontractor of Child and Family Services for that program. People have referred as well to Home Visiting New Hampshire and I want to say in particular about Home Visiting New Hampshire that this was, as you probably are aware, a footnote that you put into the budget last year to assure that the funding of \$550,000 would be spent by the Department of Health and Human Services on Home Visiting New Hampshire. This is a program that reaches the most vulnerable young women typically, young, single, impoverished women, very few resources, very -- typically very little knowledge or understanding of how to have a healthy pregnancy, what's involved in having a healthy pregnancy, a successful birth, and then becoming a successful and effective parent. And I won't read -- I'll just highlight that, you know, that for Home Visiting New Hampshire last year assisted 136 clients to work toward self-sufficiency and end their -- end their TANF assistance. It also costs an average of \$400,000 just for one neo-natal intensive care unit admission. Again, these are the higher risk, new and expected mothers that we work with and we help to avoid those kinds of admissions. Only one percent out of the approximately 1,000 babies that we served and families that we helped had such an admission.

Similarly, these are not families where the infants are typically required or have to go into foster care. We are able to head that off at the pass as well. We've been able to do it with a lot of creativity, a lot of imagination, with some excellent managing by executive directors saying, Denise, can you manage the comprehensive family support program? Oh, Denise, can you manage the Home Visiting New Hampshire program? Oh, Denise, can you manage the family intervention program? Oh Denise, can you oversee the intake process? And it's a wonder that she still smiles at me. But I think it goes to the point of saying that we have worked hard and we are very fortunate to have incredibly dedicated staff who have made the sacrifice to do with and make the most of the cuts that have come before. But we're at the end of that now. We're now at a point there are no more positions that I can cut. And a year and a half ago the Governor asked us to think creatively and look at consolidation and merging. We're doing that. We're very willing to do that. But I want to share with you today and I think I'm echoing what you've heard before that these are cuts that will be just devastating in terms of the human tragedy and in terms of the incredible costs to the state because of foster care, because of intensive services, because of the intervention of the criminal justice system. And so I would ask that you do give some careful thought and consideration to, again, creatively on your end as well, what can be done in terms of new revenue sources to help us avert what I think will be a human tragedy but also just incredible expense to all of us as taxpayers. Thank you.

CHAIRMAN SMITH: Thank you very much. Any

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questions? If not, thank you again for --

MR. BURDWOOD: Thank you.

CHAIRMAN SMITH: -- waiting so long to appear before us. Elaine Hill. You need another chair?

ELAINE HILL, Program Director, Friends Foster Grandparents: Thank you very much. My name is Elaine Hill, and I am the Program Director for the Friends Foster Grandparents Program. And I've brought two foster grandparents with me. And I do have written testimony. I will try -- I've been hacking away at it to try to reduce it for the last five hours or so. And I'll try. But I'm not a public speaker, so please bear with me.

CHAIRMAN SMITH: I do want to just tell you we will read and we do read all of the written testimony. So if you just speak from your heart about what you have to tell us that will work well.

MS. HILL: Okay. And just one of -- Gill will speak, also. And he has a card up there. Gill Lazich.

CHAIRMAN SMITH: Thank you. That's Dr. Gill --

DR. GILBERT LAZICH, Contoocook NH:  
Lazich.

CHAIRMAN SMITH: Lazich.

DR. GILL LAZICH, Contoocook, NH:  
Flatlander as you can tell by the surname.

MS. HILL: Most of you already know what the foster grandparent program is 'cause we were here last year.

CHAIRMAN SMITH: Yes, you were.

MS. HILL: I do want to thank you for restoring at least 50% of the budget that was allocated previous to last year's Governor's cut. That's been extremely helpful and we're indebted to you. But I wanted to remind you what a zeroed-out budget for this program will mean, and that means the elimination of the program. Because we get federal funding and there's a required 10% match of local funding, and we do not have the 10%. We have exhausted all other resources. We get funding from four United Way Chapters. I'm busy writing grants all year long for the little, you know, pittances that we get and they do the best they can. But it's not enough to meet the federal match.

It's been proven over and over again with research that prevention now saves money later. This program is all about prevention and saving money, both now and in the future. The federal money that we get is 19 times the state funding that we receive right now, the value of the program. High school drop-outs cost the state multi-millions in services and supports throughout their lifetimes. The foster grandparent program is part of the solution to that problem and saves money. The seniors who have nothing to do and feel unneeded and undervalued by society, deteriorate physically and mentally more quickly than those who are active, engaged, and happy. They require more services when they deteriorate physically faster. This program prevents that and saves



money. We serve 80 schools and about 3800 children every year.

Hum - 80% of the federal money that we get must be spent directly on foster grandparent volunteers who receive a \$2.65 an hour stipend. It's like AmeriCorps, Peace Corp. It's a federal stipend and volunteer program. So by far, most of our budget goes directly to mileage reimbursement, stipend, meals, annual physicals, insurance, and things like that.

The University of New Hampshire -- sorry -- the Southern New Hampshire University faculty member just did a study on our Friends Foster Grandparents Program and found that it is efficient, has low overhead, high impact and is well-planned and implemented.

In the next 20 years the senior population of New Hampshire is expected to double as I'm sure you've heard before. So we have two options. Don't engage seniors in meaningful volunteer opportunities and then payout millions more down the road for seniors and children that they would be serving and don't, and waste enormous economic, social, and educational resource called retiring baby boomers or we can engage the seniors in meaningful volunteer opportunities, which requires what we provide; outreach, structure, training, ongoing education, and liaison functions between schools and volunteers. Ninety-nine percent of the seniors who volunteer do not walk into the schools on their own. Schools are too different from when they went to school years ago and intimidating. And also, the schools will not insist, like we do, that they put in 15 hours per week at least volunteering and they won't insist that they

work directly with children. So the kind of intensely -- intense impact is not going to be there by a senior who just walks in. They're going to say, okay, you want to work an hour a week and make copies for us for the most part. That's not what this program is.

CHAIRMAN SMITH: Could we hear perhaps from the grandparents?

MS. HILL: Absolutely. Yes, you will. All right. If I --

CHAIRMAN SMITH: We will read your written testimony.

MS. HILL: Okay.

CHAIRMAN SMITH: I know I'm sounding rough but turnaround and look at the people behind you. They have been sitting here all day, Members of the Committee have other commitments. But we very much want to hear from everyone. So if we could just -- if -- you know, we will read the written testimony.

MS. HILL: Okay. I'm done.

CHAIRMAN SMITH: Each just speak for a minute or two and we can hear from everyone. And that's -- and that's the only, you know, that's the fairest think we can do.

MS. HILL: Okay. I thought I waited since 10 o'clock this morning, I should have my three minutes. But --

CHAIRMAN SMITH: Actually, you've taken more than that.

MS. HILL: Really? Okay. Well, then you're right. All right. Thank you.

CHAIRMAN SMITH: We would -- you know, in other circumstances we would love to listen to these for, you know, an hour; but realistically we just can't do it now.

DR. LAZICH: My name is Gill Lazich and I'm a resident and citizen of New Hampshire. I live in Hopkinton. As you can tell by my surname, and my accent, I'm a flatlander originally from Michigan. I've lived here 25 years. And the problem has been as a retired educator finding a way to supplement the social security that I receive because of not having enough experience or knowledge to plan better for my retirement. And that stipend of 2.67 an hour helps us very much provide the services, the volunteer services as senior citizens to the schools of New Hampshire that we do. I have served in AmeriCorps for two years. In that 30-year retirement you run out of things to do. I even spent one year as a clerk when Mr. Scamman was Speaker of the House up in the LOB, fourth floor, one of my first jobs after retirement. I've served the schools of Franklin, Tilton, Northfield, and now Warner from kindergarten to the fifth grade. Well, it's easy for an educator but for people like Diane who had to be trained in being more than just a parent and a grandma, for a teacher it was easy. I enjoy it and commend you for your patience and for your attentiveness and your time. Thank you very much.

MS. HILL: Thank you.

CHAIRMAN SMITH: Thank you very much and I

think the children you work with are quite fortunate.

DR. LAZICH: I forgot, they call me Grandpa Gill.

CHAIRMAN SMITH: Oh, do they? That sounds quite affectionate.

DR. LAZICH: It is. Thank you.

CHAIRMAN SMITH: John A. Labue.

JOHN A. LABUE, ESQ., Lobbyist, National Academy of Elder: Labue.

CHAIRMAN SMITH: Well, I'll take your word for it.

MR. LABUE: Okay. Madam Chairman, Members of the Committee, I appreciate the opportunity to appear before you today. And I am speaking to you in my capacity as a lobbyist for the National Academy of Elder Law Attorneys. I'm a practicing attorney with over 30 years of experience in the estate planning area and the elder law area.

Collectively, our group in New Hampshire probably sees in the field hundreds of Medicaid eligibility applications. Fortunately, my remarks are very narrow. I'm not -- we're not opposed -- we're not -- NAELA is our acronym, is not here to oppose anything that's happening in the budget generally but to speak to one narrow provision that probably doesn't even belong in a budget bill and that is Section 6, eligibility for Medicaid assistance.

NAELA as an organization is speaking

against the adoption of this section which would take life insurance policy proceeds away from the family. Even if you disagree with the policy behind this, it is a major policy change and should not be a sidelight. The bill as it presently exists is really not in any kind of shape to enact into law because it's got two major flaws.

Major flaw number one is that -- well, let me put it anecdotally. Let's say that Medicaid recipient -- it's a husband and wife situation -- the husband goes into the nursing home. He owns life insurance on his life. It names his wife as the primary beneficiary. Right now what happens is that if there's any cash surrender value in that policy, it's supposed to be tapped out for his care. But when he dies, that death benefit can go to his wife. Here in this case if she is not living in the community it cannot go to the wife. It will go to the State. This brings me to the first major defect in the law. What does it mean for the wife in my particular anecdote, the spouse, to still be living in the community; living in the community.

I can tell you as a planner, if -- if the wife is living in assisted-living that ought to be still living in the community. But that guidance is missing from the statute. We as planner would say, make no mistake about it, that if husband dies as a Medicaid recipient in the nursing home and there's life insurance payable, we want those death proceeds to go to the wife and let her pay for her assisted-living. It is totally ambiguous here as to whether or not she would still be living in the community. And what we point out here to the Committee as a drafting concern if they -- if

it was intended that -- that the funds would go to the state if the wife was already institutionalized, if the wife was already institutionalized and in a nursing home facility, it ought to say that. It doesn't say that. And so husband and wife have planned for their comfort in many ways and for their long-term care. But one of the things they have in this situation is if the husband dies or be it the wife that's institutionalized, when that institutionalized spouse dies, those policy proceeds are there to keep the still independent spouse independent, and that that independence isn't really gone until the -- until that second spouse is institutionalized.

And so here we have a major policy concern and a new policy initiative from this general court that is unresolved. This is too large of a policy issue to go to the agency to determine as they will. This is a policy decision that needs to be made by this -- by this body, not by regulations by the Health and Human Services.

Both myself, my office, and our group see hundreds and hundreds of cases a year on Medicaid eligibility. The Department of Health and Human Services has a huge and difficult job. They need to find money where they can find the money. You know, the pressures being what they are on them in this situation, we fully expect that the Department will take the position that those life insurance policy proceeds have to come back, if you will, to the State to reimburse for the Medicaid that has gone to the husband. And yet -- and yet, here we have the wife who needs these funds, be it the husband if he's independent spouse, who needs these funds and it's very ambiguous, it's

very murky whether or not those funds are actually -- they belong to the state or whether the spouse can take advantage of them.

Here's another thing. You know, right now as we look at life insurance policies and what the eligibility requirements are, again, I said if there's any cash surrender value it has to be tapped out. It has never been an issue until now with this piece of legislation. Who is allowed to own the policy? If the wife owns a life insurance policy on the husband's life, and the husband dies, we'd like to say that should be hands off because the wife owns it.

Now, this Committee should know that in the fall of 2005 there was a major conference of the National Governors of every state. And following that conference there was a new law enacted that was signed into law, federal law, of February of 2006. And one of the things that it did is it basically cutoff the idea that mom and dad could dump the assets to the kids and stick the nursing home cost to Medicaid. Those days are over. That's largely been cutoff. But there was another policy initiative that our federal government with the support of all the Governors at the time in the conference enacted and that policy was that we were going to allow a liberal protection of a married couple so that -- so that that couple could mobilize those funds to keep the independent spouse independent.

Right now there is an unlimited right under federal policy and state -- and state regulation to transfer assets to an independent spouse, unlimited. That's what we call the use of a Medicaid qualified annuity. Right now the law is that if the husband goes into the

nursing home, we are allowed to shift income to the spouse. It seems inconsistent with these policy initiatives to deny the still independent spouse access to the nursing home proceeds.

Now, if the law was intended to cut those funds off to an institutionalized spouse, it ought to say that but it doesn't. As planners, can we move the ownership of a life insurance policy from the Medicaid recipient to a spouse and protect the funds? That ought to be answered before this becomes law. This ought to not be a matter that the Department of Health and Human Services can make up as they go. This sort of caused me to circle back to my initial point. Why is this in a budget bill? Why is this in a budget bill? It shouldn't be in a budget bill. There is too much that is undeveloped, there's too much about this that is unevolved that ought to be decided by the general court.

My final point. Now I'm talking policy. All the problems I just mentioned legally are problems that will result, perhaps, in litigation and agency appeals because they're unresolved. The final point is a matter of policy. We disagree with the policy. We disagree with the policy. In its most benign form it would be that if the husband's in the nursing home, and he dies, if these life insurance proceeds go to the wife and she's already institutionalized, she has to use those funds to pay for her private care. It is far better for the system policy-wise to have the formerly still last independent spouse paying her way privately. That money's coming back to cover that person's private costs at an institution of her choice. When the Department



did its numbers it said right now in the present numbers we will pick up \$10,000 per recipient on average is what they think they're going to pick up. And under the present population there are 28 people under the present population where they could pick up an extra \$10,000. Well, even that's something of a misnomer because those monies are going to come back into the system by way of private pay. So we have a very serious policy question underlying this. That's just keeping the money circling back to the surviving spouse.

Finally is this point. My organization, National Academy of Elder Law Attorneys, is constantly doing studies nationally to determine how long-term care is paid for. Eighty-five percent of all elder care in the declining years is paid by the family and family resources. Eighty-five percent is paid by the family, family members not working, family members providing services for free. The only way that we, as planners, have been able to get any recompense for families that have sacrificed so greatly is to have life insurance be payable back to them. And so -- and so on its face it looks like, well, the decedent has all this life insurance. Why shouldn't it come back to cover costs? Well, it -- these things do not exist in a vacuum and the policy considerations need to be considered more deeply before this thing goes to any kind of final action by the general court.

CHAIRMAN SMITH: Thank you very much. Are there any questions? If not, I do want to tell you that the Chairman of the House Health and Human Services -- Health and Human Services and Elderly Affairs Committee is in the room sitting at the table and listening to this

policy discussion. So there will certainly be some follow-up from that. Thank you very much for your patience.

REP. KURK: Could I ask a question?

CHAIRMAN SMITH: I was surprised that you hadn't. I looked right to you.

REP. KURK: It's only that the witness took so long to make his original statement and I hope he will answer this very, very briefly, because we do have other people in the room. I don't understand why you should attempt to put the burden of caring for individuals on Medicaid when that's taxpayer dollars where the person involved has assets or the spouse is going to get the assets or he's paying insurance premiums? It seems to me to be a transfer of money from the taxpayers of this state to the heirs of these individuals and I find that inherently unfair.

MS. LABUE: Well, the answer to that with regard to life insurance is death proceeds are not assets that the Medicaid recipient even owns. And that -- and that has never been the policy of our federal government to disallow any legacy whatsoever. And that -- and that up until February of 2006, the policy was that you could always split what was there.

Keep in mind that every single working individual taxpayer suffered the confiscation of taxes from their pay with the promise that this program would be there. And that -- and that when you put two people in bed side by side, one of them who's never paid taxes and never paid into the system, they get Medicaid immediately. Yet, someone who has spent their

entire life paying into the system and paying for this benefit is supposed to be there on the promise that the federal government would provide that, and that person's only crime is that they have been thrifty and saved, why should they be stripped of all their assets?

And the federal government has looked at that and they have answered that question as a matter of policy. And that even now, they are asking this state to enter into a partnership program that says we will allow you to save half or more of everything you have as assets. Just enter into a responsible way of paying your share. And it's called partnership insurance -- partnership long-term care insurance. The Insurance Department is on the threshold of finalizing those regulations and so, too, is the Department of Health and Human Services readying to do its part of it. And the gist of that will result in every individual taxpayer to be able to shelter, if you will, substantial portions of their assets so that they're not denied making a legacy to their families.

CHAIRMAN SMITH: Thank you very much. I imagine that you will be hearing from Representative Kurk shortly to have further intellectual exchange. Thank you again for your time. Ann Smith.

ANN SMITH, Hooksett, NH: Thank you all so much. My name is Ann Smith. I'm here as an employee of DoIT. I am embedded at DOT, not to confuse anybody.

The reason I'm here is because I wanted you to hear my explanation of the budget cuts to DoIT because you're scaring me. I look at it

like this. You have an agency. You have Health and Human Services. You have Department of Safety. You have the DOT. You do not have DoIT. You have DoIT like this. It's underneath all the agencies. It supports all the agencies. And while it sounds like it's one of these, it isn't really. So consolidation of the DoIT in 2004 means that IT now supports all the agencies and when you cut funding for DoIT, then you're cutting into the funding of many agencies. And I tried to think of an analogy that would make sense to everyone, and I finally came up with the highway system. Everybody, I think, can relate to that.

We need to support our roadway infrastructure. We need to keep the pavement markings clear or there's -- it's unsafe to drive in the dark. The signs blow down, you need to replace the signs because otherwise people don't know where they're going. But if they don't know where they're going, they can go to the rest area. They can ask for directions except that we have laid off all the people that work at the rest areas so there's nobody to ask questions to 'cause they're closed now. I think you get the idea. We need to really support our infrastructure, and the IT is the same as the highway system. It is the guts. It's the part that makes everything work the way it does. We make things work. We make things work easier, and we continually look to make things work faster and in the end save dollars.

One of the examples is my co-worker just last week was looking at a process that took six hours to run. He said let me take a look at it, and it now runs in five minutes. Hum -- I have been the lead on the electronic, the new

electronic payroll system for the DOT. And just one of the things that used to be an error that took 17 people in three different agencies to correct now doesn't even happen or at least I hope it never happens. So I think what I'm trying to show you here is how important what we do is. And not just -- we're not just DoIT like this.

Unfortunately, that co-worker of mine that did that work got laid off Friday. I just heard that the core switch isn't looking good. I don't know what that is exactly, but I know it does work for our networking so I can't imagine working without our e-mail or our Internet connections.

At some point the budget cuts to DoIT are going to reach critical mass, and nobody really knows when that is because if we had a crystal ball we'd be able to tell you exactly what we needed when we needed to. What you need to know is that as the budget gets cut more and more, DoIT operations at all agencies are going to cause slowdowns, they're going to cause delays that may be days to get fixed, to get parts in or whatever and will affect everyone's job efficiency. So I also wanted to tell you that this is not about me 'cause I'm retiring the 1<sup>st</sup> of June. It's really about funding for DoIT and all the agencies that they support. And I thank you very much.

CHAIRMAN SMITH: Thank you very much and I think the State's going to be very sorry to lose you when you retire. Thank you. Kathleen McDermott.

KATHLEEN MCDERMOTT, Executive Director,  
Chase Home for Children: Thank you, Madam

Chair, and Members of the Committee who are here. And thank you for your stamina.

My name is Kathleen McDermott. I'm the Executive Director for the Chase Home for Children in Portsmouth, New Hampshire, and I'm also sitting here as the President of New Hampshire Partners in Service, which is a statewide agency -- excuse me -- statewide member organization representing agencies who provide services for children and families, including residential services, in-home services to children and families, and community-based services. Chase Home is one of the residential programs and in-home family services as part of Partners.

New Hampshire Partners deals with probably thousands of children and families in the course of a year. We are very concerned, and my testimony today is just to underscore a couple of points that have already been made repeatedly today. By the way, I do intend to get the award as the quickest testimony of the day.

We really feel at New Hampshire Partners in Service that the \$23 million cut to the DHHS budget is nothing shy of catastrophic. It is beyond what we can endure. We have already experienced many cuts in the human service field. Governor Lynch this morning talked about we all need to tighten our belts. Well, believe me, we have been tightening our belts for many, many years already. The private sector has already done furloughs repeatedly. We have done the lay-offs. We have frozen positions. We have delayed desperately needed repairs and assistance to our staff, all in the name of cost-efficiency.

We also have the ability to work very hard to search out other revenues unavailable to others -- to the state. We look for grants. We look to foundations. We look for private donations. And we incorporate all of those revenue streams in addition to what we receive from State and from Medicaid. We are at the point where we cannot do anymore. We have already done more with less and our fear is at New Hampshire Partners in Service that it is going to be the collapse of the whole system and that would be catastrophic.

I also would like to talk to you specifically about the idea of moving the shelter services to the Sununu Center. You have heard quite a bit of testimony already, and I will not repeat what's already been said, other than to say I whole-heartedly support all of the arguments against moving the shelters to the Sununu Center. In a nutshell, I will call that a regressive decision. Moving services to an institution rather than keeping them in a community setting is fiscally not a good idea and certainly from a programmatic clinical point of view it is a horrendous decision. We understand that there is a problem with having a building that is under utilized, but we ask you do not solve one problem by creating another one. That is certainly not what is going to be helpful to anyone.

Finally, I urge you to find ways to raise revenue. We all know the cuts are draconian. The only way out of this in the opinion of myself as the Executive Director of Chase Home and as President of New Hampshire Partners Service and our member agency support, raise revenue. Some creative ideas have been

presented here today, and we hope that you are able to incorporate those ideas and find a way to raise the revenue to prevent these draconian cuts. Thank you very much for your time.

CHAIRMAN SMITH: Thank you very much for your testimony. Any questions?

REP. KEANS: I just had a comment to make, Madam Chair.

CHAIRMAN SMITH: Certainly, Representative Keans.

REP. KEANS: Ms. McDermott, I noticed you spent quite a bit of time today rearranging chairs for the various people. Would you characterize that as rearranging chairs on the Titanic?

MS. MCDERMOTT: I certainly hope not. Being a boater and someone who lives by the ocean, I certainly don't hope so either. Someone said to me its the social worker in me; but thank you for the observation.

CHAIRMAN SMITH: Representative Belvin.

MS. MCDERMOTT: Thank you, Madam Chairman. For you faithful few -- for us faithful few. There's about 1.3 million people in New Hampshire. This year the total expenditure, Fiscal Year '10, is about 5.6 billion, B dollars. Much of that is federal money. That comes out to about \$4,300 per person. For a family of four, you're up around \$13,000. We're already spending a lot of money, ma'am. Thank you.

CHAIRMAN SMITH: Cathy Green. Sarah



Mattson. Good afternoon. Almost good evening, Ms. Mattson.

SARAH MATTSON, ESQ., New Hampshire Legal Assistance: I think it's good evening. Good evening, Representative Smith, Members of the Committee. My name is Sarah Mattson. I'm a staff attorney at New Hampshire Legal Assistance which is civil legal aid. I'm here today on behalf of the low-income and elderly clients that we represent around the state.

We are also deeply concerned about the cuts to the Judicial Branch. You've heard many distinguished and eloquent speakers on that topic, and I certainly echo their sentiments. I would add only that additional cuts to a system that is already strained will be felt especially deeply by the people for whom we advocate, the poor, for domestic violence victims, for homeowners who are facing foreclosure, for tenants, and also for the people that we don't represent, that we can't, that the countless unrepresented litigants that are trying to navigate this complex system on their own.

But you have heard so much about that that I'd like to turn to a topic that actually has not been addressed. It's Section 79 on Page 6 of your Amendment, the proposed revisions to the eligibility requirements for the Aid to the Permanently and Totally Disabled Program.

It's not completely clear to me how the Department would interpret the proposed changes; but as I understand it, those APTD applicants who were approved after July 1<sup>st</sup>, 2010, would have their cash assistance terminated immediately upon a negative

determination by the Social Security Administration, not an administrative law judge hearing so not upon appeal but on the initial determination. This means that people whose social security or SSI applications will eventually be approved and the reversal rate for initial negative determinations is actually quite high, these people are going to be rendered utterly destitute, and the cost of their support and the support of their families will be downshifted to the cities and the towns.

The proposed language also raises significant due process concerns. It calls for eligibility to be terminated immediately upon the initial determination with no right to a hearing, either before the Department hearing officers or before a federal administrative law judge. So we encourage you to take a serious look, as I know you will, at all of this, to this most substantive revision to the APTD eligibility requirements. I thought I'd try and do it in 90 seconds and I think might have.

CHAIRMAN SMITH: Well, and you packed a lot into that. Thank you very much. Representative Kurk.

REP. KURK: Thank you. Good afternoon. The question, what happens to a person now who loses -- is determined ineligible by Social Security, continues to get his State payments, and then after the hearing on appeal, loses the appeal? What happens to the money that he's received between the time of the initial determination of ineligibility and the loss on appeal?

MS. MATTSON: Do you mean someone within

the APTD program or within the SSI Program?

REP. KURK: I'm not sure. Let's try both.

MS. MATTSON: Okay. Right now there is not a complete link between the two programs and that's fairly unique to this state. And many states condition Medicaid eligibility simply on SSI eligibility. In this state, as I understand it, a person who's receiving APTD cash assistance and medical assistance, who is an applicant for SSI and loses at the initial determination stage, proceeds to an administrative law judge hearing and loses again would typically be -- we would advise those people to reapply for APTD so as to be able to ensure that they be able to continue on that program. It's generally our experience that those people's benefits aren't terminated at that stage. But this is something that I think is not abundantly clear under existing law. And it might very well make sense for there to be a single -- a single set of eligibility criteria that would apply to both of these programs because I certainly think it's a structural inefficiency that we have right now that we have two different determinations being made at the two different programs. But that's a much more complicated question involving the four-year duration requirement that we have for our state disability program.

REP. KURK: Follow-up?

CHAIRMAN SMITH: Yes.

REP. KURK: Does anyone who makes an appeal and lose the appeal have to repay any of the money they received between the time of the

initial negative determination and the loss on appeal?

MS. MATTSON: It depends on the circumstances of the reason for the ultimate denial. There are -- for SSI, for example, people may be found to have been over-income during that period of time. There is a fairly recent Supreme Court decision that says that people who work at what they call substantial gainful activity during the time that their appeal is pending are not eligible for benefits during that time period and those people are routinely asked by the Social Security Administration to repay those benefits. There is then a couple of different appellate procedures.

REP. KURK: Thank you.

CHAIRMAN SMITH: Any other questions? If not, thank you. Thank you very much.

MS. MATTSON: Thank you.

CHAIRMAN SMITH: Melissa Laferriere.

MELISSA LAFERRIERE, Concord, NH:  
Laferriere.

CHAIRMAN SMITH: Are you being joined by Julie Findley?

MS. LAFERRIERE: I am.

CHAIRMAN SMITH: I am so glad.

MS. LAFERRIERE: I am really glad that I think what I have to say is important.

CHAIRMAN SMITH: We think it's important, too, which is why we are still here.

MS. LAFERRIERE: Thank you for that. My name is Melissa Laferriere and I come here today not only as a citizen of New Hampshire but as an employee of it. I am a criminal courtroom clerk for the Manchester District Court, and today I am here in opposition of this amendment.

I represent today hundreds of Judicial Branch employees who give everything that they have to their jobs, and quite honestly, are scared for the future of the court system. I am really nervous.

We have recently agreed through collective bargaining to furlough days that none of us can afford. We have participation from management, judges, and Chief Justice Broderick himself and we are working together to give Governor Lynch what he requested in regard to a \$3.1 million budget cut. We did this to protect the public, each other, and ourselves from the devastation that lay-offs will bring. We have worked with minimal staff, a rapidly increasing number of cases, and fewer hours in a month than we have ever had before. We have done this to ensure that the citizens of New Hampshire still have the access to justice the Constitution affords them.

We acknowledge the challenges and we push ourselves harder and farther everyday, and we have maintained, but barely, because that is who we are. We are dedicated, committed and hard-working employees. We are, though, much more than employees. We are single parents trying to figure out how to feed our children

on less money than we have ever made before. We are caretakers to our own parents trying to figure out how to pay our bills and theirs, and we are volunteers who now don't give back time to our community because we have to have second jobs to maintain our lifestyles.

We are grateful that we have jobs, but along with that gratitude comes much frustration because we do not just show up to work every day. We go to work everyday knowing that we are providing a valuable service to our community and we take tremendous pride in that. The destruction of further budget cuts to the Judicial Branch will hurt every single one of its employees, but even in our current state of fear for ourselves, we see that there's a much bigger picture.

I ask you to see that this amendment would devastate not only us, but New Hampshire and every one of its citizens. By closing courts due to furlough days and reducing staff to skeletal crews due to lay-off, we are aiding in the decline of a state that we have all come to take great pride in. When people are denied access to justice, it is the people who are responsible for making it accessible that commit the real crime.

When an innocent person sits in jail losing months of their life that should be filled with family and friends awaiting a trial that's delayed because of court backup; when a single parent's illegally evicted from their apartment and has nowhere to go because we are on furlough; when a defendant of a heinous crime goes free because their speedy trial rights are not been met; and when employees start going to work because they have to and

are embarrassed to stand in front of the people that they serve, instead of going to work because they want to and to take pride in what they do, great injustice occurs in this state.

These examples are bound to become reality with the passing of this amendment and they will affect all of us. Our communities suffer as a whole when a system that is supposed to represent fairness, justice, and truth, cannot do that anymore.

I understand that we are facing unprecedented economic hardship, and honestly, I don't know what the solution to that is. I do know that causing deterioration to the Judicial Branch for years to come and damage that gives citizens of our state reason to question whether their rights are being infringed upon is not the solution.

So in closing, I know that you have a very difficult decision to make, and I don't -- I am not jealous at all. I invite each of you to come work a day with us and see the -- what little that we work with everyday, and the great adversity that we face on a daily basis, and see if you could do it with any less because I'm quite confident that you will find that you can't. Thank you.

CHAIRMAN SMITH: Thank you very much. And would Ms. Findley, you want to add anything?

JULIE FINDLEY, Bedford, NH: The only thing I can add is this is a budget, won't be fixed by a bake sale. And I don't know what the answers are. I just know it's tough and scary.

CHAIRMAN SMITH: Thank you very much. Thank

you for waiting us out all day so that you could say that and you might feel nervous but you were very effective.

MS. LAFERRIERE: Thank you.

CHAIRMAN SMITH: Thank you. Jim Reams. Margaret Kerouac. Geraldine Liebert. That exhausts all the pink cards I have. Is there anyone else here who would like to say anything who has not yet been recognized? If not, I would like to thank all of you who were here and the many who have gone for staying and listening. I hope you have learned something about the complexities of what we face. And I'd sincerely like to thank the Members of the Committee for staying to listen to this very important testimony. This ends our hearing on 450.

(Hearing concluded at 5:45 p.m.)



## CERTIFICATION

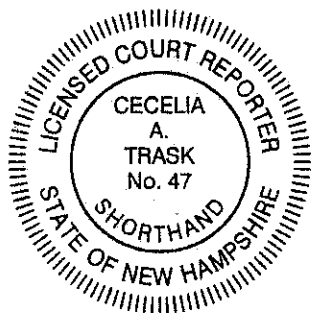
I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.

Cecelia A. Trask

Cecelia A. Trask, LSR, RMR, CRR

State of New Hampshire

License No. 47



HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** April 20, 2010

**LOB ROOM:** 210-211      **Time Work Session Called to Order:** 10:05

**Time Adjourned:**

(please circle if present)

Committee Members: Reps. M. Smith, Nordgren, Foster, Eaton, Baroody, Ben, Leishman, DeJoie, Bucc, Poose, Mitchell, Kean, Casey, Harris, Kuk, D. Scamm, E. Anderson, Emerlon, Rodeschin, Wendelboe, L. Ober, Dokmo, Bergin, Belvin, R. Elliott and Weyler

Bill Sponsors: Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

**Commissioner Toumpas, Department of Health and Human Services (DHHS):** Opening statement. Presentation to be posted in web site.

**Chairman Smith:** Extended FMAP number?

**Comm. Toumpas:** 6.2% for 6 months. CMS recertification will maintain current level.

**Chairman Smith:** Can you project additional money?

**Comm. Toumpas:**  
6.2% = \$30 million  
8.6% =  
10.6% = \$48 million  
11.5% = \$54 million

**Chairman Smith:** Does that mean \$21 million above Governor's ?

**Comm. Toumpas:** Yes.

**Chairman Smith:** How does lapse get calculated? Is department treating lapse as a program expedition?

**Comm. Toumpas:** One slide will describe lapse. We are not actively managing a lapse by withholding programs.

Rep. D. Scamman: Do you think there will be specific lapses:

Comm. Toumpas: Where there are program changes we are taking them if they're significant.

Chairman Smith: When will CMS do review:

Comm. Toumpas: Review in July rate change retroactive to July 1. America Recovery and Reinvestment Act (ARRA) money to county \$14 million.

Rep. Kurk: If ARRA is extended do restrictions on supplant apply?

Comm. Toumpas: We believe so.

Rep. Kurk: Should we accept money with restrictions?

Comm. Toumpas: We've modeled. It's a no brainer to accept. Slide 3. We've highlighted areas in SB 450 that need action. Time is of the essence. We are not planning for ARRA for next biennium (\$200 million in this biennium).

(Slide 4, 5, 6)

Comm. Toumpas: More cuts in 2011 than needed due to uncertainty.

(Slide 7, 8)

Rep. Kurk: Contract elimination administration and/or program reductions. Both \$3 million in administration, \$2 million in program.

Rep. D. Scamman: Would you feel comfortable putting frozen positions in change column?

Comm. Toumpas: We'll look at it; we're reviewing all positions.

(Slide 9)

Comm. Toumpas: Want to begin with public health.

Rep. L. Ober: Cuts impact poorest people; what's in these cuts?

Mr. Jose Montero, State Epidemiologist, Public Health Services, Disease Control, DHHS: Cuts are for positions, programs. AIDs services only in the organization.

Rep. Foster: Status of HIV Medicaid Waiver?

Ms. Kathleen Dunn, Assistant Medicaid Director, DHHS: Repealed in HB 2.

Slides 10 – 12 Medicaid.

Chairman Smith: Lowers rates.

Ms. Dunn: Yes and further rate reductions now proposed. Hospital visit limits changed from 12 to 6. Reduce interim rates to meet cost settlement.

Rep. Kurk: What impact will reductions have on rates?

Ms. Dunn: Can't confirm cost shifting but other organizations are reviewing.

Rep. Harris: Children's Hospital rate reductions?

Ms. Dunn: Children's Hospital has been notified, initial discussions have been ok.

Rep. Wendelboe: Reimbursement rate to Dartmouth Hitchcock Hospital?

Ms. Dunn: 50% - 60% because we've made other payments.

Chairman Smith: Lead paint funds for staff instead of remedials.

Ms. Kathryn Frey, Administrator, Policy and Performance Management, Public Health Services, DHHS: Would allow the option.

Chairman Smith: Does this mean less for remediation?

Ms Frey: Yes, would pay for one position to do inspections; currently a vacant position. Work load has increased; spring and summer will spike and we need the inspector (environmentalist).

Rep. D. Scamman: How many inspectors now?

Ms. Frey: We had two. We lost one case, case load has doubled.

Rep. L. Ober: Case load doubled after we passed law?

Ms. Frey: Yes.

Rep. Kurk: On slide 11, do explain cost settlement payments.

Ms. Dunn: We'd delay paying until FY 12 to create pending payments.

Rep. Kurk: How does this compare with earlier?

M. Dunn: We checked out with ARRA, it's ok.

Comm. Toumpas: Next 5 slides - 13-14 require legislative action.

Chairman Smith: Alternative to eligibility under Medicaid waiver.

Atty. Jennifer Jones, DHHS: We had not effectuated changes. We need to come into compliance.

**Chairman Smith:** Does this mean we can care for people who want home care by putting them in a more expensive environment?

**Atty. Jones:** No, it forces recipient to spend down.

**Chairman Smith:** Did House Ways and Means committee refuse to do this?

**Atty. Jones:** This was originally a small amendment. House determined that it was unrelated to original. Struck for house keeping reasons. This done at CMS direction. Out of compliance since 2002.

**Rep. Kurk:** Is nursing home rate reduction budget neutrality:

**Associate Commissioner Nancy Rollins, DHHS:** Yes.

**Rep. Kurk:** Explain rate prediction nursing facility.

**Assoc. Comm. Rollins:** Adds an additional 1%.

**Rep. Kurk:** You won't transfer to other lines?

**Assoc. Comm. Rollins:** Yes.

**Rep. Kurk:** \$14 million for home care. We're spending \$17 million.

**Assoc. Comm. Rollins:** We're trying to reduce.

**Rep. Wendelboe:** Please review MQuip language and federal rules.

**Assoc. Comm. Rollins:** We will. We need to come back to you.

**Chairman Smith:** When?

**Assoc. Comm. Rollins:** Next week.

**Rep. Wendelboe:** I designed MQuip, it was intended to be supplemental.

**Comm. Toumpas:** Slide 15.

**Rep. Wendelboe:** Page 3, rate reduction for home health. This did not impact what went before Fiscal. Rate increases will be honored.

**Mr. Jonathan McCosh, Office of the Commissioner, DHHS:** 2010 changes will be maintained.

**Rep. Wendelboe:** 2011?

**Mr. McCosh:** Will not pay inflation and may reduce rate in 2011.

Rep. Wendelboe: Will we violate court order?

Mr. McCosh: Don't believe so.

Comm. Toumpas: Slide 15, section 8.

Chairman Smith: This differs from House.

V. Chairman Nordgren: Describe Philbrook program.

Assoc. Comm. Rollins: Philbrook included Tobey School in 1991. Over years capacity increased and older students moved into NH Hospital. Age not definitive. Children and adolescent population has decreased and adults have been introduced into housing. We have tried to be responsible to facilities by closing Philbrook and putting children in F unit. Children will be housed by age and developmental appropriateness.

Rep. Eaton: Current population of Philbrook and staffing levels?

Assoc. Comm. Rollins: We'll get to you.

Rep. Emerton: Will staff be laid off?

Assoc. Comm. Rollins: Some of both. We notified people affected last week.

Vice Chairman Nordgren: Status of F unit?

Rep. Kurk: Do you staff for capacity or actual?

Ms. Rollins: We move staff based on daily census.

(Slide 16)

V. Chairman Nordgren: Discuss Governor's Commission on Alcohol and Drug.

Assoc. Comm. Rollins: Joe Harding will discuss. We are changing role, not eliminating.

Mr. Joseph Harding, Director, Alcohol and Drug Abuse, DHHS: Described history of program. Alcohol Commission both good and bad. Commission doesn't coordinate as well as it should. Commission doesn't always use funding effectively.

Rep. Foster: Can't understand what will change.

Mr. Harding: Run into issues where we can't implement best practices.

Rep. Foster: Is this significant?

Assoc. Comm. Rollins: We don't have to go to any other commission for approval.

Chairman Smith: How does this save money?

Mr. Harding: Allows for efficiency.

Comm. Toumpas: Governor asked that we take \$326,000 just before Fiscal through Governor's Executive Order.

Chairman Smith: Do changes depend on Governor's action? Isn't this a policy issue?

Rep. Emerton: Question on multiple offenders.

Rep. Leishman: Commissioner looks troubled. How do we handle reductions?

Comm. Toumpas: We need to change how we do business. These actions make system ever more fragile. There are program implications. We are taking opportunity to redirect. We have a big hole in 2011.

Rep. Kurk: Riley Reagan study showed alcohol treatment inefficient. Do you have data?

Mr. Harding: We have data available but incomplete.

Rep. Kurk: Can I have information?

Rep. Casey: Are we approaching a breaking point for further reductions?

Comm. Toumpas: Yes as programs currently constructed budget cuts have impact but if we change business model we can be more efficient but we can't make up a \$200 million shortfall.

Chairman Smith: I don't want your job.

Comm. Toumpas: I'm honored to work with you.

(Slide 17, 18)

Chairman Smith: How many at (Sununu) Youth Development Center (YDC)?

Comm. Toumpas: 60 vs. capacity of 144.

Chairman Smith: Why is number so low? Do you think incentive funds programs based in communities help keep YDC population low?

Director Fenniman: Declining census. Incentive funds are prevention funds.

Chairman Smith: Don't reduce incentive funds.

Rep. Emerton: Did we sell to House?

Rep. Eaton: Why eliminate domestic violence?

Assist. Comm. Cooney: Other funds available, this cut doesn't impact federal.

Rep. Kurk: Is some incentive funding used for other purposes?

Assist. Comm. Cooney: Not totally.

Rep. Kurk: What is Sununu Center staffed for?

Director Fenniman: Staffed for 106 but we've laid off 35. We could reduce an additional 30.

(Slide 19)

Rep. Kurk: How do you save \$4million for multi-services?

Director Fenniman explained calculation.

Rep. Kurk: Can you keep federal money?

Chairman Smith: Do I understand you're putting transition kids in a secure facility?

Rep. Leishman: Transition children are visitors.

Dir. Fenniman: We can do as good a job as shelters. This cost will be \$11/day.

Rep. Kurk: Doesn't this include extra 35 people who are unnecessary?

Dir. Fenniman: Yes.

V. Chairman Nordgren: How would you serve group?

Dir. Fenniman: Architectural changes.

Sen. Sgambati: What costs are considered as fixed? How do you account for loss of federal funds?

Chairman Smith: Please follow up with Mr. Kane.

(Slide 20)

Chairman Smith: Tell me about section 79. Don't you take action before final determination?

Atty. Jones explained. If someone denied eligibility under Social Security Income (SSI) cash payments would end.

Chairman Smith: Do you help with SSI application?

Atty. Jones: Yes.

Sen. Sgambati: Is savings a net or is it a cash payment?



Atty. Jones: Cash payment.

Sen. Sgambati: Concern about eligibility process.

Rep. D. Scamman: Appreciate comments regarding opportunity. Page 24: are we only reducing by \$13 million?

Mr. Mosher: Referred to page 6; explained calculations. SB 450 doesn't help us fund our needs.

\* Rep. Wendelboe: I have an amendment.

Chairman Smith: Please present.

Chairman Smith thanks Commissioner Toumpas.

Rep. Wendelboe: Proposes settlement with JUA for \$25 million. This is a voluntary effort by the doctors; could generate up to \$60 million with FMAP matches.

Chairman Smith: You've had discussions with JUA? Have the Governor's office or the Insurance Department met?

Rep. Wendelboe: No, I'm trying to be a catalyst.

Rep. Kurk: Is this enabling? Would this facilitate? This doesn't insure that it would happen.

Rep. Wendelboe: This directs action.

Rep. Kurk: I'm concerned that we can compel.

Rep. Benn: How did distribution get determined?

Rep. D. Scamman: Do you have an idea of insurance premium tax that is due:

Rep. Wendelboe: I don't know, lots of questions.

Chairman Smith: Thank you for your initiative.

Chairman Smith recessed the work session until 1:00.

(The work session reconvened at 1:10.)

Chairman Smith: We need specifics; takes \$1.847 million.

\* Comm. John Burack, Department of Environmental Services (DES), Ms. Susan Carlson, Chief Operations Officer, Mr. Harry Stewart, Director, Water Division: Read statement and passed out components. Administration and Support – reduce but not eliminate. State Aid Grants, Public Water System, Solid Waste – defer payments.

Rep. Kurk: These proposals shift money from one period to the next.

\* Comm. Burack: A qualified yes. Described colored bar chart. We may not have as many projects in future.

Rep. Kurk: If we paid deferred payments on time we would deepen the 2011-12 biennium. How many positions will be terminated?

Comm. Burack: One and some retirements. Proposal will not require layoffs. Lakes and Rivers management will defer in stream-flow study. CERCLA will reduce contaminated site monitoring. We'd have to terminate 75% of our general fund program. We'd have to cut payments to communities (see statement).

Rep. S. Harris: Is any of your money related to Connecticut River Valley Joint Commission?

Comm. Burack: Not our program but we're concerned about their programs.

Rep. L. Ober: If deferring isn't an option what would you suggest?

Comm. Burack: I don't know.

Rep. Benn: Can you comment on Connecticut River Joint Commission?

Comm. Burack: We have regular contact with them. They do an outstanding job and have a vital role.

Rep. Kurk: Can you share reports that you relied on regarding termination payments?

Comm. Burack: I will give you a general overview.

Rep. Kurk: Can you give a list of the programs that make up the 8% calculation?

Comm. Burack: Can't share publically the list because of morale.

Chairman Smith: Let me ask it a different way. During this process have you identified anything you might do differently so that you could eliminate programs?

Comm. Burack: We're attempting to introduce continuous improvement efforts. This will allow us to avoid bringing new staff on board. We should also look at OIT relationship. If we reabsorbed OIT we'd save 12% overhead. We've not identified any programs.

Rep. Foster: This doesn't identify specifics?

Comm. Burack: We want to identify small cuts. We've saved cuts for our lapse.

Rep. L. Ober: We don't want lapse cuts. I'd like to see Commissioner's list.

Comm. Burack: We'd be happy to help the Committee.

**Rep. D. Scamman:** Can we have performance data on case loads? We need to cut staff.

**Comm. Burack:** We're committed to making cuts. Gathering data on permitting programs is difficult. Our permitting programs are general fund programs.

**Chairman Smith:** Can you give us any other documents:

**Rep. Dokmo:** Are these general fund positions?

**Comm. Burack:** Yes.

**Rep. Foster:** Have you cut or transferred positions?

**Comm. Burack:** Transferred.

**Rep. L. Ober:** Can you identify benefit costs?

**Comm. Burack:** Yes.

**Rep. Kurk:** Do you recover costs from fees?

**Comm. Burack:** Not all, we will get number to you.

**Rep. Benn:** Have you increased fees for maps?

**Comm. Burack:** We don't know what we've done. Have to check.

**Chairman Smith:** We'll deal with section 55.

\* **Mr. Pattison, LBA,** described Detail Change Sheet.

**Comm. Wrenn, Department of Corrections (DOC):** The cuts we are proposing are a result of hard work to avoid layoffs. He described cut details. Prescription drugs involve use of generic and pain management. Reduced number of women in Strafford:

135 in Goffstown  
28 in Strafford  
45 at Shea Farm

Current census included spike in Goffstown.

**Rep. Emerton:** How did you increase capacity?

**Comm. Wrenn:** Facility changes.

**Rep. Eaton:** Can you use old Cheshire County Jail?

**Comm. Wrenn:** No.

Rep. L. Ober: What would it take to support nonviolent offenders without housing?

Comm. Wrenn: We're looking at it through SB500, electronic monitoring, case management.

Rep. Kurk: Is reduction you are taking now going to reduce savings from SB 500?

Comm. Wrenn: Yes.

Rep. Kurk: Have you looked at Sununu Center?

Comm. Wrenn: Yes, we've looked at it.

Chairman Smith: YDC was recently upgraded. Would that facility meet your needs?

Comm. Wrenn: Worth exploring.

Rep. Benn: How did you calculate Strafford savings?

Comm. Wrenn explained. Utilities result from laundry savings. Inmate pay cuts with restructuring of pay system.

Rep. Kurk: Inmates paid \$1.50 - \$3.00 per day?

Comm. Wrenn: Yes. Current expenses reduced from policy change; other minor changes.

Rep. Foster: Are we deferring important maintenance?

Mr. Robert Mullen, Director, Division of Administration, DOC, described projects.

Chairman Smith: We appreciate your work.

Rep. Wendelboe: Did some one buy VISIO flat screen?

Mr. Mullen: Probably inmate funds.

Rep. Belvin: Is Berlin a least cost facility?

Comm. Wrenn: Inmates are housed by classification not cost.

Rep. Belvin: Are you ever overcrowded in one and under in another?

Comm. Wrenn: We are always overcrowded.

Rep. Bergin: Have drugs been abused?

Comm. Wrenn: HMN has helped manage our drug program.

Rep. Emerton: Do we receive Medicaid funds for prisoners?

Comm. Wrenn: No. Health and Human Services does give us Medicaid when prisoner is hospitalized.

Rep. Benn: Have you accomplished any medical paroles?

Comm. Wrenn: Some.

3:00

Chairman Smith: Section 35, Judicial Branch \$4,000 unedited version will be helpful.

Chief Justice John Broderick, NH Supreme Court: Turn over to Ms. Dale Trombley, Fiscal Manager, Administrative Office of the Courts. (Justices Lynn and King were also present.)

Ms. Trombley: \$4 million cut very difficult: \$1,200,000 savings in judicial vacancies; \$200,000 senior active; \$400,000 jury fees postpone essential jury trials; \$12,000 security savings because of cuts in judicial vacancies; \$1,520,000 previously authorized capital funds.

Chairman Smith: Commend judicial employees.

Rep. Bergin: How will you determine who goes first?

Chief Justice Broderick: 490 jury trials, we'd start with criminal.

Rep. Weyler: Doesn't drop in hours effect support staff?

Chief Justice Broderick: 65%-74% utilization with their cuts.

Rep. Kurk: If we found \$1,000,000 could you hold trials?

Justice Lynn: We could hold a substantial number (75%) but if we lose senior actives.

Rep. Kurk: If you determined through efficiencies that you could affect \$2,000,000 of layoffs?

Chief Broderick: Yes, but I don't think it's possible.

Rep. L. Ober: Have you included benefits in salary lines?

Ms. Trombley: Correct. We have a \$750,000 shortfall in benefits.

Rep. L. Ober: Can we have a list of employees?

Chairman Smith: HHS had to solve other shortages. Are you saying you have shortages now and that you're using judges' savings benefits to save benefit overages?

Chief Justice Broderick: I don't know what Governor will do regarding vacancies.

Rep. Wendelboe: Can state partner with counties on video arraignments?

Ms. Trombley: Transportation savings goes to counties. There may be some savings.

Rep. Wendelboe: Courts open one day per week but staffed full time. Can technology help reduce costs?

Chief Justice Broderick: If we had electronic capability we could save some money.

Rep. Bergin: Trying to understand impact of loss of judges.

Chief Justice Broderick: In Superior Court we should have 25; 22 are authorized. We currently have 19. Percentage of loss is 25%.

Rep. Bergin: Probate judges?

Justice King: One vacancy, 6 on staff.

Rep. Bergin: District?

Ms. Trombley: District 22.3 recommended; 23.6 authorized; 19 actual. Budget shortfall due to use of standard rates but now we budget actual medical rates.

Rep. Dokmo: Governor suggested reductions in periodicals.

Chief Justice Broderick: We have only public law library in New Hampshire. We use book line for some big cuts but if we could have avoided salary cuts with book cuts we would have don't it.

Justice Lynn: We've cut costs as much as possible.

Ms. Trombley: Our Librarian does a good job. We buy fewer books but they're more expensive.

Rep. D. Scamman: Four district court justices closed can we save with video?

Chief Justice Broderick: We should move in that direction.

Rep. D. Scamman: Are we doing what we need to do?

Chief Justice Broderick: No. If Justice Kelly loses per diem he will be at 68% of capacity.

Rep. Wendelboe: I couldn't have done my job without support of court when I represented someone as a non-lawyer.

Chief Justice Broderick: American Bar Association (ABA) won't accredit with out books in a library.

Rep. Baroody: Doesn't a judge bring in enough money to pay for the position?

Chief Justice Broderick: It doesn't. Process of judging takes time.

Rep. Foster: Constituent calls asking about firms that are paid. Can we get a report on usage?

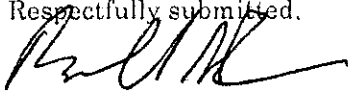
Ms. Trombley: Court collects fees that go to other budgets.

Chief Justice Broderick: We've tried to increase fees.

Chairman Smith: Thank you.

(The Committee will meet again for a work session on SB 450 on Thursday, April 22 at 1:00.)

Respectfully submitted,



Rep. Nancy Foose,  
Clerk

Motions:        OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:            (Please attach record of roll call vote.)

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HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

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**DATE:** 4/20/10

**LOB ROOM:** 210-211

**Time Work Session Called to Order:** 10:05

**Time Adjourned:**

(please circle if present)

**Committee Members:** Reps. M. Smith, Nordgren, Foster, Eaton, Baroccy, Benn, Leishman, DeJoie, Bucco, Poose, Mitchell, Keans, Casey, Harris, Kurk, D. Scamman, E. Anderson, Emerton, Redecchia, Wendelboe, L. Obex, Dokmo, Bergin, Belvin and R. Elliott. Weyer

**Bill Sponsors:** Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

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Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

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Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)



HMS

Toumpas

(A)

Opening Statement ~~to be posted on web site~~

Presentation ~~to be posted on web site~~

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Slide 4

Slide 5

Slide 6

Tommy - More cuts in 2011 than needed due  
to uncertainty

Slide 7

Slide 8

Kirk - contract elimination. Admin and/or  
program reductions

Tommy - Both \$3 mil in admin \$2. mil in prog

Seaman - would you feel comfortable putting

Seaman positions in change column

Tommy - We'll look at it we're reviewing  
all positions

Slide 9

Tommy - want to begin w/public health

Aber - cuts impacts poorest people  
what in these cuts

Montero - cuts are for positions, programs  
AIDS services org only

Foster status of HIV med. waiver?

Down - repealed in HB 2

Slides 10 - 12 Medicoid

Smith - lowers rates in

Down - yes and further rate reductions  
now proposed

Hospital visit limits changed from 12  
to 5+

Reduce interim rates to meet cost  
settlement

Kirk: What impact will reductions have on  
rates

Down - can't confirm cost shifting but  
other orgs are reviewing

Harris - childrens hosp. rate reductions?

Down - child. hosp. has been notified initial  
discussions have been ok

Uendleron Reimb. Rate to DMH.

Down - 50% - 60% because we make other  
payments

Smith - lead point funds for staff instead of  
remediation

Frye - would allow <sup>the</sup> 10pt row

Smith - does this mean less for remediation

Frye - yes would pay for one position to  
do inspections - currently a vacant position  
work load has increased spring - summer  
will spike and we need ~~the~~ the inspector  
(environmentalist)

Scamrow How many inspectors now

Foye we had 2 we lost 1 case  
load has doubled

Ober case load doubled after we passed law

Foye Yes

Kirk on slide 11

do explain cost settlement payments  
Down - we'd delay paying until FY 12  
to create pending payments

Kirk - how does this compare w/earlier

Down - we checked out with ARRA  
its ok

Young - Next 5 slides

13-14 require ~~legislator~~ <sup>legislative</sup> action

~~Smith~~ <sup>Smith</sup> Jones - Altern. to Nursing Eligibility under  
Medicaid - Was our

Jones - we had not restructured changes  
we need to come into compliance

Smith - does this mean we can care

for people who want home care  
by putting them in a more expensive  
environment

Jones - No. it forces recipient to spend  
down

Smith - did house HHS committee refuse  
to do this.

Jones this was originally a small amendment  
House determined that it was unrelated to  
original stuck for house budgetary reasons.  
The done of CMS direction.

Out of compliance since 2002

Tomp

Kirk Is nursing home rate reduction  
budget neutrality

Rollins - Yes

Kirk Explosive rate reduction nursing facilities

Rollins - Admits an additional 1%

Kirk - You won't transfer to other lines

Rollins - Yes

Kirk - Major admit issues been followed up

Rollins - Yes

Kirk \$14 mil for home care we're  
spending \$12 mil

Rollins - we're trying to reduce

Wendleboe - Please review MQUIP language  
and federal rules

Rollins ~~Yes~~ we will we need to come back  
to you

Smith When

Rollins Next week

Wendleboe - I designed MQUIP it was intended  
to be supplemental <sup>OK</sup>

Tomp. slide 15

Wendleboe Pg 3 Rate Reduction for home  
health This did not impact what went  
before fiscal. Rate increases will be lowered

Rollins -

McCash - 2010 changes will be maintained  
Wendleboe - 2011?

McCash - will not pay inflation and  
may reduce rate in 2011

Wardlaw - will we violate court order

McCash - Don't believe so

Toup

Stat 15

Section 8

Smith this differs from House

Nordgren

describe Philbrick program

Rollins - Philbrick included Tobury School in 1991

~~1991~~ Over years capacity increased and  
older students moved in to NH hospital

Age not definitive

children & Adolescent population has decreased  
and adults have been introduced into

housing

As we have tried to be responsive to  
societies by closing Philbrick and putting  
children on F wing

Children will be housed by age and development  
appropriateness

Estou - current population of Philbrick and  
staffing levels

Rollins we'll get to go

Emerton will staff be laid off

Rollins some of both

we notified people affected last week

Nordgren - status on F wing

Kirk - do you staff off capacity on

Actual

Rollins - we incur staff based on daily ~~and~~ census

Slide 16

Wardlaw discusses gov. re-commission on A.O.D.  
Rollins - Joe <sup>Harding</sup> ~~Parsons~~ will discuss we are changing role not elimination

Harding - described history of program Alcohol Commission both good & bad.

Commission doesn't coordinate as well as it should

Commission doesn't always use funding effectively

Foster - can't understand what will change

Harding - Run into issues where we can't implement best practices

Foster - is this significant

Rollins - we don't have to go to anywhere Commission for approval

Smith - how does this save money

Harding - Allows for efficiency

Trump - Gov. asked that we take \$326,000 just before fiscal through governor's executive order

Smith - do changes depend on gov. action isn't this a policy issue

Emertow - question on multiple offenders

Keishman - Comish looks troubled

How do we handle reductions

Toump. - We need to change how we do business. These actions make system even more fragile. There are program implications. We are taking opportunity to re-direct it. We have a big hole in 2011.

Kirk - Rily Reagan study showed alcohol treatment insufficient. Do you have data

Harding - we have data available but incomplete

Kirk - can I have information

Casuy - Are we approaching a breaking point by further reductions

Toump. - Yes as programs currently constructed budget cuts have impact but if we change business model we can be more efficient but we can't make up a \$200 mil shortfall

Smith I don't want your job

Toump - I'm honored to work with you

Slide 17

Slide 18

Smith How many at YDC

Toump 60 vs Capacity 144

Smith - Why is # so low

Do you think incentive funds - programs based in communities help keep YDC population low

Ferriman - Declining census - ?

Incentive funds are prevention funds



Smith - don't reduce incentive funds

Emerton did we sell two house

Edon - why eliminate domestic violence

Cooney - other funds available this  
cut doesn't impact federal.

Kirk - is some incentive funding used  
for other purposes

Cooney - not totally

Kirk - what is ~~summed~~ ~~staffed~~ for  
Finerman - staffed for 106 but we've laid off  
35 - We could reduce an additional  
\$ 30

Slide 19

Kirk - How do you save \$4 mil for multi-service

Finerman - explained calculation

Kirk - can you keep \$ federal \$

Smith - Do I understand you're putting  
transition kids in a secure facility

~~Finerman - program draws~~

Leishman - transition ~~kids~~ children are  
visitors -

Finerman - we can do as good a job  
as shelters This cost will be \$11/day

Kirk - Doesn't this include extra 35  
people who are unnecessary.

Finerman - Yes

Wordgan - How would you serve group

Finerman - architectural changes

Sgambati - What costs are considered as

fixed. How do you account for loss  
of Federal Funds.

Smith - Please follow up with RA name  
Slide 20

Smith - Tell me about sec 79, Don't you  
take action before final determination

Jones explained. If someone denied  
eligibility under SSI cash payments  
would end.

Smith - do you help with SSI application

Jones - yes

Sgambati - Is savings net or is  
it a cash payment

Jones - Cash payment

Sgambati - concern about eligibility process

Scamman - appreciate comments regarding  
opportunity

pg 24 - do we only reducing  
by \$13 mil

Moshes - Refer to pg 6 - explained calculations  
SB 450 doesn't help us fund ~~need~~ our  
needs

Wendelboe

I have an amendment

Smith

Please present

Smith Thanks commissioners

Wendelboe - Proposes settlement with JVA

for \$25 mil This is a voluntary offer

by the doctors could generate up to  
\$60 mil with FRAP matches.

Smith - You've had discussions with JUA  
thru the governor's office or the  
insurance department

Wendelboe - No, I'm trying to be  
a catalyst

Kirk - Is this enabling? Would this  
facilitate? This doesn't insure  
that it would happen!

Wendelboe - The directors action

Kirk - I'm concerned that we can compel

Benn - How did distribution get determined

Searrow - Do you have an idea of insurance  
premium tax that is due

Wendelboe - Approximately \$6 mil

Casey - What will take rate be

Wendelboe - Don't know lots of questions

Smith - Thank you for your initiative

Smith Back at 1

start 1:10

Burak:

Smith: We need specifics  
Takes \$1.8 ~~7~~ mil

Carlson, Stewart

Burak - Read statement

passed out components

ENV. Svcs

Admin & Support - reduce but not eliminate  
state Aid Grants, Public Water System, Solid Waste  
- defer payments

Kirk - These proposals shift \$ from one period to the next

Burak - Yes A qualified yes

Described colored bar chart

We may not have ~~proj~~ as many project in future

Kirk: if we paid deferred payments on time we would deepen the 2011-12 brownie.  
How many positions will be terminated

Burak 1 + some retirements

Proposal will not require layoffs

takes - Rivers Management will defer  
instream flow study

CERCLA will reduce contaminated site  
monitoring

We'd have to terminate 75% of our general fund program

We'd have to cut payments to communities  
(see statement)

Harris: Is any of your money related  
to Connecticut River Valley Joint.

Burack - Not our program but we're concerned  
about their programs

Ober - If deferring isn't an option what  
would you suggest

Burack - Don't know

Bear - Can you comment on Connecticut Joint  
Commission

Burack - We have regular contact with them  
They do an outstanding job and have  
a vital role

Kurb - Can you share reports that you  
relied on regarding termination payments

Burack - We will give you <sup>a</sup> general overview

Kurb - Can you give a list of the programs  
that make up the 8% calculation

Burack - Can't share publically the list because  
of morale

Smith - Let me ask it a different way During  
this process have you identified anything  
you might do differently so that you  
could eliminate programs.

Burack - We're attempting to introduce continuous  
improvement efforts This will allow us  
to avoid bringing new staff on board.  
We should also look at OIT relationship

If we reabsorbed OIT we'd save  
12% O.H.

We've not identified any programs  
Foster - This doesn't identify specifics  
Burack - We want to identify small cuts

~~was~~ We've saved cuts for our lapse  
Ober - We don't want - lapse cuts I'd like  
to see commissioner's list

Burack - We'd be happy to help the Committee

Seaman - How we have performance data  
on case loads we need to cut staff

Burack - We're committed to making cuts  
Gathering data on permitting programs is  
difficult. Our permitting programs are general  
fund programs

Smith - can you give us any other documents  
~~from~~ Dokman - Are these general fund positions

Burack - Yes

Foster - Have you cut or transferred positions

Burack - Transferred

Ober - Can you identify benefit costs

Burack - Yes

Kurk - Do you recover costs from fees

Burack - Not all we'll get number to you

Beur - Have you increased fees for maps

Burack - We don't know what we've done

2:00

Commissioner Wren:

Smith we'll deal with section 35

Pattison - described Detail Change Sheet

Wren - The cuts we are proposing are result of hard work to avoid layoffs

Described cut details

prescription drugs in volume use of generic and ~~the~~ pain management reduced # of women in strafford

135 Cobbs town

28 Strafford

45 Shear Farm

} current census includes spike in Groffstown

Emerton - how did you increase capacity

Wren - facility changes

Eaton - Can you use old Cheshire County Jail

Wren - No

Ober - What would it take to support non violent offenders with out housing

Wren - We're looking at it through SB 500, electronic monitoring, case management

Kirk - Is reduction you are taking now going to reduce savings from SB 500

Wren - Yes

Kirk - Have you looked at Sunnyside Center

Wren - Yes we've looked at it

Smith - YOC was recently upgraded would

that facility meet your needs

Wren - Worth exploring

Benn - how did you calculate staffed saving

Wren - explained

Wren - Utilities result from laundry savings

Inmate pay cuts w/ restructuring of  
pay system

Kirk - inmates paid \$2.50 - 3.00 day

Wren - Yes

current expenses reduced by 9%

inmate travel results from policy change  
other minor changes

Foster - are we deferring important mtg

~~with~~ Mullins - described projects

Smith - We appreciate your work

Wendelboe - Did someone buy V1510 Flat screen

Mullins - Probably inmate funds

Belvin - is Berlin a least cost facility

Wren - inmates are housed by classification  
not cost

Belvin - Are you ever overcrowded in one and

Wren - We always overcrowded <sup>under in</sup> another

Bergin - Have drugs been abused

Wren - HMN has helped manage our drug program

Emertow - Do we receive medicaid funds

for prisoners

Wren - No HHS does give us medicaid when  
prisoner is hospitalized

~~Kirk~~ Have you



Benn - Have you accomplished any medical  
protocols

Wren - Some

3:00

Smith: section 35 Judicial Branch \$4,000

un edited version will be helpful

Broderick - Turn over to Dale Tromblay

Lynn

King

Tromblay - \$4 mil cut very difficult.

\$ 1,200 <sup>thousand</sup> savings in judicial vacancies

200 thousand sr Active

400 thousand jury fees postpone essential

jury trials

12 thousand security savings because of

cuts in judicial vacancies

\$ 1,520 thousand - previously authorized capital funds

Smith - commend judicial employees

Bergin - how will you determine who goes first

Broderick - 490 jury trials we'd start w/criminal

Weyler - doesn't drop in hours effect support staff

Broderick - 65-74% ~~to~~ utilization w/these cuts

Kirk - If we found \$1,000,000 could you hold trials

Lynn - We could hold a substantial # (75%)

but if we lose senior actives

Kirk - If ~~people~~ you determined through efficiencies that you could effect \$2,000,000 of layoffs

Broderick - ~~I don't~~ Yes, but I don't think its possible

Ober - Have you included benefits in salary lines

Trambly - Correct - We have a \$750,000 short fall in benefits

Ober - Can we have a list of employees

Smith - ~~I~~ HHS had to solve other shortages

Are you saying you have shortages now and that you're using a judge savings benefits to save benefit averages

Broderick - I don't know what governor will do re vacancies

Wendelboe - Can state partner w/ counties on video arraignments

Trambly - Transportation savings goes to counties  
There may be some savings

Wendelboe - Courts open one day per week but staffed full time can technology help reduce costs

Broderick - If we had electronic capability we could save some \$

Bergin - Trying to understand impact of loss of judges

Broderick - In Superior Court we should have 25 - 22 are authorized we currently have 19

Loss is 26%

Bergin Probate Judges

King 1 vacancy 6 on staff

Bergin - District

Trombly District 22.3 - 23.6 - 19.  
recommended authorized actual

Trombly: budget shortfalls due to  
use of standard rates but now  
we budget actual medical rates  
Dakmo - Governor suggested reduction  
in periodically.

Broderick - We have only public law library  
in N.H.

We use book line for <sup>some</sup> big cuts but  
if we could have avoided salary cuts  
with book cuts we would have done it

Tyner - We've cut costs as much as possible

Trombly - Our librarian does a good job

We buy fewer books but they're more  
expensive

Scamman - Four district  ~~courts~~ <sup>court justices</sup> closed can  
we save with video

Broderick - We should move in that direction

Scamman - Are we doing what we need to do

Broderick - No, If Kelly logs per diem  
he will be at 68% of capacity

Wendleboe - I couldn't have done my job  
without support of court when I represented  
someone as a non-lawyer

Bridger - ABA won't accord it  
w/o books in a library

Baroody - Doesn't a judge bring  
in enough money to pay for the  
position

Broderick - It doesn't. Process  
of judging takes time.

Foster - Constituent calls asking about  
fees that are paid. Can we ~~getting~~  
get a report on usage.

Trumbly - Court collects fees that go to  
other budgets

Broderick - We've tried to increase fees.

Smith - Thank you

3:52

# FINANCE COMMITTEE

## AGENDA

APRIL 20, 2010

### WORK SESSIONS

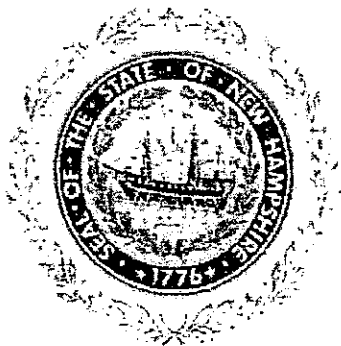
SB 450-FN            Relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax..

10:00                Department of Health and Human Services

1:00                  Department of Environmental Services

2:00                  Department of Corrections

3:00                  Judicial Branch



A

# Department of Health and Human Services

Joint House\_Senate Finance  
Budget Reduction Plan to Address  
SFY 10/SFY11

April 20, 2010

# Opening Remarks

- Global recession and its impact on NH's economy has driven DHHS caseloads to all time highs as of 3/31/10
  - Unduplicated caseload count stands at 149,065
    - 10.9% increase year over year and a 6.2% increase to date SFY 10
  - Medicaid caseload count stands at 118,906
    - 8.1% increase year over year and a 4.5% increase to date SFY 10
- DHHS projects a \$100+ mil GF reduction in biennium to stay within budgeted appropriations
  - This includes mandated reductions in HB 1 and program shortfalls
- Process to arrive at reductions was painful but thoughtful
  - Acknowledge the voices of clients, advocates, stakeholders and providers
  - My management team and the Governor's Office understand the impacts and we would not propose items that we believe put clients at risk
- Several assumptions re ARRA are important
  - Extension of ARRA from January 1, 2011 to June 30, 2011 is NOT FINAL
  - Under ARRA, CMS must certify effective July 1, 2010, the State's enhanced FMAP rate
  - Under the new Patient Protection and Affordable Care Act, eligibility restrictions remain



# Opening Comments

- Many of the actions proposed are within the authority of the Commissioner's Office to enact and require legislative approval for transfers between appropriations
- However, a number of actions do require enabling legislation in order to implement and that is the focus of SB 450
- We will review at a high level the targets we believe we needed to achieve
- We will then review, by DHHS organization, the specific reductions that we have or propose to take---these include both those actions approved on February 5<sup>th</sup>, those approved on April 12<sup>th</sup> and those proposed on April 12 for SFY 11
- Our comments will focus on those items in SB 450 requiring legislative review and action and will address questions on the other proposed actions.
- While our focus today is on actions to address current reality, DHHS is in early planning stages for development of our budget for new biennium, one that assumes no continuation of enhanced FMAP under ARRA

# Initial Cost Reduction Targets

	General Funds (\$000)	
	SFY10	SFY11
<b>Projected Needs</b>		
Governor's \$25 Million Footnote Reduction	\$2,928	\$5,855
DHHS Footnote Obligations	\$7,659	\$12,500
Projected Program Shortfalls	\$35,543	\$38,543
Potential Reductions Toward Statewide Shortfalls		\$60,000
Total Needs	\$46,130	\$116,898
<b>Actions Taken to Date</b>		
Layoffs & Transfers-Step 1-Governor's \$25 Mil	\$2,928	\$5,855
Step 2-Presented 2-5-10	\$27,609	\$41,929
Step 3-TBD by Governor	???	???
Transfer Footnote	\$0	\$0
Actions Taken	\$30,537	\$47,784
<b>Actions Yet To Be Identified</b>		
	\$15,593	\$69,114
<b>Lapse Obligation</b>		
Approved Budget	\$747,085	\$779,456
Lapse Obligation 1.5%	\$11,206	\$11,692
<b>Total Obligations &amp; Lapses</b>		
Total Needs	\$46,130	\$116,898
Lapse Obligation	\$11,206	\$11,692
Total	\$57,336	\$128,590
Percent of Approved Budget	7.7%	16.5%

# *3 Phased Plan*

*Step 1 -DHHS share of the Governor's \$25 mil budget reduction-\$8.7 mil SFY10 & 11*

*Completed in October 2009*

*Step 2 -DHHS development and deployment of cost reductions & new revenue-\$70 mil*

*Presented and approved on February 5, 2010*

*Step 3-Planned Reductions of \$42 mil*

*SFY 10 Executive Order on April 12, 2010*

*SFY 11 Public Hearing on April 15, 2010*

# Reductions Summary

	General Funds (\$000)	
	SFY10	SFY11
<b>Projected Needs</b>		
Governor's \$25 Million Footnote Reduction	\$2,928	\$5,855
DHHS Footnote Obligations	\$7,659	\$12,500
Projected Program Shortfalls	\$35,543	\$38,543
Governor's Requested Reductions		tbd
<b>Total Needs</b>	<b>\$46,130</b>	<b>\$56,898</b>
<b>Actions Taken to Date</b>		
Layoffs & Transfers-Step 1-Governor's \$25 Mil	\$2,928	\$5,855
Step 2-Presented 2-5-10	\$27,609	\$41,929
Step 3-Presented 4-8-10	\$13,784	\$26,686
<b>Actions Taken</b>	<b>\$44,321</b>	<b>\$74,470</b>
<b>Actions Yet To Be Identified</b>	<b>\$1,809</b>	<b>(\$17,572)</b>
<b>Lapse Obligation</b>		
Approved Budget	\$747,085	\$779,456
<b>Lapse Obligation 1.5%</b>	<b>\$11,206</b>	<b>\$11,692</b>
<b>Total Obligations &amp; Lapses</b>		
Total Needs	\$46,130	\$56,898
Lapse Obligation	\$11,206	\$11,692
<b>Total</b>	<b>\$57,336</b>	<b>\$68,590</b>
Percent of Approved Budget	7.7%	8.8%

# Components to Step 3 Plan

- DHHS plan includes ~ 60 specific actions grouped into the following categories
  - Restructuring: changes to program structure
  - Surplus Unobligated balances: use **known** balances to cover shortfalls
  - Contracts elimination, administration: reduce admin costs, facilities scale back, eliminate contracts
  - Rate Reductions:
  - Revenues: Medicare Part D FMAP, fees
  - DHHS personnel: maintain high vacancy level
    - DHHS has over 460 vacancies or 13.8% of workforce as of 3/31/10
    - If enacted will mean ~35 personnel actions (layoffs, demotions, transfers)
- *ARRA limits our ability to change eligibility*

# Reduction Summary

	GF/SFY 10	TF/SFY 10	GF/SFY 11	TF/SFY 11
<b>Restructuring</b>	\$ 348	\$ 498	\$ 8,457	\$ 9,493
<b>Surplus/Unobligated</b>	\$ 2,095	\$ 3,735	\$ 1,964	\$ 1,964
<b>Contract eliminations, Admin</b>	\$ 181	\$ 202	\$ 4,999	\$ 8,671
<b>Rate reductions</b>	\$ 473	\$ 1,035	\$ 6,870	\$ 13,740
<b>FMAP</b>	\$ 10,687	\$ 10,687	\$ 3,709	\$ 3,709
<b>Program reductions</b>	\$ -	\$ -	\$ 2,927	\$ 3,226
<b>Adjust for Step items</b>	\$ -	\$ -	\$ (2,240)	\$ -
<b>Total</b>	\$ 13,784	\$ 16,157	\$ 26,686	\$ 40,803
<b>Lost Federal Funds</b>		\$ 2,373		\$ 14,117

# Public Health Services

Div	Initiative		SB450	SFY10	SFY10	SFY11	SFY11
Name		Step	Sec.	General	Total	General	Total
				(\$000)	(\$000)	(\$000)	(\$000)
DPHS	Fees for the Lead Poisoning Program	n/a	10-11				
DPHS	Various reductions to operating costs	2		\$114	\$118	\$31	\$31
DPHS	Funding for Aids Service Organizations	3				\$400	\$400
DPHS	Reduce Courier Contract Services	3				\$47	\$52
DPHS	Health Promotion and osteoporosis	3		\$24	\$24	\$24	\$24
DPHS	Rural Health Contracts	3		\$70	\$70		
DPHS	Health Workforce (loan repayment)	3		\$35	\$35		

# Medical Services

Div	Initiative		SB450	SFY10	SFY10	SFY11	SFY11
Name		Step	Sec.	General	Total	General	Total
				(\$000)	(\$000)	(\$000)	(\$000)
OMBP	Suspend Indirect Med Educ payment- hospitals	2	75-76	\$219	\$550	\$1,031	\$2,199
OMBP	Suspend Catastrophic Payments To Hospitals	2	77	\$398	\$1,000	\$1,313	\$2,800
OMBP	Medicaid Enhanced Tax-Change Due Date	n/a	16				
OMBP	Reduce limit-hospital outpatient services	3				\$350	\$700
OMBP	Rate Reduction - Children's Hospital Boston	3		\$125	\$250	\$750	\$1,500
OMBP	Rate Reductions from 80% to 70% Medicare	3				\$493	\$985
OMBP	Rate Reductions from 70% to 60% Medicare	3				\$1,469	\$2,937
OMBP	Rates-Update relative weights DRF/Rehabs	2		\$140	\$351	\$658	\$1,403
OMBP	Rate Adjustment: Easter Seals therapies	2		\$9	\$22	\$42	\$89
OMBP	Reduce interim rates for hospital outpatient	2		\$287	\$721	\$1,332	\$2,884
OMBP	Incontinence Supplies competitive procurement	2		\$173	\$425	\$401	\$850



# Medical Services

Div	Initiative		SB450	SFY10	SFY10	SFY11	SFY11
Name		Step	Sec.	General	Total	General	Total
				(\$000)	(\$000)	(\$000)	(\$000)
OMBP	Rev Code 510 Initiative	2		\$109	\$275	\$509	\$1,100
OMBP	Medicare A&B Premium August 2009	2		\$649	\$1,630	\$0	\$0
OMBP	Pay OH Radiology on fee schedule	2		\$659	\$1,655	\$3,104	\$6,618
OMBP	Suspend outlier payments	2		\$296	\$745	\$698	\$1,489
OMBP	Rates-Reimburse lab fees 60% of Medicare	2		\$112	\$281	\$526	\$1,122
OMBP	Reduce Methadone reimbursement rate	2		\$103	\$259	\$486	\$1,037
OMBP	Lower professional rates to 80% of Medicare	2		\$100	\$250	\$400	\$1,000
OMBP	DME Reduce to Cost +10% versus 30%	2		\$15	\$37	\$76	\$162
OMBP	08/09 rate increase Excl dental & physician	2		\$11	\$27	\$26	\$55
OMBP	Delay outpatient cost settlement payments	2		\$398	\$1,000	\$938	\$2,000
OMBP	Limit CPT T1027 Family Training	3				\$400	\$800
OMBP	Limit CPT H1002 Family Training	3				\$255	\$511

# Medical Services

Div	Initiative		SB450	SFY10	SFY10	SFY11	SFY11
Name		Step	Sec.	General	Total	General	Total
				(\$000)	(\$000)	(\$000)	(\$000)
OMBP	Discontinue coverage-CPT A4927 Disp Gloves	3				\$50	\$99
OMBP	Client transp mileage reduction \$.41 to \$.30	3		\$51	\$102	\$306	\$612
OMBP	Revenue: Contractor Reimbursement	2		\$508	\$0	\$981	\$0
OMBP	Revenue: Pfizer settlement	2		\$369	\$0	\$0	\$0
OMBP	Medicaid Administration Contracts	2		\$608	\$1,027	\$1,508	\$2,290
OMBP	Administrative Reductions	2		\$53	\$106	\$57	\$114
OMBP	FMAP for Medicare Part D	3		\$10,687	\$10,687	\$0	\$0
OMBP	Medicare Part D Budget Surplus	3				\$1,800	\$1,800
OMBP	Funding set aside for Accountable Care Org	3		\$740	\$1,480		

# Community Based Care Services Elderly & Adult Services

Div Name	Initiative	Step	SB450 Sec.	SFY10 General (\$000)	SFY10 Total (\$000)	SFY11 General (\$000)	SFY11 Total (\$000)
BEAS	Social Services-Eliminate Catastrophic Illness Program	3	68			\$489	\$489
BEAS	Rate Reduction-HCBC-CFI-Home Support	3	67	\$62	\$160	\$435	\$871
BEAS	Social Services-Volunteer Activity (Sr Companion)	3	69			\$32	\$32
BEAS	Social Services-NH Foster Grandparents	3	69			\$54	\$54
BEAS	Interest Bearing Acct for Civil Monetary Penalties	n/a	13-14				
BEAS	Eligibility for Services Under Medicaid Waiver	n/a	15				
BEAS	Available Funds: Catastrophic Illness Program	2		\$212	\$212		
BEAS	Nursing Home Rate Reduction (approx. 4.8%)	2		\$3,459	\$8,689	\$3,902	\$8,689
BEAS	Rate Reduction-Nursing Facilities	3		\$201	\$523	\$2,057	\$4,114
BEAS	Rate Reduction-HCBC-CFI-Home Health	3		\$24	\$62	\$161	\$322
BEAS	Rate Reduction-HCBC-CFI-Mid-Level Care	3		\$10	\$26	\$71	\$141

# Community Based Care Services Elderly & Adult Services

Div	Initiative	SB450		SFY10	SFY10	SFY11	SFY11
Name		Step	Sec.	General	Total	General	Total
				(\$000)	(\$000)	(\$000)	(\$000)
BEAS	Personal Care State Plan cap on utilization	2		\$14	\$34	\$61	\$135
BEAS	Personal Care HCBC-CFI utilization controls.	2		\$52	\$129	\$231	\$515
BEAS	Social Services Block Grant (SSBG)	3				\$217	\$217
BEAS	Crotched Mtn. 5% Rate Reduction	2		\$31	\$76	\$165	\$368
BEAS	Administration on Aging (AoA)	3				\$85	\$200
BEAS	Social Services-Retired Senior Volunteer Program	3				\$73	\$73
BEAS	ServiceLink	3				\$38	\$38
BEAS	Social Service-Congregate Housing	3				\$15	\$15
BEAS	Alzheimer Disease & Related Disorders	3				\$6	\$6
BEAS	Unobligated funds - Various Programs	2		\$568	\$1,061		

# Community Based Care Services Mental Health Services

Div	Initiative		SB450	SFY10	SFY10	SFY11	SFY11
Name		Step	Sec.	General	Total	General	Total
				(\$000)	(\$000)	(\$000)	(\$000)
BBH	CMHC Administrative Requirements	n/a	8				
BBH	Establish Daily Limit on Functional Support Services for Children & Adolescents	3				\$466	\$1,083
NHH	Reassign Adults on F Unit Wing	3		\$348	\$498	\$1,442	\$2,065
NHH	Restructured Educational Program (Philbrook)	3				\$407	\$593
NHH	Restructure APC program	3				\$93	\$136
NHH	Restructure APC program	3				\$154	\$225
NHH	Dartmouth Contract for NHH, BBH, OMBP & DJJS	3		\$181	\$202	\$190	\$212
NHH	Reorganize specialty services & training	2				\$399	\$583
NHH	Reduce Contracted Maintenance-Floor	2		\$51	\$75	\$51	\$75
NHH	Reform Food Service Purchasing	2		\$3	\$5	\$14	\$20
NHH	Reorganize Physical Therapy	2		\$5	\$8	\$11	\$15
NHH	Reduce Use of Nursing Consultants	2		\$2	\$3	\$4	\$5

# Community Based Care Services

## BDAS & BHHS

Div	Initiative		SB450	SFY10	SFY10	SFY11	SFY11
Name		Step	Sec.	General	Total	General	Total
				(\$000)	(\$000)	(\$000)	(\$000)
BDAS	Governor's Commission on A&OD-Treatment	3	70-72	\$326	\$326	\$53	\$115
BDAS	Governor's Commission on A&OD-Prevention	3	70-72			\$23	\$23
BDAS	Changes to Multiple Offender Program	n/a	17-32				
BHHS	Reduce Contracts for Program Services 2%	2		\$20	\$20	\$80	\$80

# Community Based Care Services

## Developmental Services

Div	Initiative	SB450	SFY10	SFY10	SFY11	SFY11	
Name		Step	Sec.	General	Total	General	Total
				(\$000)	(\$000)	(\$000)	(\$000)
BDS	Community Support- Independent Living	3				\$288	\$577
BDS	DD & ABD Waiver Service Coordination	3				\$286	\$573
BDS	Targeted Case Mgt (Non-Waiver)	3				\$217	\$434
BDS	Reduction of Medicaid Expenses-DDAA	2		\$200	\$400	\$200	\$400
BDS	In Home Support Services Reduction	3		\$50	\$100	\$100	\$200
BDS	SMS Reduction: Specialty Clinics	3				\$99	\$99
BDS	Brain Injury Program	3				\$50	\$50
BDS	SMS: Neuro Motor Clinic Consultants	3				\$41	\$41
BDS	Contract Reduction: Institute on Disability	3				\$30	\$30
BDS	SMS: Family Voices	3				\$15	\$15
BDS	DD Waiver Services reduction	3		\$250	\$500		
BDS	ABD Waiver Services reduction	3		\$600	\$1,200		

# Human Services

## Children, Youth & Families

Div	Initiative		SB450	SFY10	SFY10	SFY11	SFY11
Name		Step	Sec.	General	Total	General	Total
				(\$000)	(\$000)	(\$000)	(\$000)
DCYF	Rate Reduction-C& F Services-without adoption	3	74			\$473	\$947
DCYF	Reduce Incentive Funds from 4.5% to 3.0%	2	73	\$0	\$0	\$800	\$800
DCYF	Incentive Funds-Reduce from 3.0% to -0-	3	73	\$0		\$1,544	\$1,544
DCYF	Child Care-Estimated cost of funding wait list	2		\$2,300	\$2,300	\$3,500	\$3,500
DCYF	Child Care-Title IV-E for working foster parents	2		\$1,000	\$0	\$1,000	\$0
DCYF	Child Care-Supports	2		\$945	\$945	\$359	\$359
DCYF	Child Care-Accreditation and Licensed Plus	2		\$500	\$500	\$1,000	\$1,000
DCYF	Parental Co-Pay	2		\$1,500	\$1,500	\$7,100	\$7,100
DCYF	Discontinue child psychiatry rotations	2		\$3	\$6	\$8	\$16
DCYF	Adoption Incentive funds to pay for child care	2		\$224	\$224	\$224	\$224
DCYF	Eliminate DCYF Drug Testing	2		\$0	\$0	\$200	\$200
DCYF	Eliminate DV Marriage License fee match	3		\$0		\$318	\$318
DCYF	Family Resource Centers	3				\$120	\$120
DCYF	Publication of Rates Exempt from Rulemaking	n/a	1-2				



# Human Services

## Juvenile Justice Services

Div Name	Initiative	Step	SB450	SFY10	SFY10	SFY11	SFY11
			Sec.	General	Total	General	Total
				(\$000)	(\$000)	(\$000)	(\$000)
CYF-DJJ	Children's Services Practice Initiatives	2		\$1,000	\$1,820	\$3,000	\$5,460
DJJS	Field Service Reorganization	2		\$473	\$484	\$1,120	\$1,151
DJJS	Treatment Authority for Program Services	2		\$400	\$728	\$1,200	\$2,184
DJJS	Modify Use of SYSC to Multi-Service Facility	3				\$4,186	\$4,186

# Human Services

## Family Assistance

Div	Initiative		SB450	SFY10	SFY10	SFY11	SFY11
Name		Step	Sec.	General	Total	General	Total
				(\$000)	(\$000)	(\$000)	(\$000)
DFA	Link APTD Eligibility to SSI	3	79			\$1,000	\$1,000
DFA	Move NHEP to District offices	2	3	\$0	\$0	\$838	\$1,133
DFA	Move NHEP Food Stamp to District Offices	2	3	\$0	\$0	\$176	\$176
DFA	Program 2-Parent Families with Dep. Children	n/a	4				
DFA	Eligibility for Medical Assistance-Life Insurance	n/a	5				
DFA	Repeal of HB2-DPHS Home Health Visits	n/a	78				
DFA	Rental Guarantee Program-Available Funds	2		\$0	\$100	\$0	\$100
DFA	Teen Pregnancy Prevention: Available Funds	2		\$0	\$350	\$0	\$350
DFA	Delay Transportation Brokerage	2		\$0	\$200	\$0	\$200
DFA	Food Stamp Bonus	2		\$480	\$0	\$0	\$0
DFA	Available funds related to GED Services	2		\$200	\$450	\$200	\$450
DFA	Available funds Div. Of Adult Learning Contract	2		\$160	\$320	\$0	\$0
DFA	Facilitated SSI Applications for all programs	2		\$0	\$0	\$509	\$509
DFA	JARC Funding (North Country Transportation)	3				\$0	\$24
DFA	Family Intervention Contract	3				\$73	\$627

# Human Services

## Glenclyff & Child Support

Div	Initiative		SB450	SFY10	SFY10	SFY11	SFY11
Name		Step	Sec.	General	Total	General	Total
				(\$000)	(\$000)	(\$000)	(\$000)
GH	Reductions to operating costs	2		\$92	\$92	\$97	\$97
GH	Expense reduction-census 10 beds <budget	2		\$65	\$65	\$84	\$84
GH	Continue to utilize NHH's Dentist	2		\$28	\$28	\$30	\$30
DCSS	Child Support Processing Fee	3				\$286	\$0

# Department-wide Administration

Div	Initiative		SB450	SFY10	SFY10	SFY11	SFY11
Name		Step	Sec.	General	Total	General	Total
				(\$000)	(\$000)	(\$000)	(\$000)
OOS	Claims Against Abandoned Property	n/a	6-7				
OOS	Estate Recovery Unit Source of Funds	2		\$81	\$0	\$81	\$0
OOS	Bill Licensing Boards Fair Share of Cost	2		\$25	\$0	\$102	\$0
OADM	Reduce funding for DHHS Training	2		\$79	\$100	\$79	\$100
OADM	Reduce funding for Current Expense	2		\$6	\$10	\$6	\$10
OCOM	Financial Allocation Reporting System	2		\$63	\$125	\$63	\$125
OCOM	Contract with Northeast Record Retention	2		\$58	\$94	\$0	\$0
OIII	PARIS - VA Match	2		\$35	\$88	\$181	\$386
Rev	ARRA Revenue in Excess of Budget-at Base	2		\$4,123	\$0	(\$2,683)	\$0
Rev	Additional Federal Revenue from Glencliff	2		\$533	\$0	\$533	\$0

# Department-wide Administration

Div Name	Initiative	SB450		SFY10	SFY10	SFY11	SFY11
		Step	Sec.	General (\$000)	Total (\$000)	General (\$000)	Total (\$000)
FIN	Authority to Transfer Class 060 Funds	n/a	8				
FIN	Reduction of Appropriation	2&3	60				
FIN	Reduction-Admin Attached Boards	n/a	62				
OMH	Transfer of Refugee Settlement Program	n/a	12				
OADM	Relocate DCSS from Spring S. to Campus	3				\$50	\$150
OADM	Reduce budget for District Office Leases	2		\$212	\$350	\$182	\$300
OADM	Salem District Office consolidation	3				\$121	\$200
Various	Consolidate Contracts Administrative Savings	3				\$1,500	\$3,000
Various	Consolidate Contracts- Program Services	3				\$1,500	\$1,500
Var	Vacancies as of 12/31/09	2		\$10,028	\$18,358	\$9,945	\$18,259
Var	Positions Unfunded in Budget	2		(\$6,950)	(\$10,949)	(\$7,240)	(\$11,408)
<b>TOTALS</b>				<b>\$41,393</b>	<b>\$55,720</b>	<b>\$67,130</b>	<b>\$108,103</b>

\* Totals do not include Step 1 Personnel Reductions of \$2,928 in SFY 10 and \$5,855 in SFY 11

# Next Steps

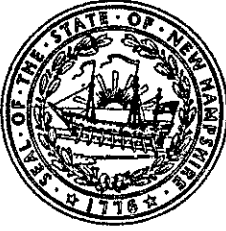
1. SB450 Reduces SFY11 Appropriation \$23 mil  
\$10 mil needed to fund DHHS shortfalls  
Recommend reducing footnote obligation
2. Letter to Governor & Leadership of SFY11  
Actions To Be Implemented Under Current  
Authority. Savings predicated on timely  
implementation
3. Actions to Complete SFY10  
Fiscal will be asked to approve transfers  
Letter to DAS to take footnote reductions

Thank You

Ntoumpas@DHHS.State.NH.US

(O) 603-271-4331

(M) 603-545-4995



## GOVERNOR'S COMMISSION ON ALCOHOL & DRUG ABUSE PREVENTION, INTERVENTION, AND TREATMENT

BUREAU OF DRUG & ALCOHOL SERVICES  
105 Pleasant Street, Concord NH 03301  
603-271-6100 TDD ACCESS: 1-800-735-2964

Governor John H. Lynch

Timothy R. Rourke  
*Chairman*

Joseph P. Harding  
*Executive Director*

Betsy Abrahams

Commissioner John J. Barthelmes

Major General William N. Reddel III

William W. Fenniman, Jr.

Amélie Gooding

Representative Suzanne Harvey

Senator Harold W. Janeway

Honorable Edwin W. Kelly

Chairman Mark Bodi

Representative Ricia McMahon

Timothy Rourke

Stephanie Sevard

Commissioner Nick Toumpas

Kathleen Taylor

Commissioner Virginia Barry

Commissioner William L. Wrenn

The Honorable Marjorie K Smith  
Chair, House Finance Committee  
Room 210/211  
Legislative Office Building  
Concord, NH 03301

Re: Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention, and Treatment Opposition to Sections 70-72 of Amendment 2010-1311h to SB 450 regarding changes to the responsibilities and operations of the Governors Commission on Alcohol and Other Drug Abuse Prevention, Intervention and Treatment

Dear Representative Smith and Honorable Members of the House Finance Committee,

On behalf of the Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention, and Treatment ("Governor's Commission" or "Commission"), I write to convey the Commission's strong opposition to Sections 70-72 of Amendment 2010-1311h of SB 450 and respectfully request these sections be removed from the bill.

The Governor's Commission was created in 2000 (RSA 12-J) to ensure the delivery of effective and coordinated alcohol and drug abuse prevention, intervention, and treatment services throughout the state. Given that substance use disorders impact efforts across state agencies and institutions, the Commission was established with system-wide representation, including Health and Human Services, Department of Corrections, Department of Justice, Department of Safety, Department of Education, National Guard, and the Judicial Branch. Members of the General Court and 6 members of the public also serve on the Commission. The Commission engages in its work through the development and oversight of a statewide strategic plan ("Plan for the State on Alcohol and Other Drugs", 2007), and through disbursement of the Alcohol Abuse Prevention and Treatment Fund ("Alcohol Fund") created by the General Court in 2000 through RSA 176-A:1.

Sections 70-72 of Amendment 2010-1311 to SB 450 would strip the Commission of its oversight of the Alcohol Fund, placing the fund's control under the Department of Health and Human Services. In addition, it reduces the role of the Commission to that of an advisory board and partner to the Department of Health and Human Services.

On Friday, September 16<sup>th</sup> 2010 the Commission voted (with 3 abstentions\* and all others in favor) to voice strong opposition to the Amendment. The General Court has routinely expressed opinions that the Alcohol Fund should remain a fund independent of the Department of Health and Human Services, including a proactive footnote to the Alcohol Fund placed in 2006 that prevents DHHS from use of the fund for means of budget reductions or other such activities not pursuant to the fund intent.

In addition, directing the focus of the Commission's efforts (and the Alcohol Fund) to DHHS compromises the Commission's ability to effectively ensure the critical cross-agency leadership and collaboration required to successfully implement a statewide approach to reducing the harm caused by alcohol and other drug abuse.



The Commission feels that the changes proposed in the Amendment will weaken the Commission's ability to effectively do its work as defined in Chapter 12-J. Adding that there are no budgetary savings related to these proposed changes, the Commission requests that, as part of its deliberations on SB 450, the House Finance Committee remove Sections 70-72 from Amendment 2010-1311h and any subsequent amendments.

Thank you for your consideration of this request. Please do not hesitate to contact me if I can provide further information of be of assistance during your deliberations.

Kind Regards,

*Timothy R. Lourke*  
Timothy R Rourke, Chair *TR*

Governors Commission on Alcohol and Drug Abuse Prevention, Intervention and Treatment

\* *Abstentions: Commissioner Nick Toumpas, Joe Harding, Timothy R Rourke*

CLPPP Fee/Fine increases= \$100k

FRYE

	Current Charge	Proposed Charge	Description of Charges	Estimated # As of 11/2009	Estimated Revenue
<b>ENVIRONMENTAL FEES</b>					
Notification of Work Forms	n/a	\$25	per phase as defined by the EPA	118	\$2,950
Variance Requests	n/a	\$75	per form for processing	60	\$4,500
Extension Requests	n/a	\$50	per form	268	\$13,400
IC Encapsulant Paint Form	n/a	\$30	per form	15	\$450
Owner-Occupied & Vacancy Requests	n/a	\$30	per form for processing	50	\$1,500
Certificate of Compliance Reports	n/a	\$30	for processing	90	\$2,700
<b>TOTAL ENVIRONMENTAL FEES</b>					<b>\$25,500</b>
<b>LICENSING FEES</b>					
<b>Licensing Fees - Yearly</b>					
Risk Assessor	\$200	\$250		14	\$3,500
Lead Inspector	\$75	\$100		2	\$200
Lead Abatement Contractor	\$250	\$300		38	\$11,400
Lead Abatement Supervisor	\$100	\$125		11	\$1,375
Lead Abatement Worker	\$50	\$75		22	\$1,650
Dust Clearance Tech	\$50	\$75		19	\$1,425
Training Provider	n/a	\$300	flat fee (including application processing)	3	\$900
Training Provider	n/a	\$200	per discipline	3	\$600
<b>Exam/Training Fees</b>					
EPA 3rd Party Exam Only	n/a	\$50	registration per exam	20	\$1,000
He-P 1600 Rules Exam Only	n/a	\$25	registration per exam	20	\$500
Provider Course Audits	n/a	\$100	per day per new discipline/new principle trainer OR every 2 years per discipline	20	\$2,000
4 hour CLPPP education training - Required before variance issued	n/a	\$150		60	\$9,000
<b>TOTAL LICENSING FEES</b>					<b>\$33,550</b>
<b>TOTAL ALL FEES</b>					<b>\$59,050</b>
<b>FINES</b>					
Failure to comply with an Order	\$1,000	\$1,000		31	\$31,000
Fining of reporting labs	\$200	\$200	fine for missing fields in records	50	\$10,000
<b>TOTAL ALL FINES</b>					<b>\$41,000</b>
<b>TOTAL REVENUE</b>					<b>\$100,050</b>

66 Primary & 120 Subsidiary Orders issued and 268 Extensions sent out in 2008. 118 Notification of Work; 27 Owner Occupied & 23 Vacancy requests rcvd in 2008

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section  
2 103 to read as 104:

3

4 103 New Hampshire Medical Malpractice Joint Underwriting Association; Resolution of  
5 Matters.

6 I. The general court hereby finds that in light of the New Hampshire supreme court's  
7 determination that the proposed transfer of surplus funds from the New Hampshire Medical  
8 Malpractice Joint Underwriting Association (NHMMJUA) to the general fund pursuant to RSA 144:1  
9 would constitute an unconstitutional impairment of policyholder contract rights, any attempt to  
10 transfer these funds to the general fund without agreement of the policyholders will inevitably result  
11 in further litigation and delay, and that therefore it is in the best interest of the state of New  
12 Hampshire and its citizens to expeditiously resolve matters to allow for an immediate transfer to the  
13 general fund.

14 II. Notwithstanding any other provision of law, the NHMMJUA, by and through its board of  
15 directors, and the insurance commissioner are hereby:

16 (a) Directed to take no action which impairs or could impair the rights of current or  
17 former policyholders of the NHMMJUA with respect to funds held in surplus with respect to the  
18 period from 1986 to 2009, whether such right is established by contract, law, regulation or otherwise.

19 (b) Authorized and directed to negotiate and enter into a settlement with the class of  
20 policyholders of the NHMMJUA with respect to the period from 1986 to 2009:

21 (1) To secure a transfer to the general fund of up to \$25,000,000 on or before July 1,  
22 2010 with one dollar going to the general fund for each \$3 distributed to policyholders of the  
23 NHMMJUA. The amount received by the general fund shall be used for the purpose of supporting  
24 programs that promote access to needed health care for underserved persons;

25 (2) To assist in securing court approval for a class action settlement that may be  
26 necessary or appropriate; and

27 (3) To resolve and release all related issues.

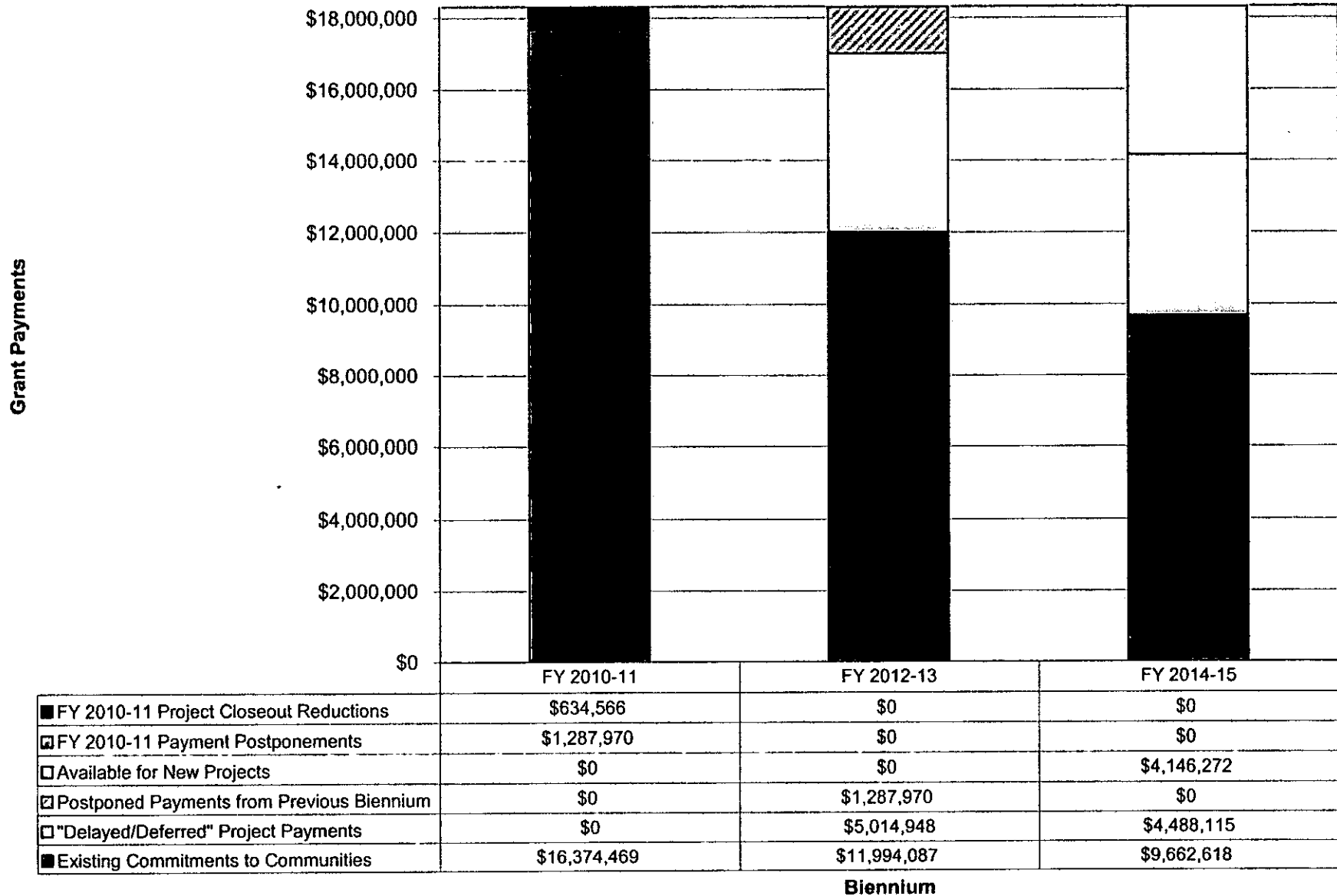
28 (c) Authorized and directed to approve the payment by the NHMMJUA of amounts in  
29 excess of those reasonably necessary as reserves for existing and potential claims with respect to the  
30 period from 1986 to 2009.

2010-1484h

AMENDED ANALYSIS

42. Requires the New Hampshire Medical Malpractice Joint Underwriting Association and the insurance commissioner to settle a lawsuit for up to \$25,000,000.

**Projected State Aid Grant Payments with Proposed FY 2010-11 Reductions  
and Funding for Future Budgets at FY 2010-11 Levels (\$18,297,005)**



C

**DES GENERAL FUND PROGRAMS THAT SUPPORT STAFF:  
DESCRIPTIONS AND NUMBER OF POSITIONS  
(PRESENTED TO HOUSE FINANCE COMMITTEE ON APRIL 20, 2010)**

The Department of Environmental Services currently has 160 general fund positions, of which 131 (82%) are filled and 29 (18%) are vacant. The DES sections where these 160 positions reside and the section functions are provided below:

**CERCLA (Superfund) Maintenance (2 positions):** Provides state capacity to meet the terms of a contract with EPA to fulfill long-term operation and maintenance requirements with State funds at each of the former Superfund sites as mandated by the CERCLA/SARA statutes.

**Coastal Program (2 positions):** Performs coastal zone planning and technical assistance. Both (or One?) positions are used as match for federal Coastal Zone Management grant so this program would be reduced in scope. Impacts state match of a federal grant.

**Dam Bureau (12 positions):** This program is directly involved with dam safety and water resource management across New Hampshire including the regulation of private and municipal dams, the management of state-owned dams and emergency management during flood events. New Hampshire has 3300 regulated dams and operates 273 state-owned dams. Functions also include implementation of mandatory state and, for FERC-regulated dams, federal regulatory programs.

**Geological Survey (7 positions):** State Geologist and staff collect data and perform research on land, mineral and water resources, including flood hazard mitigation, perform the ongoing efforts to complete a digital geologic and water resources map of New Hampshire, and provide education and outreach to New Hampshire's citizens on the state's geology and water resources. Program provides state match for a federal grant.

**Hazardous Waste Management (7 positions):** Program performs inspections, compliance monitoring and enforcement for all hazardous waste generators, including manufacturing facilities, auto service shops, service businesses and institutions. Impacts state match of federal grant.

**Health Risk Assessment Reviews (1 position):** Analyze and interpret the health impacts based on test results of wells, soils, and air at or near contaminated sites for home owners, municipalities and DES.

**Indoor Air Quality Program (1 position):** Provides inspections of buildings for compliance with RSA 10-B and outreach to the public on mold, dust, toxic chemicals and carbon monoxide.

**Laboratory Services (23 positions):** Provides capability to perform analytical tests for homeowners, public water supplies and state agencies for all contaminants in state and federal drinking water laws. Designated state primacy laboratory for water-related emergency response.

**Limnology Program (8 positions):** Provides technical support to New Hampshire's Volunteer River and Lakes Assessment Programs and regulation of pools and spas by registration and inspection. Impacts state match of federal grant.

**OSHA Consultation Unit (5 positions):** Assists private sector employers with workplace safety and health assistance. Staff costs provide state match for Federal grant.

**Planning & Innovation Section (6 positions):** Directs continuous process improvement (Lean) efforts and strategic planning, performs municipal outreach, promotes innovations such as low impact development techniques and unified permitting, as well as integration of land use, transportation, and environmental planning. Enforces Toxics in Packaging Act. Impacts state match of federal grant.

**Public Information and Permitting (5 positions):** Provides response to public file review and public records requests pursuant to RSA 91-A, management of press inquiries, environmental permit coordination for new development projects and coordination of agency emergency preparedness and disaster response.

**Public water supply laboratory certification program (1 position):** Laboratory certification program for private laboratories that analyze samples for public water suppliers and others.

**Radon Program (2 positions):** Provides state capability to conduct annual household radon survey, and provides information to private homeowners on radon test results and mitigation options. Impacts state match of federal grant.

**Senior Management Team (6 positions):** The DES Senior Management Team includes the Commissioner, Assistant Commissioner, three Division Directors and Chief Financial Officer. This team provides agency management, strategic direction and oversight.

**Shellfish Program (1 position):** Program assures that harvested shellfish are safe for consumption by monitoring of bacteria quality, red tide conditions and other assessment efforts. This program also ensures that New Hampshire's shell fish program meets the requirements for approval by the National Shellfish Sanitation Program.

**Site Remediation Program (4 positions):** Provides technical, managerial and administrative oversight of corrective action and remediation programs for hazardous waste site cleanups.

**Solid Waste Management (18 positions):** This program is responsible for the permitting and regulation of solid waste facilities across New Hampshire, including landfills, incinerators, transfer facilities, solid waste processors and auto salvage yards.

**Solid Waste Technical Assistance (2 positions):** Performs outreach and technical assistance to municipalities and businesses regarding solid waste management and recycling.

**Support services (administration and accounting) (36 positions):** Accounting, human resources and other administrative support services for the department.

**Water Well Board Technical Support (1 position):** Technical support to the Water Well Board for the regulation of water well drillers.

**Wetlands Program (10 positions):** Staff review permit applications and regulate activity in wetlands, surface waters, banks, tidal buffer zones, and sand dunes pursuant to RSA 482-A. Impacts state match of federal grant.

**SUMMARY:** DES has 22 programs in which staff members are wholly or partially supported by General Funds. DES also manages 4 additional programs whose grants are financed by General Funds. These include the wastewater, water supply and landfill closure state aid grant programs, and the source water protection program (which currently has no funding). Of these four, only the landfill closure program has staff supported by General Funds whereas staff for the others are supported by federal or other funds.

C

STATE AID GRANT PAYMENTS FOR MAY AND JUNE BY FISCAL YEAR FOR FY 2010 AND FY 2011

WASTEWATER STATE AID GRANT PAYMENTS

S G #	Municipality	Funding Type	FY 2010			FY 2011		
			May 10	Jun 10	Total	May 11	Jun 11	Total
C-700	Concord	SRF		110,982	110,982		110,982	110,982
C-418	Derry	SRF	16,768		16,768	16,767		16,767
C-708	Durham	SRF	70,172		70,172	70,173		70,173
C-665	Exeter	SRF		43,766	43,766		42,730	42,730
C-715	Hampton	SRF		77,599	77,599		75,757	75,757
C-773	Rochester	SRF		7,290	7,290		7,290	7,290
C-619	Swansey	SRF		11,078	11,078		10,780	10,780
C-538	North Conway WP	RD/NHMBB	53,723		53,723	52,353		52,353
C-528	Greenville Est VD	RD	23,765		23,765	23,157		23,157
C-737	Plymouth VW&SD	RD	7,777		7,777	7,777		7,777
C-694	Stratford	RD	3,466		3,466	3,467		3,467
C-370	Canaan	NHMBB		3,936	3,936		3,697	3,697
C-386	Canaan	NHMBB		8,561	8,561		8,025	8,025
C-369	Dover	NHMBB		541,286	541,286		513,282	513,282
C-488	Manchester	NHMBB		45,015	45,015			0
C-359	Walpole	NHMBB		204,013	204,013			0
C-392	Walpole	NHMBB		16,975	16,975			0
C-758	Keene	GOB		16,360	16,360		15,926	15,926
C-415	Nashua	GOB		8,750	8,750		9,185	9,185
C-444	Nashua	GOB		1,466	1,466		1,399	1,399
C-462	Nashua	GOB		5,682	5,682		5,965	5,965
C-753	Concord	BOND		4,494	4,494		4,364	4,364
C-389	Manchester	BOND		30,870	30,870			0
C-424	Nashua	BOND		3,931	3,931		3,693	3,693
C-399	Strafford County	BOND		8,635	8,635		8,189	8,189
C-598	Meredith	Bank Loan		1,427	1,427		1,364	1,364
	<b>Total</b>		<b>175,671</b>	<b>1,152,116</b>	<b>1,327,787</b>	<b>173,694</b>	<b>822,628</b>	<b>996,322</b>

WATER SUPPLY FILTRATION AND INTERCONNECTION STATE AID GRANT PAYMENTS

S G #	Municipality	Funding Type	FY 2010			FY 2011		
			May 10	Jun 10	Total	May 11	Jun 11	Total
08-1031010-01	Atkinson-Hampstead Area WC	SRF			0		7,821	7,821
08-0612020-01	Derry-Maple Hills (Pennichuck)	SRF			0		6,604	6,604
03-0761010	Epping	SRF	8,593		8,593	8,593		8,593
08-1032050-01	Hampstead-Kent Farm	SRF		4,096	4,096		4,096	4,096
08-1973020-01	Raymond-Lemprey River Coop	SRF		4,561	4,561		4,561	4,561
08-2272010-01	Sunapee-Granikden on Sunapee	SRF		4,134	4,134		4,200	4,200
08-0142010-01	Barnstead-Locke Lake(Pennichuck)	SELF			0		2,238	2,238
97-0861010	Freedom Village Precinct	RD	4,621		4,621	4,621		4,621
95-0991010	Greenville	RD	26,685		26,685	26,685		26,685
97-1291010	Lancaster	RD	35,069		35,069	35,069		35,069
95-1521010	Meredith	RD		14,072	14,072		14,072	14,072
97-2561010	Wolfeboro	RD		53,379	53,379		51,983	51,983
06-1471010-01	Bedford-Manchester Water Works	NHMBB		17,633	17,633		17,158	17,158
95-0341010	Campton Village Precinct	NHMBB	13,549		13,549	13,069		13,069
	<b>Total</b>		<b>88,516</b>	<b>97,875</b>	<b>186,391</b>	<b>88,036</b>	<b>112,733</b>	<b>200,769</b>

SOLID WASTE LANDFILL AND INCINERATOR CLOSURE STATE AID GRANT PAYMENTS

S G #	Municipality	Funding Type	FY 2010			FY 2011		
			May 10	Jun 10	Total	May 11	Jun 11	Total
L-097	Goffstown (Municipal LF)	SRF		39,062	39,062		38,168	38,168
L-110	Littleton (Municipal LF)	SRF		24,595	24,595		24,826	24,826
L-136	Nashua (Roussel-Gardner Park LF)	SRF	21,637		21,637	21,219		21,219
L-139	Nashua (Shady Lane LF)	SRF	3,242		3,242	3,178		3,178
L-128	Nottingham (Municipal LF)	SRF		3,557	3,557		3,489	3,489
	<b>Total</b>		<b>24,880</b>	<b>67,214</b>	<b>92,094</b>	<b>24,398</b>	<b>66,482</b>	<b>90,880</b>



**DETAIL CHANGE**  
**SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)**  
**DEPARTMENT OF ENVIRONMENTAL SERVICES**

ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2010	FY 2011	BIENNIAL TOTAL	DESCRIBE CHANGE
<b>03-44</b>		<b>Environmental Services</b>					
<b>03-44-44-4400-1002</b>		<b>Administration and Support</b>					
03-44-44-4400-1002	102	Decrease Contracts for Program Services	G	0	(108,000)	(108,000)	Reduce scope of work for regional environmental planning agreements
<b>03-44-44-4420-1003</b>		<b>State Aid Grants</b>					
03-44-44-4420-1003	073	Decrease State Aid Grants	G	(245,000)	(1,287,351)	(1,532,351)	Slide wastewater State Aid Grant payments from May & June 2010 to July 2010 and from May & June 2011 to July 2011
<b>03-44-44-4420-1426</b>		<b>Public Water Systems</b>					
03-44-44-4420-1426	073	Decrease State Water Filtration Grants	G	(88,614)	(210,649)	(299,263)	Slide Drinking water facility State Aid grant payments from May & June 2010 to July 2010 and from May & June 2011 to July 2011
<b>03-44-44-4420-1518</b>		<b>Lakes - Rivers Management</b>					
03-44-44-4420-1518	102	Decrease Contracts for Program Services	G	(100,000)	(100,000)	(200,000)	Delay start of instream flow study on a third designated river to next biennium
<b>03-44-44-4440-2589</b>		<b>CERCLA Maintenance</b>					
03-44-44-4440-2589	102	Decrease Contracts for Program Services	G	(61,506)	(75,000)	(136,506)	Reduce contaminated site monitoring
<b>03-44-44-4440-5402</b>		<b>Solid Waste: Assist-Prmt-Enfor</b>					
03-44-44-4440-5402	073	Decrease Land Fill Closure Grants	G	(24,880)	(66,000)	(90,880)	Slide landfill closure State Aid Grant payments from May & June 2010 to July 2010 and from May & June 2011 to July 2011
		<b>Total Funds</b>		<b>(520,000)</b>	<b>(1,847,000)</b>	<b>(2,367,000)</b>	
		<b>General Funds</b>		<b>(520,000)</b>	<b>(1,847,000)</b>	<b>(2,367,000)</b>	<b>MUST MATCH PROPOSED REDUCTION AMOUNT</b>
		<b>Federal Funds</b>		<b>0</b>	<b>0</b>	<b>0</b>	
		<b>Highway Funds</b>		<b>0</b>	<b>0</b>	<b>0</b>	
		<b>Fish &amp; Game Funds</b>		<b>0</b>	<b>0</b>	<b>0</b>	
		<b>Other Funds</b>		<b>0</b>	<b>0</b>	<b>0</b>	

**DETAIL CHANGE**  
**SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)**  
**Department of Corrections**

ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
<b>02-46</b>		<b>Department of Corrections</b>			
<b>02-46-46-4650-8236</b>		<b>Pharmacy</b>			
02-46-46-4650-8236	100	Prescription drug expense	G	(750,000)	experienced provider; reduced Rx expense
02-46-46-4650-8236	070	Instate travel	G	(1,601)	reduced travel between facilities
<b>02-46-46-4600-7101</b>		<b>Commissioner's Office</b>			
02-46-46-4600-7101	066	Training	G	(15,000)	reduced/limited staff training; impacts knowledge skills
02-46-46-4600-7101	020	Current Expense	G	(15,000)	reduced consumerable supplies, telephone, postage etc
02-46-46-4600-7101	070	Instate travel	G	(1,722)	reduced travel between DOC facilities, outside meetings etc
<b>02-46-46-4660-7111</b>		<b>NH State Prison for Women</b>			
02-46-46-4660-7111	102	Contracts - Program Services	G	(242,000)	reduces number of female inmates housed in Strafford
02-46-46-4660-7111	020	Current Expense	G	(10,000)	reduced supplies, uniforms, clothing etc
02-46-46-4660-7111	047	Own Forces - Maintenance	G	(2,000)	reduced parts used to maintain facility by DOC staff
02-46-46-4660-7111	048	Contract Maintenance	G	(3,000)	reduced repairs to ductwork
02-46-46-4660-7111	070	Instate travel	G	(3,257)	reduced travel between facility & HQ, outside meetings
02-46-46-4660-7111	068	Remuneration	G	(12,497)	restructured inmate pay system
02-46-46-4660-7111	023	Heat, Electricity & Water	G	(11,493)	utility efficiencies & lower per unit cost
<b>02-46-46-4650-5833</b>		<b>Secured Psych Unit (SPU)</b>			
02-46-46-4650-5833	020	Current Expense	G	(5,000)	reduced consumerable supplies, telephone, postage etc
02-46-46-4650-5833	024	Maintenance, other than bldgs/grounds	G	(1,000)	reduced maintenance/preventive maintenance
02-46-46-4650-5833	047	Own Forces - Maintenance	G	(5,000)	reduced parts used to maintain facility by DOC staff
02-46-46-4650-5833	070	Instate travel	G	(1,831)	reduced travel between facility and HQ
02-46-46-4650-5833	068	Remuneration	G	(4,507)	restructured inmate pay system
<b>02-46-46-4630-7103</b>		<b>NHSP/M - Kitchen</b>			
02-46-46-4630-7103	020	Current Expense	G	(10,000)	reduced kitchen supplies, utensils, paper goods, etc
02-46-46-4630-7103	024	Maintenance, other than bldgs/grounds	G	(2,000)	reduced maintenance/preventive maintenance
<b>02-46-46-4630-7108</b>		<b>NHSP/M - Warehouse</b>			

**DETAIL CHANGE**

**SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)**

**Department of Corrections**

ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
02-46-46-4630-7108	020	Current Expense	G	(40,000)	reduced inmate clothing, CO uniforms, stockroom supplies
02-46-46-4630-7108	070	Instate travel	G	(217)	reduced travel between DOC facilities
<b>02-46-46-4630-7113</b>		<b>NHSP/M - Admin</b>			
02-46-46-4630-7113	020	Current Expense	G	(10,000)	reduced consumerable supplies, telephone, postage etc
02-46-46-4630-7113	024	Maintenance, other than bldgs/grounds	G	(1,000)	reduced maintenance/preventive maintenance
02-46-46-4630-7113	070	Instate travel	G	(25,727)	reduced travel/transport between Concord & Berlin and HQ
<b>02-46-46-4630-7120</b>		<b>NHSP/M - Security</b>			
02-46-46-4630-7120	020	Current Expense	G	(10,000)	reduced consumerable supplies, telephone, postage etc
02-46-46-4630-7120	068	Remuneration	G	(150,173)	restructured inmate pay system
<b>02-46-46-4630-7140</b>		<b>NHSP/M - Maintenance</b>			
02-46-46-4630-7140	020	Current Expense	G	(40,000)	reduced maintenance supplies, plumbing/electrical etc parts
02-46-46-4630-7140	047	Own Forces - Maintenance	G	(10,000)	reduced parts used to maintain all facilities by DOC staff
02-46-46-4630-7140	070	Instate travel	G	(3,257)	reduced travel/repair calls between DOC facilities
02-46-46-4630-7140	023	Heat, Electricity & Water	G	(158,914)	utility efficiencies & lower per unit cost
<b>02-46-46-4600-7170</b>		<b>Parole Board</b>			
02-46-46-4600-7170	020	Current Expense	G	(5,000)	reduced parole board hearing newspaper ads, teleconferencing, supplies, telephone, etc
02-46-46-4600-7170	070	Instate travel	G	(9,874)	reduced travel between facilities
02-46-46-4600-7170	068	Remuneration	G	(200)	reduced witness fees
<b>02-46-46-4650-8231</b>		<b>Mental Health</b>			
02-46-46-4650-8231	020	Current Expense	G	(1,000)	reduced consumerable supplies, telephone, postage etc
02-46-46-4650-8231	070	Instate travel	G	(2,569)	reduced travel between facility and HQ
<b>02-46-46-4650-8235</b>		<b>Residential Treatment Unit (RTU)</b>			
02-46-46-4650-8235	020	Current Expense	G	(5,000)	reduced consumerable supplies, telephone, postage etc

**DETAIL CHANGE**

**SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)**

**Department of Corrections**

ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
02-46-46-4650-8235	070	Instate travel	G	(2,910)	reduced travel between facility and HQ
<b>02-46-46-4610-8300</b>		<b>Financial Services</b>			
02-46-46-4610-8300	020	Current Expense	G	(1,000)	reduced consumerable supplies, telephone, postage etc
02-46-46-4610-8300	070	Instate travel	G	(286)	reduced travel between DOC facilities
<b>02-46-46-4640-8302</b>		<b>Field Services</b>			
02-46-46-4640-8302	020	Current Expense	G	(10,000)	reduced consumerable supplies, telephone, postage etc
02-46-46-4640-8302	047	Own Forces - Maintenance	G	(2,000)	no maintenance performed at Concord District Office
02-46-46-4640-8302	070	Instate travel	G	(90,733)	reduced travel between all District Offices, HQ & outside meetings
02-46-46-4640-8302	023	Heat, Electricity & Water	G	(1,562)	utility efficiencies & lower per unit cost
<b>02-46-46-4600-8360</b>		<b>Training</b>			
02-46-46-4600-8360	020	Current Expense	G	(2,000)	reduced consumerable supplies, telephone, postage etc
02-46-46-4600-8360	070	Instate travel	G	(1,329)	reduced travel & training between DOC facilities & attendance at non-DOC training
<b>02-46-46-4645-7874</b>		<b>Calumet House</b>			
02-46-46-4645-7874	024	Maintenance, other than bldgs/grounds	G	(2,000)	reduced maintenance/preventive maintenance
02-46-46-4645-7874	070	Instate travel	G	(1,086)	reduced travel between facility and HQ
02-46-46-4645-7874	023	Heat, Electricity & Water	G	(2,455)	utility efficiencies & lower per unit cost
<b>02-46-46-4650-8234</b>		<b>Medical - Dental</b>			
02-46-46-4650-8234	024	Maintenance, other than bldgs/grounds	G	(3,000)	reduced maintenance/preventive maintenance
02-46-46-4650-8234	070	Instate travel	G	(11,326)	reduced travel between all DOC facilities
<b>02-46-46-4645-5172</b>		<b>Shea Farm</b>			
02-46-46-4645-5172	048	Contract Maintenance	G	(6,000)	deletes new window replacement
02-46-46-4645-5172	023	Heat, Electricity & Water	G	(2,947)	utility efficiencies & lower per unit cost
<b>02-46-46-4645-7107</b>		<b>North End House</b>			
02-46-46-4645-7107	070	Instate travel	G	(543)	reduced travel between facility and HQ

**DETAIL CHANGE**

**SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)  
Department of Corrections**

ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
02-46-46-4600-8301		Human Resources			
02-46-46-4600-8301	070	Instate travel	G	(615)	reduced travel between all DOC facilities
		<b>Total Funds</b>		<b>(1,711,631)</b>	
		<b>General Funds</b>		<b>(1,711,631)</b>	
		<b>Federal Funds</b>		<b>0</b>	
		<b>Highway Funds</b>		<b>0</b>	
		<b>Fish &amp; Game Funds</b>		<b>0</b>	
		<b>Other Funds</b>		<b>0</b>	

**SFY 2011 Budget Reductions**  
**SB 450 Proposed Amendment**  
**Department of Corrections**

Area of Budget Reductions	Org #	Line #	Org Name	Reduction Amount	Comments
Prescription Drugs	8236	100	Pharmacy	750,000	better Rx management
Strafford County (female housing)	7111	102	NHSP/W	242,000	25 max ave # of inmates
Utilities	var	023	various	177,370	utility efficiencies/reduced prices
Renumeration (inmate pay)	var	068	various	167,377	restructured pay system
Current Expense	var	020	various	164,000	clothing, uniforms, supplies
Instate Travel	var	070	various	158,880	stringent travel policy
Own Forces Maintenance	var	047	various	19,000	lighting upgrades, offices built
Training (all DOC)	7101	066	Comm's Office	15,000	impacts knowledge/skills
Maint, other than bldg/grounds	var	024	various	9,000	preventive R&M
Contract Maintenance	var	048	various	9,000	Shea R&M
<b>Totals</b>				<b>1,711,628</b>	

<b>SFY 2011 Budget Reductions</b> <b>SB 450 Proposed Amendment</b> <b>Detail by Class by Organization</b> <b>Department of Corrections</b>
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<b>This schedule details the budget reductions for cuts which involve more than one organization.</b>
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Org #	Org Name	Reduction Amount
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Utilities - class 023		
5172	Shea Farm	2,947
7111	Women's Prison	11,493
7140	NHSP/M - Maintenance	158,914
7874	Calumet House	2,455
8302	Field Services - Concord DO	1,562
	subtotal	<b>177,370</b>

Renumeration - class 068		
5833	Secured Psych Unit (SPU)	4,507
7111	Women's Prison	12,497
7120	Concord Prison - Security	150,173
7170	Parole Board	200
	subtotal	<b>167,377</b>

Current Expense - class 020		
5833	Secured Psych Unit (SPU)	5,000
7101	Comm Office	15,000
7103	NHSP/M - Kitchen	10,000
7108	NHSP/M - Warehouse	40,000
7111	NHSP/W	10,000
7113	NHSP/M - Admin	10,000
7120	NHSP/M - Security	10,000
7140	NHSP/M - Maintenance	40,000
7170	Parole Board	5,000
8231	Mental Health	1,000
8235	Residential Treatment Unit (RTU)	5,000
8300	Financial Services	1,000
8302	District Offices	10,000
8360	Training	2,000
	subtotal	<b>164,000</b>

<b>SFY 2011 Budget Reductions</b> <b>SB 450 Proposed Amendment</b> <b>Detail by Class by Organization</b> <b>Department of Corrections</b>
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<b>This schedule details the budget reductions for cuts which involve more than one organization.</b>
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Org #	Org Name	Reduction Amount
<b>Instate Travel -class 070</b>		
5833	Secured Psych Unit (SPU)	1,831
7101	Comm Office	1,722
7107	North End House	543
7108	NHSP/M - Warehouse	217
7111	NHSP/W	3,257
7113	NHSP/M - Admin	25,727
7140	NHSP/M - Maintenance	3,257
7170	Parole Board	9,874
7874	Calumet House	1,086
8231	Mental Health	2,569
8234	Medical/Dental	11,326
8235	Residential Treatment Unit (RTU)	2,910
8236	Pharmacy	1,601
8300	Financial Services	286
8301	Human Resources	615
8302	Field Services	90,733
8360	Training	1,329
	subtotal	<b>158,880</b>

<b>Own Forces Maintenance - class 047</b>		
5833	Secured Psych Unit (SPU)	5,000
7111	NHSP/W	2,000
7140	NHSP/M - Maintenance	10,000
8302	Field Services - Concord DO	2,000
	subtotal	<b>19,000</b>

<b>Maint, other than bldg/grounds - class 024</b>		
5833	Secured Psych Unit (SPU)	1,000
7103	NHSP/M - Kitchen	2,000
7113	NHSP/M - Admin	1,000
7874	Calumet House	2,000
8234	Medical/Dental	3,000
	subtotal	<b>9,000</b>

<b>Contract Maintenance - class 048</b>		
5172	Shea Farm	6,000
7111	NHSP/W	3,000
	subtotal	<b>9,000</b>

<b>Total Reductions with multiple org #'s</b>	<b>704,628</b>
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**Operational Impacts of Budget Reductions**  
**SB 450 Proposed Amendment**  
**Department of Corrections**  
**SFY 2011**

Prescription Drugs (8236-100)

SFY 2011 – \$750,000

- Reductions are based upon SFY 2010 year-to-date experience with MHM as our medical/psychiatric provider. Savings projected based upon more efficient Rx management.
- Represents a budget reduction of 23% in SFY 2011

Contracts – Strafford County (7111-102)

SFY 2011 – \$242,000

- Reduces the Strafford County contract for housing of female inmates restricting our ability to alleviate overcrowding spikes at the Goffstown facility
- It is assumed that the Goffstown facility will continue to house approximately 125 – 130 inmates. This will continue to be a space issue
- Represents a budget reduction of 32% in SFY 2011

Utilities (class 023)

SFY 2011 – \$177,370

- Reductions are the result of utility efficiencies and over budgeted appropriation based upon 2008-2009 utility unit prices.
- Reflects more efficient ozone equipment installed in laundries
- Represents a budget reduction of 5% in SFY 2011

Remuneration (inmate pay; class 068)

SFY 2011 – \$167,377

- Reductions estimated based upon recently restructured inmate pay system
- Represents a budget reduction of 20% in SFY 2011

Current Expense (class 020)

SFY 2011 – \$164,000

- Reductions revolve around reduced budgets for inmate clothing, officer uniforms, consumable supplies and maintenance/stockroom supplies
- Represents a budget reduction of 9% in SFY 2011

Instate Travel (class 070)

SFY 2011 – \$158,880

- Reductions are based upon SFY 2010 year-to-date experience resulting from recently enacted stringent instate travel policy and reduced mileage reimbursement rate.
- Represents a budget reduction of 50% in SFY 2011

Own Forces Maintenance (class 047)

SFY 2011 – \$19,000

- Defers maintenance projects at Goffstown Prison (\$2K), Concord Prison (\$10K) and Secured Psychiatric Unit (\$5K)
- Reduces preventive maintenance at Concord Probation/Parole District Office (\$2K)
- Represents a budget reduction of 10% in SFY 2011

Training (all DOC instate; 7101-066)

SFY 2011 – \$15,000

Reduces/limits training for all DOC staff

- Reduces ability to purchase training materials and ability for staff to stay current with state of the art practices
- Impacts knowledge skills and abilities of staff
- Greater reliance on e-learning
- Represents a budget reduction of 60% in SFY 2011

Maint. Other Than Bldg/Grounds (class 024)

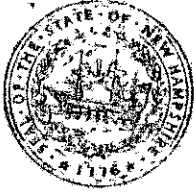
SFY 2011 – \$9,000

- Reduces maintenance of medical/dental, kitchen and maintenance equipment
- Represents a budget reduction of 6% in SFY 2011

Contract Maintenance (class 048)

SFY 2011 – \$9,000

- Reduces maintenance mostly at Shea Farm
- Represents a budget reduction of 4% in SFY 2011



# State of New Hampshire

DEPARTMENT OF HEALTH AND HUMAN SERVICES

129 PLEASANT STREET, CONCORD, NH 03301-3857

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NICHOLAS A. TOUMPAS  
COMMISSIONER

April 23, 2010

The Honorable Marjorie K. Smith  
Chairman  
House Finance Committee  
Legislative Office Building  
Concord, NH 03301

***Re: Follow up to April 20, 2010, Joint House Senate Finance Committee Work Session***

Dear Representative Smith:

This letter is in response to a request by Representative Neal Kurk at the April 20, 2010, Joint House/Senate Work Session on Senate Bill 450.

Specifically, Representative Kurk requested that the Bureau of Drug and Alcohol Services provide information about the total amount of funding currently available for alcohol and drug treatment services and outcome information that demonstrate the effectiveness of these services.

At the Department of Health and Human Services we understand that Alcohol and Other Drug Problems are a contributing or exacerbating factor in many of the health and social issues addressed by the Department, other state agencies and the courts. For instance we know that:

- Substance abuse is an identified factor in approximately 50% of the founded child abuse and neglect cases
- Approximately 50% of individuals with mental health problems have a co-occurring substance abuse disorder
- Approximately 85% of individuals incarcerated at New Hampshire correctional facilities have a substance use disorder (approximately 44% of individuals receiving State supported alcohol and other drug treatment services are involved with the justice system).

Although current data collection and analysis limitations do not allow for hard numbers, we suspect that alcohol abuse by women of child bearing age result in a significant number of Fetal Alcohol Spectrum Disorders that result in an array of developmental disability disorders, as well as childhood mental health and behavioral disorders (women incarcerated and in treatment make up the largest concentrations of this population). Furthermore, we believe that substance abuse disorders are a significant factor in a number of TANF cases and exacerbate the Department's child support collection efforts.

During SFY 2006, the Department of Health and Human Services secured the services of Alan West Ph.D., who conducted follow-up interviews by telephone at six-month, twelve-month or eighteen-month intervals with clients that had received treatment services at State-funded substance abuse treatment programs. The contractor completed 139 six-month follow-ups, 136 twelve-month follow-ups, and 36 eighteen-month follow-ups.

April 23, 2010

The combined results were:

- 100% of clients were engaged in substance abuse/dependence prior to treatment; an average of 80% of former clients reported abstinence in the previous 30 days at follow up.
- At intake, 52% of clients reported that they were either working, were a student or full time homemaker, compared to 72% at follow up.
- Prior to treatment 71% of clients reported an independent living arrangement and at follow-up that number increased to 89%.
- Upon entry into treatment 31% of sampled clients reported an arrest in the prior six months, at follow-up only 6% reported an arrest.
- The numbers of emergency room visits were nearly the same for the sample at intake and follow-up, 25% and 24% respectively.

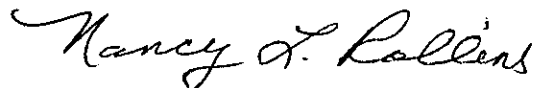
Furthermore, national research indicates that alcohol and other drug treatment is as effective or more effective than treatment of other chronic health conditions (asthma, diabetes, hypertension, etc.).

The National Survey on Drug Use and Health, conducted by the Federal Substance Abuse Mental Health Services Administration (SAMHSA), indicates that there are approximately 100,000 citizens in New Hampshire that meet the criteria for substance abuse, 60,000 of these individuals meet the criteria for substance dependence. The Bureau of Drug and Alcohol Services administers treatment programs with 23 agencies across the State. These agencies collectively manage approximately 6,000 admissions per year (about 10% of the individuals that meet the criteria for dependence). Below you will find a table that provides an overview of total funding for alcohol and other drug treatment services administered by the Department of Health and Human Services during this current fiscal year:

SFY-10 Treatment Contracts			
<i>Federal Block Grant</i>	<i>General Funds</i>	<i>Gov Comm</i>	<i>FY 10</i>
\$4,077,572	\$2,000,000	\$2,642,495	\$8,720,067

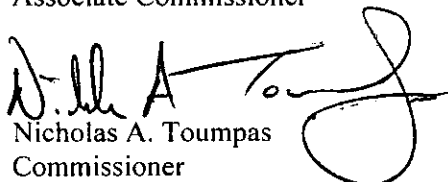
Please let me know if you need additional information or if I can be of further assistance.

Respectfully Submitted,



Nancy L. Rollins  
Associate Commissioner

Approved by:



Nicholas A. Toumpas  
Commissioner

HOUSE COMMITTEE SCHEDULES FOR SB 450-FN

TUESDAY, APRIL 20, 2010

FINANCE (210-211 LOB):

Work Session

10:00 Department of Health and Human Services  
1:00 Department of Environmental Services  
2:00 Department of Corrections  
3:00 Judicial Branch

PUBLIC WORKS AND HIGHWAYS (201 LOB):

Public Hearing on proposed amendment.

1:00 Section 82 – debt restructuring authorization.  
Section 83-85 – Capital budget appropriation for KEEP NH.

WAYS AND MEANS (202 LOB):

Public Hearing on proposed amendment.

10:00 Section 99 – pet shop license fee  
10:30 Section 97 – business tax commission  
1:00 Section 86-87 – tobacco tax  
2:30 Section 88 – dedicated funds

Public Hearing on non-germaine amendment (Rep. Hatch).

11:00 The proposed amendment replaces the electric consumption tax with an electric generation tax. Copies of the proposed amendment are available in the Sergeant-at-Arms office and on-line.

THURSDAY, APRIL 22, 2010

FINANCE (210-211 LOB):

Work session

1:00 Department of Administrative Services  
2:00 Treasurer  
2:30 Department of Resources and Economic Development  
3:00 Office of Energy and Planning  
3:30 Department of Education  
4:00 Office of Information Technology

TUESDAY, APRIL 27

FINANCE (210-211 LOB):

1:00 Full committee work session.

THURSDAY, APRIL 29

FINANCE (210-211 LOB):

1:00 Full committee work session with reports from the committee on Ways and Means and Public Works and Highways.

## **PUBLIC WORKS AND HIGHWAYS**

**APRIL 20, 2010 – 2:00 P.M.**

### **SB 450 AMENDMENT**

**Members Present: Reps. Bouchard, Campbell, Cloutier, Lerandean, Cyr, Brown, Mann, Sprague, Ramsey, Gionet, McConkey, Graham, Bailey and Kolosziej.**

#### **Chancellor McKay**

- **Deferred maintenance list presented.**
- **Answered questions on repair and renovation.**
- **Written testimony included.**
- **Fiscal year 2012.**
- **All items need approval of over \$1,000,000.**
- **2 UNH, 1 KSC and 1 PSC**
- **See attached sheet.**

**Q: Rep. Graham - UNH – this is a wash. It is a long term cost to the State. \$100,000.**

**Q: Capital projects**

- **Could project be ½ way down – would you come back again?**

**A: Yes – Maintenance then goes to capital plan.**

**Treasurer Catherine Provencher – referred to same handout she discussed at last week's joint work session with House Finance Committee.**

- **Three ways to fill a budget hole – increase revenue, decrease spending, or go into debt.**
- **Treasurer Provencher said in response to Rep. Ramsey's that if the legislature doesn't resolve fiscal crisis before recessing in June the credit implications will be difficult. I will be forced to borrow more money to cover expenses whether or not I want to borrow.**

- **Treasurer Provencher said the current fiscal constraints mean as of today that we could only bond out of General Funds a total of \$95 million in the 2011 Capital Budget in addition to the University System's KEEP program.**
- **More specifically she said the credit implication if we don't pass some responsible bonding plan similar to the SB 450 Amendment that the state's credit rating could be downgraded. Added that state is close to General and Highway Fund total bonding limits. Also said short-term interest rates are relatively low as of today.**
- **Treasurer didn't respond to Rep. McConkey's opinion in the form of "would you believe" question that he doesn't believe state should bond operating expenses.**

**Q: Rep. Bailey - If we bond 25 million, what is balance in Budget?**

**A: \$65 million including other cuts to budget.**

**Q: Rep. Sprague - How was sale of highway handled - Auditors questioned.**

**A: Sale did not show as a gain to Turnpike on financial statements - so accounting methods should have been better thought out.**

**Q: Rep. Sprague - did not think it made sense at the time (would you believe?)**

**Rep. Ramsey - Does not think the UNH bonding transaction makes sense and has concerns for the future.**

**Q: Rep. Bailey - Is UNH the only entity that could do this bond?**

**A: There are all kinds of related agencies that could do this.**

**Rep. Bouchard - This concept was brought to the Treasurer, not initiated by her.**


**Rep. Kolodziej - Thinks this is a bad idea and spending should be controlled instead (would you believe).**


**Rep. Bouchard - Thanked Treasurer - no questions.**

**Rep. Bouchard (Continued)**

- **We will have another meeting and take a straw poll. This is not our bill, it is in Finance and we will report the results of our - Straw Poll to Finance.**

**Meet next Tuesday, April 27, 2010 at 10:15 a.m. Adjourned at 3:00 p.m.**

  
John R. Cloutier  
Rep. John R. Cloutier, Clerk

  
Carole M. Brown  
Carole M. Brown, Clerk pro tem





total over 25 m

File

## Illustrative List of USNH "Repair and Renovation" Investments from new Capital Appropriation

**1) UNH Campus Infrastructure:** UNH will spend roughly **\$16.6M** over the next 18-26 months (FY10, 11, and 12) to correct identified deferred maintenance. Based on the 2007 study by Vanderweil Facility Advisors, which identified deferred maintenance needs in campus buildings and infrastructure, UNH has developed a prioritized list of specific projects for funding and execution in FY10, 11, 12 and beyond. This project listing includes an aggregate of \$30.7M in itemized projects. Examples of work to be funded include several sections of steam and hot water line repairs along Main Street and College Road, repaving Stillings Way, Brookway and numerous campus walkways, replacing dysfunctional and outdated HVAC systems in the field house, repair of two foot bridges in the ravine, and replacement fire alarm systems in Kendall and Conant Halls. These and numerous other similar projects reflect the campus commitment to careful allocation of funds toward correction of deferred maintenance items and general stewardship of the campus buildings and infrastructure.

**2) UNH Smith Hall Conversion and Demolition of Wood Frame Structures:** The University is committing an estimated **\$3.0M** to renovate and repurpose Smith Hall, formerly used as student housing, for administrative purposes and renovate other administrative spaces in better suited, permanent buildings. This will allow several student service offices and administrative functions to be relocated from old wood-frame houses along Garrison Avenue so those buildings can be torn down. These houses, which are ill-suited to office functions, all in need of new roofs, complete replacement of electrical wiring and heating systems, new fire alarm systems and total renovation of interior flooring and finishes. Spending scarce dollars repurposing Smith Hall and renovating spaces in other more suitable facilities so these buildings can be demolished is considered a more cost effective way to deal with the deferred maintenance backlog rather than spending money on these old, worn out and poorly functioning structures.

**3) KSC Renovation to Adams Technology Center and Butterfield Hall:** Technology education at Keene State College has been transformed over the past 20 years. Today these programs include majors in Safety and Occupational Health, Architecture and Sustainable Product Design and Innovation. Despite the emphasis on preparing students for sustainable design, manufacturing, construction and industrial safety positions, Adams Technology Center and Butterfield Hall remains essentially as they were originally constructed, lacking proper electrical supply, fire safety, handicapped accessibility, mechanical ventilation and temperature controls. Together the buildings comprise 40,000 square feet and a recent programming study defined a need of 55,000 square feet. The combined renovation and program addition would cost \$10 million. The existing buildings do not meet current building codes and will be updated for code, life safety and accessibility. Energy and sustainable design enhancements will improve the building's thermal envelope by adding insulation to the walls and roof, replacing all windows with state of the art energy efficient windows. In addition, the mechanical system would be replaced by more efficient modern equipment and ventilation and cooling would be provided thereby improving the indoor air quality. Interior lighting quality and energy savings will be improved through electrical system upgrades and lighting replacement. Given the 18 month construction period from June 2010, the estimated cost applicable to the new appropriation is approximately **\$4.8M**.

**4) PSU Renovation to 34 Highland Street:** The building was constructed in 1946, and the plan is to relocate the art galleries, art offices, work space and at least one classroom to this space. The project is presently in the conceptual design phase with Lavallee Brensinger. This will be a total renovation, and include the exterior envelope (foundation walls, brick repairs, roofing, insulation), MEP systems (mechanical, electrical, plumbing systems), life safety (fire alarm, sprinkler system, elevator), and related site work (walkways, parking lots exterior lighting). The level of work will require the project to meet all current codes, including ADA, Life Safety and Energy. The estimated total cost is **\$1.8M**.

Public Works Highway  
4-20-2010 2:00 P.M.

AB 450 - amendment

~~Catherine~~

Chanelle McKay

Deferred maintenance list  
presented

answered questions on repair + renovation  
meter testimony enclosed  
fiscal year 2012

All items need approval of over 1<sup>m</sup>  
2 UNH, 1 KSC, 1 PSC  
see attached sheet

Rep Graham - UNH this is a wash  
is it a long term cost to state  
100,000

9. Capital projects

Could project be 1/2 way done  
would you come back again? yes

maintenence - then goes to

Capital plan

1/8  
Committee  
Member  
Present  
as of 2:15 pm  
(RD, SR)

Treasurer Catherine Provencher  
referred to some handout she  
discussed at last week's joint work  
session with House Finance Committee

(P.2)

Three ways to fill a budget hole - increase revenue, decrease spending, or go into debt.

Treasurer Provencher said in response to Rep. Ramsey's that if the legislature doesn't resolve fiscal crisis before recessing in June the credit implications will be difficult. I will be forced to borrow more money to cover expenses whether or not I want to borrow.

(P. 3)

SB 450 Amendment

4-20-10

Treasurer Provencher said the current fiscal conditions mean as of today that we could only bond out of General Funds a total of \$95 million in the 2011 Capital Budget in addition to the University System KEEP Program.

More specifically he said the credit implications if we don't pass ~~something~~ the same responsible bonding plan similar to the ~~SB~~ SB 450 Amendment that he states credit rating could be downgraded. Added that state is close to ~~reaching~~ General and Highway Fund ~~and~~ Bonding limits. Also said short-term interest rates are relatively low as of today.

Treasurer didn't respond to Rep. McCubey's opinion in the form of "would you believe" ~~that~~ question that he doesn't believe state should bond operating expenses.

(4)

4/20/10

Provencher  
Treasurer answering ans

Bailey ? if we bond 25 mill what is balance in Budget - 65 mill including other cuts to budget.

Sprague  
answering ? how was sale of highway handled - Auditors question  
sale did not show as a gain to Turnpike on financial statements - so accounting methods should have been better thought out.

Sprague - did not think it made sense at the time (would you believe?)

Ramsey - does not think the UNH bonding transaction makes sense + has concerns for the future -

Bailey ? is UNH the only entity that could do this bond? ans - there are all kinds of related agencies that could do this -

Bouchard - This concept was brought to the Treasurer, not initiated by her.

Kolodziec - Thinks this is a bad idea + spending should be controlled instead (would you believe)

Bouchard - Thanked Treasurer, no questions -  
we will have another meeting + take a straw poll.  
This is not our Bill, it is in Finance and we will report the results of our Straw Poll to Finance -  
meet - next Tues. <sup>4/27</sup> at 10:15 - adjourned 3 PM

Carol M. Brown Clerk pro Tem

HOUSE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

SUBCOMMITTEE WORK SESSION ON SB 450

**BILL TITLE:** (New Title) relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** April 20, 2010

**Subcommittee Members:** Reps. PW *Reps. Bouchard, Campbell, Cloutier, Lerondeau, Cyr Brown, Mann, Sprague, Ramsey, Grinet, McConkey, Graham, Bailey, Kolodziej*  
**Comments and Recommendations:**

**Amendments:**

Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:

**Motions:** OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.  
Seconded by Rep.  
Vote:

**Motions:** OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.  
Seconded by Rep.  
Vote:

Respectfully submitted,

Rep.  
Subcommittee Chairman/Clerk

of cash assistance, pursuant to RSA 161:4, IV for the reasons set forth in this paragraph shall not continue to receive such cash assistance benefits during the pendency of such appeal. No person shall be eligible to receive such aid while receiving old age assistance, aid to the needy blind, or aid to families with dependent children.

80 Rooms and Meals Tax; Distribution to Cities and Towns. Notwithstanding any provision of law, for the fiscal year ending June 30, 2011, the state treasurer shall reduce the total revenue distributed to cities and towns authorized by 2009, 143:1 and 2009, 144:8 by the sum of \$6,019,930. The remaining funds shall be distributed to cities and towns pursuant to the formula for determining the amount of revenue returnable to cities and towns under RSA 78-A:26, I and II.

81 Meals and Rooms Tax; Definition of Hotel; Campsites. Amend the introductory paragraph of RSA 78-A:3, III to read as follows:

III. "Hotel" means an establishment which holds itself out to the public by offering sleeping accommodations for rent, whether or not the major portion of its operating receipts is derived from sleeping accommodations. The term includes, but is not limited to, inns, motels, tourist homes and cabins, ski dormitories, ski lodges, lodging homes, rooming houses, furnished room houses, boarding houses, private clubs, hostels, cottages, camps, [~~campsites,~~] chalets, barracks, dormitories, and apartments. The term does not include the following:

(82) Authorization for Debt Restructuring. The state treasurer is hereby authorized to refinance all or a portion of the state's fiscal year 2011 debt service obligations by the issuance at one time or from time to time of up to \$55,000,000 aggregate principal amount of general obligation refunding bonds, which shall mature in such amounts and at such time as the state treasurer, with the approval of the governor and council, shall determine; provided that the final maturity of such bonds shall not be later than June 30, 2021. The issue of such bonds shall be subject to the same requirements and provisions of law as would then be applicable to the issue of the bonds being refunded, except as provided in this section. Such refinancing is intended to result in a general fund reduction of the required debt service for the biennium ending June 30, 2011 of approximately \$40,000,000. The amount of general fund debt service so refinanced shall lapse to the general fund on or before June 30, 2011.

(83) Capital Appropriation Increased; University System of New Hampshire; KEEP NH. Amend the introductory paragraph of 2005, 259:2, I to read as follows:

I. The Knowledge Economy Education Plan (KEEP NH) documents the need for investment in university system of New Hampshire projects primarily to renovate and expand science, engineering and technology facilities. The sum of [~~\$109,500,000~~] **\$134,500,000** is hereby committed and appropriated to the university system of New Hampshire (USNH) for the KEEP NH plan, effective July 1, 2005 but limited to the drawdown of funds as stated in this section. The appropriation is for the following capital projects:

(84) Capital Appropriation; University System of New Hampshire; KEEP NH. Amend 2005, 259:2, II, C and D to read as follows:

C. [~~\$74,500,000~~] **\$99,500,000** through the biennium ending June 30, 2011 (~~[\$35,000,000]~~ **\$60,000,000** in new authorization for the biennium).

D. [~~\$109,500,000~~] **\$134,500,000** through the biennium ending June 30, 2013 (~~\$35,000,000~~ in new authorization for the biennium).

(85) Capital Budget; Bonds Authorized; University System of New Hampshire; KEEP. Amend 2005, 259:8, II to read as follows:

II. To provide funds for the appropriation made in section 2, paragraphs I and II, the state treasurer is hereby authorized to borrow upon the credit of the state not exceeding the sum of [~~\$109,500,000~~] **\$134,500,000** and for said purposes may issue bonds and notes in the name of and on behalf of the state of New Hampshire in accordance with RSA 6-A; provided the cumulative bonds or notes shall not be issued in excess of:

(1) \$4,500,000 through the biennium ending June 30, 2007.

(2) \$39,500,000 through the biennium ending June 30, 2009.

(3) [~~\$74,500,000~~] **\$99,500,000** through the biennium ending June 30, 2011.

(4) [~~\$109,500,000~~] **\$134,500,000** through the biennium ending June 30, 2013.

86 Tobacco Tax. Rate Increased. Amend RSA 78:7 to read as follows:

78:7 Tax Imposed. A tax upon the retail consumer is hereby imposed at the rate of [~~\$1.78~~] **\$1.98** for each package containing 20 cigarettes or at a rate proportional to such rate for packages containing more or less than 20 cigarettes, on all cigarettes sold at retail in this state. The payment of the tax shall be evidenced by affixing stamps to the smallest packages containing the cigarettes in which such products usually are sold at retail. The word "package" as used in this section shall not include

individual cigarettes. No tax is imposed on any transactions, the taxation of which by this state is prohibited by the Constitution of the United States.

87 Applicability; Tobacco Tax. Section 86 of this act shall apply to all persons licensed under RSA 78:2. Such persons shall inventory all taxable tobacco products in their possession and file a report of such inventory with the department of revenue administration on a form prescribed by the commissioner within 20 days after the effective date of this section. The tax rate effective on the effective date of this section shall apply to such inventory and the difference, if any, in the amount paid previously on such inventory and the current effective rate of tax shall be paid with the inventory form. The inventory form shall be treated as a tax return for the purpose of computing penalties under RSA 21-J.

88 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other law to the contrary, for the fiscal year ending June 30, 2010 and with the prior approval of the fiscal committee of the general court, the department of administrative services is authorized to transfer to the general fund up to \$2,000,000 from accounts or funds maintained separately on the books of the state.

89 Operating Budget; Lapse of Appropriation. New Hampshire Retirement System; Retirement Pension Benefit; Health Insurance. Amend 2009, 143:1, 01, 59, 59, 590510, 1052, class 064, footnote F to read as follows:

~~[\*064 F. This appropriation shall not lapse until June 30, 2011]~~

90 Operating Budget. Lapse of Appropriation. Judicial Council; Contracts for Program Services. Amend 2009, 143:1, 02, 07, 070010, 1094, class 102, footnote F to read as follows:

~~[\*102 F. This appropriation shall not lapse until June 30, 2011]~~

91 Department of Treasury. Lapse of Appropriation for Debt Service. Amend 2009, 143:1, 01, 38, 38, 380010, 2076, class 043, footnote F and class 044, footnote F to read as follows:

~~[Class Notes, 043 F. This appropriation shall not lapse until on June 30, 2011.]~~

~~[Class Notes, 044 F. This appropriation shall not lapse until on June 30, 2011.]~~

92 Taxation of Interest and Dividends; Who Taxable. Amend RSA 77:3, I(b) to read as follows:

(b) *Partnerships, limited liability companies, associations, and trusts*, the beneficial interest in which is not represented by transferable shares, whose gross interest and dividend income from all sources exceeds \$2,400 during the taxable year, but not including a qualified investment company as defined in RSA 77-A:1, XXI, or a trust comprising a part of an employee benefit plan, as defined in the Employee Retirement Income Security Act of 1974, section 3.

93 Taxation of Interest and Dividends; What Taxable. RSA 77:4, III is repealed and reenacted to read as follows:

III. Dividends, other than stock dividends paid in new stock of the partnership, limited liability company, association, or trust issuing the same, on shares in partnerships, limited liability companies, associations, or trusts the beneficial interest in which is represented by transferable shares.

94 New Sections; Taxation of Interests and Dividends; Partnerships and Limited Liability Companies. Amend RSA 77 by inserting after section 14 the following new sections:

77:14-a Partnerships and Limited Liability Companies. Partnerships and limited liability companies having a usual place of business in this state, any member of which is an inhabitant thereof, shall be subject to taxes imposed by this chapter. If any of the members of the partnership or limited liability company are not inhabitants of this state only so much of the income thereof as is proportionate to the aggregate interest of the partners or members who are inhabitants of this state in the profits of the partnership or limited liability company shall be taxed.

77:14-b Partners and Members. The tax shall be assessed on such a partnership or limited liability company by the name under which it does business, and the partners or members shall not be taxed with respect to the taxable income derived by them from such a partnership or limited liability company.

77:14-c Members of Partnership or Limited Liability Company Outside the State. An inhabitant of this state who is a member of a partnership or limited liability company having no usual place of business in this state, who receives income from such partnership or limited liability company derived from such a source that it would be taxable if received directly from such source by such partner or member, shall as to such income be subject to the taxes imposed by this chapter.

77:14-d Application of Sections. RSA 77:14-a to 14-d shall apply, so far as apt, to associations and trusts, but not to partnerships, limited liability companies, associations, and trusts the beneficial interest in which is represented by transferable shares.



06-56-56-560010-7550, class line 079 for fiscal year 2011 shall be increased by the corresponding amount.

II. Notwithstanding RSA 198:39, any funds remaining in the education trust fund as of June 30, 2010 shall be transferred to the general fund as undesignated surplus.

102 Application; Appropriations Reductions; All State Agencies. The reductions required by this act shall be in addition to the reductions required by 2009, 143:22, I and 2009, 144:289.

103 Effective Date.

I. Section 5 of this act shall take effect as provided in section 33 of this act.

II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.

III. Sections 75 and 76 shall take effect June 15, 2010.

IV. The remainder of this act shall take effect upon its passage.

AMENDED ANALYSIS

This bill:

1. Exempts certain rates for services, placements, and programs for children and families from RSA 541-A.
2. Clarifies the administration of the New Hampshire employment program.
3. Makes the funded family assistance program (FANF) permissive rather than mandatory.
4. Requires recipients of medical assistance to name the state of New Hampshire as beneficiary of all life insurance policies, except under certain circumstances.
5. Allows the department of health and human services to make a claim for recovery of assistance for a deceased recipient from the division of abandoned property.
6. Authorizes the commissioner of the department of health and human services to transfer funds within and among all PAUs within the department, to address present or projected budget deficits, or to respond to changes in federal laws, regulations, or programs, and as otherwise necessary for the efficient management of the department.
7. Permits funds from the lead paint poisoning prevention fund to be used to support program staff and administrative costs.
8. Transfers powers and duties for the New Hampshire refugee resettlement program from the governor's office to the department of health and human services.
9. Establishes a special account for civil fines collected by the department of health and human services under RSA 151.
10. Clarifies criteria for determining eligibility for services under the Medicaid waiver.
11. Changes the due date for the Medicaid enhancement tax.
12. Renames the "multiple DWI offender intervention detention center program" as the "multiple DWI offender intervention program," and authorizes the commissioner of the department of health and human services to directly operate the program, to approve community-based providers of the program, or to contract with public or private entities to operate the program.
13. Requires the commission to examine driving while impaired education and intervention programs to study penalties for intoxication or under the influence of drugs offenses and submit a report of its findings.
14. Makes further reductions in the operating budget for the legislative, judicial, and executive branches for fiscal years 2010 and 2011.
15. Suspends the home health service rate setting rule for the biennium ending June 30, 2011.
16. Suspends the catastrophic illness program in the department of health and human services for the fiscal year ending June 30, 2011.
17. Suspends the senior volunteer grant program in the department of health and human services for the fiscal year ending June 30, 2011.
18. Authorizes the commissioner of the department of health and human services to disburse funds from the alcohol abuse prevention and treatment fund.
19. Amends the duties of the governor's commission on alcohol and drug abuse prevention, intervention, and treatment and deletes the authority for disbursement of funds from the alcohol abuse prevention and treatment fund.
20. Suspends the requirement for the department of health and human services to distribute incentive funds for juvenile placement programs.
21. Reduces the rate paid to residential providers subject to the rate setting rule of the department of health and human services by 2 percent.
22. Extends the suspension of direct graduate medical education payments to hospitals until July 1, 2011.

23. Suspends the provision of indirect graduate medical education payments to hospitals through June 30, 2011.
24. Suspends catastrophic aid payments to hospitals effective April 1, 2010 through June 30, 2011.
25. Amends the state operating budget by deleting expenditures in fiscal years 2010 and 2011 for the home visiting program.
26. Conditions eligibility for cash assistance and medical assistance benefits on the recipient filing an application for any federal cash assistance benefits for which the individual may be entitled.
27. Reduces rooms and meals tax revenue distributions to towns and cities an additional \$6,019,930.
28. Removes the application of the rooms and meals tax to campsites.
29. Authorizes the state treasurer to refinance certain debt service obligations.
30. Increases the bonded appropriation for the university system of New Hampshire KEEP NH program by \$25,000,000 for the biennium ending June 30, 2011.
31. Increases the tobacco tax rate by \$.20 for each package containing 20 cigarettes.
32. Authorizes the department of administrative services to transfer \$2,000,000 from certain dedicated funds or accounts maintained separately on the books of the state.
33. Requires the lapse of certain retirement pension benefit-health insurance funds.
34. Requires the lapse of certain judicial council funds for contracts for program services.
35. Requires the lapse of certain appropriations to the state treasurer for debt service.
36. Makes distributions from limited liability companies, partnerships, and associations subject to the interest and dividends tax only if they have transferable shares.
37. Establishes a commission to study business taxes and safe harbor deductions for the reasonable compensation deduction under the business profits tax.
38. Reduces the state's contribution for benefits under the New Hampshire retirement system for fiscal year 2011.
39. Increases the license fees for selling animals and birds.
40. Requires the lottery commission to submit a report to the governor and the legislature on the feasibility of offering online fantasy sports games.
41. Transfers certain appropriations relating to adequate education grants.

HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** April 22, 2010

**LOB ROOM:** 210-211                      Time Work Session Called to Order: 1:10

Time Adjourned: 4:45

(please circle if present)

**Committee Members:** Reps. M. Smith, Nordgren, Foster, Eaton, Barood, Benn, Leishman, DeJoie, Buce, Foos, Mitchell, Keane, Casey, Harris, Kurk, D. Scamman, E. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokma, Bergin, Belvin and C. Elliott

**Bill Sponsors:** Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

Department of Administrative Services

\* **Comm. Linda Hodgdon:** \$136,500 from court requires legislation. Presented a broad array of cuts. Summarized administrative effort. Stopped purchases as of May 01. Ready to discuss retirement health savings.

- Higher savings from change in plan.
- Fewer retirees.

**Ms. Monica Ciolfi, Risk Manager:** Drug plan savings effective 7/01/10. Drug program connects pharmacist with physician (peer to peer).

**Comm. Hodgdon:** Worksheet describing efforts to manage lapses.

**Rep. D. Scamman:** Will there be retiree savings in other funds?

**Comm. Hodgdon:** All retiree expense in administrative services.

**Rep. D. Scamman:** Can we have a list of all vacant positions across government?

**Rep. L. Ober:** Can we share presentation with other commissioners?

**Rep. Bergin:** 3000 under 65, 7000 65+.

Ms. Ciolfi: We don't push Medicare Advantage.

Rep. Belvin: Does detail support \$136,000 of court facilities?

Comm. Hodgdon: Yes these will be tough but achievable.

Chairman Smith: Regarding Health and Human Services (HHS), how can it come up with a lapse when they don't have enough money to meet their budget?

Comm. Hodgdon: With their broad transfer capacity they shouldn't have lapses.

Chairman Smith: Should lapses be protected while they don't have enough money?

Rep. D. Scamman: Can vacancies be transferred?

Comm. Hodgdon: Only with class 10 or class 60 unless broad transfer authority exists as in HHS.

Rep. Kurk: Who else has broad authority?

Comm. Hodgdon: Tech school and Liquor.

Rep. Kurk: When did they get authority?

Comm. Hodgdon: Several biennium ago in HB 2 and expanded in SB 450, line 9.

Rep. Kurk: Have you reduced retiree health by \$1,000,000?

Comm. Hodgdon: The retirement system reduced its rate.

Rep. Kurk: Can we generate more savings?

Comm. Hodgdon: We generated savings by increasing contribution from under 65 contributions.

Rep. Kurk: Can't we ask you to save more money?

Comm. Hodgdon: You would impact a population with a fixed income.

Rep. Kurk: Isn't entire retirement program subject to appropriation?

Comm. Hodgdon: Yes.

#### NH State Treasury

\* Treasurer Catherine Provencher passed out 4/14/10 presentation. Treasury cuts in section 80. Reduction in rooms and meals distribution is only major source. \$11,000 cut from administrative budget. Rooms and meals decrease based on population. Will distribute rooms and meals calculation by town, sections 82-84.

Rep. Bucu: Clarify present value vs nominal.

Treasurer Provencher: Three ways to solve problem: revenue, expense, and debt. Debt component is \$65,000,000.

Treasurer explains restructuring.

Rep. Bergin: Understands.

Rep. Bucu: Doesn't understand.

Treasurer Provencher: We are not paying off debt now instead we're paying off over ten years. This is a legitimate technique. The "cost" of not fixing deficit is more dire than this technique.

Rep. Harris: Ponzi scheme?

Treasurer Provencher: Home Equity Loan.

Rep. Belvin: This is a restructuring?

Rep. Kurk: Described impact, looked at ratios. Ratios at 10% require 2/3 legislature approval.

Treasurer Provencher: Rating agencies focus on state median. We are well below.

Rep. Eaton: Bond rating agencies have no concern.

Treasurer Provencher: Rating agencies are not okay, but this is a common practice.

Rep. D. Scamman: What will short term interest rates be?

Treasurer Provencher: Short term rates very low, less than 2.5%.

#### Department of Resources and Economic Development, (Section 57)

\* Commissioner George Bald and Mr. Tom Martin, Administrator: Cutting 2 positions; changing funding streams; reducing marketing by \$100,000; reducing travel and tourism by \$100,000; reducing international marketing by 8%; reducing industrial research center by \$100,000.

Rep. Foster: Size of industrial research center?

Comm. Bald: About \$500,000. so cut is 20%.

Rep. D. Scamman: Can you show us the other sources?

Comm. Bald: Forrest Protection Fund: current balance approximately \$1,000,000.

Rep. Barody: For every dollar you spend how much do you bring in?

Comm. Bald: \$9 for every \$1 spent.

Office of Energy and Planning

\* Ms. Joanne Morin, Director and Ms. Donna Raymond, Business Director presented a quick overview.

Chairman Smith: No section available due to oversight.

Ms. Morin and Ms. Raymond passed out sheets and described charts and schedules. Described impact of cuts on data collection efforts. Further cuts would focus on discontinuing programs. Looked at River Commission budget. Commission not in jeopardy. MOA money for staff, could be for match. River Commission like a RPC.

Rep. Anderson: Concerned about rivers.

Rep. Foster: Tell me about cut in Head Start.

Francis: Commission set up by legislation.

Chairman Smith: Governor's chart not complete. Can we find additional funds?

Department of Education (Section 64)

\* Dr. Virginia Barry, Commissioner and Mr. Michael Bieniek, Administrator: Described cuts of 16%. Shifted source of funds for positions to federal funds. Major cuts in catastrophic aid from 85% to 62% and transportation and tuition aid to 72%. Dropout prevention cut by 8%. Most programs cut by 8% of appropriation. Reduced state portion of NECAP but made up by federal funds. Eliminates rural program for Parents as Teachers Program completely. Cuts adult education, cuts breakfast program.

Rep. Bergin: Has catastrophic aid ever been this low?

Mr. Bieniek: ARRA funds increased to off set.

Rep. Kurk: Are ARRA funds supplementing or supplanting?

Mr. Bieniek: This may be supplanting.

Rep. Foster: Lowest catastrophic aid percentage?

Mr. Bieniek: Yes.

Rep. D. Scamman: Can you describe cuts to adult education?

Comm. Barry: We cut programs that have local impact.

Rep. Kurk: 13% of cuts in a downshift. Is there any other way to cut?

Mr. Bieniek: This is where the general fund dollars are.

Mr. Gerard Murphy, Legislative Budget Assistant's Office (LBAO): Described billing for catastrophic aid.

Chairman Smith: Does that include any overhead?

Mr. Murphy: No.

Rep. Harris: Family Connection Program cut by 8%. Shouldn't Parent as Teacher? A pilot?

Mr. Murphy: Never got off the ground.

Rep. Bergin: Can you describe categories for catastrophic aid?

Rep. Keans: How much communication is automated?

#### Office of Information Technology (Section 36)

\* Mr. Richard Bailey, Chief Information Officer: Distributed slides and budget detail. Degradation of infrastructure can be sustained for eighteen months. Security efforts are falling behind.

Chairman Smith: Is this manageable?

Mr. Bailey: Only through 2011.

Chairman Smith: How does HHS reduction work?

Mr. Bailey: Federal funds are lost when we don't spend general funds. There will be some failures but major systems will not crash in 2011.

Rep. D. Scamman: How much will you need in 2010?

Mr. Bailey: Multiple millions.

#### Board of Tax and Land Appeals (Section 41)

\* Mr. Paul Franklin, Chairman: Staff dropped from 8 to 6 1/2. Described inadvertent elimination of funding for a part-time position. Short falls in staff impact August through December. Possibility for restructuring.

Rep. D. Scamman: Didn't we prohibit bumping?

Chairman Smith: No, bumping was allowed at last minute.

Rep. D. Scamman: Did secretary get a raise after bumping?

Mr. Franklin: Yes. We take in \$50,000.

Rep. Emerton: Do you have to go to Superior Court?

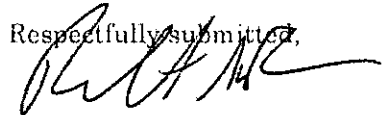
Mr. Franklin: Only on eminent domain issues.

Rep. Elliott: Do people get 6% benefits?

Mr. Franklin: Health plan pushes up benefit percentage.

The next work session on SB 450 is scheduled for Tuesday, 4/27.

Respectfully submitted,



Rep. Randy Foose,  
Clerk

Motions:      OTP, OTP/A, I/TL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:            (Please attach record of roll call vote.)

Motions:      OTP, OTP/A, I/TL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:            (Please attach record of roll call vote.)



HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** April 22, 2010

**LOB ROOM:** 210-211      Time Work Session Called to Order: 1:10

Time Adjourned: 4:45

(please circle if present)

Committee Members: Reps. M. Smith, Nordgren, Foster, Eaton, Baroody, Benn, Leishman, DeJolie, Buco, Poose, Mitchell, Keans, Casey, Harris, Kirk, D. Scamman, C. Anderson, Emerton, Rodeschin, Wendelboe, L. Obey, Dokmo, Bergin, Belvin and R. Elliott.

Bill Sponsors: Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

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Seconded by Rep.

Vote:            (Please attach record of roll call vote.)

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Hodgkin

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summarized administrative effort  
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ready to discuss retiree health savings  
- reduce higher savings from change  
in plan  
- fewer retirees

Monica - drug plan savings effective 7/1/10  
(Risk mgr)

drug program connects pharmacist with  
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Scamman - will there be retiree savings in  
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vacant positions across government

LBO - we need to confer

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Kirk - Isn't entire ~~re~~ retirement  
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reduction in rooms - meals distribution  
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Bergin - Understands

Buco - Doesn't understand

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~~Proventure~~

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Proventure - Rating Agencies are not  
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Scamman - What will short term interest  
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Proventure - short term rates very low  
less than 2.5%

Sec 57 Commission Bald

Tom Martin

Commission Bald

cutting 2 positions

changing funding streams

reducing marketing by \$100k

reducing travel & tourism by \$100k

reducing international marketing by 8%

reducing industrial research center by \$100,000

Fasten size of industrial research center

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Scamman - can you show us the other sources

Bald - Forest Protection Fund

Current balance approx \$1,000,000

Baroody - For every \$ you spend how much  
to you bring in

Bald - \$9 for every \$1 spent

Joanna Warren

Donna Rayman

Quick overview

Smith: No section available due to oversight

Passed out sheets and described charts and schedules

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Further cuts would focus on discontinuing programs

looked at River Commission budget

Commission not in jeopardy

MOA \$ - for staff, could be for match

River Commission like a RPC

Anderson - ~~not~~ concerned about Rivers

Foster - tell me about cut in Headstart

Martin - \$2100 hit

Francis - Commission set up by legislation

Smith - Governor ~~not~~ chart not complete

Can we find additional funds



see 64

- Michael
- Virginia Berry
- describes cuts of 16%
- shifted source of funds for positions to federal funds

major cuts in cat aid from 85% to 62%  
and transportation and tuition aid to 72%

dropout prevention cut by 8%

most programs cut by 8% of appropriation  
reduced state portion of NECAF but  
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teachers program completely  
cuts adult education

cuts breakfast program

Bergin - has cat aid ever been this low  
Mike - ARRA funds increased to offset

Kirk - AREARRA funds supplementing or  
supplanting

Mike - this may be supplanting

Foster - lowest cat aid %

Mike - ~~spoke~~ yes

Scamman - ~~can you break out what cuts~~  
~~can be made~~ can you describe cuts  
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Berry - we cut programs that have  
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Kirk - 13.9% of cuts is a downshift

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Mr. Baile  
Section 36

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Mr. Franklin

Section 41

Bureau of Tax and Land Appeals

staff dropped from 8 to 6½

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Scamman - Did secretary get a raise after  
bumping

Franklin - Yes We take in \$50,000

Emertow - Do you have to go to superior  
court

Franklin only on eminent domain issues

Elliott - do people get 60% benefits

Franklin - health plan pushing up benefit  
9%

DAS Bureaus and Divisions worked hard to meet the Governor's requested reductions. This meant that we looked at each Bureau/Division, took the amount that had been expensed as of the end of February, and estimated what would be need for the remainder of the State Fiscal Year. The difference between what was remaining in the appropriation and our estimate is what was given up in each class. The results of our calculations affected a number of classes with both large and small reductions.

Using similar calculations, we were able to estimate 2011 reductions. Although the number of classes affected was not as large as 2010, we still looked at all reductions, large and small. In doing so, DAS was able to meet the Governor's reduction request without layoffs.

Class	Descrip	SFY11 Identified Reductions DAS GF	SFY11 DAS Projected GF Lapse	House Bill 450	SFY Other Funds Identified Reductions Other Funds	SFY11 Other Funds Lapse	Other Funds HB450	Reason
10	Perm Salary	\$ 195,449	\$ 195,449	\$ -	\$ -	\$ -	\$ -	Positions laid off in the first round of cuts will not be filled for SFY11. Vacated positions will be filled on a case by case basis.
60	Benefits	\$ 122,969	\$ 122,969	\$ -	\$ -	\$ -	\$ -	Benefit savings due to unfunded or vacated positions
18	Overtime	\$ 1,700	\$ 1,700	\$ -	\$ -	\$ -	\$ -	Reduction in overtime due to freeze and management of staff.
20	Current Expenses	\$ 40,850	\$ 15,750	\$ 25,100	\$ -	\$ -	\$ -	DAS has requested that each bureau and division share supplies which reduce the number of orders being placed and liquidating overstocked items.
23	Utilities	\$ 120,000	\$ 25,000	\$ 95,000	\$ 250,000	\$ 125,000	\$ 125,000	Negotiation efforts of Purchasing Department has led to lower pricing on electricity, gas, oil and steam
26	Org Dues	\$ 150	\$ 150	\$ -	\$ -	\$ -	\$ -	Overstated amount of dues for SFY11
30	Equipment	\$ 10,133	\$ 933	\$ 9,200	\$ -	\$ -	\$ -	DAS bureaus and divisions will be sharing equipment as well as recycling to other departments

Class	Descrip	SFY11 Identified Reductions DAS GF	SFY11 DAS Projected GF Lapse	House Bill 450	SFY Other Funds Identified Reductions Other Funds	SFY11 Other Funds Lapse	Other Funds HB450	Reason
37	Hardware	\$ 50,000	\$ 24,648	\$ 25,352	\$ -	\$ -	\$ -	Hardware will be ordered only in an emergency situation
38	Software	\$ 750	\$ 750	\$ -	\$ -	\$ -	\$ -	FDM will be ordering only software needed for emergencies
46	Consultant	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -	DAS has been reducing its dependence on consultants and will continue to do so in the future
47	Own Forces Maint	\$ 3,000	\$ 3,000	\$ -	\$ 6,500	\$ -	\$ 6,500	Cutbacks in personnel and projects will lead to savings in maintenance
50	Temporary Salary	\$ 32,003	\$ 32,003	\$ -	\$ -	\$ -	\$ -	Positions that have become vacant due to resignations have not been filled.
66	Training	\$ 3,450	\$ 2,000	\$ 1,450	\$ -	\$ -	\$ -	With classes taught by BET trainers and an overhaul of the BET curriculum, free classes to State employees will continue
70	In State Travel	\$ 9,645	\$ 945	\$ 8,700	\$ 5,000	\$ -	\$ 5,000	Reduction in travel and the reallocation of State vehicles will continue to save money in this class
80	Out of State Travel	\$ 9,751	\$ 4,117	\$ 5,634	\$ -	\$ -	\$ -	Reductions in Out of State travel and the executive freeze contribute to this reduction amount

Class	Descrip	SFY11 Identified Reductions DAS GF	SFY11 DAS Projected GF Lapse	House Bill 450	SFY Other Funds Identified Reductions Other Funds	SFY11 Other Funds Lapse	Other Funds HB450	Reason
201	Sheriff Reimbursement	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -	Standardized invoicing from Counties has reduced the number of incorrect payments to Sheriffs. Analysis of the invoices received by the Courts also contributes to savings.
	BPW Revenue	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	Revenue expected above the estimated forecast due to the number of projects lined up.

<b>Sub Total</b>	<b>\$ 879,850</b>	<b>\$ 579,414</b>	<b>\$ 300,436</b>	<b>\$ 261,500</b>	<b>\$ 125,000</b>	<b>\$ 136,500</b>
Retirees						
Health	\$ 2,924,000	\$ 374,000	\$ 2,550,000			
<b>DAS GF</b>						
<b>Totals</b>	<b>\$ 3,803,850</b>	<b>\$ 953,414</b>	<b>\$ 2,850,436</b>			
*Total Other Funds	\$ 261,500	\$ 125,000	\$ 136,500			
<b>Grand Total</b>	<b>\$ 4,065,350</b>	<b>\$ 1,078,414</b>	<b>\$ 2,986,936</b>			

\* In DAS, these funds are recognized as Other Funds, a transfer from another agency, and are appropriated as General Funds in the Judicial Branch FY 2011 budget, line 02-10-10-1000-1880-049, Supreme Superior Probate Distr.

<b>DETAIL CHANGE</b>					
<b>SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)</b>					
<b>DEPARTMENT OF ADMINISTRATIVE SERVICES</b>					
<b>ACCT. UNIT</b>	<b>CLASS</b>	<b>AGENCY/COMMENT</b>	<b>SOF</b>	<b>FY 2011</b>	<b>DESCRIBE CHANGE</b>
<b>01-14</b>		<b>Department of Administrative Services</b>			
<b>01-14-14-1400-1402</b>		<b>Commissioner - Administration</b>			
01-14-14-1400-1402	020	Decrease Current Expenses	G	(1,000)	Reduction in supply purchases
01-14-14-1400-1402	030	Decrease Equipment New/Replace	G	(500)	Reduction in equipment purchases
01-14-14-1400-1402	080	Decrease Out of State Travel	G	(1,000)	Reduction in Out of State Travel
<b>01-14-14-1410-1044</b>		<b>Personnel Admin - Support</b>			
01-14-14-1410-1044	020	Decrease Current Expenses	G	(7,500)	Reduction in supply purchases
<b>01-14-14-1405-1310</b>		<b>Bureau of Accounting</b>			
01-14-14-1405-1310	030	Decrease in Equipment New/Replacement	G	(250)	Reduction in equipment purchases
01-14-14-1405-1310	066	Decrease in Training	G	(1,450)	Employee's training through State is no charge
<b>01-14-14-1405-1330</b>		<b>Financial Reporting</b>			
01-14-14-1405-1330	070	Decrease in In State Travel	G	(150)	Reduction in In State Travel
01-14-14-1405-1330	080	Decrease in Out of State Travel	G	(1,000)	Reduction in traveling out of State
<b>01-14-14-1400-1350</b>		<b>Budget Office</b>			
01-14-14-1400-1350	080	Decrease in Out of State Travel	G	(1,000)	Reduction in traveling out of State
<b>01-14-14-1400-1360</b>		<b>Business Office</b>			
01-14-14-1400-1360	020	Decrease in ordering of supplies	G	(500)	Reduction in supply purchases
<b>01-14-14-1420-1370</b>		<b>Financial Data Management</b>			
01-14-14-1420-1370	037	Decrease in Hardware	G	(25,352)	Only hardware needed on an emergency basis will be ordered
01-14-14-1420-1370	046	Decrease in Consultants	G	(30,000)	Reduced dependency on Consultants
<b>01-14-14-1400-1375</b>		<b>Risk Management Unit</b>			
01-14-14-1400-1375	020	Decrease in Current Expenses	G	(500)	Reduction in supply purchases
01-14-14-1400-1375	030	Decrease in Equipment	G	(250)	Reduction in equipment purchases
01-14-14-1400-1375	080	Decrease in Out of State Travel	G	(1,000)	Reduction in traveling out of State
<b>01-14-14-1415-1440</b>		<b>Plant &amp; Property Administration</b>			
01-14-14-1415-1440	070	Decrease in In State Travel	G	(250)	Reduction in In State Travel



<b>DETAIL CHANGE</b>					
<b>SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)</b>					
<b>DEPARTMENT OF ADMINISTRATIVE SERVICES</b>					
<b>ACCT. UNIT</b>	<b>CLASS</b>	<b>AGENCY/COMMENT</b>	<b>SOF</b>	<b>FY 2011</b>	<b>DESCRIBE CHANGE</b>
01-14-14-1415-1440	080	Decrease in Out of State Travel	G	(1,450)	Reduction in traveling out of State
<b>01-14-14-1410-1442</b>		<b>Employee Relations</b>			
01-14-14-1410-1442	020	Decrease in Supplies	G	(600)	Reduction in supply purchases
<b>01-14-14-1415-2040</b>		<b>General Services</b>			
01-14-14-1415-2040	023	Decrease in Heat - Electricity - Water	G	(50,000)	Purchasing's negotiation of utility prices is resulting in
01-14-14-1415-2040	080	Decrease in Out of State Travel	G	(184)	Reduction in traveling out of State
<b>01-14-14-1415-2042</b>		<b>Bureau Facilities and Assets Management</b>			
01-14-14-1415-2042	030	Decrease in Equipment	G	(5,300)	Reduction in equipment purchases
<b>01-14-14-1415-2045</b>		<b>Bureau of Court Facilities</b>			
01-14-14-1415-2045	023	Decrease in Heat - Electricity - Water	O	(125,000)	Legislation will be needed to reduce the origin of the transfer in the Court's budget. It is GF in the Court's Budget and other funds in Department of Administrative Services' Budget.
01-14-14-1415-2045	047	Decrease in Own Forces Maint - Bldg - Grounds	O	(6,500)	See above.
01-14-14-1415-2045	070	Decrease in In State Travel	O	(5,000)	See above.
01-14-14-1415-2045	201	Decrease in Sheriff's Reimbursement	G	(100,000)	Custody transport has been running below normal
<b>01-14-14-1415-2083</b>		<b>M-S Building</b>			
01-14-14-1415-2083	020	Decrease in Current Expenses	G	(10,000)	Reduction in supply purchases
01-14-14-1415-2083	023	Decrease in Heat - Electricity - Water	G	(25,000)	Purchasing's negotiation of utility prices is resulting in
01-14-14-1415-2083	030	Decrease in Equipment Purchases	G	(900)	Reduction in equipment purchases
01-14-14-1415-2083	070	Decrease in In State Travel	G	(500)	Reduction in In State Travel
<b>01-14-14-1415-2091</b>		<b>Public Works Bureau</b>			
01-14-14-1415-2091	020	Decrease Current Expenses	G	(5,000)	Reduction in supply purchases
01-14-14-1415-2091	030	Decrease in Equipment Purchases	G	(1,000)	Reduction in equipment purchases
01-14-14-1415-2091	070	Decrease in Instate Travel	G	(7,500)	Reduction in In State Travel
<b>01-14-14-1415-2098</b>		<b>Dept. Of Justice Building</b>			
01-14-14-1415-2098	023	Decrease in Heat - Electricity - Water	G	(15,000)	Purchasing's negotiation of utility prices is resulting in
01-14-14-1415-2098	030	Decrease in Equipment Purchases	G	(1,000)	Reduction in equipment purchases

<b>DETAIL CHANGE</b>					
<b>SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)</b>					
<b>DEPARTMENT OF ADMINISTRATIVE SERVICES</b>					
<b>ACCT. UNIT</b>	<b>CLASS</b>	<b>AGENCY/COMMENT</b>	<b>SOF</b>	<b>FY 2011</b>	<b>DESCRIBE CHANGE</b>
		<b>Upham Walker Building</b>			
01-14-14-1415-2099	023	Decrease in Heat - Electricity - Water	G	(5,000)	Purchasing's negotiation of utility prices is resulting in
		<b>Lakes Region Campus</b>			
01-14-14-1415-5320	070	Decrease in In State Travel	G	(300)	Reduction in In State Travel
		<b>Retirees Health</b>			
01-14-14-1400-1356	100	Decrease in Retirees Health, Prescription	G	(773,300)	Reduction due to fewer retirees and better experience than anticipated
01-14-14-1400-1356	100	Decrease in Retirees Health, Prescription	G	(650,000)	Reduction due to drug savings program
01-14-14-1400-1356	101	Decrease in Retirees Health, Medical Payments	G	(1,010,800)	Reduction due to fewer retirees and better experience than anticipated
01-14-14-1400-1356	102	Decrease in Retirees Health, Contracts for Program Services	G	(108,110)	Reduction due to fewer retirees and better experience than anticipated
01-14-14-1400-1356	046	Decrease in Retirees Health, Consultants	G	(7,790)	Reduction due to fewer retirees and better experience than anticipated
		<b>Total Funds</b>		<b>(2,986,936)</b>	
		<b>General Funds</b>		<b>(2,850,436)</b>	
		<b>Federal Funds</b>		<b>0</b>	
		<b>Highway Funds</b>		<b>0</b>	
		<b>Fish &amp; Game Funds</b>		<b>0</b>	
		<b>Other Funds</b>		<b>(136,500)</b>	

State Treasury  
Joint Presentation to House Public Works and Finance Committees  
Use of Debt in Governor's Plan to Balance the Current Biennial Budget  
April 14, 2010

1. Sections 82 through 84 of the amendment to SB 450
2. \$25 million increase in USNH KEEP capital program
  - a. 20 year amortization schedule for bonding \$25 million in FY 11
3. Restructuring a portion of FY 11 debt service payments
  - a. The present value cost and the cash flow cost of doing so
4. Debt Statistics under various scenarios
  - a. Baseline: Debt Service as a % of General Fund Unrestricted Revenues (including school building aid FY 09 -11) at normal capital budget levels
  - b. Debt Service as a % of General Fund Unrestricted Revenues adding \$25 million for USNH KEEP and restructuring a portion of FY 11 debt (excluding school building aid bonds)
  - c. Debt Service as a % of General Fund Unrestricted Revenues adding \$25 million for USNH KEEP and restructuring a portion of FY 11 debt (including school building aid bonds for FY 09 - 11)
  - d. Debt Service as a % of General Fund Unrestricted Revenues adding \$25 million for USNH KEEP and restructuring a portion of FY 11 debt (including school building aid bonds for FY 09-17) )
  - e. Comparison of Annual Debt Service Payments FY 11 – FY 17 (comparing page 4a to page 4c)
  - f. Historical Debt Service as a % of General Fund Unrestricted Revenue

EXCERPT : AMENDMENT TO SB 450

12       82 Authorization for Debt Restructuring. The state treasurer is hereby authorized to refinance  
13 all or a portion of the state's fiscal year 2011 debt service obligations by the issuance at one time or  
14 from time to time of up to \$55,000,000 aggregate principal amount of general obligation refunding  
15 bonds, which shall mature in such amounts and at such time as the state treasurer, with the  
16 approval of the governor and council, shall determine; provided that the final maturity of such bonds  
17 shall not be later than June 30, 2021. The issue of such bonds shall be subject to the same  
18 requirements and provisions of law as would then be applicable to the issue of the bonds being  
19 refunded, except as provided in this section. Such refinancing is intended to result in a general fund  
20 reduction of the required debt service for the biennium ending June 30, 2011 of approximately  
21 \$40,000,000. The amount of general fund debt service so refinanced shall lapse to the general fund  
22 on or before June 30, 2011.

23       83 Capital Appropriation Increased; University System of New Hampshire; KEEP NH. Amend  
24 the introductory paragraph of 2005, 259:2, I to read as follows:

25       I. The Knowledge Economy Education Plan (KEEP NH) documents the need for investment  
26 in university system of New Hampshire projects primarily to renovate and expand science,  
27 engineering and technology facilities. The sum of [~~\$109,500,000~~] \$134,500,000 is hereby committed  
28 and appropriated to the university system of New Hampshire (USNH) for the KEEP NH plan,  
29 effective July 1, 2005 but limited to the drawdown of funds as stated in this section. The  
30 appropriation is for the following capital projects:

31       84 Capital Appropriation; University System of New Hampshire; KEEP NH. Amend 2005,  
32 259:2, II, C and D to read as follows:

33       C. [~~\$74,500,000~~] \$99,500,000 through the biennium ending June 30, 2011 (~~[\$35,000,000]~~  
34 \$60,000,000 in new authorization for the biennium).

35       D. [~~\$109,500,000~~] \$134,500,000 through the biennium ending June 30, 2013  
36 (~~\$35,000,000~~ in new authorization for the biennium).

37       85 Capital Budget; Bonds Authorized; University System of New Hampshire; KEEP. Amend  
1 2005, 259:6, II to read as follows:

2       II. To provide funds for the appropriation made in section 2, paragraphs I and II, the state  
3 treasurer is hereby authorized to borrow upon the credit of the state not exceeding the sum of  
4 [~~\$109,500,000~~] \$134,500,000 and for said purposes may issue bonds and notes in the name of and on  
5 behalf of the state of New Hampshire in accordance with RSA 6-A; provided the cumulative bonds or  
6 notes shall not be issued in excess of:

- 7           (1) \$4,500,000 through the biennium ending June 30, 2007.  
8           (2) \$39,500,000 through the biennium ending June 30, 2009.  
9           (3) [~~\$74,500,000~~] \$99,500,000 through the biennium ending June 30, 2011.  
10          (4) [~~\$109,500,000~~] \$134,500,000 through the biennium ending June 30, 2013.

State of New Hampshire  
Treasury Department

20 Year Schedule \*

PAY DATE	FISCAL YEAR	RATE *	Principal 25,000,000	Interest	Principal & Interest	Fiscal Year Totals
06/01/10	2010			437,500	437,500	437,500
12/01/10	2011	3.50%	1,500,000	437,500	1,937,500	2,348,750
06/01/11				411,250	411,250	
12/01/11	2012	3.50%	1,500,000	411,250	1,911,250	2,296,250
06/01/12				385,000	385,000	
12/01/12	2013	3.50%	1,500,000	385,000	1,885,000	2,243,750
06/01/13				358,750	358,750	
12/01/13	2014	3.50%	1,500,000	358,750	1,858,750	2,191,250
06/01/14				332,500	332,500	
12/01/14	2015	3.50%	1,500,000	332,500	1,832,500	2,138,750
06/01/15				306,250	306,250	
12/01/15	2016	3.50%	1,500,000	306,250	1,806,250	2,086,250
06/01/16				280,000	280,000	
12/01/16	2017	3.50%	1,500,000	280,000	1,780,000	2,033,750
06/01/17				253,750	253,750	
12/01/17	2018	3.50%	1,500,000	253,750	1,753,750	1,981,250
06/01/18				227,500	227,500	
12/01/18	2019	3.50%	1,500,000	227,500	1,727,500	1,928,750
06/01/19				201,250	201,250	
12/01/19	2020	3.50%	1,500,000	201,250	1,701,250	1,876,250
06/01/20				175,000	175,000	
12/01/20	2021	3.50%	1,000,000	175,000	1,175,000	1,332,500
06/01/21				157,500	157,500	
12/01/21	2022	3.50%	1,000,000	157,500	1,157,500	1,297,500
06/01/22				140,000	140,000	
12/01/22	2023	3.50%	1,000,000	140,000	1,140,000	1,262,500
06/01/23				122,500	122,500	
12/01/23	2024	3.50%	1,000,000	122,500	1,122,500	1,227,500
06/01/24				105,000	105,000	
12/01/24	2025	3.50%	1,000,000	105,000	1,105,000	1,192,500
06/01/25				87,500	87,500	
12/01/25	2026	3.50%	1,000,000	87,500	1,087,500	1,157,500
06/01/26				70,000	70,000	
12/01/26	2027	3.50%	1,000,000	70,000	1,070,000	1,122,500
06/01/27				52,500	52,500	
12/01/27	2028	3.50%	1,000,000	52,500	1,052,500	1,087,500
06/01/28				35,000	35,000	
12/01/28	2029	3.50%	1,000,000	35,000	1,035,000	1,052,500
06/01/29				17,500	17,500	
12/01/29	2030	3.50%	1,000,000	17,500	1,017,500	1,017,500
			25,000,000	8,312,500	33,312,500	33,312,500

\* This amortization schedule uses a fixed 3.5% coupon. - If done today, this would be the effective interest rates. Actual coupon rates would be lower in early years and higher in later years.

State Treasury  
 Debt Service Payments for Restructuring A Portion of FY 11 Debt  
 Prepared by Provencher 4/12/10

Represents Total General Obligation Debt, about 80% of which is General Funded

Fiscal Year	Debt Service on "Old Bonds"	Debt Service on "New Bonds"	Difference cash "saved"/ (cash paid)	Present Value at 2.41%
2011	51,183,250	1,977,871	49,205,379	48,357,572
2012		2,057,900	(2,057,900)	(1,975,356)
2013		6,937,900	(6,937,900)	(6,474,743)
2014		6,936,500	(6,936,500)	(6,319,535)
2015		6,935,750	(6,935,750)	(6,168,601)
2016		6,937,000	(6,937,000)	(6,022,442)
2017		6,940,250	(6,940,250)	(5,881,373)
2018		6,939,750	(6,939,750)	(5,740,440)
2019		6,940,000	(6,940,000)	(5,603,420)
2020		6,935,250	(6,935,250)	(5,465,659)
	<u>51,183,250</u>	<u>59,538,171</u>	<u>(8,354,921)</u>	<u>(1,293,997)</u>
				<i>Present Value - cost of the transaction</i>
General Fund Portion	x 80%	x 80%	x 80%	x 80%
	<u>40,946,600</u>	<u>47,630,537</u>	<u>(6,683,937)</u>	<u>(1,035,198)</u>

Cash "saved" in FY 11 = \$49 million x 80% General Fund = \$39 million in Governor's plan

If done today, the effective interest rate on this 10 year transaction would be about 2.5%. ←

The present value has been calculated using the arbitrage yield, an industry standard for this type of calculation.

Baseline Issuing \$65 Million in General Funded Bonds Annually  
 Includes bonding of School Building Aid for FY 09-11  
 Prepared by Provencher 4/14/09

Page  
4A

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	
A Assumed Debt Service (millions)	\$ 90.3	\$ 97.9	\$ 108.2	\$ 108.9	\$ 110.0	\$ 110.6	\$ 115.6	\$ 115.6	\$ 116.7	
B General Fund Unrestricted Revenues	\$ 1,375.3	\$ 1,375.3	\$ 1,375.3	\$ 1,430.3	\$ 1,487.5	\$ 1,547.0	\$ 1,608.9	\$ 1,673.3	\$ 1,740.2	
C debt service as a % of general fund unrestricted revenue	6.6%	7.1%	7.9%	7.6%	7.4%	7.1%	7.2%	6.9%	6.7%	
D debt to personal income	1.3%	1.4%	1.4%	1.4%	1.3%	1.3%	1.2%	1.1%	1.1%	
E debt per capita	\$ 578	\$ 638	\$ 674	\$ 710	\$ 701	\$ 691	\$ 681	\$ 670	\$ 656	
F Moody's 2009 State Debt Medians:										
G debt to personal income				2.6%						
H debt per capita				\$ 889						

**IMPORTANT ASSUMPTIONS:**

1. Issuance of General Fund capital improvement bonds of \$65 million per year (biennial capital budget of \$130 million of General Fund including USNH KEEP)
2. Amounts include bonding for School Building Aid at \$40 mil in FY 10, \$45 mil in FY 11, \$46 mil in FY 12
3. General Fund unrestricted revenue is constant for FY 2009, 2010, 2011 and grows at 4% per annum thereafter.  
 (On average, over the past 20 years, General Fund unrestricted revenue has grown over 5% per annum.)

source: debt sensitivity analysis run by PRAG

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	
A Assumed Debt Service (millions)	\$ 90.3	\$ 97.5	\$ 54.2	\$ 103.1	\$ 105.4	\$ 106.3	\$ 111.7	\$ 112.0	\$ 113.4	
B General Fund Unrestricted Revenues	\$ 1,375.3	\$ 1,375.3	\$ 1,375.3	\$ 1,430.3	\$ 1,487.5	\$ 1,547.0	\$ 1,608.9	\$ 1,673.3	\$ 1,740.2	
C debt service as a % of general fund unrestricted revenue	6.6%	7.1%	3.9%	7.2%	7.1%	6.9%	6.9%	6.7%	6.5%	
D debt to personal income	1.3%	1.3%	1.3%	1.2%	1.1%	1.1%	1.0%	1.0%	0.9%	
E debt per capita	\$ 578	\$ 596	\$ 616	\$ 613	\$ 606	\$ 598	\$ 591	\$ 581	\$ 568	
F Moody's 2009 State Debt Medians:										
G debt to personal income				2.6%						
H debt per capita				\$ 889						

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**IMPORTANT ASSUMPTIONS:**

1. Issuance of General Fund capital improvement bonds of \$65 million per year (biennial capital budget of \$130 million of General Fund including USNH KEEP)
2. Issuance of new additional \$25 million of USNH KEEP bonds in FY 2011.
3. Issuance of \$45 million restructuring bonds in FY 2010.
4. Amounts exclude bonding for School Building Aid - debt service is funded by a restricted General Fund revenue
5. General Fund unrestricted revenue is constant for FY 2009, 2010, 2011 and grows at 4% per annum thereafter.  
 (On average, over the past 20 years, General Fund unrestricted revenue has grown over 5% per annum.)

source: debt sensitivity analysis run by PRAG



State Treasury  
 General Fund Debt Statistics

Restructuring a portion of FY 11 and bonding \$25 mil for USNH

Includes bonding of School Building Aid for FY 09 -11

Prepared by Provencher 4/14/09

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	
A Assumed Debt Service (millions)	\$ 90.3	\$ 97.9	\$ 59.7	\$ 113.7	\$ 119.7	\$ 120.2	\$ 125.2	\$ 125.0	\$ 126.1	
B General Fund Unrestricted Revenues	\$ 1,375.3	\$ 1,375.3	\$ 1,375.3	\$ 1,430.3	\$ 1,487.5	\$ 1,547.0	\$ 1,608.9	\$ 1,673.3	\$ 1,740.2	
C debt service as a % of general fund unrestricted revenue	6.6%	7.1%	4.3%	8.0%	8.0%	7.8%	7.8%	7.5%	7.2%	
D debt to personal income	1.3%	1.3%	1.4%	1.4%	1.3%	1.3%	1.2%	1.1%	1.0%	
E debt per capita	\$ 578	\$ 634	\$ 693	\$ 728	\$ 712	\$ 696	\$ 681	\$ 663	\$ 643	
F Moody's 2009 State Debt Medians:										
G debt to personal income					2.6%					
H debt per capita					\$ 889					

Page 4C

**IMPORTANT ASSUMPTIONS:**

1. Issuance of General Fund capital improvement bonds of \$65 million per year (biennial capital budget of \$130 million of General Fund including USNH KEEP)
2. Issuance of new additional \$25 million of USNH KEEP bonds in FY 2011.
3. Issuance of \$45 million restructuring bonds in FY 2010.
4. Amounts include bonding for School Building Aid at \$40 mil in FY 10, \$45 mil in FY 11 and \$46 mil in FY 12
5. General Fund unrestricted revenue is constant for FY 2009, 2010, 2011 and grows at 4% per annum thereafter.  
 (On average, over the past 20 years, General Fund unrestricted revenue has grown over 5% per annum.)

source: debt sensitivity analysis run by PRAG

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	
A Assumed Debt Service (millions)	\$ 90.3	\$ 97.9	\$ 59.7	\$ 113.7	\$ 121.1	\$ 127.2	\$ 137.7	\$ 142.9	\$ 149.1	
B General Fund Unrestricted Revenues	\$ 1,375.3	\$ 1,375.3	\$ 1,375.3	\$ 1,430.3	\$ 1,487.5	\$ 1,547.0	\$ 1,608.9	\$ 1,673.3	\$ 1,740.2	
C debt service as a % of general fund unrestricted revenue	6.6%	7.1%	4.3%	8.0%	8.1%	8.2%	8.6%	8.5%	8.6%	
D debt to personal income	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	
E debt per capita	\$ 578	\$ 634	\$ 693	\$ 728	\$ 758	\$ 785	\$ 808	\$ 825	\$ 837	
F Moody's 2009 State Debt Medians:										
G debt to personal income					2.6%					
H debt per capita					\$ 889					

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**IMPORTANT ASSUMPTIONS:**

1. Issuance of General Fund capital improvement bonds of \$65 million per year (biennial capital budget of \$130 million of General Fund including USNH KEEP)
2. Issuance of new additional \$25 million of USNH KEEP bonds in FY 2011.
3. Issuance of \$45 million restructuring bonds in FY 2010.
4. Amounts include bonding for School Building Aid at \$40 mil in FY 10, \$45 mil in FY 11, \$46 mil in FY 12 and \$50 mil FY 13 -17
5. General Fund unrestricted revenue is constant for FY 2009, 2010, 2011 and grows at 4% per annum thereafter.  
 (On average, over the past 20 years, General Fund unrestricted revenue has grown over 5% per annum.)

source: debt sensitivity analysis run by PRAG

State Treasury  
 Comparison of Annual Debt Service FY 10 - FY 17  
 Base Case to USNH and Restructuring  
 (includes debt service for school building aid)

Fiscal Year	Base including Authorized Building Aid	(in thousands)		(decrease)/increase in annual debt service	Approximate General Fund Impact 80% of restruc
		Base with \$25 mil for USNH in FY 11 and restructuring in FY 10 (includes building aid)			
2010	\$ 97,884	\$ 97,884	\$	-	
2011	\$ 108,246	\$ 59,728	\$	(48,518)	\$ (38,814)
2012	\$ 108,854	\$ 113,746	\$	4,892	\$ 4,100
2013	\$ 110,045	\$ 119,734	\$	9,689	\$ 8,100
2014	\$ 110,575	\$ 120,181	\$	9,606	\$ 8,100
2015	\$ 115,640	\$ 125,162	\$	9,522	\$ 8,100
2016	\$ 115,587	\$ 125,027	\$	9,440	\$ 8,100
2017	\$ 116,692	\$ 126,053	\$	9,361	\$ 8,100

About \$7 million of the annual increase in debt service in FY 13 - 17 comes from restructuring, with about \$2.5 million of the increase coming from the added \$25 million USNH bonds.

To estimate the General Fund impact, used 80% of the FY 11 decrease in debt service, 80% of the approximately \$7 million increase from restructuring and \$2.5 million increase from USNH portion.

State Treasury  
Historical Debt Statistic  
Debt Service to General Fund Unrestricted Revenues  
FY 1987 - 2009  
Prepared April 2, 2010

1987	6.4%
1988	6.1%
1989	6.0%
1990	6.7%
1991	7.1%
1992	6.2%
1993	5.8%
1994	4.3%
1995	5.3%
1996	7.3%
1997	6.9%
1998	6.3%
1999	6.4%
2000	6.5%
2001	5.8%
2002	6.1%
2003	6.5%
2004	5.8%
2005	5.6%
2006	6.1%
2007	5.8%
2008	5.7%
2009	6.6%

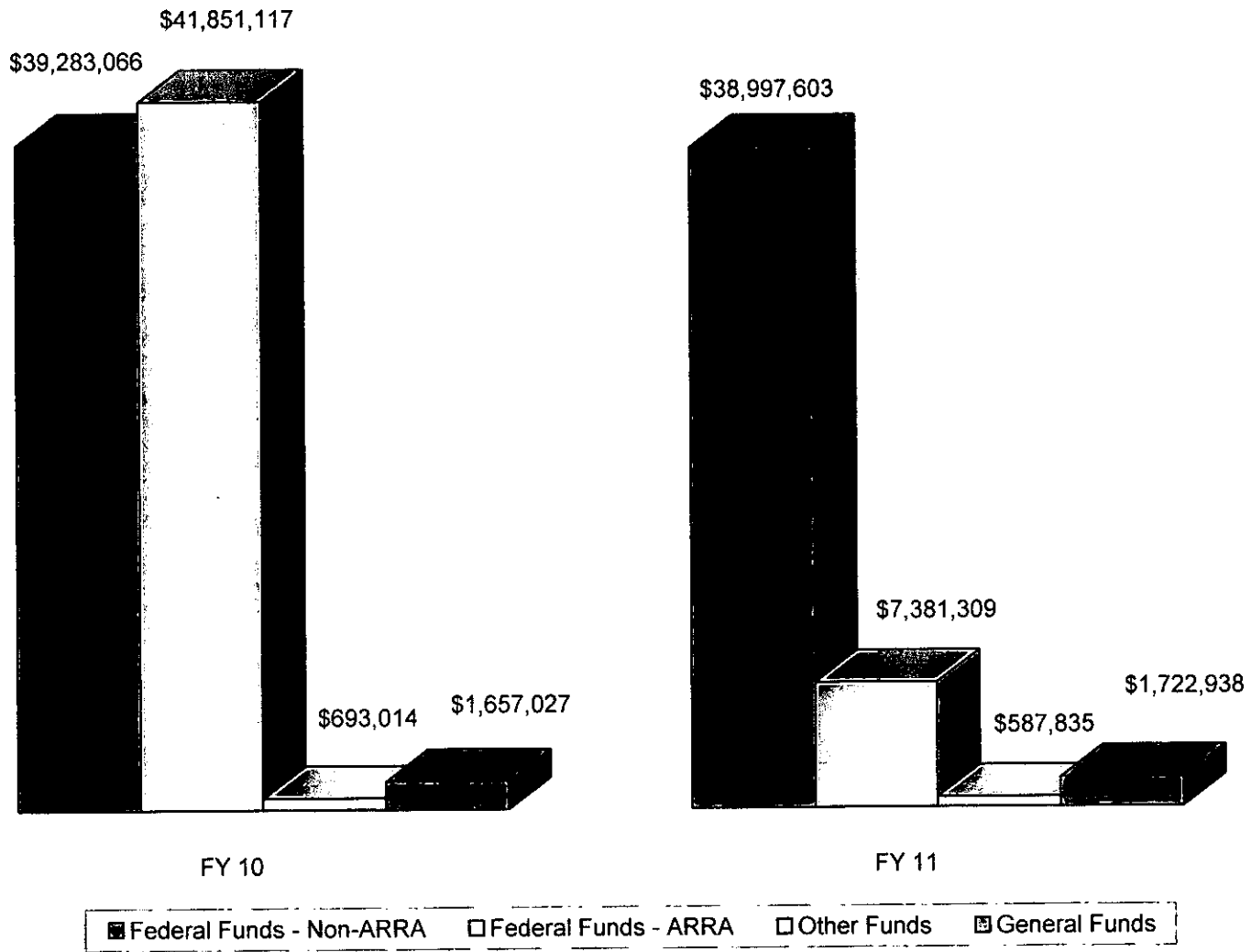
<b>DETAIL CHANGE</b>					
<b>SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)</b>					
<b>DEPARTMENT OF RESOURCES AND ECONOMIC DEVELOPMENT</b>					
<b>ACCT. UNIT</b>	<b>CLASS</b>	<b>AGENCY/COMMENT</b>	<b>SOF</b>	<b>FY 2011</b>	<b>DESCRIBE CHANGE</b>
		<b>Department of Resources and Economic</b>			
		<b>Office of the Commissioner</b>			
03-35		<b>Department of Resources and Economic</b>			
03-35-35-3500-3400		<b>Office of the Commissioner</b>			
03-35-35-3500-3400	040	Decrease Indirect Cost	G	(1,657)	Decrease Indirect Cost
		<b>Design Development-Maintenance</b>			
03-35-35-3500-3401	010	Decrease Personal Services	G	(36,025)	Unfund Positions #11441 and #11523, Layoff Positions (one of these positions may endup being a retirement)
03-35-35-3500-3401	010	Decrease Personal Services	O	(41,782)	See above.
03-35-35-3500-3401	060	Decrease Benefits	G	(14,395)	Associated Benefit Reduction Pos #11441and #11523
03-35-35-3500-3401	060	Decrease Benefits	O	(16,694)	See above.
		<b>Bureau Of Historic Sites</b>			
03-35-35-3500-3402	070	Decrease In-State Travel	G	(500)	Decrease In-State Travel
		<b>Forest And Lands/Adm.</b>			
03-35-35-3510-3500	045	Decrease Personnel Services/Non Benefit	G	(16,000)	Decrease UNH Extension by 8%
		<b>Management &amp; Protection</b>			
03-35-35-3510-3505	010	Decrease Personal Services	O	(19,413)	Unfund Position #11471-Vacant June 30. Net of Term Pay
03-35-35-3510-3505	060	Decrease Benefits	O	(7,765)	Associated Benefit Reduction Pos #11471
		<b>Forest Management</b>			
03-35-35-3510-3510	010	Decrease Personal Services	G	(86,509)	Change funding source for Pos #19427 and #11484 from Gen Funds to Other Funds Forest Mgt & Prot (049 Trsf 3505)
03-35-35-3510-3510	010	Increase Personal Services	O	86,509	
03-35-35-3510-3510	060	Decrease Benefits	G	(24,825)	Change in funding associated with Benefits for Pos #19427 and #11484 (049 Trsf 3505)
03-35-35-3510-3510	060	Increase Benefits	O	24,825	
03-35-35-3510-3510	020	Reduce Current Expense	G	(10,000)	Change in funding for Current Expense 020. To be paid directly from Fuelwood (2102.)

(w)

<b>DETAIL CHANGE</b>					
<b>SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)</b>					
<b>DEPARTMENT OF RESOURCES AND ECONOMIC DEVELOPMENT</b>					
<b>ACCT. UNIT</b>	<b>CLASS</b>	<b>AGENCY/COMMENT</b>	<b>SOF</b>	<b>FY 2011</b>	<b>DESCRIBE CHANGE</b>
<b>03-35-35-3510-2102</b>		<b>Fuelwood</b>			
03-35-35-3510-2102	020	Increase Current Expense	O	10,000	Increase Current Expense - Above Funding Source Change.
<b>03-35-35-3510-3520</b>		<b>Forest Protection</b>			
03-35-35-3510-3520	010	Decrease Personal Services	G	(55,996)	Unfund Pos #11578, Vacant as of January 2010
03-35-35-3510-3520	060	Decrease Benefits	G	(32,758)	Associated Benefit Reduction with Pos #11578
03-35-35-3510-3520	050	Decrease Personal Services Temporary	G	(29,778)	Decrease Tower Funding. Balance of \$30,222 of general funds for Towers
<b>03-35-35-3510-3492</b>		<b>Special Deputy Training</b>			
03-35-35-3510-3492	050	Increase Personal Services Temporary	O	25,000	Increase Temporary Services with Other Funding to offset reductions in Forest Protection (AU3520).
03-35-35-3510-3492	060	Increase Benefits	O	1,912	See above.
<b>03-35-35-3505-3600</b>		<b>Economic Development Admin.</b>			
03-35-35-3505-3600	020	Decrease Current Expense	G	(4,458)	Decrease Current Expense.
03-35-35-3505-3600	069	Decrease Marketing Fund	G	(100,000)	Decrease Economic Development Admin. Marketing Fund.
<b>03-35-35-3505-3612</b>		<b>Office of International Comm.</b>			
03-35-35-3505-3612	020	Decrease Current Expense	G	(86,000)	Decrease Current Expense.
<b>03-35-35-3505-3615</b>		<b>Industrial Research Center</b>			
03-35-35-3505-3615	102	Decrease Contract Services	G	(100,000)	Decrease Contracts for Program Services.
<b>03-35-35-3520-3620</b>		<b>Travel &amp; Tourism</b>			
03-35-35-3520-3620	069	Decrease Promotional-Marketing	G	(165,000)	Decrease Travel & Tourism Marketing Fund.
<b>03-35-35-3520-3576</b>		<b>International Tourism</b>			
03-35-35-3520-3576	069	Decrease Promotional-Marketing	G	(5,000)	Decrease Travel & Tourism Marketing Fund.
<b>03-35-35-3520-5874</b>		<b>Travel &amp; Tourism Dev Fund</b>			
03-35-35-3520-5874	069	Decrease Promotional-Marketing	G	(40,000)	Decrease Travel & Tourism Marketing Fund.

<b>DETAIL CHANGE</b>					
<b>SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)</b>					
<b>DEPARTMENT OF RESOURCES AND ECONOMIC DEVELOPMENT</b>					
<b>ACCT. UNIT</b>	<b>CLASS</b>	<b>AGENCY/COMMENT</b>	<b>SOF</b>	<b>FY 2011</b>	<b>DESCRIBE CHANGE</b>
		<b>Total Funds</b>		<b>(746,309)</b>	
		<b>General Funds</b>		<b>(808,901)</b>	
		<b>Federal Funds</b>		<b>0</b>	
		<b>Highway Funds</b>		<b>0</b>	
		<b>Fish &amp; Game Funds</b>		<b>0</b>	
		<b>Other Funds</b>		<b>62,592</b>	

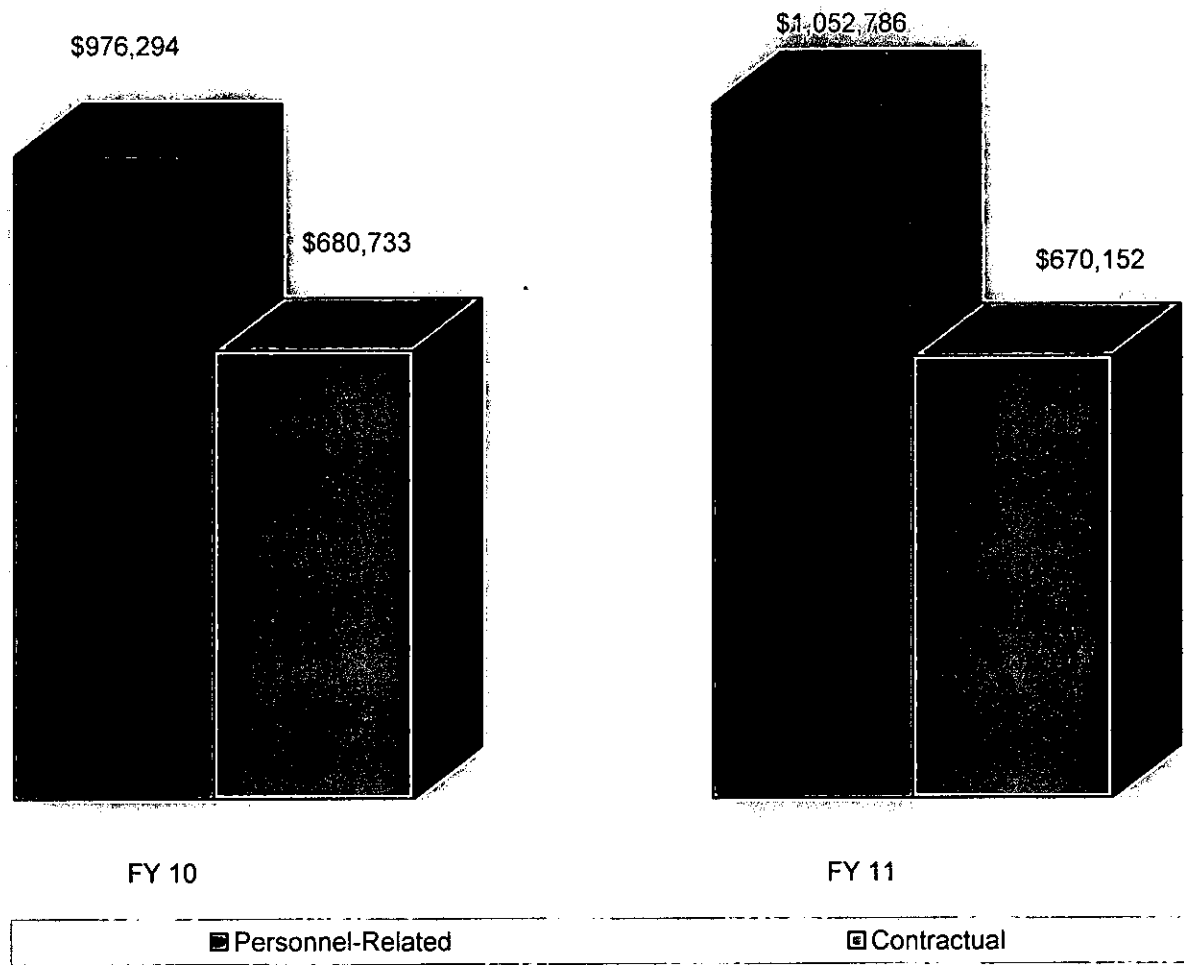
## NH Office of Energy & Planning FY 10 & 11 Funding Overview







# NH Office of Energy & Planning FY 10 & 11 General Funds - Personnel vs Contractual



**NH Office of Energy and Planning  
FY10 and 11 General Funds**

***OEP's General Funds cover the following costs:***

<u>By Org Code</u>		<u>FY 10 GF Level</u>	<u>% of Total</u>	<u>FY 11 GF Level</u>	<u>% of Total</u>
Org 6400 - HeadStart contract	Contractual	\$331,337	20.0%	\$331,337	19.2%
Org 6570 - Regional Planning Commission contracts	Contractual	\$221,948	13.4%	\$215,187	12.5%
Org 6570 - UNH GRANIT contract	Contractual	\$67,549	4.1%	\$65,492	3.8%
Org 4096 - CT River Valley Joint Commissions contract	Contractual	\$57,899	3.5%	\$56,136	3.3%
Org 6400 - CT River Valley Flood Control Compact		\$2,000	0.1%	\$2,000	0.1%
Org 6400 - Salaries & Benefits		\$659,027	39.8%	\$683,368	39.7%
Org 6400 - Other		\$165,683	10.0%	\$214,413	12.4%
Org 6570 - Salaries & Benefits		\$135,436	8.2%	\$139,679	8.1%
Org 6570 - Other		\$7,354	0.4%	\$7,834	0.5%
Org 8114 - Unemployment Compensation		\$5,000	0.3%	\$5,000	0.3%
Org 4055 - FEMA 25% Req'd Cost Share for NFIP Program		\$3,794	0.2%	\$2,493	0.1%
<b>Total</b>		<b>\$1,657,027</b>	<b>100.0%</b>	<b>\$1,722,938</b>	<b>100.0%</b>

DETAIL CHANGE								
SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)								
AGENCY NAME								
ACCT. UNIT	Assign to	CLASS	AGENCY/COMMENT	SOF	FY 2010	FY 2011	BIENNIAL TOTAL	DESCRIBE CHANGE
01-02			Department Name					
01-02-02-0240-6400			Accounting Unit Name					
01-02-02-0240-6400		16	Decrease Personal Services - General Fund	G	0	12,659	12,659	Remove 5.5% Salary Increase budgeted but not implemented
01-02-02-0240-6400		10	Decrease Personal Services - General Fund	G	22,863	21,204	44,067	Remove 5.5% Salary Increase budgeted but not implemented
01-02-02-0240-6400		60	Decrease Benefits - General Fund	G	4,672	6,942	11,614	Reduction associated with Org 6400 Salary decreases above
01-02-02-0240-6570		10	Decrease Personal Services - General Fund	G	0	2,150	2,150	Remove 5.5% Salary Increase budgeted but not implemented
01-02-02-0240-6570		60	Decrease Benefits - General Fund	G	0	332	332	Reduction associated with Org 6570 Salary decreases above
01-02-02-0240-8114		61	Decrease Unemployment Comp - General Fund	G	5,000	5,000	10,000	OEP has traditionally not used this funding
01-02-02-0240-6400		68	Decrease Remuneration - General Fund	G		18,607	18,607	Decrease Headstart Contracts
01-02-02-0240-4096		68	Decrease Remuneration - General Fund	G		56,136	56,136	Eliminate CT River Joint Commissions funding
01-02-02-0240-6400		46	Decrease Consultants - General Fund	G		10,000	10,000	Decrease funding for 10-yr projections from centennial census
			<b>Total Funds</b>		<b>32,535</b>	<b>133,030</b>	<b>165,565</b>	
			<b>General Funds</b>		<b>32,535</b>	<b>133,030</b>	<b>165,565</b>	<b>MUST MATCH PROPOSED REDUCTION AMOUNT</b>
			Federal Funds		0	0	0	
			Highway Funds		0	0	0	
			Fish & Game Funds		0	0	0	
			Other Funds		0	0	0	

**NH Office of Energy and Planning  
FY10 and 11 General Funds**

**OEP FY 11 GF Reduction Calculations from Contract Adjustments:**

*(Note: FY10 GF reduction target has been met without contract adjustments)*

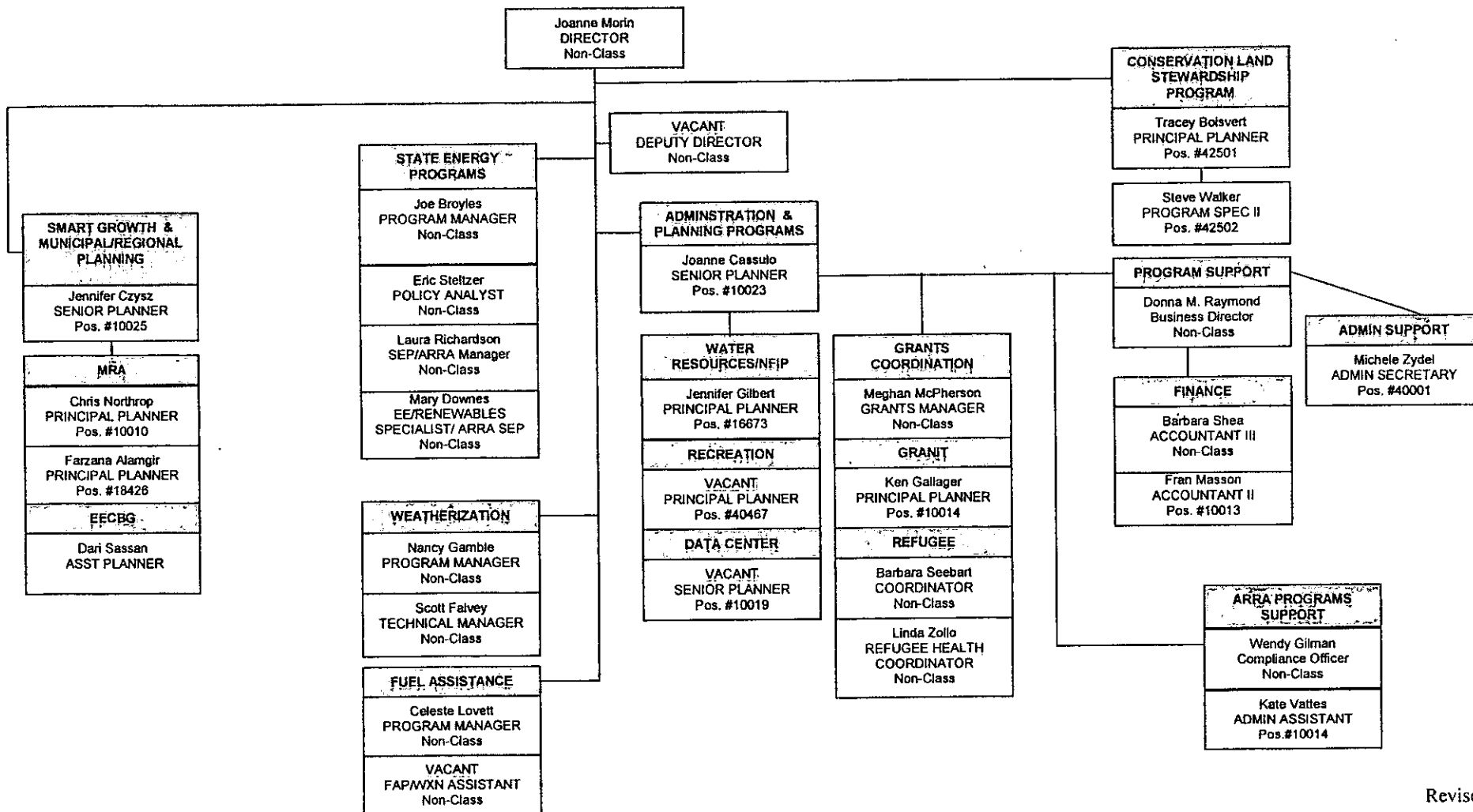
Projected GF Shortfall							-\$84,743
Current Budget - By Org Code	<u>FY 11 GF Level</u>	<u>FY 10 GF Level</u>	<u>FY 09 GF Level</u>	<u>FY 08 GF Level</u>	<u>FY 07 GF Level</u>	<u>FY 06 GF Level</u>	<u>FY06/07 vs FY08/09</u>
Org 6400 - HeadStart contract	\$331,337	\$331,337	\$331,337	\$331,337	\$241,337	\$241,337	\$90,000
Org 6570 - Regional Planning Commission contracts	\$215,187	\$221,948	\$230,000	\$230,000	\$230,000	\$230,000	
Org 6570 - UNH GRANIT contract	\$65,492	\$67,549	\$70,000	\$70,000	\$70,000	\$70,000	
Org 4096 - CT River Valley Joint Commissions contract	\$56,136	\$57,899	\$60,000	\$60,000	\$39,285	\$39,285	\$20,715
Org 6400 - Consultants	\$40,000	\$0	\$0	\$0	\$0	\$0	

Proposed GF Reductions to Meet GF Shortfall

	<u>FY 11 GF Level</u>	<u>FY 11 Redux</u>	<u>FY 11 Adj</u>	<u>% Redux</u>
Org 6400 - HeadStart contract	\$331,337	-18,607	312,730	-5.6%
Org 6570 - Regional Planning Commission contracts	\$215,187	0	215,187	0.0%
Org 6570 - UNH GRANIT contract	\$65,492	0	65,492	0.0%
Org 4096 - CT River Valley Joint Commissions contract	\$56,136	-56,136	0	-100.0%
Org 6400 - Consultants	\$40,000	-10,000	30,000	-25.0%

Totals -84,743

**NH OFFICE OF ENERGY & PLANNING**  
FY 2010-2011



Revised 3/8/10

<b>DETAIL CHANGE</b>					
<b>SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)</b>					
<b>OFFICE OF ENERGY AND PLANNING</b>					
<b>ACCT. UNIT</b>	<b>CLASS</b>	<b>AGENCY/COMMENT</b>	<b>SOF</b>	<b>FY 2011</b>	<b>DESCRIBE CHANGE</b>
<b>01-02</b>		<b>Executive Office</b>			
<b>01-02-02-0240</b>		<b>Office of Energy and Planning</b>			
<b>01-02-02-0240-6400</b>		<b>Administration</b>			
01-02-02-0240-6400	010	Decrease Personal Services	G	(21,204)	Remove 5.5% salary increase which was budgeted but not granted.
01-02-02-0240-6400	016	Decrease Personal Services	G	(12,659)	Remove 5.5% salary increase which was budgeted but not granted.
01-02-02-0240-6400	060	Decrease Benefits	G	(6,942)	Decrease in benefits associated with decrease in salary classes.
01-02-02-0240-6400	046	Decrease Consultants	G	(10,000)	Decrease funding for 10-yr projections from centennial.
01-02-02-0240-6400	068	Decrease Remuneration	G	(18,607)	Decrease Headstart contracts.
<b>01-02-02-0240-6570</b>		<b>Municipal/Regional Assistance</b>			
01-02-02-0240-6570	010	Decrease Personal Services	G	(2,150)	Remove 5.5% salary increase which was budgeted but not granted.
01-02-02-0240-6570	060	Decrease Benefits	G	(332)	Decrease in benefits associated with decrease in salary classes.
<b>01-02-02-0240-4096</b>		<b>Connecticut River Valley</b>			
01-02-02-0240-4096	068	Decrease Remuneration	G	(56,136)	Eliminate funding for CT River Joint Commission.
<b>01-02-02-0240-8114</b>		<b>Unemployment Compensation</b>			
01-02-02-0240-8114	061	Decrease Unemployment Comp	G	(5,000)	OEP has traditionally not used this funding.
		<b>Total Funds</b>		<b>(133,030)</b>	
		<b>General Funds</b>		<b>(133,030)</b>	
		<b>Federal Funds</b>		<b>0</b>	
		<b>Highway Funds</b>		<b>0</b>	
		<b>Fish &amp; Game Funds</b>		<b>0</b>	
		<b>Other Funds</b>		<b>0</b>	

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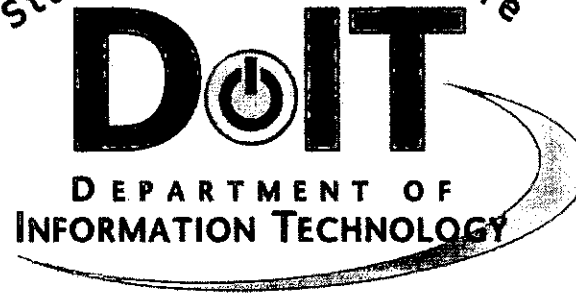
<b>DETAIL CHANGE</b>					
<b>SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)</b>					
<b>DEPARTMENT OF EDUCATION</b>					
<b>ACCT. UNIT</b>	<b>CLASS</b>	<b>AGENCY/COMMENT</b>	<b>SOF</b>	<b>FY 2011</b>	<b>DESCRIBE CHANGE</b>
<b>06-56</b>		<b>Department of Education</b>			
<b>06-56-56-5605-2022</b>		<b>Governance and Standards</b>			
06-56-56-5605-2022	010	Personal Services-Perm. Classi	G	(72,852)	Unfund Position # 13160
06-56-56-5605-2022	060	Benefits	G	(21,412)	Reduce benefits associated with unfunding of position above
06-56-56-5605-2022	046	Consultants	G	(7,810)	Reduce Due Process Hearing Officers
06-56-56-5605-2022	067	Training of Providers	G	(5,000)	Reduce training to Hearing Officers
06-56-56-5605-2022	235	Transcription Services	G	(1,203)	Reduce transcriptions
<b>06-56-56-5610-6019</b>		<b>Other State Aid</b>			
06-56-56-5610-6019	078	Cat Aid - Education	G	(7,892,809)	Reduce reimbursements to school districts for Catastrophic Aid
06-56-56-5610-6019	600	Tuition and Transportation Aid	G	(607,993)	Reduce reimbursements to school districts for tuition and transportation aid
06-56-56-5610-6019	606	Dropout Prevention	G	(128,065)	Reduce expenditures in support of dropout prevention programs
06-56-56-5610-6019	607	Statewide Special Education	G	(23,942)	Reduce expenditures in support of statewide special education programs
06-56-56-5610-6019	609	Local Ed Improvement	G	(39,903)	Reduce expenditures in support of non-Title I schools local education improvement programs
06-56-56-5610-6019	610	Career Tech Student Orgs	G	(9,178)	Reduce expenditures in support of career tech student organizations
<b>06-56-56-5615-4101</b>		<b>Court Ordered Placements</b>			
06-56-56-5615-4101	602	State Fund Non-Match	G	(122,710)	Reduce reimbursements to providers for court ordered placements.
<b>06-56-56-5620-6401</b>		<b>Instruction - State</b>			
06-56-56-5620-6401	010	Personal Services-Perm. Classi	G	(79,775)	Unfund Position # 30373 move to federal IDEA
06-56-56-5620-6401	060	Benefits	G	(43,947)	Reduce benefits associated with unfunding of position above
06-56-56-5620-6401	010	Personal Services-Perm. Classi	G	(57,935)	Unfund Position # 18876 move to federal IDEA
06-56-56-5620-6401	060	Benefits	G	(18,582)	Reduce benefits associated with unfunding of position above

<b>DETAIL CHANGE</b>					
<b>SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)</b>					
<b>DEPARTMENT OF EDUCATION</b>					
<b>ACCT. UNIT</b>	<b>CLASS</b>	<b>AGENCY/COMMENT</b>	<b>SOF</b>	<b>FY 2011</b>	<b>DESCRIBE CHANGE</b>
<b>06-56-56-5620-3260</b>		<b>Curriculum and Assessment</b>			
06-56-56-5620-3260	010	Personal Services-Perm. Classi	G	(63,180)	Unfund Position # 13134 Science Consultant
06-56-56-5620-3260	060	Benefits	G	(27,613)	Reduce benefits associated with unfunding of position above
06-56-56-5620-3260	067	Training of Providers	G	(1,836)	Reduce training to providers of technical assistance to low performing schools
06-56-56-5620-3260	102	Contracts for program services	G	(4,589)	Reduce expenditures for technical assistance providers to low performing schools
06-56-56-5620-3260	103	Contracts for Op Services	G	(120)	Reduce contracted services for curriculum and assessment
06-56-56-5620-3260	612	State Testing	G	(240,420)	Reduce expenditures for state assessments
<b>06-56-56-5620-5406</b>		<b>Parent As Teacher</b>			
06-56-56-5620-5406	602	State Fund Non-Match	G	(65,000)	Eliminates funding for Parent As Teacher program
<b>06-56-56-5635-4000</b>		<b>Program Support - State</b>			
06-56-56-5635-4000	010	Personal Services-Perm. Classi	G	(34,866)	Unfund Position # 18879
06-56-56-5635-4000	060	Benefits	G	(30,926)	Reduce benefits associated with unfunding of position above
06-56-56-5635-4000	010	Personal Services-Perm. Classi	G	(38,816)	Partially unfund salary position # 13302 move to federal Nutrition
06-56-56-5635-4000	614	Data/Info Processing	G	(2,190)	Reduce expenditures for data collection, processing and reporting
<b>06-56-56-5640-3004</b>		<b>School Nutrition - Section IV</b>			
06-56-56-5640-3004	602	State Fund Non-Match	G	(15,961)	Reduces reimbursements to School Districts for breakfast
<b>06-56-56-5650-4082</b>		<b>Career Tech - Adult Learn - ADM</b>			
06-56-56-5650-4082	011	Personal Services-Unclassified	G	(92,106)	Unfund Position # 9U299
06-56-56-5650-4082	060	Benefits	G	(25,218)	Reduce benefits associated with unfunding of position above
<b>06-56-56-5650-6030</b>		<b>Vocational Education - State</b>			



<b>DETAIL CHANGE</b>					
<b>SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)</b>					
<b>DEPARTMENT OF EDUCATION</b>					
<b>ACCT. UNIT</b>	<b>CLASS</b>	<b>AGENCY/COMMENT</b>	<b>SOF</b>	<b>FY 2011</b>	<b>DESCRIBE CHANGE</b>
06-56-56-5650-6030	010	Personal Services-Perm. Classi	G	(30,888)	Unfund Position # 13205
06-56-56-5650-6030	060	Benefits	G	(13,235)	Reduce benefits associated with unfunding of position above
<b>06-56-56-5660-7004</b>		<b>Adult Education</b>			
06-56-56-5660-7004	602	State Fund Non-Match	G	(102,920)	Reduce expenditures in support of adult education programs
		<b>Total Funds</b>		<b>(9,923,000)</b>	
		<b>General Funds</b>		<b>(9,923,000)</b>	
		<b>Federal Funds</b>		<b>0</b>	
		<b>Highway Funds</b>		<b>0</b>	
		<b>Fish &amp; Game Funds</b>		<b>0</b>	
		<b>Other Funds</b>		<b>0</b>	

State of New Hampshire



# Department of Information Technology

## SB 450 Hearing

Richard C. Bailey, Jr., CIO

April 22, 2010

# DoIT Funding Approach

- **DoIT Revenue Sources**

- 99.4% of the DoIT budget is funded by agency Class 027 Appropriations
  - DoIT holds the expenditure classes (Class 010, 020, 030, etc.).
  - Agencies hold the funding to reimburse DoIT for its expenditures (Class 027)
- 0.6% of DoIT's budget is funded directly by General funds
  - General funds support small agencies
    - SFY 2011: \$379,730

- **Class 027 Appropriations Revenue Sources**

- 24.8% Federal funds
- 20.8% Highway funds
- 13.2% Other funds
- 41.2% General funds

# Budget Reductions

SB 450

General Fund Reduction

\$2,175,000

# FY 2011 Budget History

Analysis of Change	Budget as Passed	HB 1 Reductions (\$1.3M)	HB 2 Reductions (\$25 M Statewide)	SB 450 \$2,175,000 Reduction	Budget After Reductions	Total All Reductions	% Change
DoIT General Funds	379,730	(40,648)	(3,574)	(22,493)	313,015	(66,715)	-18%
Class 27 General Funds	25,252,578	(1,259,352)	(614,556)	(2,152,507)	21,226,163	(4,026,415)	-16%
Class 27 Other Funds	41,647,196	(576,645)	(198,606)	(750,212)	40,121,733	(1,525,463)	-4%
Total Appropriation	67,279,504	(1,876,645)	(816,736)	(2,925,212)	61,660,911	(5,618,593)	-8%
Total General Funds	25,632,308	(1,300,000)	(618,130)	(2,175,000)	21,539,178	(4,093,130)	-16%
% General Funds	38.1%				34.9%		

# FY 2011 Position History

Analysis of Change - Positions	SFY09 Adjusted Actual	Budget as Passed	After \$25M Reduction	After SFY 2010 \$1.3 M Reduction	After SFY 2011 \$1.3 M Reduction	After 2,175,000 Reduction	# Change from 2009	% Change from 2009
CIO Office	32	28	27	26	26	24	(8)	-25%
Web Services	21	20	20	19	20	19	(2)	-10%
Agency Software	184	175	170	166	167	156	(28)	-15%
Technical Support Services	105	98	94	90	93	88	(17)	-16%
Operations	87	87	82	81	82	77	(10)	-11%
Subtotal Funded DoIT Positions	429	408	393	382	388	364	(65)	-15%
Unfunded Positions	-	21	36	47	41	65		
Total DoIT Positions	429	429	429	429	429	429		
Percent Change	0%	-5%	-8%	-11%	-10%	-15%		



# Challenges

# Budget Challenges

- **Staff reductions require more maintenance projects to be done during the business day**
  - Causes disruption in agency operations
- **Growing Expectation for 7x24 Support**
  - Never in a budget
  - On call requires funding



# Budget Challenges

- **General Fund agencies “not holding up their end” of shared service funding**
  - Efficiency in consolidation of core services/equipment
  - Based on expectation that everyone pays their fair share
- **Aging Infrastructure**
  - Protecting core services
  - Replacement of servers and software continues to be deferred.

# Aging Infrastructure

## Equipment Ages

Age	PCs	Laptops	Unix	Windows
1 year or less	720	55	2	27
2 years	1,051	338	9	35
3 years	2,954	364	13	126
4 years	555	659	9	134
5 years	697	358	2	82
More than 5 years	2,754	338	25	177
<b>Total</b>	<b>8,731</b>	<b>2,112</b>	<b>60</b>	<b>581</b>

## MS Office Versions

Newest to Oldest Versions	#
Office 2007	178
Office 2003	3,231
Office XP Total	1,466
Office 2000 Total	4,951
Office 97 Total	708
<b>Total</b>	<b>10,534</b>

# Aging Infrastructure

- **40% of the State's PCs are at least 5 years old**
- **45% of the State's servers are at least 5 years old**
- **8% of the State's servers run using Windows 2000 which will not be supported after July 2011**
- **53% of the State's Microsoft Office Suite are no longer supported (Office 97 and Office 2000)**
- **14% more of the State's Microsoft Office Suite will not be supported after July 2011 (Office XP)**

# Cyber Security

- Threats not going away
- Adds protection, not speed
- Requires resource commitment
- Progress made in last biennium
- Portable Devices

# Questions?

DETAIL CHANGE					
SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)					
DEPARTMENT OF INFORMATION TECHNOLOGY					
ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
<b>Various Agencies</b>		<b>Class 027 in various state agencies</b>			
Commission on Disability	027	Transfers to DoIT-Governor's Commission on	G	(3,134)	
Office of Energy and Planning	027	Transfers to DoIT-Office of Energy and Planning	G	(6,371)	
Judicial Council	027	Transfers to DoIT-Judicial Council	G	(651)	
Judicial Branch	027	Transfers to DoIT-Judicial Branch	G	(733)	
Adjutant General	027	Transfers to DoIT-Adjutant General	G	(571)	
Department of Administrative Services	027	Transfers to DoIT-Department of Administrative Services	G	(175,875)	
Department of Agriculture	027	Transfers to DoIT-Department of Agriculture	G	(2,947)	
Department of Justice	027	Transfers to DoIT-Department of Justice	G	(41,601)	
Real Estate Commission	027	Transfers to DoIT-Real Estate Commission	G	(744)	
Joint Board	027	Transfers to DoIT-Joint Board	G	(440)	
Department of Cultural	027	Transfers to DoIT-Department of Cultural	G	(39,007)	
Department of Resources & Economic Development	027	Transfers to DoIT-Department of Resource & Economic Dev	G	(34,374)	
Treasury	027	Transfers to DoIT-Treasury	G	(52)	
Veteran's Home	027	Transfers to DoIT-Veteran's Home	G	(3,022)	
Department of Environmental	027	Transfers to DoIT-Department of Environmental	G	(71,763)	
Department of Corrections	027	Transfers to DoIT-Department of Corrections	G	(185,222)	
Department of Education	027	Transfers to DoIT-Department of Education	G	(94,888)	
Post-secondary Education	027	Transfers to DoIT-Postsecondary Education	G	(5,578)	
Christa McAuliffe Planetarium	027	Transfers to DoIT-Christa McAuliffe Planetarium	G	(153)	
Plumbers Licensing Board	027	Transfers to DoIT-Plumbers Licensing Board	G	(247)	
Public Employees Labor	027	Transfers to DoIT-Public Employees Labor	G	(488)	
Cosmetology Board	027	Transfers to DoIT-DHHS Board: Cosmetology	G	(1,186)	
Human Rights Commission	027	Transfers to DoIT-Human Rights Commission	G	(2,556)	
Liquor Commission	027	Transfers to DoIT-Liquor Commission	G	(219,550)	
Board of Medicine	027	Transfers to DoIT-DHHS Board: Board of Medicine	G	(696)	
Board of Allied Health	027	Transfers to DoIT-DHHS Board: Allied Health	G	(298)	
Pharmacy Commission	027	Transfers to DoIT-DHHS Board: Pharmacy	G	(3,594)	
Dental Board	027	Transfers to DoIT-DHHS Board: Dental Board	G	(433)	
Nursing Board	027	Transfers to DoIT-DHHS Board: Nursing (7430)	G	(1,388)	
Board of Nursing Assistants	027	Transfers to DoIT-DHHS Board: Assistant to Nursing (7431)	G	(3,579)	
Lottery Commission	027	Transfers to DoIT-NH Lottery Commission	G	(47,081)	
Department of Revenue	027	Transfers to DoIT-Department of Revenue	G	(159,234)	
Pari-Mutuel Commission	027	Transfers to DoIT-Pari-Mutuel Commission	G	(3,796)	



**DETAIL CHANGE**  
**SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)**  
**DEPARTMENT OF INFORMATION TECHNOLOGY**

ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
Board of Tax and Land Appeals	027	Transfers to DoIT-Board of Tax and Land Appeals	G	(5,245)	
Department of Health and Human Services - General Funds	027	Transfers to DoIT-Department of Health and Human Services	G	(1,036,007)	
Department of Health and Human Services -Federal Funds	027	Transfers to DoIT-Department of Health and Human Services	O	(750,212)	
<b>01-03</b>		<b>Department of Information Technology</b>			
<b>01-03-03-0300-7703</b>		<b>Shared IT Services &amp; Ops</b>			
01-03-03-0300-7703	022	Rents-Leases Other Than Stat	G	(952)	Reduction in Office Rental Space.
01-03-03-0300-7703	026	Organizational Dues	G	(140)	Reduction in Membership Fees.
01-03-03-0300-7703	037	Technology - Hardware	G	(5,080)	Reduction in Server Coverage.
01-03-03-0300-7703	038	Technology - Software	G	(1,941)	Reduction in Support Software.
01-03-03-0300-7703	066	Employee Training	G	(508)	Reduction in Training.
01-03-03-0300-7703	070	In-State Travel Reimbursement	G	(55)	Reduction in Travel Reimbursement.
<b>01-03-03-0300-7708</b>		<b>IT Salaries and Benefits</b>			
01-03-03-0300-7708	010	Personal Services-Perm. Clas	G	(9,118)	Unfund Positions # 10223, 16689, 16692, 20039, 41109
01-03-03-0300-7708	018	Overtime	G	(85)	IT Services, Equipment, Software, and Support
01-03-03-0300-7708	050	Personal Service-Temp/Appoin	G	(68)	IT Services, Equipment, Software, and Support
01-03-03-0300-7708	060	Benefits	G	(31)	IT Services, Equipment, Software, and Support
01-03-03-0300-7708	060	Benefits	G	(4,518)	Unfund Positions # 10223, 16689, 16692, 20039, 41109
		<b>Total Funds</b>		<b>(2,925,212)</b>	
		<b>General Funds</b>		<b>(2,175,000)</b>	
		<b>Federal Funds</b>		<b>0</b>	
		<b>Highway Funds</b>		<b>0</b>	
		<b>Fish &amp; Game Funds</b>		<b>0</b>	
		<b>Other Funds</b>		<b>(750,212)</b>	

# Board of Tax and Land Appeals

## Current Detailed Projections With Specific Extra Pays Earned 00089 Class 10 Positions - April 22, 2010

CATEGORY 01 GENERAL GOVERNMENT  
DEPARTMENT 00089 BOARD OF TAX & LAND APPEALS  
AGENCY 089 TAX - LAND APPEALS- BOARD OF  
ACTIVITY TLA890010 BOARD OF TAX - LAND APPEALS

JOB POS LG ST NAME CLASS

Organization: 1241 BOARD OF TAX - LAND

				----- Longevity -----		----- Year 1 -----			----- Year 2 -----			
				Year 1	Year 2	Salary	Benefits	Total	Salary	Benefits	Total	
14583	29	7	BROWN, CYNTHIA	927700	600.00	600.00	68,109.00	28,905.24	97,014.24	70,156.50	30,741.09	100,897.59
14584	11	8	GILL, LUCILLE	416500	0.00	300.00	32,493.00	6,443.38	38,936.38	0.00	0.00	0.00
14584	11	5	VACANT-EXEC SEC	416500	0.00	0.00	0.00	0.00	0.00	29,718.00	20,524.27	50,242.27
14585	27	7	STELMACH, ANNE	205800	0.00	0.00	61,471.50	34,142.17	95,613.67	63,180.00	36,481.69	99,661.69
19847	15	8	MOQUIN, LISA	569400	600.00	600.00	39,390.00	33,039.73	72,429.73	39,990.00	35,146.40	75,136.40
19820	23	6	EKSTROM, MELANIE	856200	600.00	600.00	51,514.50	16,564.80	68,079.30	52,540.50	17,398.59	69,937.09
41676	27	6	WALKER, THERESA	927600	0.00	0.00	58,947.00	33,643.07	92,590.07	60,567.00	35,965.08	96,532.08
9TEMP	12	1	FOOTE, NICOLE	006500	0.00	0.00	14,154.40	2,830.88	16,985.28	14,154.40	2,830.88	16,985.28
41677	14	1	VACANT	008300	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Organization 1241 Totals:

Position Count: 8	1,800.00	2,100.00	326,079.40	155,569.27	481,648.67	330,306.40	179,086.00	509,392.40
Activity TLA890010 Totals:			326,079.40	155,569.27	481,648.67	330,306.40	179,086.00	509,392.40
Position Count: 8	1,800.00	2,100.00	326,079.40	155,569.27	481,648.67	330,306.40	179,086.00	509,392.40
Agency 089 Totals:			326,079.40	155,569.27	481,648.67	330,306.40	179,086.00	509,392.40
Position Count: 8	1,800.00	2,100.00	326,079.40	155,569.27	481,648.67	330,306.40	179,086.00	509,392.40

### Abolished Position in HB1 FN6

14588 15 6 Program Asst. II 711000 900.00 900.00 37,189.50 29,341.60 66,531.10 38,149.50 31,533.13 69,682.63

Person in abolished position bumped Administrative Secretary and then Administrative Secretary was hired for vacant Legal Secretary position.

### Results of Bumping

41677 14 8 Admin. Sec. to 19847 Legal Sec. LG15 ,Step 8 Total Salary & Benefits 73,396 Budgeted 52,910

### Hired Part-Time Position

9Temp 12 1 Accounting Technician 16,985.28 Budgeted 0

(7)



State of New Hampshire													
Department of Administrative Services, Budget Office													
Fiscal Year 2010-2011 Budget Reductions													
April 1, 2010 through June 30, 2011 (See Instructions below)													
								FY 2010			FY 2011		
Position Information (if included)													
Agency / Department	Agency #	Bureau / Division #	Accounting Unit #	Exp. Class	Account Object	Position #	Position Title	\$\$ Amount Other Funds	\$\$ Amount General Fund	Total	\$\$ Amount Other Funds	\$\$ Amount General Fund	Total
Board of Tax & Land Appeals	089	089	1240000	020	0200			640	3,360	4,000	640	3,360	4,000
				046	0464			224	1,176	1,400			
				070	0704			160	840	1,000	160	840	1,000
				010	0100	41677	Admin. Secretary	-	-	-	3,796	19,929	23,725
				060	0601	41677	Admin. Secretary	-	-	-	3,300	17,325	20,625
<b>TOTALS:</b>								1,024	5,376	6,400	7,896	41,454	49,350
<b>Instructions:</b>													
Do not insert columns or alter formulas.													
Complete columns A through W for each expenditure account. Add comments in column X.													
For positions, fill in Salary and Benefit amounts net of any payouts, or COBRA.													
Use two rows for positions: top row for salary and bottom row for benefits.													
Insert additional rows if needed for revenue classes with more than one revenue source.													
Use only one object / account for each expenditure class.													
Round up to the nearest dollar - no pennies.													



<b>ALTERNATIVE PROPOSED CHANGES TO SB 450 BASED ON RESTRUCTURING OF POSITIONS</b>													
Fiscal Year 2010-2011 Budget Reductions													
April 1, 2010 through June 30, 2011 (See Instructions below)													
							FY 2010			FY 2011			
Position Information (If Included)							\$S Amount	\$S Amount		\$S Amount	\$S Amount		
Agency / Department	Agency #	Bureau / Division #	Accounting Unit #	Exp. Class	Account / Object	Position #	Position Title	Other Funds	General Fund	Total	Other Funds	General Fund	Total
Board of Tax & Land Appeals	089	089	1240000	020	0200			640	3,360	4,000	640	3,360	4,000
				046	0464			224	1,176	1,400			
				070	0704			160	840	1,000	160	840	1,000
				010	0100	41677	Admin. Secretary						
				060	0601	41677	Admin. Secretary						
				010	0100	14584	Executive Secretary				2,176	11,424	13,600
				060	0601	14584	Executive Secretary				544	2,856	3,400
<b>TOTALS:</b>								1,024	5,376	6,400	3,520	18,480	22,000
<b>Instructions:</b>													
Do not insert columns or alter formulas.													
Complete columns A through W for each expenditure account. Add comments in column X.													
For positions, fill in Salary and Benefit amounts net of any payouts, or COBRA.													
Use two rows for positions: top row for salary and bottom row for benefits.													
Insert additional rows if needed for revenue classes with more than one revenue source.													
Use only one object / account for each expenditure class.													
Round up to the nearest dollar - no pennies.													

# State of New Hampshire

## Detailed Projections With Specific Extra Pays Earned 00089

### Class 10 Positions

10/8/2008

CATEGORY 01 GENERAL GOVERNMENT  
 DEPARTMENT 00089 BOARD OF TAX & LAND APPEALS  
 AGENCY 089 TAX - LAND APPEALS- BOARD OF  
 ACTIVITY TLA890010 BOARD OF TAX - LAND APPEALS

Version  
2010A06

POS	LG	ST	NAME	JOB CLASS	Hazard/Shift Pay		Longevity Pay		Totals To Be Funded					
					Year 1	Year 2	Year 1	Year 2	Year 1		Year 2			
					Salary	Benefits	Total	Salary	Benefits	Total				
<b>Organization: 1241 BOARD OF TAX - LAND APPEALS</b>														
14583	29	6	BROWN, CYNTHIA	927700	0.00	0.00	600.00	600.00	68,109.00	28,905.24	97,014.24	70,156.50	30,741.09	100,897.59
14584	11	7	GILL, LUCILLE	416500	0.00	0.00	0.00	300.00	32,493.00	6,443.38	38,936.38	33,684.00	6,678.82	40,362.82
14585	27	6	STELMACH, ANNE	205800	0.00	0.00	0.00	0.00	61,471.50	34,142.17	95,613.67	63,180.00	36,481.69	99,661.69
14588	15	6	LAVIN, SUSAN	711000	0.00	0.00	900.00	900.00	37,189.50	29,341.60	66,531.10	38,149.50	31,533.13	69,682.63
19820	23	6	EKSTROM, MELANIE	856200	0.00	0.00	600.00	600.00	51,514.50	16,564.80	68,079.30	52,540.50	17,396.59	69,937.09
19847	15	1	VACANT	569400	0.00	0.00	0.00	0.00	30,693.00	19,469.43	50,162.43	31,945.50	20,964.83	52,910.33
41676	27	5	WALKER, THERESA	927600	0.00	0.00	0.00	0.00	58,947.00	33,643.07	92,590.07	60,567.00	35,965.08	96,532.08
41677	14	8	MOQUIN, LISA	008300	0.00	0.00	600.00	600.00	38,449.50	32,851.63	71,301.13	38,449.50	35,146.40	73,595.90
Organization 1241 Totals:					0.00		2,700.00		378,867.00		580,228.32		214,907.63	
Position Count: 8						0.00		3,000.00		201,361.32		388,672.50		603,580.13
Activity TLA890010 Totals:					0.00		2,700.00		378,867.00		580,228.32		214,907.63	
Position Count: 8						0.00		3,000.00		201,361.32		388,672.50		603,580.13
Agency 089 Totals:					0.00		2,700.00		378,867.00		580,228.32		214,907.63	
Position Count: 8						0.00		3,000.00		201,361.32		388,672.50		603,580.13

# State of New Hampshire

## Detailed Projections With Specific Extra Pays Earned 00089

### Unclassified Positions

10/8/2008

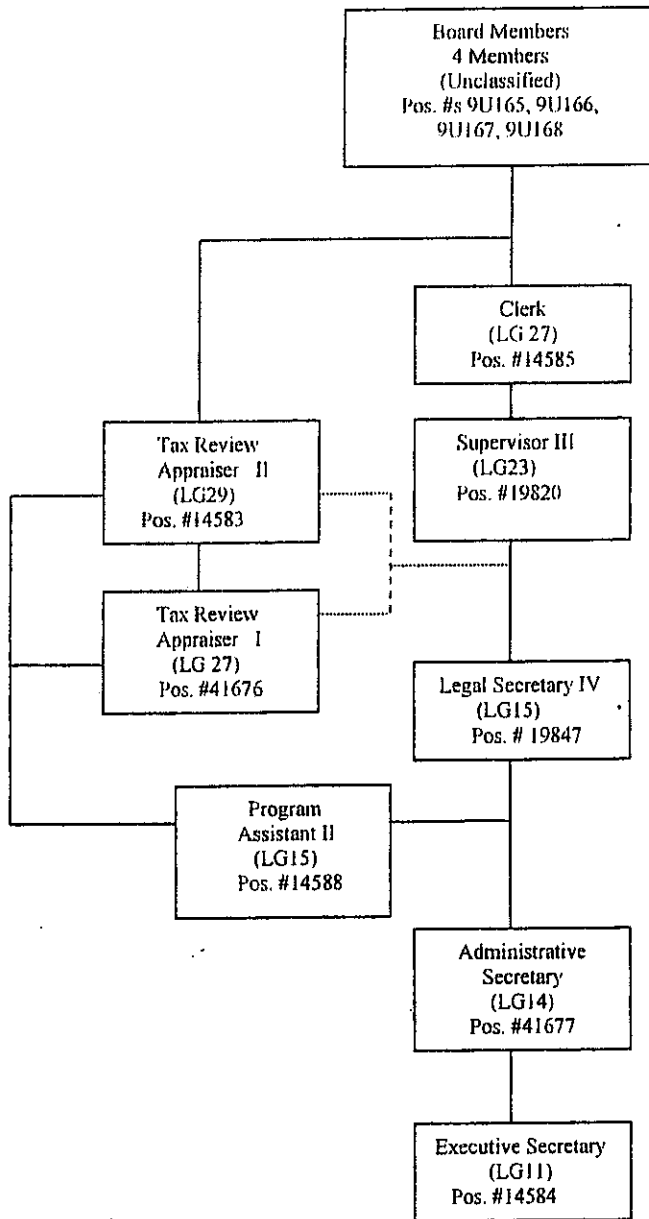
CATEGORY 01 GENERAL GOVERNMENT  
 DEPARTMENT 00089 BOARD OF TAX & LAND APPEALS  
 AGENCY 089 TAX - LAND APPEALS- BOARD OF  
 ACTIVITY TLA890010 BOARD OF TAX - LAND APPEALS

Version  
2010A06

POS	LG	ST	NAME	JOB CLASS	Hazard/Shift Pay		Longevity Pay		Totals To Be Funded					
					Year 1	Year 2	Year 1	Year 2	Year 1		Year 2			
					Salary	Benefits	Total	Salary	Benefits	Total				
<b>Organization: 1241 BOARD OF TAX - LAND APPEALS</b>														
9U165	0	6	RICARD, DOUGLAS	9U2450	0.00	0.00	300.04	300.04	74,360.04	30,141.08	104,501.12	74,360.04	31,572.12	105,932.16
9U166	0	6	SHAMASH, ALBERT	9U2450	0.00	0.00	0.00	300.04	74,060.00	36,630.90	110,690.90	74,360.04	38,691.96	113,052.00
9U167	0	6	LEBRUN, MICHELE	9U2450	0.00	0.00	1,799.98	2,100.02	75,859.98	31,053.45	106,913.43	76,160.02	33,371.16	109,531.18
9U168	0	6	FRANKLIN, PAUL	9U2710	0.00	0.00	1,200.16	1,200.16	75,260.16	28,280.37	103,540.53	75,260.16	29,528.11	104,788.27
Organization 1241 Totals:					0.00		3,300.18		299,540.18		425,645.98		133,163.35	
Position Count: 4						0.00		3,900.26		126,105.80		300,140.26		433,303.61
Activity TLA890010 Totals:					0.00		3,300.18		299,540.18		425,645.98		133,163.35	
Position Count: 4						0.00		3,900.26		126,105.80		300,140.26		433,303.61
Agency 089 Totals:					0.00		3,300.18		299,540.18		425,645.98		133,163.35	
Position Count: 4						0.00		3,900.26		126,105.80		300,140.26		433,303.61

**Board of Tax and Land Appeals**  
**Organizational Chart**

*Budget Version*



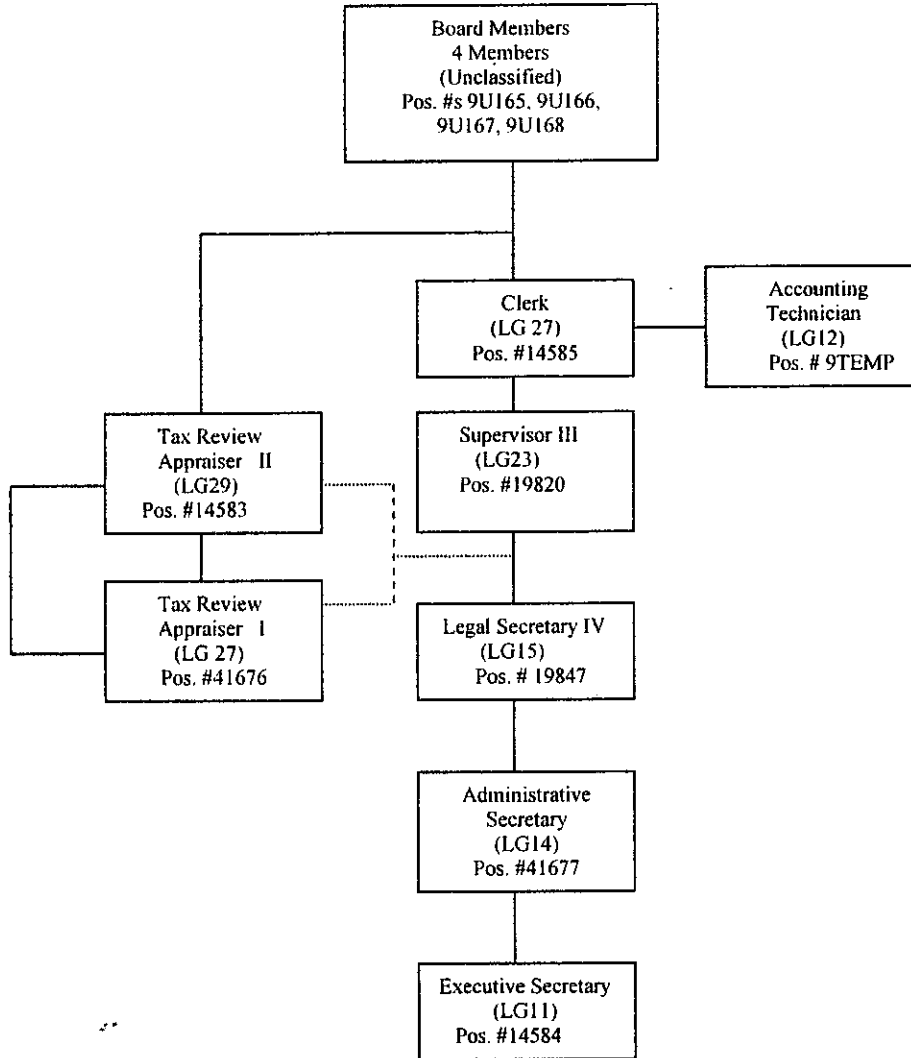
**Authorized Personnel & Vacancies**

Board Members: Paul B. Franklin, Chairman  
Michele E. LeBrun  
Douglas S. Ricard  
Albert F. Shamash, Esq.

Clerk:	Anne Stelmach	Program Assistant II:	Susan Lavin
Supervisor III:	Melanie Ekstrom	Administrative Secretary:	Lisa Moquin
Tax Review Appraiser II:	Cynthia Brown	Legal Secretary IV:	Vacant
Tax Review Appraiser I:	Theresa Walker	Executive Secretary:	Lucille Gill

**Board of Tax and Land Appeals**  
**Organizational Chart**

*Current*



**Authorized Personnel & Vacancies**

Board Members: Paul B. Franklin, Chairman  
Michele E. LeBrun  
Douglas S. Ricard  
Albert F. Shamash, Esq.

Clerk:	Anne Stelmach	Legal Secretary IV:	Lisa Moquin
Supervisor III:	Melanie Ekstrom	Administrative Secretary:	Vacant
Tax Review Appraiser II:	Cynthia Brown	Accounting Technician:	Nicole Foote
Tax Review Appraiser I:	Theresa Walker	Executive Secretary:	Lucille Gill *

\* will be vacant as of May 31, 2010

01 GENERAL GOVERNMENT  
 38 STATE TREASURY  
 38 TREASURY- DEPT OF

(CONT.)  
 (CONT.)  
 (CONT.)

EXPENDITURE TOTAL FOR TREASURY- DEPT OF	180,497,244	189,954,555
OTHER FUNDS	22,186,336	27,248,791
GENERAL FUND	158,310,908	162,705,764
TOTAL ESTIMATED SOURCE OF FUNDS FOR TREASURY- DEPT OF	180,497,244	189,954,555

01 GENERAL GOVERNMENT  
 89 BOARD OF TAX & LAND APPEALS  
 89 TAX - LAND APPEALS- BOARD OF  
 890010 BOARD OF TAX - LAND APPEALS  
 1241 BOARD OF TAX - LAND APPEALS

010 Personal Services-Perm. Classi	341,677	350,523
011 Personal Services-Unclassified	299,540	300,140
020 Current Expenses	28,500	28,500
022 Rents-Leases Other Than State	3,000	3,000
024 Maint.Other Than Build.- Grnds	500	500
026 Organizational Dues	250	250
027 Transfers To DOIT *	52,457	64,391
028 Transfers To General Services *	64,058	65,978
030 Equipment New/Replacement	5,062	4,728
040 Indirect Costs *	157	162
042 Additional Fringe Benefits *	10,000	10,000
046 Consultants	6,000	6,000
049 Transfer to Other State Agencies *	400	400
050 Personal Service-Temp/Appointe	750	750
060 Benefits	298,183	316,595
070 In-State Travel Reimbursement	3,600	3,600
TOTAL	1,114,134	1,155,517

ESTIMATED SOURCE OF FUNDS FOR  
 BOARD OF TAX - LAND APPEALS  
 002 TRS From Dept Transportation \*

002 TRS From Dept Transportation *	179,779	185,171
GENERAL FUND	934,355	970,346
TOTAL	1,114,134	1,155,517

CLASS NOTES

- 027 D. The funds in this appropriation shall not be transferred or expended for any other purpose
- 028 D. The funds in this appropriation shall not be transferred or expended for any other purpose



01 GENERAL GOVERNMENT  
 89 BOARD OF TAX & LAND APPEALS  
 89 TAX - LAND APPEALS- BOARD OF  
 890010 BOARD OF TAX - LAND APPEALS

	FY 2008 ACTUAL EXPENSE	FY 2009 ADJUSTED AUTH	FY 2010 GOVERNOR'S RECOMMENDED	FY 2011 GOVERNOR'S RECOMMENDED
<b>CLASS NOTES</b>				
027	D. The funds in this appropriation shall not be transferred or expended for any other purpose			
028	D. The funds in this appropriation shall not be transferred or expended for any other purpose			
040	D. The funds in this appropriation shall not be transferred or expended for any other purpose			
042	D. The funds in this appropriation shall not be transferred or expended for any other purpose			
049	D. The funds in this appropriation shall not be transferred or expended for any other purpose			
002	I. In the event that estimated revenue is less than budgeted, the total appropriation shall be reduced by the amount of the shortfall in either actual or projected budgeted revenue. The agency head shall notify the Bureau of Accounting Services forthwith, in writing, as to precisely which line item appropriation and in what specific amounts reductions are to be made in order to fully compensate for the total revenue deficits. The provisions of this footnote do not apply to Federal Funds covered by RSA 124:14			
<b>ACTIVITY TOTALS</b>				
TLA890010 BOARD OF TAX - LAND APPEALS				
EXPENSE TOTAL	989,177	1,112,592	1,116,634	1,158,517
<b>ESTIMATED SOURCE OF FUNDS</b>				
FEDERAL FUNDS	0	0	0	0
OTHER FUNDS	226,935	257,177	180,179	185,651
GENERAL FUND	762,242	855,415	936,455	972,866
TOTAL	989,177	1,112,592	1,116,634	1,158,517
<b>NUMBER OF POSITIONS</b>				
PERMANENT CLASSIFIED	9	8	7	7
UNCLASSIFIED	4	4	4	4
TOTAL NUMBER OF POSITIONS	13	12	11	11

01 GENERAL GOVERNMENT  
89 BOARD OF TAX & LAND APPEALS

	FY 2008 ACTUAL EXPENSE	FY 2009 ADJUSTED AUTH	FY 2010 GOVERNOR'S RECOMMENDED	FY 2011 GOVERNOR'S RECOMMENDED
<b>DEPARTMENT TOTALS</b>				
00089 BOARD OF TAX & LAND APPEALS				
EXPENSE TOTAL	989,177	1,112,592	1,116,634	1,158,517
<b>ESTIMATED SOURCE OF FUNDS</b>				
FEDERAL FUNDS	0	0	0	0
OTHER FUNDS	226,935	257,177	180,179	185,651
GENERAL FUND	762,242	855,415	936,455	972,866
TOTAL	989,177	1,112,592	1,116,634	1,158,517
<b>NUMBER OF POSITIONS</b>				
PERMANENT CLASSIFIED	9	8	7	7
UNCLASSIFIED	4	4	4	4
TOTAL NUMBER OF POSITIONS	13	12	11	11

## Proposed Budget Sections

fuel, including revenue received from fines and forfeitures assessed against any violator of any law of the state, other than RSA 266:18 through 266:26, or of any political subdivision thereof relative to the use and operation of motor vehicles, whether the violator is apprehended or prosecuted by an employee of the state or any political subdivision thereof, shall be paid to the state treasurer and shall, for the biennium ending June 30, 2011, be available for expenditure as unrestricted general fund revenues of the state. Fines and forfeitures assessed against any violator of RSA 266:18 through 266:26 shall be available as unrestricted highway fund revenue.

6 Positions Abolished. The following positions are hereby abolished forthwith effective at the close of business on June 30, 2009, or later, as specifically indicated:

### Office of Energy and Planning

01-02-02-024010-6400 16666

### Department of Revenue Administration

01-84-84-840010-7884 43314, 43323

01-84-84-841010-5413 30529

### Board of Tax and Land Appeals

01-89-89-890010-1241 14588

### Department of Safety

02-23-23-231010-4195 42565

### Department of Corrections

02-46-46-363010-7120 13038

02-46-46-465010-8231 40892

02-46-46-463010-8232 12977, 12824

02-46-46-465010-8234 16264, 19904, 16266

02-46-46-467010-8238 12902, 12913, 13005, 16336, 16345, 16816, 16819, 16829,  
16834, 16839, 16841, 16866, 16867, 16882, 16883, 16892,  
16893, 18468, 18788, 18823, 18825, 19244, 19264, 19547,  
19898, 19899, 19900, 19901, 19903, 19906, 19908, 19911,  
19912, 19924, 19926, 19927, 19940, 19941, 19942, 19943,  
19944, 19945, 19946, 19949, 19951, 30340, 30344, 30934,  
40177, 40180, 40203, 40206, 40710, 40711, 40714, 40715,  
40716, 40718, 40720, 40721, 40722, 40723, 40731, 40733,  
40734, 40735, 40739, 40741, 40742, 40744, 40745, 40747,  
40748, 40749, 40750, 40753, 40754, 40755, 40757, 40758,  
40760, 40761, 42258, 42259, 16261, 16881, 19937, 40751,  
40752, 40756

### Department of Resources & Economic Development

## Proposed Budget Sections

03-35-35-351010-3530	11485
Department of Environmental Services	
03-44-44-443010-5495	42724
Department of Health and Human Services	
05-95-48-481010-2202	14739, 40325
05-95-95-958210-5822	11632, 11665, 11670, 11732, 11737, 14947, 16429, 16533, 16537, 16541, 16543, 16544, 16545, 16550, 16555, 16556, 16557, 16559, 16560, 16564, 16565, 16568, 16572, 16573, 16576, 16578, 16639, 16648, 18594, 18599, 18601, 18602, 18603, 18604, 18606, 18607, 18608, 18609, 19446, 19447, 19456, 19457, 40788, 9U469
05-95-94-940010-8410	11708, 16354, 16462, 19455, 40378

7 Department of Health and Human Services; Reduction in Appropriation. In the event that estimated revenues in the aggregate are less than budgeted, during the biennium ending June 30, 2011, the total appropriations to the department of health and human services shall be reduced by the amount of the shortfall in either actual or projected revenue. The commissioner of the department of health and human services shall notify the bureau of accounting, forthwith, in writing, as to precisely which line item appropriation and in what specific amount reductions are to be made in order to fully compensate for the total revenue deficits.

8 Department of Health and Human Services; Division of Child Support Services; Payments to the Administrative Office of the Courts. The appropriation in account 05-95-95-957010-6128, class 49, includes funds for payment to the administrative office of the courts in accordance with the cooperative agreement between the division of child support services and the administrative office of the courts. The division of child support services and the administrative office of the courts shall, prior to payment of such funds, enter into a cooperative agreement specifying in detail the services to be performed by the administrative office of the courts and the estimated costs of such services. Any change or modification in the services to be performed shall likewise be agreed to in writing and specify the change and the adjustment to the costs. Funds appropriated for these purposes shall be paid only after demonstration by the administrative office of the courts that it consistently transmits court orders to the division of child support services in accordance with the cooperative agreement.

9 Department of Transportation; Highway Fund Reporting. For the biennium ending June 30, 2011, the commissioner of the department of transportation shall submit a report detailing the status of the highway fund balance to the joint fiscal committee of the general court and governor and council on a quarterly basis.

10 Board of Tax and Land Appeals; General Fund Appropriation Reduction. The Board of

## Proposed Budget Sections

Tax and Land Appeals shall reduce state general fund appropriations by \$105,000 for the fiscal year ending June 30, 2010 and by \$105,000 for the fiscal year ending June 30, 2011. The Board shall provide a quarterly report of reductions made under this section to the fiscal committee of the general court.

11 Department of Health and Human Services; Reduction in Appropriation. The department of health and human services is hereby directed to reduce state general fund appropriations for salary and benefits by \$4,500,000 for the fiscal year ending June 30, 2010, and \$9,300,000 for the fiscal year ending June 30, 2011. Any direct services to New Hampshire citizens shall be excluded from these reductions. The department shall provide a quarterly report of reductions made under this section to the fiscal committee of the general court and the governor and council.

12 Judicial Branch; General Fund Appropriation Reductions. The judicial branch shall reduce state general fund appropriations by \$11,700,000 for the fiscal year ending June 30, 2010 and by \$15,600,000 for the fiscal year ending June 30, 2011. The accounting unit 01-014-14-141510-2045, class 049, transfer to the department of administrative services for court facilities, shall not be reduced unless the reduction is agreed to by the commissioner of administrative services and the chief justice for the supreme court.

13 Legislative Branch; General Fund Appropriation Reductions. The legislative branch shall reduce state general fund appropriations \$478,000 for the fiscal year ending June 30, 2010. The legislative accounting office shall notify the commissioner of administrative services of specific appropriations to be reduced by December 31, 2009.

14 Executive Council; General Fund Appropriation Reductions. The Executive Council shall reduce state general fund appropriations by \$15,000 for the fiscal year ending June 30, 2010. The council shall notify the commissioner of administrative services of specific appropriations to be reduced by December 31, 2009.

15 Department of Safety; Highway Fund Appropriation Reductions. The department of Safety is hereby directed to reduce state highway fund appropriations for salary and benefits by \$500,000 for the fiscal year ending June 30, 2010, and \$500,000 for the fiscal year ending June 30, 2011. The department shall provide a quarterly report of reductions made under this section to the fiscal committee of the general court and the governor and council.

16 New Hampshire Liquor Commission; General Fund Appropriation Reductions. The New Hampshire Liquor Commission is hereby directed to reduce state general fund appropriations by \$2,400,000 for the fiscal year ending June 30, 2010 and by \$3,200,000 for the fiscal year ending June 30, 2011. The Commission or designee shall provide quarterly report of reductions made under this section to the fiscal committee of the general court.

17 Department of Transportation; Highway Fund Appropriation Reductions. Vacant Positions. The department of transportation shall reduce state highway fund appropriations to

144:229 Board of Tax and Land Appeals; Requirements for Caseload and Efficiencies Analysis Report. The board of tax and land appeals shall prepare a report analyzing the mission of the board, matters handled by the board, staffing of the board, changing caseloads, and proposals to achieve efficiencies in board operations and costs. The board of tax and land appeals shall submit its report on caseloads and efficiencies to the speaker of the house of representatives and the president of the senate by December 15, 2009.

98. Requires the board of tax and land appeals to submit a report the general court regarding the board's mission, caseloads, and proposals for increased efficiencies in board operations and costs.



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF COMMUNITY BASED CARE SERVICES

BUREAU OF ELDERLY & ADULT SERVICES

Nicholas A. Toumpas  
Commissioner

Nancy L. Rollins  
Associate Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-4680 1-800-351-1888  
Fax: 603-271-4643 TDD Access: 1-800-735-2964

April 21, 2010

The Honorable Marjorie K. Smith  
Chairman  
Fiscal Committee of the General Court  
State House  
Concord, NH 03301

Dear Chairman Smith:

The Department was asked to provide additional information at yesterday's work session on Senate Bill 450 as to whether the proposed reduction in nursing home funding would be allowed under RSA 84-C:11. This statute calls for the nursing facility reimbursement to be no lower than the level that was in effect on February 1, 2003. The attached spreadsheet shows the reimbursement per client from 2003 to 2011, and the revised SB450 appropriation remains higher than the historic reimbursement per client level referenced in the statute.

Respectfully submitted,

Nancy L. Rollins  
Associate Commissioner

Approved by:

Nicholas A. Toumpas  
Commissioner

Attachment



	Utilization	Budget	Reimbursement per Client
Feb. 1, 2003 Budget and Utilization Level	4900	\$181,486,041	\$37,037.97
SFY2004 - Budgeted Appropriation	4900	\$181,486,041	\$37,037.97
SFY2004 - Actual Utilization	4848	\$181,486,041	\$37,435.24
SFY2005 - Budgeted Appropriation	4900	\$181,486,041	\$37,037.97
SFY2005 - Actual Utilization	4818	\$181,486,041	\$37,668.34
SFY2006 - Budgeted Appropriation	4777	\$186,575,848	\$39,057.12
SFY2006 - Actual Utilization	4728	\$186,575,848	\$39,461.90
SFY2007 - Budgeted Appropriation	4721	\$192,870,528	\$40,853.74
SFY2007 - Adjusted Budget Appropriation	4721	\$188,810,224	\$39,993.69
SFY2007 - Actual Utilization	4483	\$188,840,224	\$42,123.63

	Utilization	Budget	Reimbursement per Client
SFY2008 - Budgeted Appropriation	4512	\$188,700,412	\$41,821.90
SFY2008 - Actual Utilization	4316	\$188,700,412	\$43,721.13
SFY2009 - Budgeted Appropriation	4467	\$184,387,825	\$41,277.78
SFY2009 - Actual Utilization	4333	\$184,387,825	\$42,554.31
SFY2010 - Budgeted Appropriation	4128	\$180,954,849	\$43,835.96
SFY2010 - Actual Utilization	4370	\$180,954,849	\$41,408.43
SFY2010 - Fiscal Comm. Transfer & Exec. Order	4400	\$183,114,458	\$41,616.92
SFY2011 - Budgeted Appropriation	4067	\$177,861,826	\$43,732.93
SFY2011 - Projected Utilization	4400	\$177,861,826	\$40,423.14
SFY2011 - SB450 Budget Adjustment	4400	\$173,747,826	\$39,488.14



# State of New Hampshire

DEPARTMENT OF HEALTH AND HUMAN SERVICES

129 PLEASANT STREET, CONCORD, NH 03301-3857

603-271-4688 FAX: 603-271-4912 TDD ACCESS: 1-800-735-2964

NICHOLAS A. TOUMPAS  
COMMISSIONER

April 21, 2010

The Honorable Marjorie K. Smith  
Chairman  
House Finance Committee  
State House  
Concord, NH 03301

Re: Follow-up to the Division for Children, Youth and Families Presentation on SB450

Dear Representative Smith:

Thank you for the opportunity to present the proposed Department of Health and Human Services (DHHS) proposed cuts in SB450. The Committee asked for additional information concerning the Division for Children, Youth and Families' (DCYF) proposed cut of \$318,000 in their Domestic Violence Prevention Program. Here is the information that I believe was requested:

Division & Bureau: DCYF Domestic Violence Prevention

Title of Initiative: Reduce the Domestic Violence Marriage License Fee Match

Description of Initiative:

Currently, DCYF supplements the \$38.00 of funding for domestic and sexual violence prevention program receives from each marriage license application in NH. The additional funding is not required by legislation or rule.

Estimated Impact to clients, providers, communities:

The reduction \$ 318,000 in the Domestic Violence Prevention Program (DVPP) would mean a reduction of almost half of the funding from the DVPP that is passed through to local domestic violence agencies. The Division has supplemented the marriage license fees with general funds. This reduction would have an impact on the overall dollars provided for services to victims of domestic violence and their families. The additional DVPP funds is added to the overall services of the coalition, such as emergency shelter, support groups, support for victims getting restraining orders, and help for victims seeking public assistance.

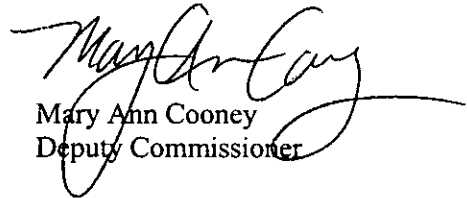
The 2010 budget for the NH Coalition Against Domestic and Sexual Violence is \$3,074,337.00. The total amount that DCYF has budgeted for the Coalition in SFY11 is \$1,481,000 (including the proposed \$318,000 cut). Funds that DCYF knows that the Coalition receives are:

- Family Violence Prevention and Services Act (FVPSA) federal grant - through DCYF
- Child Abuse Prevention and Treatment Act (CAPTA) federal grant-through DCYF
- Marriage License fees and general fund match - pass through from DCYF
- Rural federal grant
- Violence Against Women Act (VAWA) federal grant

The Honorable Marjorie K. Smith  
April 21, 2010  
Page Two.

DHHS is available to review this information at your convenience. Please do not hesitate to contact me if you have questions or need additional information.

Respectfully submitted,



Mary Ann Cooney  
Deputy Commissioner

cc: His Excellency, Governor John H. Lynch



Nicholas A. Toumpas  
Commissioner

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

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-4688 1-800-852-3345 Ext. 4688  
Fax: 603-271-4912 TDD Access: 1-800-735-2964

April 22, 2010

The Honorable Marjorie K. Smith  
Chairman  
House Finance Committee  
State House  
Concord, NH 03301

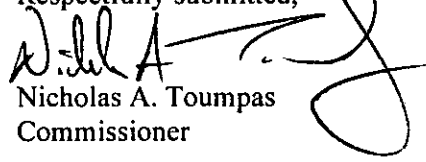
Dear Representative Smith:

At the work session this week on SB450, there were questions as to how much the State might expect in additional funds if the additional federal medical assistance percentage (FMAP) as provided by the American Recovery & Reinvestment Act of 2009 (ARRA) is extended for two quarters to June 30, 2011. The amount we might expect will depend on the unemployment rate and our total Medicaid spending. The chart below shows the projected additional revenues at various FMAP rates. We are currently at the 11.59% rate based on the State unemployment rate. Ross Gittell projects the unemployment rate will gradually decrease for Quarters 3 & 4 in SFY 2011.

As was noted in our presentation, the FMAP extension has not passed Congress. It's not in the Health Reform Legislation and it's not in the JOB's Bill II extension legislation that the House just signed off on. Both the House and Senate have passed versions of the FMAP extension, but the bills are different and need to be reconciled, and Congress has not taken up the reconciliation activity yet. If an extension to ARRA was enacted and based on provisions included in HR 3962 - Affordable Health Care for America Act, Sec. 1749, funds for two additional quarters from January 1, 2011 to June 30, 2011 are estimated as follows.

FMAP (thousands) At	6.2%	8.78%	10.19%	11.59%
Projected FMAP Additional Quarters:	\$34,894	\$14,521	\$7,936	\$7,879
County FMAP	(\$6,107)	(\$2,541)	(\$1,389)	(\$1,379)
Medicaid to Schools	<u>(\$1,427)</u>	<u>(\$594)</u>	<u>(\$325)</u>	<u>(\$322)</u>
Sub-Total FMAP:	\$27,359	\$11,385	\$6,222	\$6,178
Title IV E	\$400			
CHIPRA	\$635			
Additional If Shortfalls Funded	<u>\$1,291</u>	<u>\$537</u>	<u>\$294</u>	<u>\$292</u>
Additional Funds If Shortfalls Funded	\$29,685	\$11,922	\$6,516	\$6,469
Projected Totals	<u>\$29,685</u>	<u>\$41,607</u>	<u>\$48,123</u>	<u>\$54,592</u>

Respectfully submitted,

  
Nicholas A. Toumpas  
Commissioner

# Tri-County CAP Transit

*Public Transit in the North Country*

*North Country Transit - Tri-Town Bus - Carroll County Transit*

*Senior Transportations-Public Transit-Long Distance Non-Emergency Medical*

31 Pleasant Street, Suite 100 , Berlin NH 03570

Phone: 603-752-1741 Fax: 603-752-2117

**Toll Free: 1 -888-997-2020**

Serving the areas of Coos County/Northern Grafton County/Carroll County

**TO: Members of the N.H. House & Senate Finance Committee**

**COPY: Commissioner Tara Reardon, N.H. Department of Employment Security  
Lancaster Selectmen  
Whitefield Selectmen  
Littleton Selectmen  
Coos and Grafton County State Representatives  
Coos and Grafton County Commissioners**

**FROM: Beverly Raymond, Director, North Country Transit**

**DATE: April 22, 2010**

President Obama has used the 40<sup>th</sup> anniversary of Earth Day to urge greater use of public transportation. The President, encouraging Americans to take action, said "It can be as simple as riding the bus or the subway to work..."

Meanwhile, Governor Lynch has proposed cuts in state funding that, through the current plan issued by DHHS Commissioner Toumpas, will suspend a \$24,000 grant through the state Department of Health & Human Services, listed on page 20 of the document submitted by the department on April 20<sup>th</sup>. The elimination of this grant, which is a Job Access and Reverse Commute transportation grant to Tri-County CAP, will also mean the loss of matching federal Dollars.

The grant elimination, along with the loss of federal matching funds, will cause a significant reduction, if not elimination, of public transit service provided through the Tri-Town Trolley, which services the towns of Lancaster, Whitefield, and Littleton and some residents of the surrounding towns, allowing them to access employment, primarily in Littleton. Nearly half the rides the Trolley Route provides are to or from a place of work, training, and education. Since the inception of the service in January of 2006 the riders and ridership have tripled. In 2006 - 1,345, in 2007 - 7,744, in 2008 - 11,119 and in 2009 - 11,545 rides were provided. Since the economic downturn the majority of the major employers with higher paying jobs in the northern New Hampshire region closed leaving many people working jobs paying minimum wage. Earning minimum wage makes it extremely difficult to afford the cost of a vehicle and the expense to maintain, insure, and operate it. For many the Tri Town system is the only other affordable option. The Tri Town system is also the vein running in southern Coos and northern Grafton County that is used to seamlessly coordinate transportation with North Country Transit's door-to-door service. The coordination of these services allows people from the surrounding towns to get to the route, transfer onto the Tri Town to access employers within the three towns. The loss or downsizing of the Tri Town system will take away the ability for people to get to their jobs, thus they will need assistance from the state to survive. This past year the need for people to get to work on Saturday's was evident and the Tri Town expanded service to include Saturday's. The impact of a funding suspension would be disruptive in any part of the state, more acutely in this rural area.

*This proposal will eliminate access to employment. It makes no sense to us to cut a service providing transportation to employment for those who may have no other means to get to work. We hope you agree.*

**The State of New Hampshire**  
ADMINISTRATIVE OFFICE OF THE COURTS

Donald D. Goodnow, Esq.  
Director

Two Charles Doe Drive  
Concord, NH 03301  
(603) 271-2521  
Fax: (603) 513-5454  
eMail: aoc@courts.state.nh.us  
TTY/TDD Relay: (800) 735-2964

April 22, 2010

Hon. Marjorie Smith, Chairman  
House Finance Committee  
Legislative Office Building, Room 210  
Concord, NH 03301

Dear Chairman Smith:

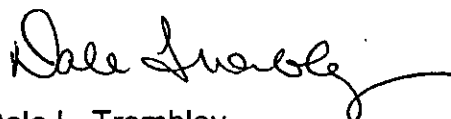
I am responding to questions asked and information requested during the work session on SB 450 on April 20, 2010. The benefit rate used for budgeting judicial benefits for FY 2010-2011 was 43.2%. The largest component of this rate is the employer contribution to the Judicial Retirement Plan which is 27.42%.

I have attached a summary showing the distribution of all revenue collected by the Judicial Branch in FY 2009. Please note that beginning July 1, 2009, motor vehicle fines collected through the courts, which approximate \$9M annually, are deposited into the highway fund. I have also attached a summary of Judicial Branch full-time positions, judicial and non-judicial, showing current salary and count by job title.

I believe that we addressed Representative Dokmo's concern about legal research materials. If a listing of titles would be helpful, I can provide that.

Representative Kurk asked about shortfalls of appropriation in our budget. In addition to the benefits shortfall that I described during the work session, our recovery of Title IV-D funds is \$364,000 below the FY 2010 revenue estimate. This is the result of changes necessitated by a federal audit. We will continue to manage the impact of this shortfall in FY 2011 as well. If you should have any questions or need further information, do not hesitate to call me at 271-2521 X2241.

Sincerely,



Dale L. Trombley  
Fiscal Manager

Enclosures

**Judicial Branch  
Distribution of FY 2009 Revenue**

<b>Recipient Fund</b>	<b>FY 2009</b>	
	<b>Amount</b>	<b>Percentage</b>
General Fund (1)	\$20,075,436	78.3%
Police Standards & Training (RSA 188-F:31)	1,721,282	6.7%
Title IV-D Reimbursement	1,185,056	4.6%
Grants (2)	670,168	2.6%
Victims' Assistance Fund (RSA 188-F:31)	526,760	2.1%
Facility Escrow Fund (RSA 490:26-c)	353,343	1.4%
Mediation & Arbitration Revolving Fund	289,783	1.1%
Guardian ad Litem fund (RSA 458:17-b )	264,422	1.0%
Fish & Game Fund	145,652	0.6%
Default Fees (RSA 597:38-a)	124,812	0.5%
Probate Court Publications Revolving Fund	72,541	0.3%
Pro Hac Vice Fund (RSA 490:25)	70,900	0.3%
Default Bench Warrant Fund (RSA 597:38-b)	62,338	0.2%
Transcript Revolving Funds	43,870	0.2%
Highway Fund	28,639	0.1%
Law Library Revolving Fund	11,194	0.0%
<b>Total</b>	<b>\$25,646,196</b>	<b>100.0%</b>

Notes:

- (1) Unrestricted fines and fees.
- (2) Federal, State pass-through, and awards from private foundations.
- (3) Presented on a cash basis



**Current Judicial Branch Employees  
Salary and Count by Job Description**

<u>Job Description</u>	<u>Salary</u>	<u>Count</u>
Accounting Analyst II	\$35,089	1
Accounting Analyst III	\$37,704	1
Accounting Support Specialist	\$44,613	1
Accounting System Specialist	\$111,539	2
Acting Court Clerk II	\$44,613	1
Acting Manger of Security	\$70,671	1
Admin. Court Assistant	\$154,693	3
Administrative Assistant	\$77,394	2
Administrative Coordinator	\$90,161	1
Budget Assistant	\$46,871	1
Building & Grounds Supervisor	\$51,564	1
Building Service Worker	\$33,432	1
Case Manager	\$422,370	10
Chief Accountant	\$65,703	1
Chief Technology Officer	\$106,968	1
Child Impact Specialist	\$39,535	1
Child Sup. & Hearing OfficerII	\$94,614	1
Clerk of Court	\$109,550	1
Confidential Clerk I	\$49,132	1
Court Assistant II	\$3,391,938	120
Court Assistant III	\$4,286,788	115
Court Assistant IV	\$2,000,163	45
Court Assistant V	\$276,667	5
Court Assistant VI	\$114,008	2
Court Assistant VII	\$530,186	7
Court Clerk Coodinator	\$78,032	1
Court Clerk II	\$413,745	9
Court Clerk III	\$691,274	13
Court Clerk IV	\$791,403	13
Court Clerk V	\$613,165	9
Court Clerk VI	\$845,561	11
Court Clerk VII	\$397,222	4
Court Clerk VIII	\$328,457	3

<u>Job Description</u>	<u>Salary</u>	<u>Count</u>
Court Monitor III	\$184,875	4
Court Officer I	\$117,983	4
Court Officer II	\$219,206	6
Court Serv. Rep IV	\$68,974	1
Court Serv. Rep. II	\$49,161	1
Court System Clerk	\$389,262	9
Courtroom Clerk	\$202,595	6
Ct. Monitor/Assistant	\$1,493,385	38
Deputy Clerk-Administration	\$79,815	1
Deputy Clerk-Legal	\$94,670	1
Dir. Adm. Office of the Courts	\$117,821	1
Electronic Registries Assistant	\$59,556	1
Electronic Registries Coordinator	\$35,150	1
Exec. Sec. to Chief Justice	\$108,303	2
Executive Secretary	\$147,742	3
Executive Secretary-AOC	\$51,564	1
Facilities Record Support Special.	\$29,692	1
Family Div. Case Manager	\$334,980	8
Family Div. Case Manager II	\$51,534	1
Family Div. Court Asst. II	\$94,940	3
Family Div. Court Asst. III	\$77,239	2
Family division Administrator	\$262,201	3
FD-Court System Clerk	\$127,646	3
Fiscal Manager	\$99,349	1
General Counsel	\$114,974	1
Groundskeeper	\$33,432	1
Human Resouce Technician	\$39,558	1
Internal Auditor	\$79,815	1
Judges and Associates	\$7,517,680	54
Juvenile Drug Coord District Ct	\$64,089	1
Juvenile Intake Officer	\$49,075	1
LAN Specialist I	\$149,799	3
LAN Specialist II	\$54,120	1
LAN Specialist III	\$180,410	3

<u>Job Description</u>	<u>Salary</u>	<u>Count</u>
Law Clerk, 1st year Supreme Ct.	\$258,122	5
Law Clerk/Superior Ct.	\$741,789	15
Law Clerk/Supreme Ct.	\$54,151	1
Law Librarian	\$64,127	1
Library Associate	\$34,260	1
Manager of Operations	\$104,263	1
Marital Master	\$1,453,741	13
Project Manager	\$79,815	1
Regional Court Administrator	\$270,694	3
Reporter of Decisions	\$109,550	1
Research Data Analyst	\$62,662	1
Secretary II	\$126,802	4
Secretary III	\$96,668	3
Secretary/Assoc. Justices	\$51,564	1
Senior Accounting Analyst	\$72,003	2
Senior HR Technician	\$46,757	1
Senior Programmer	\$266,351	4
Service Center Coordinator	\$123,696	3
Special Asst. to Chief Justice	\$79,815	1
Sr. Law Clerk/Superior Ct.	\$51,624	1
Sr. Law Clerk/Supreme Ct.	\$308,011	4
Sr. Staff Attorney	\$94,670	1
Staff Attorney	\$152,043	2
Staff Attorney, Probate Court	\$67,357	1
Support Specialist	\$39,558	1
Support Specialist II	\$43,501	1
Systems Analyst/Programmer	\$68,974	1
Technical Trainer	\$51,594	1
Technology Manager	\$79,815	1
Website Coordinator	\$39,626	1
<b>TOTAL FULL TIME</b>	<b>\$34,319,025</b>	<b>635</b>

Excludes vacant positions  
4/22/2010

HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** April 27, 2010

**LOB ROOM:** 210-211                      **Time Work Session Called to Order:** 10:30

**Time Adjourned:**

(please circle if present)

**Committee Members:** Reps. M. Smith, Nordgren, Foster, Eaton, Baroody, Benn, Leishman, DeJoie, Buc, Foose, Mitchell, Kearns, Casey, Harris, Kurk, L. Scamman, C. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokko, Bergin, Belvin, R. Elliott, and Weyler.

**Bill Sponsors:** Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

#1 -- Sections Division for Children, Youth and Families (DCYF), Children in Need of Services (CHINS), other children's programs. Mr. John Williams, Department of Health and Human Services (DHHS) thinks that intent to make more similar to Medicaid. How much is Joint Legislative Committee on Administrative Rules (JLCAR) being bypassed?

Rep. Kurk: Proposed language to improve. Not ready to agree.

#2 -- See #1.

#3 -- Mr. Stephen Mosher, DHHS: HHS rents space from Employment Security. This gives Commissioner authority to change rentals.

*Agreement*

#4 -- Mr. Mosher: Described need for flexibility.

*Agreement*

#5 -- Problems -- Targets term life policy, more restricted and may not pass federal muster. Doesn't conform to new health legislation.

Rep. Scamman and Rep. L. Ober moved to eliminate. Show of hands vote for.

#6, #7 -- *Agreement*

#8 -- *Agreement*

#9 -- Rep. Kurk: This expires at the end of fiscal. This is very significant.

Mr. Mosher: DHHS working hard to cut. This allows response for benefit adjustments.

Rep. Dokmo: Asked should we revise the definition of PAU?

Rep. Kurk: Suggests adoption.

Rep. L. Ober: Suggests department be asked to modify.

Work session recessed at 11:20

Work session resumed at 11:45

#10, #11 -- Ms. Kathryn Frey, Office of Health Management, DHHS: Public Health has increased staff needs to support SB 176. Ms. Frey explained other environment fees.

Rep. Kurk: Asked for more specificity.

Ms. Frey answered that fees are laid out in rules. What would additional fees for the owner of a 4 unit apartment be? Approximately \$350.

Rep. L. Ober: Suggests removal.

Ms. Frey: Suggests work load can't be fully managed without new position.

Remove: 11-7

#12 - *Agreement*

#13, #14 -- *Agreement*

#15 -- Atty. Jennifer Jones, DHHS: Intended to bring law into compliance with federal requirements. HHS committee objects to this change. Atty. Jones reemphasized need for compliance.

Chairman Smith: Asks for letter from Center for Medicare and Medicaid Services (CMS) under new law.

No action.

#16 - *Agreement*

#17 through #32 -- *Agreement*

#33 -- No action.

The work session broke for lunch at 12:40 and resumed at 1:45.

#34 - Skip

#35 - Rep. Kurk has requested an amendment dealing with \$4 million. Rep. Kurk is opposed to using Hillsborough Court savings to help with the Office of Information Technology (OIT). Don't borrow for OIT.

#36 - Accept - Rep. Leishman/Rep. L. Ober

\* #37 - Rep. Kurk offers amendment # 2010-1689h to spend \$20 million less on retirement.

#38 - Keep current language but advance the date to February 15. Okay.

#39 - Questions.

#40 - Generally okay.

#41 - Discussed 'bumping' rights in context of state wide issue. Report by February 15 on resolution.

#42-#48 - Missed.

#54

#57 - Support.

#58 - On hold.

#59 - Any other savings? Support

#60 - Line 603 is not acceptable.

Described facilities:

Close Women's Prison in Goffstown

Close Philbrook Center

End Strafford County

Children in Philbrook moved to F Unit in State Hospital. Adult care accommodated in I Unit.

Close Shea Farm and send women to original Tobey School location. Move all Sununu Youth Development Center children (aka YDC) to Laconia 1 or 2 buildings. Move all women to Sununu Center.

Lines 510, 611 paid per child.

714-719 - Explained.

720 - Boston Children's Hospital

722-724 - Strong concern.

725-727

734 – Hold.  
SB 450-FN  
Page 4 of 4

737 – Hold.  
1033 – Cancel rates set by court.  
1034 - \$52K spent in 9 months.  
1035 –  
1036 – Hold  
1037 – Don't support, keep 3%.  
1038 – Okay  
1039 – Okay technical.  
1040 – Change date to April.  
1041 – Same. Change effective date to 6/15.  
1042 –  
1043 – APTD eligibility.      31% stage 1      4 % stage 2      19% Admin.  
   100 day                      85 days                      450 days

Return to Sections #1 and #2; how to free up JLCAR impediment.

Atty. Jones to talk to Section #5.

Ms. Jean Barnes, Business Administrator, DHHS, talks about Boards starting with pages 28-32.

789-898 – Accept.

Atty. Jones discussed Section 15.

Page 26, NH Veteran's Home.

Work session recessed until 1:30, April 28.

Respectfully submitted,



Rep. Randy Foose  
Clerk

Motions:      OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:            (Please attach record of roll call vote.)

Motions:      OTP, OTP/A, ITL, Retained (Please circle one.)

HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

BILL TITLE: relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

DATE: ~~April 22~~ April 27, 2010

LOB ROOM: 210-211 Time Work Session Called to Order: 10:30

Time Adjourned:

(please circle if present)

Committee Members: Reps. M. Smith, Nordgren, Foster, Eaton, Baroody, Benn, Leishman, DeJoie, ~~Buch~~, ~~Foose~~, Mitchell, Keans, Casey, Harris, Kurk, D. Scamman, E. Anderson, Emerton, Redeschin, Wendelboe, L. Obe, Dokmo, Bergin, Belvin, and R. Elliott. Weyler

Bill Sponsors: Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)



2/27

Recess to call of the Chair

~~Work~~ Work session on 450 will begin at 10:30

#1 Sections DCF, Chins, ~~Nursing Homes~~ <sup>other children's</sup> Program  
Williams thinks that intent to make more similar to Medicaid. How much is JELCAR being bypassed

Kirk proposed language to improve  
Not Ready To Agree

#2 see #1

#3 Mosher - HHS rents space from Employment Security This gives Commissioner authority to change rentals  
Agreement

#4 Mosher - Described need for flexibility  
Agreement

#5 Problems - Targets term life policy - more restricted and may not pass federal muster  
Doesn't conform to ~~PA~~ new health legislation  
Scamman/Ober moved to eliminate show of hands  
NOTE for

#6, #7 Agreement

#8 Agreement

#9 Kirk This expires at the end of fiscal is  
This is very significant  
Mosher - HHS working hard to cut. This allows response for benefit adjustments  
Dokmo asked should we revise the definition

of PAU - Kurt suggests adoption. Ober suggests department be asked to modify

#10 Recess 11:20

Resume 11:45

#10 #11 Kate Fry Public Health has increased staff needs to support SB 176 Fry explained other enrollment fees Kurt asked for more specificity Fry answered that fees are laid out in rules What would additional fees for the owner of a 4 unit apartment be - Approximately \$350 Ober suggests removal Fry suggests work load can't be fully managed w/o new position

Remove 11-7

#12 Agreement

#13, 14 Agreement

#15 Atty Jones Intended to bring <sup>law</sup> into compliance with federal requirements HHS committee objects to this change Jones re-emphasized need for compliance with Smith asks for letter from CMS under new law

No Action

#16 Agreement

#17-32 Agreement

#33 No action

Break at 12:40

Resume at 1:45

#34 skip

#35 kurk has requested an amendment dealing with \$4,000,000

kurk opposed to using Hillborough court savings to help with IT

Don't borrow for IT

#36 ~~Accept~~ Accept Weishaupt/obor

#37 kurk offers amendment (1600) to spend \$20 mil less on retirement

#38 keep current language but advance the date to Feb 15 - OK

#39 questions

#40 generally ok

#41 discussed "bumping" rights in context of state wide issue

report by Feb 15 on resolution

#42-48 missed

#54

#57 Support

#58 On hold

#59 Any other savings support

#60 line 603 is not acceptable

Described Facilities

- close Goffstown
- close Philbrick
- end Strafford city women

Yikes

children in Philbrick to F wing in state hospital  
~~make~~ Adult care accommodated I wing of  
close them and send women to original Toby  
move YDC children to LA CONIA for 2 bld.  
Move all women to YDC

Line 610, 611 paid per child

16:30

714-719 explained

720- Best child. ? <sup>ok</sup>

722-724 Strong concern

725-727

734 - hold

737 - hold

1033-~~1035~~ cancel rates set by court

1034 - \$52k spent in 9 months

1035-

1036 - hold

1037 - don't support Keep 370

1038 - ~~hold~~ ok

1039 - ok technical

1040 - change date to April

1042 - some change effect 6/15

1042 -

1043 - APTD eligibility	31% stage 1	4% stage 2	19% claim
legal services	100 day	85 days	450 days

Return to Sec #1 & #2

how to free up JELCAR impediment

Jones to talk to sec #5

Barnes talks about Boards starting w/ pg 28-31  
 789-898 accept

Jones discussed section 15

Pg 26 NH. Veterans Home

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 New Hampshire Retirement System; Member Contribution Rates; Fiscal Year 2011.

4 Amend RSA 100-A:16, I(a) to read as follows:

5 (a) The member annuity savings fund shall be a fund in which shall be accumulated the  
6 contributions deducted from the compensation of members to provide for their member annuities  
7 together with any amounts transferred thereto from a similar fund under one or more of the  
8 predecessor systems. Such contribution shall be, for each member, dependent upon the member's  
9 employment classification at the rate determined in accordance with the following table:

10 Employees [~~of employers other than the state 5.00~~] **7.00**

11 [~~Employees of the state hired on or before June 30, 2009 5.00~~

12 ~~Employees of the state hired after June 30, 2009 7.00]~~

13 Teachers [~~5.00~~] **7.00**

14 Permanent Policemen [~~9.30~~] **13.00**

15 Permanent Firemen [~~9.30~~] **13.00**

16 The board of trustees shall certify to the proper authority or officer responsible for making up the  
17 payroll of each employer, and such authority or officer shall cause to be deducted from the  
18 compensation of each member, except group II members with creditable service in excess of 40 years  
19 as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer  
20 for each and every payroll period, the percentage of earnable compensation applicable to such  
21 member. No deduction from earnable compensation under this paragraph shall apply to any group  
22 II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and  
23 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining  
24 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable  
25 by a member in a payroll period, the board may consider the rate of compensation payable to such  
26 member on the first day of a payroll period as continuing throughout the payroll period and it may  
27 omit deduction from compensation for any period less than a full payroll period if such person was  
28 not a member on the first day of the payroll period, and to facilitate the making of deductions it may  
29 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one  
30 percent of the annual earnable compensation upon the basis of which such deduction is made. The  
31 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,  
32 shall be paid to the retirement system at such times as may be designated by the board of trustees

Draft Amendment to SB 450-FN

- Page 2 -

1 and credited to the individual account, in the member annuity savings fund, of the member from  
2 whose compensation the deduction was made.

3 104 New Hampshire Retirement System; Member Contribution Rates; Fiscal Year 2012.  
4 Amend RSA 100-A:16, I(a) to read as follows:

5 (a) The member annuity savings fund shall be a fund in which shall be accumulated the  
6 contributions deducted from the compensation of members to provide for their member annuities  
7 together with any amounts transferred thereto from a similar fund under one or more of the  
8 predecessor systems. Such contribution shall be, for each member, dependent upon the member's  
9 employment classification at the rate determined in accordance with the following table:

10 Employees [~~7.00~~] **5.00**

11 Teachers [~~7.00~~] **5.00**

12 Permanent Policemen [~~11.00~~] **9.30**

13 Permanent Firemen [~~11.00~~] **9.30**

14 The board of trustees shall certify to the proper authority or officer responsible for making up the  
15 payroll of each employer, and such authority or officer shall cause to be deducted from the  
16 compensation of each member, except group II members with creditable service in excess of 40 years  
17 as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer  
18 for each and every payroll period, the percentage of earnable compensation applicable to such  
19 member. No deduction from earnable compensation under this paragraph shall apply to any group  
20 II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and  
21 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining  
22 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable  
23 by a member in a payroll period, the board may consider the rate of compensation payable to such  
24 member on the first day of a payroll period as continuing throughout the payroll period and it may  
25 omit deduction from compensation for any period less than a full payroll period if such person was  
26 not a member on the first day of the payroll period, and to facilitate the making of deductions it may  
27 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one  
28 percent of the annual earnable compensation upon the basis of which such deduction is made. The  
29 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,  
30 shall be paid to the retirement system at such times as may be designated by the board of trustees  
31 and credited to the individual account, in the member annuity savings fund, of the member from  
32 whose compensation the deduction was made.

33 105 New Hampshire Retirement System; Recalculation of Employer Rates. Amend 2009, 144:56  
34 to read as follows:

35 144:56 Retirement System; Recalculation of Employer Rates; Recertification. Notwithstanding  
36 the notice requirements of RSA 100-A:16, III, the board of trustees of the retirement system shall  
37 recalculate employer contribution rates for the state fiscal [~~years 2010 and~~] **year** 2011 to reflect the

1 requirements of RSA 100-A:16, II(b) and (c) as amended by this act. *The retirement system shall*  
2 *utilize the sums attributable to the increase in member contribution rates under RSA 100-*  
3 *A:16, I(a) as amended by this act to reduce previously certified employer contribution rates*  
4 *for state fiscal year 2011.* Notwithstanding the notice requirements of RSA 100-A:16, III, such  
5 employer contribution rates shall be effective for the [~~biennium~~] *fiscal year* beginning July 1, [~~2009~~]  
6 *2010*, and the recertification of employer contribution percentages, applicable beginning July 1,  
7 [~~2009~~] *2010*, shall be provided to each employer within a reasonable period of time not to exceed 30  
8 days from the effective date of this section. The exception to the notice requirements of RSA 100-  
9 A:16, III in this section shall be limited to the applicable employer contribution rates for the  
10 [~~biennium~~] *fiscal year* beginning July 1, [~~2009~~] *2010*.

11 106 Effective Date.

12 I. Section 5 of this act shall take effect as provided in section 33 of this act.

13 II. Sections 13, 14, 16, 67-74, 77-80, 92-99, 103, and 105 of this act shall take effect July 1,  
14 2010.

15 III. Sections 75 and 76 shall take effect June 15, 2010.

16 IV. Section 104 of this act shall take effect July 1, 2011.

17 V. The remainder of this act shall take effect upon its passage.

2010-1689h

AMENDED ANALYSIS

42. Increases certain retirement system member contribution rates for fiscal year 2011.





NRPC



April 26, 2010

Chairman Marjorie Smith and  
House Finance Committee  
New Hampshire House of Representatives  
107 North Main Street  
Concord, NH 03301

Dear Members of the House Finance Committee:

On behalf of the Executive Directors of the New Hampshire Regional Planning Commissions, I would like to express our appreciation for your support and continued funding for the work that the Regional Planning Commissions do for the communities of New Hampshire. At any time if you would like representatives from the Regional Planning Commissions to further outline the work that we do, please do not hesitate to contact us. The Targeted Block Grant through the NH Office of Energy and Planning is our only sustained source of state funding.

The Planning Commissions are able to leverage, on average, 11 times the amount in planning funds received through the Targeted Block Grant to draw Federal and private sources to support planning projects in our towns and regions.

We are very excited about a new opportunity through the HUD Sustainable Communities Initiative. It would provide regional planning funding throughout the country that has not been available to this industry for decades. We are proposing to use funding from the Targeted Block Grant as a portion of the match that will be necessary to leverage these dollars. If this grant is successful the projects that will be outlined within the regional plans that are created could leverage up to \$20M in project implementation funding for the municipalities of New Hampshire, as well as enhance policy integration with our state partners.

Thank you again for your support we look forward to many years to come serving the needs of our communities.

Sincerely

Christine Walker  
Chair – Directors 2009/2010

cc: RPC Directors  
Joanne Morin, OED

File SB 450

**DL&G**

**DOUGLAS, LEONARD & GARVEY, P.C.**

CHARLES G. DOUGLAS III\*  
C. KEVIN LEONARD  
CAROLYN S. GARVEY  
RICHARD J. LEHMANN  
BENJAMIN T. KING\*\*  
JASON R. L. MAJOR

6 LOUDON ROAD, SUITE 502  
CONCORD, NEW HAMPSHIRE 03301

TELEPHONE: 603-224-1988  
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EMAIL: mail@nhlawoffice.com  
www.nhlawoffice.com

\* ALSO ADMITTED IN MA  
\*\* ALSO ADMITTED IN ME

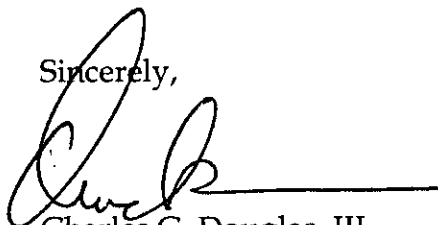
April 26, 2010

**Re: Judicial Branch Financing**

Dear House Finance Committee Member:

Enclosed is a day-in-the-life of a marital/district court judge. It is an insight into why justice cannot take a \$4,000,000 hit.

Sincerely,



Charles G. Douglas, III

Enclosure  
CGD/sam

### Typical day in the life of a part time judge

First I will tell you I have sat in over 25 courts. I have a robe in my trunk and I am willing to travel anywhere I am needed. Typically we know where we are sitting in advance but sometimes we get calls at 6 am telling us a Judge is sick and most of us are willing to cancel other appointments and head to the court house wherever it may be in the state.

Today I was in a Family Court. I arrived after 8 am and was greeted with close to 50 files waiting for my approval. These are files that a Marital Master held a hearing on and ruled on and it is up to the Judge to approve if appropriate. Each order has a file with it, sometimes 6 inches thick with court paperwork that needs to be reviewed to properly decide whether the Marital Master recommendation should be approved. My hearings start at 8:30 so I need to put these files on hold and get back to them in between hearings. In Family Court, a typical day involves a hearing every ½ hour. Each hearing could easily go an hour long or more but we need to do our best to get them heard efficiently and quickly to get and order out, continue reviewing the Marital Master recommendations and to get to the next hearing. On a typical day, we may have 2 or 3 Abuse and Neglect petitions filed by DCYF, one or two Guardianship petitions, 2 or 3 divorce, child support or custody hearings, a few domestic violence cases and 6-8 juvenile delinquency or CHINS (child in need of services) cases, which must be adjudicated in 30 days from arraignment. After going into the courtroom and hearing each matter, we rush back to our desk and generate an order and then get back to the approval signings which must be finished by the end of the day. This pattern continues throughout the day. Often, someone will show up at the window with an ex parte emergency request or a request for a domestic violence protective order. We need to make room on the docket for these cases as the public has a right to be heard and they are very important matters. The typical case in Family Court involves pro se litigants (no attorney on either side). In fact, I would estimate that less than 20% of the cases have a lawyer on both sides. We often work through the noon hour and eat a sandwich in between hearings to ensure that all the cases on the docket as well as the walk ins are heard. After the docket is completed, typically around 4 pm, I return to my desk where I sign the rest of the marital master orders and then review the docket for the next day before calling it a day.

Two days earlier this week I sat in District Court. It is not unusual for a part time judge to sit in district court one day and family court the next day. In District Court, I typically arrive at 8:30 and sign whatever orders are needed and review the docket for the day to make sure there are no conflicts. We usually enter the courtroom between 8:30 and 9 am and stay on the bench, with a few brief recesses in between, until noon. On a typical morning, we may handle 20 arraignments and up to 30 trials with additional review hearings mixed in. on a busy day, we handle even more than this. Many of the plea bargains may take up to 15 minutes as the Supreme Court has required us to go through a Colloquy of important questions to make sure it is a knowing, voluntary and intelligent plea. Also, we typically have a few ex parte or stalking petition walk ins that are often heard in the courtroom. After finishing the morning docket, we typically review and sign more than 50 motions that are pending that day. After lunch, we either have a full docket of civil matters including landlord tenant, small claims, civil lawsuits up to \$25,000 and payment hearings. On many days, I need to travel to a local hospital to hear up to 20 IEA's (Involuntary Emergency Admissions) to determine if the individual may be held for review and or stabilization for up to 10 days.

After a busy day, it is not unusual to get a call in the middle of the night by a police office looking for a search warrant or arrest warrant to be signed.

Needless to say, the day of a district court judge, whether part time or full time, is very busy. We pride ourselves on giving the public "their day in court." Whatever it takes to accomplish that goal. That is what the Constitution requires and that is what we are proud to deliver.



WELTS, WHITE & FONTAINE, P.C.  
Attorneys at Law

April 23, 2010

Marjorie Smith, Chair  
House Finance Committee  
P.O. Box 136  
Durham, New Hampshire 03824-0136

RE: Reductions in the Judiciary's budget.

Dear Chairperson Smith:

I am an attorney at the law firm of Welts, White & Fontaine, P.C., in Nashua New Hampshire. This law firm employs 25 people including 7 attorneys.

I am becoming acutely aware of the proposed cuts to the Judiciary's budget. In my opinion, these cuts will have devastating consequences for not only the Judicial Branch of government, but the other two branches of government, their administrative agencies and, of course, most of all the citizens of the state of New Hampshire.

Many people may only be familiar with the legal cases they see on Channel 9 news or New Hampshire-based radio stations. But in reality, the court system in this state affects thousands of citizens on a daily basis in many of the most basic, necessary, and personal ways that escape the everyday news stories.

This firm practices in many areas of law including the disciplines of family law and domestic relations, landlord-tenant, real estate, employment, worker's compensation, social security disability, small business litigation and personal injury. In courts throughout the state, we represent citizens and businesses in actions ranging from small claims to Supreme Court appeals involving their lives, well-being, and economic interests. Without timely access to a judicial system capable of dealing with these citizen's issues in a professional, compassionate, timely and efficient manner, the lives, well-being, and economic interests of this state's citizens will be dramatically prejudiced.

Marjorie Smith, Chairperson  
April 23, 2010  
Page 2 of 2

I realize the difficulties the current economic climate poses, but there should always be funding for the basic needs of our citizens, including access to the Judicial Branch of government. In addition to any other revenue source available, I support the New Hampshire Association of Justice's Revenue Proposal as presented on April 15, 2010 in its statement to the House and Senate Finance Committees. This proposal is a fair solution to continue to provide the access to the judicial system that this state's citizens have come to expect and deserve.

I sincerely appreciate your attention to this most pressing matter and will be happy to discuss any of these issues with you personally if you so desire. I can be reached at the telephone number and address above.

Thank you.

Sincerely,



George H. Thompson, Jr.

**SB 450 AMENDMENT SECTIONS 82-85**

**APRIL 27, 2010**

**In a straw poll taken by the committee members present, the vote was nine in favor and eight opposed to Sections 82-85 of the SB 450 Amendment.**

  
**Rep John R. Cloutier, Clerk**

SB 450 Amendment  
Sections 82-85

4-27-10

(P.1)

In a straw poll  
taken by the committee members  
present, the vote was  
nine in favor and eight  
opposed to ~~the~~ sections 82-85  
of the SB 450 Amendment

Rep. John R. Clinton  
Clerk


# HIGHWAY FUND REVENUE

APRIL 27, 2010

Assistant Safety Commissioner Earle Sweeney

Said if \$14 million in highway fund revenue is diverted over to the courts, than the Department of Safety would be affected as well as DOT – probably resulting in layoffs. Thought DOT would lose about \$9 million to the courts, while Department of Safety would lose about \$5 million.

Proposal is a trial balloon that former Chief Justice Chuck Douglas is publicly floating. Earlier in an informal straw, the committee by a unanimous 17-0 show-of-hands vote came out against diverting any highway fund revenue to the courts.

  
Rep. John R. Cloutier, Clerk



Highway Fund Revenue

4-27-10

Asst. Safety Commissioner  
Earle Sweeney

(P.1)  
said if \$14 million <sup>revenue</sup> ~~is transferred~~ <sup>diverted</sup>  
in highway fund ~~is transferred~~  
over to the courts, then  
the Dept. of Safety would be  
affected as well as DOT -  
probably resulting in payoffs.  
Thought DOT would lose about  
\$9 million to the courts, while  
Dept. of Safety would lose about  
\$5 million

Proposal is a trial  
balloon that former Chief Justice  
Chuck Douglas is publicly  
floating. Earlier in an informal  
straw, the committee by  
a unanimous 17-0 show-of-hands vote  
came out against diverting  
any highway fund revenue  
to the courts

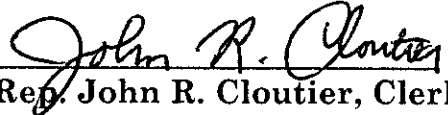
**DOT ASSISTANT COMMISSIONER JEFF BRILLHART**

**APRIL 27, 2010**

**Assistant Commissioner Jeff Brillhart briefed committee on how DOT budget might be affected if \$10 million is diverted from the Highway Fund to the courts.**

**Mr. Brillhart said DOT might not purchase some non-essential equipment, close all non-Turnpike Systems rest areas, reduce snowplowing of state roads, possibly eliminate some jobs, curtail pavement striping of state highways, and reduce the amount of money spent on betterment.**

**Meeting ended at 2:09 p.m.**

  
**Rep. John R. Cloutier, Clerk**

DOT Asst. Comm. Jeff  
Brillhart

4-27-10

Asst. Comm. Brillhart  
briefed committee on how DOT  
budget might be affected if  
\$10 million is diverted from  
the Highway Fund to the  
courts.

Mr. Brillhart said  
DOT might not purchase  
some non-essential equipment,  
close all non-Turnpike systems  
rest areas, reduce snowplowing  
of state roads, ~~and~~  
possibly eliminate some jobs,  
~~and~~ curtail pavement striping  
of state highways, and reduce  
the amount of money spent  
on betterment.

Meeting ended at 2:09 pm.

Rep. John R. Clarke  
Clerk

P.1

HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** April 28, 2010

**LOB ROOM:** 210-211                      Time Work Session Called to Order:

Time Adjourned:

(please circle if present)

**Committee Members:** Reps. M. Smith, Nordgren, Foster, Eaton, Baroody, Benn, Leishman, DeJoie, Bucco, Poose, Mitchell, Keans, Casey, Harris, Kurko, D. Scamman, L. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokmo, Bergin, Selvin and R. Elliott.

**Bill Sponsors:** Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Callus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

**Motions:** OTP, OTP/A, TTL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

**Motions:** OTP, OTP/A, TTL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** April 29, 2010

**LOB ROOM:** 210-211      **Time Work Session Called to Order:** 13:15

**Time Adjourned:** 17:00

(please circle if present)

**Committee Members:** Reps. M. Smith, Nordgren, Foster, Eaton, Baroody, Benn, Leishman, DeJong, Buco, Foose, Mitchell, Keans, Casey, Harris, Kurk, D. Scamman, E. Anderson, Emerton, Rodeschin, Wendelboe, L. Obe, Dokmo, Bergin, Belvin, R. Elliott and Weyler.

**Bill Sponsors:** Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

Section 50: Okay

Atty. Orville 'Bud' Fitch, Deputy Attorney General: Should be able to live within budget reductions.

Section 49:

\* Commissioner Lorraine Merrill, Department of Agriculture, Dr. Crawford, State Veterinarian.

Rep. Keans: How is weights bureau working?

Comm. Merrill: Very well; paying for itself. New fees to fund inspections of pet stores, shelters.

Section 39: Okay

\* Ms. Kathy Stanick, Director, Department of Cultural Resources

*Question:* Were federal funds previously available that you are using now?

*Answer:* Found new source. Not traveling out of state. (See written comments.)

Section 59: Okay.

Deputy Commissioner Michael Pillsbury, Department of Transportation (DOT) and Mr. Len Russell.

Answered questions provided to them by the Legislative Budget Assistant's Office (LBAO) from previous work sessions.

Chairman Smith: Other positions general fund (\$1.1 million)?

Response: Only one position left.

Section 63: Okay  
Post-Secondary Education

Mr. Beardmore, LBAO: Reduce line by \$212,001. Reviewed line by line reductions. Committee agreed with reductions.

Section 63:

\* Mr. Michael Bieniek, Administrator, Department of Education (DOE): Provided Catastrophic Aid Reduction estimates/sheet.

Lines 918-924, 932-970: Okay.

McAuliffe-Shepard Discovery Center: Okay with reductions.

Executive Office:

Rep. Ober doesn't think cuts are deep enough. Will make decision Monday.

\* Rep. Almy: 20 increase in tobacco tax would bring in \$10 million. Unsure of border effects on other sales. Offered draft tax amendment #2010-1760h. Other tax on tobacco products, amendment # 2010-1759h. Tax on tobacco products other than cigarettes, amendment #2010-1757h. Revenue up (#1757h) \$2.6 million/2011, \$110,000 Floor; (#1759h) \$3.7 million/2011, \$160,000 Floor. May see some loss of sales.

Amendment #2010-1583h replacing Section 88.

Amendment #2010-1724h replacing above amendment with \$500,000 more in revenue.

Section 92-96 – repeal of LLC loss of \$15 million.

Amendment #2010-1713h – Tax Study Commission.

Section 99 raises \$80,000 for the Department of Agriculture.

\* Rep. Hatch: Amendment #2010-1727h: gain of 5.5 million, i.e. Seabrook exporting power tax. Decrease of the consumption tax on NH residents.

\* Rep. Almy: Amendment #2010-1758h: Insurance Premium Tax. Revenue gain in 2010 – \$9.2 million and in 2011, \$13.6 million.

Rep. Walsh: Amendment #2010-1755h: Estate tax over \$2 million, \$25 +/- bi-annually. Amendment #2010-1756h: Gains Tax attached to the Interest and Dividend Tax provides an estimated \$30 million +/- (actual not available yet from Department of Revenue Administration (DRA)).

Rep. D. Scamman: Does the Governor support these new tax proposals?

Rep. Almy: I haven't spoken to the Governor yet.

**Chairman Smith:** The Public Works and Highways Committee supports Sections 82, 83-85 by a majority vote.

**Mr. Pattison, Legislative Budget Assistant (LBA) and Mr. Shea, LBAO:** Section 98 – wait until Monday; Section 99 – wait until Monday. Need to check revenue numbers. Section 100 – change language.

**Chairman Smith:** Study should be “what would be the greatest revenue source”.

**Rep. D. Scamman:** No study should be required, they should be doing it now.

**Chairman Smith:** Amendment to encourage new products; language okay through line 29.

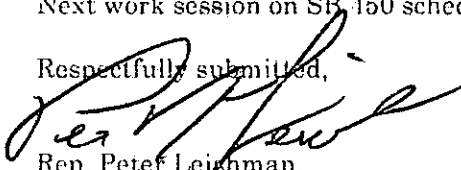
Section 101: Okay.

**Rep. Kurk** has no problem doing this; this is only an accounting arrangement.

Section 102: Okay.

Next work session on SB 450 scheduled for tomorrow, April 30, beginning at 1:00.

Respectfully submitted,



Rep. Peter Leishman,  
Acting Clerk

**Motions:**      OTP, OTP/A, I/TL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:            (Please attach record of roll call vote.)

**Motions:**      OTP, OTP/A, I/TL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:            (Please attach record of roll call vote.)

HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** April 29, 2010

**LOB ROOM:** 210-211

Time Work Session Called to Order: 13:15

Time Adjourned: 17:00

(please circle if present)

Committee Members: Reps. M. Smith, Nordgren, Foster, Eaton, Baroody, Benn, Leishman, DeJoio, Bucco, Foose, Mitchell, Keans, Casey, Harris, Kurl, D. Scamman, E. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokmo, Bergin, Belvin and R. Elliott. *Weyer*

Bill Sponsors: Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)



4/29/10

SB 450

- DA Fitch - should be ok  
Able to live within budget reductions  
\* Section 50

Section 49

Dept of Agriculture Commissioner Merrill - LBA

Dr. Crawford - State Vet

\* Section 49

Rep. Means - how <sup>is</sup> ~~are~~ weights <sup>bureau</sup> working?  
Commissioner Merrill - very well - paying  
for itself. New fees to fund inspection  
of Pet stores, shelters

Director Cultural Resources - Section 39 - ok

Nathy Stannick Were federal fund previously available  
that you are using now - found new source  
not traveling out of state

See written comments

Section 59

DOT

Mr. Russell (Lemore?)  
Mike Pillsbury / D. Commissioner ok  
Section 59 answer questions provided  
to them by LBA from previous  
work sessions

Chair Smith: other positions general fund (\$1 million)  
Response only one position left

Section 63

Post-Secondary Education (Mr. Beardmore) - ok

Reduce line by \$212,001

Reversed line by line reductions

- committee agreed with reductions

Section 63

Rept of Education (Mr Beardmore)  
Mike Benick from DOED  
provided Catastrophic Aid Reduction  
estimates / sheet

Lines 918-924 932-970 OK

McAuliffe-Shepard OK with reductions  
Executive Office - Rep Ober doesn't  
think cuts are deep enough  
with make decision Monday

Rep. Almy: tobacco tax  
20 increase would bring in \$10 million  
Unsure of border effects on other sales  
Offered floor tax amendment #2010-1760W  
Other tax on Tobacco Products #2010-1759  
Tax on tobacco products than Cigar #2010-1757

Revenue of 1757 \$ 2.6 ml 2011 \$110,000 Floor  
1759 \$ 3.7 ml 2011 \$160,000 Floor  
May see some loss of sales

Amendment 2010-1583 replacing section 88  
2010 1724 replacing above  
amendment with \$500,000 more  
in revenue

Sec 92-96 - repeal of LLC loss of  
\$15 million

Rep Almy's continued presentation  
\* Amendment 2010-1713h  
Tax Study Commission  
\* Section 99 raises \$80,000  
for the Dept of Agriculture

Rep. Hatch Amendment 2010-1727h  
gain of 5.5 million  
ie Seabrook exporting power  
tax  
decrease of the consumption  
tax on NH residents

Rep Almy Amendment 2010-1754h - Insurance Premium  
Revenue gain 2010 ~~\$~~ 9.2 million  
" " 2011 ~~\$~~ 13.6 million

Amendment 2010-1755h  
Estate tax over 2 mill \$ 25 ± bi-ann

Amendment 2010-1756h  
Gains Tax attached to the Interest and Dividend  
Tax provides - not available yet - estimate  
\$30 million ±. from DRA

Rep Scamman: Does the governor  
support these new tax proposals?

Rep Almy: I haven't spoken to the  
governor, yet.

Chair Smith PW & H supports  
Section 82, 83-85 by  
a majority vote

Mr Shea + Mr Pattison

Section 98 - wait until Monday

Section 99 " " " need to check revenue number

Section 100 - change language

Chairman Smith - Study should be "what would be the greatest revenue source"

Rep Scamman - ~~source~~ no study should be required they should be doing it now.

Chair Smith: Amendment to encourage new products - language ~~off~~ through line 29.

Section 101 - ok

Rep Lusk has no problem doing this - this is only an accounting arrangement

Section 102 - ok

New Hampshire  
Department of Agriculture,  
Markets & Food

Lorraine S. Merrill, Commissioner

April 29, 2010  
House Finance Committee  
SB 450 amendment  
FY 2011 General Fund Budget Reductions  
Submitted by: Lorraine S. Merrill, Commissioner

**FY2011 Target: \$263,000 Total proposed reductions: \$261,018**

Transfer salary and benefits for Animal Population Control Program assistant from General Fund to dedicated APCP fund, total \$60,986. Payments to veterinarians for spaying and neutering pets for qualifying owners would be reduced, but the APCP dedicated fund would cover more of the program's administrative costs.

Transfer 100% of benefits for the environmentalist position that administers the Integrated Pest Management program from General Fund to the IPM dedicated fund, total \$31,626. This would reduce the amount of money available to fund IPM research and education grants. HB232, raising pesticide product registration fees by 50%, was passed by the Senate this week. This will increase 2011 revenues in accordance with our budget. Most of the fees go to the General Fund, with 10% going to the dedicated IPM fund.

Cut \$31,041 budgeted for overtime for Weights & Measures evening and weekend investigations and enforcement.

Revenues have exceeded budgeted projections in FY10, and the department is confident those trends will continue in FY11. The Weekly Market Bulletin subscription rate for mailed hard copies was budgeted at \$25/year, but was raised an additional \$3 to \$28/year. To encourage subscribers to transition to electronic receipt of the Weekly Market Bulletin, the electronic subscription rate was held at \$22, which was previously the cost of either print or electronic subscriptions. A conservative estimate of 4,000 print subscriptions would result in \$12,000 in additional revenue.

Commercial feed product registrations have continued to grow, in spite of the recession. This is a result of new product introductions, especially in the pet food industry, and department staff diligence. Based on actual FY10 income, the department projects at least \$20,000 in above-budget revenue.

The licensing fee for pet shops, animal shelters, kennels and related facilities under RSA 437 has been significantly below the cost of administering the program for years. Current license fee is \$200/year, while program costs are closer to \$400. The department proposes to raise this licensing fee by \$150 to \$350. Based on 200 licensees, this would net \$30,000 in additional revenue.

The department proposes to integrate the Board of Veterinary Medicine into the department, a change from its current status as an attached 125% board. The Board is administratively attached by RSA 332-B:3,IV. This absorption will require statutory change.

*Per RSA 332-B:1-a, 'The purpose of the board of veterinary medicine is to promote public health, safety, and welfare by safeguarding the people of New Hampshire against incompetent, unscrupulous, and unauthorized persons and from unprofessional or illegal practices by persons licensed to practice veterinary medicine. The right to practice veterinary medicine is a privilege granted by legislative authority to persons possessing personal and professional qualifications specified in this chapter.'*

Board revenues are projected to exceed budget by \$60,000. All board expenses are supported by license fees. The Board has generated actual 174% of expenses (FY08), actual 168% (FY09), and projected 152% in FY10.

In addition, department absorption of the Board would gain administrative efficiencies, and address concerns about lack of segregation of financial duties in the LBA internal audit, resulting from the Board having just one staff person. With department staff providing business, accounting and other assistance to the Board, the Board's administrative secretary position can be reduced by 25% to part-time, for an additional \$15,365 reduction in salary and benefits. Telephone and office availability will be reduced to 75% time, with voicemail provided for the other 25% of the business week hours.

Historically, the Board has met 10-12 times per year. Budget cuts in the last two years have led to fewer meetings (seven in FY 10) per year. At the same time, the number of complaints and other issues (e.g. need for policies regarding continuing education, licensing of out-of-state veterinarians from assisting in an emergency, standard of care considerations, etc.) have substantially increased. Absorption of the board into the department will enable us to gain efficiencies and improve service.

April 29, 2010

1. Where did the Federal funds used for this transfer come from? Is it a new grant?

**This is not a new grant. The funds we receive are from the National Park Service and a HUD Grant.**

2. If this option to fund this position with Federal funds existed previously, why was this funding switch not done earlier (i.e. during the budget process)?

**Division of Historical Resources is required to match the funds received from NPS with 40% General Funds. The HUD Funds do not require a match. Previously under IFS all funds were co-mingled in one account. With NHFirst the general funds have been segregated. This gives us a better tracking method. We were able to determine that we could allocated some of the HUD funds to personnel costs, and use departmental employees to meet the match. This allowed us to transfer this position (11442) from general funds to federal funds. That combined with carry forward funds will allow us to fund this position through FY 11.**

3. What would these Federal Funds be used for if they were not being used to fund this position?

**The Division has frozen Federal funded Out of State Travel as well as equipment purchases**

4. During the next budget process (FY12/13 biennium), what will the source of funding be for this position?

**Federal Funds will also be used for this position in FY 12/13**

Draft		Projected Catastroph 2011 Based Cat Aid 2010 with Chan District Liability							Draft		
District #	District of Liability	Number of Students Reported On	District Liability	District Cost from CAP to 10*ECPP	# Students Over 10*ECPP	District Cost Over 10*ECPP	District Cost	100% Entitlement	Appropriation Entitlement 91.1197%	Appropriation Reduction 67.4855%	Reduction by district
	State Wide	1293	\$55,086,907.68	\$32,733,384.92	131	\$7,208,119.28	\$95,028,411.88	\$33,395,757.68	\$30,430,114.21	\$22,537,305.21	\$7,892,809.00
5	Albany	2	\$85,010.66	\$49,436.62	0	\$0.00	\$134,447.28	\$39,549.30	\$36,037.20	\$26,690.04	\$9,347.16
9	Allenstown	9	\$382,547.97	\$128,288.56	0	\$0.00	\$510,836.53	\$102,630.85	\$93,516.92	\$69,272.13	\$24,244.79
15	Alton	3	\$127,515.99	\$74,783.35	0	\$0.00	\$202,299.34	\$59,826.68	\$54,513.89	\$40,374.30	\$14,139.59
970	Prospect Mountain	2	\$85,010.66	\$141,132.84	1	\$27,204.57	\$253,348.07	\$140,110.84	\$127,668.58	\$94,554.50	\$33,114.08
17	Amherst	9	\$382,547.97	\$273,720.27	0	\$0.00	\$656,268.24	\$218,976.22	\$199,530.47	\$147,777.19	\$51,753.28
29	Auburn	5	\$212,526.65	\$124,716.98	0	\$0.00	\$337,243.63	\$99,773.58	\$90,913.39	\$67,332.70	\$23,580.69
33	Barrington	21	\$892,611.93	\$247,807.88	0	\$0.00	\$1,140,419.81	\$198,246.30	\$180,641.44	\$133,787.51	\$46,853.93
35	Bartlett	4	\$170,021.32	\$168,145.74	1	\$123,502.08	\$461,669.14	\$258,018.67	\$235,105.84	\$174,125.19	\$60,980.65
39	Bath	1	\$42,505.33	\$29,030.17	0	\$0.00	\$71,535.50	\$23,224.14	\$21,161.76	\$15,672.92	\$5,488.84
41	Bedford	42	\$1,785,223.86	\$557,094.77	1	\$38,245.08	\$2,380,563.71	\$483,920.90	\$440,947.27	\$326,576.44	\$114,370.83
51	Berlin	6	\$255,031.98	\$105,640.05	0	\$0.00	\$360,672.03	\$84,512.04	\$77,007.12	\$57,033.37	\$19,973.74
57	Bow	26	\$1,105,138.58	\$523,757.71	1	\$12,761.74	\$1,641,658.03	\$431,767.91	\$393,425.62	\$291,380.73	\$102,044.89
63	Brentwood	3	\$127,515.99	\$21,249.18	0	\$0.00	\$148,765.17	\$16,999.34	\$15,489.75	\$11,472.09	\$4,017.66
71	Brookline	2	\$85,010.66	\$76,666.93	0	\$0.00	\$161,677.59	\$61,333.54	\$55,886.94	\$41,391.25	\$14,495.69
75	Campton	1	\$42,505.33	\$6,686.72	0	\$0.00	\$49,192.05	\$5,349.38	\$4,874.34	\$3,610.05	\$1,264.28
79	Candia	4	\$170,021.32	\$173,372.18	1	\$19,943.52	\$363,337.02	\$158,641.26	\$144,553.44	\$107,059.85	\$37,493.59
93	Chester	2	\$85,010.66	\$153,343.30	1	\$3,187.10	\$241,541.06	\$125,861.74	\$114,684.84	\$84,938.42	\$29,746.42
95	Chesterfield	5	\$212,526.65	\$199,863.23	2	\$320,696.27	\$733,086.15	\$480,586.85	\$437,909.30	\$324,326.44	\$113,582.86
99	Chichester	2	\$85,010.66	\$156,374.46	1	\$18,724.41	\$260,109.53	\$143,823.98	\$131,051.98	\$97,060.33	\$33,991.65
101	Claremont	8	\$340,042.64	\$171,199.20	1	\$111,071.21	\$622,313.05	\$248,030.57	\$226,004.71	\$167,384.67	\$58,620.04
105	Colebrook	0	\$42,505.33	(\$717.45)	0	\$0.00	\$41,787.88	\$0.00	\$0.00	\$0.00	\$0.00
111	Concord	48	\$2,040,255.84	\$682,223.41	0	\$0.00	\$2,722,479.25	\$545,778.73	\$497,311.94	\$368,321.50	\$128,990.44
112	Contoocook Valley	26	\$1,105,138.58	\$636,371.64	3	\$314,589.46	\$2,056,099.68	\$823,686.77	\$750,540.92	\$555,869.14	\$194,671.78
113	Conway	13	\$552,569.29	\$227,337.78	0	\$0.00	\$779,907.07	\$181,870.22	\$165,719.60	\$122,736.03	\$42,983.57
115	Cornish	1	\$42,505.33	\$78,938.47	1	\$5,078.55	\$126,522.35	\$68,229.33	\$62,170.36	\$46,044.90	\$16,125.46
117	Croydon	1	\$42,505.33	\$2,243.75	0	\$0.00	\$44,749.08	\$1,795.00	\$1,635.60	\$1,211.36	\$424.23
127	Deerfield	12	\$510,063.96	\$320,401.18	2	\$147,720.99	\$978,186.13	\$404,041.93	\$368,161.80	\$272,669.72	\$95,492.08
131	Derry Cooperative	55	\$2,337,793.15	\$1,387,937.63	5	\$157,476.02	\$3,883,206.80	\$1,267,826.12	\$1,155,239.36	\$855,598.80	\$299,640.56
141	Dover	12	\$510,063.96	\$363,572.86	1	\$18,591.68	\$892,228.50	\$309,449.97	\$281,969.88	\$208,833.86	\$73,136.02
142	Dresden	2	\$85,010.66	\$47,870.96	0	\$0.00	\$132,881.62	\$38,296.77	\$34,895.90	\$25,844.77	\$9,051.13
149	Dunbarton	3	\$127,515.99	\$131,094.18	1	\$25,506.12	\$284,116.29	\$130,381.46	\$118,803.20	\$87,988.58	\$30,814.62
165	Epping	5	\$212,526.65	\$54,341.55	0	\$0.00	\$266,868.20	\$43,473.24	\$39,612.69	\$29,338.13	\$10,274.55
167	Epsom	5	\$212,526.65	\$162,718.76	0	\$0.00	\$375,245.41	\$130,175.01	\$118,615.08	\$87,849.26	\$30,765.82



Draft		Projected Catastrophic Aid 2011 Based Cat Aid 2010 with Change to District Liability							Draft		
District #	District of Liability	Number of Students Reported On	District Liability	District Cost from CAP to 10*ECPP	# Students Over 10*ECPP	District Cost Over 10*ECPP	District Cost	100% Entitlement	Appropriation Entitlement 91.1197%	Appropriation Reduction 67.4855%	Reduction by district
173	Exeter	5	\$212,526.65	\$30,303.39	0	\$0.00	\$242,830.04	\$24,242.71	\$22,089.89	\$16,360.32	\$5,729.57
172	Exeter Regional Cooperative	12	\$510,063.96	\$336,846.69	1	\$12,927.51	\$859,838.16	\$282,404.86	\$257,326.46	\$190,582.33	\$66,744.13
174	Fall Mountain Regional	3	\$127,515.99	\$156,293.82	1	\$187,909.15	\$471,718.96	\$312,944.21	\$285,153.82	\$211,191.96	\$73,961.86
175	Farmington	6	\$255,031.98	\$201,791.39	0	\$0.00	\$456,823.37	\$161,433.11	\$147,097.37	\$108,943.94	\$38,153.42
185	Franklin	5	\$212,526.65	\$215,708.96	2	\$134,332.49	\$562,568.10	\$306,899.66	\$279,646.05	\$207,112.77	\$72,533.28
189	Fremont	6	\$255,031.98	\$74,253.19	0	\$0.00	\$329,285.17	\$59,402.55	\$54,127.43	\$40,088.11	\$14,039.32
191	Gilford	19	\$807,601.27	\$325,710.82	0	\$0.00	\$1,133,312.09	\$260,568.66	\$237,429.38	\$175,846.06	\$61,583.32
195	Gilmanton	3	\$127,515.99	\$129,465.21	1	\$57,065.25	\$314,046.45	\$160,637.42	\$146,372.33	\$108,406.96	\$37,965.37
199	Goffstown	15	\$637,579.95	\$418,528.17	2	\$94,362.55	\$1,150,470.67	\$429,185.09	\$391,072.16	\$289,637.70	\$101,434.46
207	Goshen-Lempster Cooperative	1	\$42,505.33	\$28,336.01	0	\$0.00	\$70,841.34	\$22,668.81	\$20,655.75	\$15,298.16	\$5,357.59
208	Governor Wentworth Regional	8	\$340,042.64	\$334,187.48	2	\$137,499.47	\$811,729.59	\$404,849.45	\$368,897.61	\$273,214.68	\$95,682.93
223	Hampstead	13	\$552,569.29	\$355,842.84	2	\$13,123.08	\$921,535.21	\$297,797.35	\$271,352.05	\$200,970.03	\$70,382.02
225	Hampton	3	\$127,515.99	\$120,565.29	1	\$6,445.77	\$254,527.05	\$102,898.00	\$93,760.35	\$69,441.23	\$24,319.12
227	Hampton Falls	3	\$127,515.99	\$156,930.67	1	\$162,711.11	\$447,157.77	\$288,255.65	\$262,657.68	\$194,530.76	\$68,126.92
233	Hanover	2	\$85,010.66	\$81,588.84	1	\$24,993.89	\$191,593.39	\$90,264.96	\$82,249.16	\$60,915.76	\$21,333.40
238	Haverhill Cooperative	10	\$425,053.30	\$237,884.25	1	\$77,393.87	\$740,331.42	\$267,701.27	\$243,928.59	\$180,659.54	\$63,269.05
245	Henniker	3	\$127,515.99	\$133,147.19	1	\$128,604.45	\$389,267.63	\$235,122.20	\$214,242.65	\$158,673.39	\$55,569.25
251	Hillsboro-Deering Cooperative	10	\$425,053.30	\$495,896.22	4	\$231,552.35	\$1,152,501.87	\$628,269.33	\$572,477.13	\$423,990.70	\$148,486.43
255	Hinsdale	9	\$382,547.97	\$213,839.83	0	\$0.00	\$596,387.80	\$171,071.86	\$155,880.17	\$115,448.70	\$40,431.47
259	Hollis	2	\$85,010.66	\$89,160.74	0	\$0.00	\$174,171.40	\$71,328.59	\$64,994.40	\$48,136.46	\$16,857.94
260	Hollis/Brookline Cooperative	3	\$127,515.99	\$117,167.19	0	\$0.00	\$244,683.18	\$93,733.75	\$85,409.91	\$63,256.69	\$22,153.22
261	Hooksett	18	\$765,095.94	\$383,588.82	2	\$171,145.39	\$1,319,830.15	\$478,016.45	\$435,567.15	\$322,591.79	\$112,975.36
263	Hopkinton	0	\$85,010.66	(\$445.63)	0	\$0.00	\$84,565.03	\$0.00	\$0.00	\$0.00	\$0.00
267	Hudson	7	\$297,537.31	\$309,489.21	2	\$19,419.54	\$626,446.06	\$267,010.91	\$243,299.54	\$180,193.65	\$63,105.89
269	Inter-Lakes Cooperative	2	\$85,010.66	\$127,127.85	1	\$65,072.82	\$277,211.33	\$166,775.10	\$151,964.97	\$112,549.01	\$39,415.96
271	Jackson	2	\$85,010.66	\$22,502.74	0	\$0.00	\$107,513.40	\$18,002.19	\$16,403.54	\$12,148.87	\$4,254.67
274	Jaffrey-Rindge Cooperative	10	\$425,053.30	\$238,092.62	0	\$0.00	\$663,145.92	\$190,474.10	\$173,559.42	\$128,542.40	\$45,017.03
275	John Stark Regional	11	\$467,558.63	\$212,400.41	2	\$81,002.84	\$760,961.88	\$250,923.17	\$228,640.44	\$169,336.75	\$59,303.68
276	Kearsarge Regional	13	\$552,569.29	\$656,912.45	4	\$153,267.37	\$1,362,749.11	\$678,797.33	\$618,518.09	\$458,089.77	\$160,428.32
279	Keene	25	\$1,062,633.25	\$1,206,122.65	7	\$386,248.50	\$2,655,004.40	\$1,351,146.62	\$1,231,160.75	\$911,828.05	\$319,332.69
285	Laconia	5	\$212,526.65	\$245,563.88	1	\$28,228.22	\$486,318.75	\$224,679.32	\$204,727.13	\$151,625.97	\$53,101.16
295	Lebanon	8	\$340,042.64	\$266,838.13	2	\$60,126.99	\$667,007.76	\$273,597.49	\$249,301.22	\$184,638.64	\$64,662.58

Draft		Projected Catastroph 2011 Based Cat Aid 2010 with Chang District Liability							Draft		
District #	District of Liability	Number of Students Reported On	District Liability	District Cost from CAP to 10*ECPP	# Students Over 10*ECPP	District Cost Over 10*ECPP	District Cost	100% Entitlement	Appropriation Entitlement 91.1197%	Appropriation Reduction 67.4855%	Reduction by district
305	Lincoln-Woodstock Cooperative	2	\$85,010.66	\$22,499.19	0	\$0.00	\$107,509.85	\$17,999.35	\$16,400.96	\$12,146.95	\$4,254.00
306	Lisbon Regional	1	\$42,505.33	\$78,938.47	1	\$64,986.03	\$186,429.83	\$128,136.81	\$116,757.87	\$86,473.76	\$30,284.11
315	Litchfield	7	\$297,537.31	\$174,760.62	1	\$12,831.30	\$485,129.23	\$152,639.80	\$139,084.92	\$103,009.73	\$36,075.19
317	Littleton	3	\$127,515.99	\$89,929.77	0	\$0.00	\$217,445.76	\$71,943.82	\$65,554.99	\$48,551.64	\$17,003.35
319	Londonderry	24	\$1,020,127.92	\$440,685.51	1	\$73,020.15	\$1,533,833.58	\$425,568.56	\$387,776.79	\$287,197.07	\$100,579.72
329	Lyndeborough	1	\$42,505.33	\$2,837.42	0	\$0.00	\$45,342.75	\$2,269.94	\$2,068.36	\$1,531.88	\$536.48
333	Madison	2	\$85,010.66	\$68,170.33	0	\$0.00	\$153,180.99	\$54,536.26	\$49,693.28	\$36,804.07	\$12,889.21
335	Manchester	51	\$2,167,771.83	\$890,775.31	3	\$55,265.48	\$3,113,812.62	\$767,885.73	\$699,695.17	\$518,211.52	\$181,483.65
339	Marlborough	1	\$42,505.33	\$78,938.47	1	\$129,344.67	\$250,788.47	\$192,495.45	\$175,401.27	\$129,906.51	\$45,494.76
341	Marlow	1	\$42,505.33	\$24,132.43	0	\$0.00	\$66,637.76	\$19,305.94	\$17,591.52	\$13,028.71	\$4,562.81
342	Mascenic Regional School District	12	\$510,063.96	\$198,936.53	1	\$14,866.28	\$723,866.77	\$174,015.50	\$158,562.41	\$117,435.23	\$41,127.17
343	Mascoma Valley Regional	17	\$722,590.61	\$352,454.54	1	\$12,859.60	\$1,087,904.75	\$294,823.23	\$268,642.04	\$198,962.93	\$69,679.11
351	Merrimack	77	\$3,272,910.41	\$1,481,540.54	6	\$327,568.26	\$5,082,019.21	\$1,512,800.69	\$1,378,459.45	\$1,020,921.11	\$357,538.34
352	Merrimack Valley	14	\$595,074.62	\$217,436.02	1	\$11,425.78	\$823,936.42	\$185,374.60	\$168,912.78	\$125,100.97	\$43,811.80
355	Milan	3	\$127,515.99	\$136,120.79	0	\$0.00	\$263,636.78	\$108,896.63	\$99,226.28	\$73,489.44	\$25,736.85
357	Milford	9	\$382,547.97	\$169,159.87	0	\$0.00	\$551,707.84	\$135,327.90	\$123,310.37	\$91,326.71	\$31,983.67
359	Milton	6	\$255,031.98	\$151,926.45	0	\$0.00	\$406,958.43	\$121,541.16	\$110,747.94	\$82,022.66	\$28,725.28
363	Monadnock Regional	27	\$1,147,643.91	\$690,448.45	2	\$100,781.94	\$1,938,874.30	\$653,140.70	\$595,139.85	\$440,775.27	\$154,364.58
365	Monroe	2	\$85,010.66	\$113,151.62	0	\$0.00	\$198,162.28	\$90,521.30	\$82,482.73	\$61,088.75	\$21,393.98
367	Mont Vernon	5	\$212,526.65	\$110,844.76	1	\$108,656.79	\$432,028.20	\$197,332.60	\$179,808.87	\$133,170.89	\$46,637.98
369	Moultonborough	2	\$85,010.66	\$97,863.91	1	\$4,240.30	\$187,114.87	\$82,531.43	\$75,202.39	\$55,696.75	\$19,505.64
371	Nashua	85	\$3,612,953.05	\$1,038,132.30	1	\$31,818.07	\$4,682,903.42	\$862,323.91	\$785,746.96	\$581,943.60	\$203,803.36
377	New Boston	2	\$85,010.66	\$34,193.65	0	\$0.00	\$119,204.31	\$27,354.92	\$24,925.72	\$18,460.60	\$6,465.12
387	Newfields	1	\$42,505.33	\$26,868.60	0	\$0.00	\$69,373.93	\$21,494.88	\$19,586.07	\$14,505.93	\$5,080.14
388	Newfound Area	6	\$255,031.98	\$167,256.09	0	\$0.00	\$422,288.07	\$133,804.87	\$121,922.60	\$90,298.89	\$31,623.71
399	Newmarket	6	\$255,031.98	\$100,244.05	0	\$0.00	\$355,276.03	\$80,195.24	\$73,073.66	\$54,120.16	\$18,953.50
401	Newport	8	\$340,042.64	\$273,818.80	2	\$31,028.39	\$644,689.83	\$249,923.43	\$227,729.48	\$168,662.08	\$59,067.40
411	Northwood	3	\$127,515.99	\$191,489.97	1	\$69,015.72	\$388,021.68	\$222,207.70	\$202,474.99	\$149,957.97	\$52,517.01
413	Nottingham	3	\$127,515.99	\$78,363.70	0	\$0.00	\$205,879.69	\$62,690.96	\$57,123.81	\$42,307.31	\$14,816.51
423	Oyster River Coop	10	\$425,053.30	\$331,131.76	1	\$13,218.10	\$769,403.16	\$278,123.51	\$253,425.31	\$187,693.04	\$65,732.27
425	Pelham	6	\$255,031.98	\$169,058.51	1	\$80,449.03	\$504,539.52	\$215,695.84	\$196,541.40	\$145,563.41	\$50,977.99
427	Pembroke	13	\$552,569.29	\$429,270.72	3	\$288,180.70	\$1,270,020.71	\$631,597.28	\$575,509.54	\$426,236.58	\$149,272.96
428	Pemi-Baker Regional	3	\$127,515.99	\$106,476.90	1	\$15,345.38	\$249,338.27	\$100,526.90	\$91,599.81	\$67,841.08	\$23,758.73

Draft		Projected Catastrophic Aid 2011 Based Cat Aid 2010 with Change to District Liability							Draft		
District #	District of Liability	Number of Students Reported On	District Liability	District Cost from CAP to 10*ECPP	# Students Over 10*ECPP	District Cost Over 10*ECPP	District Cost	100% Entitlement	Appropriation Entitlement 91.1197%	Appropriation Reduction 67.4855%	Reduction by district
435	Piermont	2	\$85,010.66	\$8,984.72	0	\$0.00	\$93,995.38	\$7,187.78	\$6,549.48	\$4,850.71	\$1,698.77
439	Pittsfield	9	\$382,547.97	\$420,167.76	1	\$3,130.70	\$805,846.43	\$339,264.91	\$309,137.17	\$228,954.62	\$80,182.55
447	Plymouth	1	\$42,505.33	\$78,938.47	1	\$85,639.89	\$207,083.69	\$148,790.67	\$135,577.61	\$100,412.12	\$35,165.48
449	Portsmouth	7	\$297,537.31	\$180,708.82	1	\$57,509.92	\$535,756.05	\$202,076.98	\$184,131.93	\$136,372.66	\$47,759.28
450	Profile Regional	2	\$85,010.66	\$157,876.94	2	\$181,682.05	\$424,569.85	\$307,983.60	\$280,633.73	\$207,844.27	\$72,789.46
453	Raymond	25	\$1,062,633.25	\$497,478.48	1	\$5,709.13	\$1,565,820.86	\$403,691.91	\$367,842.86	\$272,433.51	\$95,409.35
461	Rochester	30	\$1,275,159.90	\$602,638.81	0	\$0.00	\$1,877,798.71	\$482,111.05	\$439,298.14	\$325,355.05	\$113,943.09
467	Rumney	2	\$85,010.66	\$9,437.60	0	\$0.00	\$94,448.26	\$7,550.08	\$6,879.61	\$5,095.21	\$1,784.40
471	Rye	1	\$42,505.33	\$2,233.01	0	\$0.00	\$44,738.34	\$1,786.41	\$1,627.77	\$1,205.57	\$422.20
473	Salem	83	\$3,527,942.39	\$2,185,231.14	12	\$669,260.65	\$6,382,434.18	\$2,417,445.56	\$2,202,769.14	\$1,631,425.22	\$571,343.92
476	Sanborn Regional	13	\$552,569.29	\$269,204.91	1	\$169,636.64	\$991,410.84	\$385,000.57	\$350,811.36	\$259,819.56	\$90,991.80
486	Shaker Regional	2	\$85,010.66	\$122,379.85	0	\$0.00	\$207,390.51	\$97,903.88	\$89,209.72	\$66,070.92	\$23,138.80
491	Somersworth	8	\$340,042.64	\$414,019.35	1	\$110,474.92	\$864,536.91	\$441,690.40	\$402,466.97	\$298,076.97	\$104,389.99
493	Souhegan Cooperative	16	\$680,085.28	\$573,399.40	4	\$376,242.90	\$1,629,727.58	\$834,962.42	\$760,815.25	\$563,478.56	\$197,336.69
495	South Hampton	4	\$170,021.32	\$67,286.29	0	\$0.00	\$237,307.61	\$53,829.03	\$49,048.85	\$36,326.79	\$12,722.06
501	Stewartstown	1	\$42,505.33	\$68,291.19	0	\$0.00	\$110,796.52	\$54,632.95	\$49,781.38	\$36,869.32	\$12,912.06
507	Strafford	2	\$85,010.66	\$49,352.48	0	\$0.00	\$134,363.14	\$39,481.98	\$35,975.87	\$26,644.61	\$9,331.25
511	Stratham	2	\$85,010.66	\$84,300.76	0	\$0.00	\$169,311.42	\$67,440.61	\$61,451.68	\$45,512.63	\$15,939.05
515	Sunapee	3	\$127,515.99	\$109,004.75	1	\$43,755.01	\$280,275.75	\$130,958.81	\$119,329.27	\$88,378.21	\$30,951.07
525	Tamworth	1	\$42,505.33	\$78,938.47	1	\$47,455.03	\$168,898.83	\$110,605.81	\$100,783.68	\$74,642.88	\$26,140.80
534	Timberlane Regional	23	\$977,622.59	\$846,360.83	3	\$65,735.22	\$1,889,718.64	\$742,823.88	\$676,858.89	\$501,298.41	\$175,560.48
539	Unity	3	\$127,515.99	\$109,204.98	0	\$0.00	\$236,720.97	\$87,363.98	\$79,605.80	\$58,958.02	\$20,647.78
543	Wakefield	3	\$127,515.99	\$105,730.99	1	\$27,103.90	\$260,350.88	\$111,688.69	\$101,770.40	\$75,373.67	\$26,396.73
551	Washington	1	\$42,505.33	\$36,446.98	0	\$0.00	\$78,952.31	\$29,157.58	\$26,568.30	\$19,677.14	\$6,891.16
553	Waterville Valley	1	\$42,505.33	\$3,460.12	0	\$0.00	\$45,965.45	\$2,768.10	\$2,522.28	\$1,868.06	\$654.22
555	Weare	1	\$42,505.33	\$78,938.47	1	\$31,564.66	\$153,008.46	\$94,715.44	\$86,304.42	\$63,919.19	\$22,385.24
559	Wentworth	1	\$42,505.33	\$17,828.27	0	\$0.00	\$60,333.60	\$14,262.62	\$12,996.05	\$9,625.20	\$3,370.86
563	Westmoreland	2	\$85,010.66	\$37,366.33	0	\$0.00	\$122,376.99	\$29,893.06	\$27,238.47	\$20,173.48	\$7,064.99
568	White Mountains Regional	2	\$85,010.66	\$101,484.37	1	\$74,820.27	\$261,315.30	\$156,007.77	\$142,153.81	\$105,282.62	\$36,871.19
572	Wilton-Lyndeboro Cooperative	4	\$170,021.32	\$27,744.18	0	\$0.00	\$197,765.50	\$22,195.34	\$20,224.33	\$14,978.64	\$5,245.69
573	Winchester	14	\$595,074.62	\$395,099.71	2	\$110,352.25	\$1,100,526.58	\$426,432.02	\$388,563.58	\$287,779.78	\$100,783.80
575	Windham	18	\$765,095.94	\$803,093.94	3	\$125,412.76	\$1,693,602.64	\$767,887.91	\$699,697.16	\$518,213.00	\$181,484.16
581	Winnacunnet Cooperative	4	\$170,021.32	\$145,047.57	0	\$0.00	\$315,068.89	\$116,038.06	\$105,733.53	\$78,308.86	\$27,424.67

Draft		Projected Catastroph 2011 Based Cat Aid 2010 with Chang District Liability							Draft		
District #	District of Liability	Number of Students Reported On	District Liability	District Cost from CAP to 10*ECPP	# Students Over 10*ECPP	District Cost Over 10*ECPP	District Cost	100% Entitlement	Appropriation Entitlement 91.1197%	Appropriation Reduction 67.4855%	Reduction by district
582	Winnisquam Regional	7	\$297,537.31	\$109,762.75	0	\$0.00	\$407,300.06	\$87,810.20	\$80,012.39	\$59,259.15	\$20,753.24

Amendment to SB 450-FN

1 Amend the bill by replacing section 88 with the following:

2

3 88 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other  
4 law to the contrary, for the fiscal year ending June 30, 2010, the department of administrative  
5 services shall transfer funds from the following accounts or funds maintained separately on the  
6 books of the state to the general fund in the following amounts:

7	Account/Fund	Amount Transferred to General Fund
8	Statewide Public Boat Access Fund, RSA 233-A:13	\$500,000
9	Nitrogen Oxide Emissions Reduction Fund,	\$90,000
10	RSA 125-J:13, II	
11	Laboratory Equipment Fund, RSA 131:3-a, II	\$100,000
12	New Hampshire Hazardous Waste Cleanup Fund,	\$100,000
13	RSA 147-B:3	
14	Default Bench Warrant Fund, RSA 263:56-d	\$100,000
15	Fire Standards and Training and Emergency Medical	
16	Services Fund, RSA 21-P:12-d	\$1,000,000
17	Recount Administrative and Fee Account,	\$110,000
18	RSA 660:31	

Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 97 with the following:

2  
3 97 New Chapter; Commission to Study Business Taxes Established. Amend RSA by inserting  
4 after chapter 77-E the following new chapter:

5 CHAPTER 77-F

6 COMMISSION TO STUDY BUSINESS TAXES

7 77-F:1 Commission to Study Business Taxes Established.

8 I. There is a commission established to study business taxes.

9 II. The members of the commission shall be as follows:

10 (a) Three members of the senate, appointed by the president of the senate.

11 (b) Four members of the house of representatives, appointed by the speaker of the house  
12 of representatives.

13 (c) Five members of the public appointed by the governor, representing the following  
14 groups and interests:

15 (1) Tax experts and accountants;

16 (2) Small business;

17 (3) Real estate, finance, and investment; and

18 (4) Business trade associations.

19 II. The commission shall study and evaluate:

20 (a) The present system of business taxation in New Hampshire, including but not  
21 limited to the rates and allocation among taxpayers of the business enterprise tax, the business  
22 profits tax, and the interest and dividends tax.

23 (b) Whether there are changes to the present system of business taxes and rates of  
24 assessment that should be considered by the legislature in order to:

25 (1) Ensure fairness and equity in the allocation of business taxes including among  
26 similarly situated business entities and taxpayers;

27 (2) Ensure clear tax laws and synchronization with federal tax laws; and

28 (3) Continue to provide a business tax environment that enhances the growth of jobs,  
29 income in the state, and the transition to clean and renewable energy.

30 (c) Safe harbors for the reasonable compensation deduction under the business profits  
31 tax, including but not limited to:

32 (1) Safe harbors based on the percentage of the gross selling price on the sale of

1 business assets other than inventory;

2 (2) The percentage of gross revenues and the percentage of gross business profits  
3 using the independent investor return test;

4 (3) The federal self-employment tax; and

5 (4) Any other issue related to the reasonable compensation deduction.

6 (d) Business tax credits and deductions including, but not limited to, net operating  
7 losses.

8 III. The commission may solicit and receive testimony and other information from any  
9 person or organization with information or expertise relevant to the committee's objective. State  
10 agencies shall cooperate with the commission, and provide data, information, reports, and testimony  
11 to the commission upon request.

12 IV. The governor shall appoint a chair from among the members. The first meeting of the  
13 commission shall be called by the chair and shall be held within 45 days of the effective date of this  
14 section. Seven members of the commission shall constitute a quorum.

15 V. Legislative members of the commission shall receive mileage at the legislative rate when  
16 attending meetings of the commission.

17 VI. The commission shall, following a public hearing on a draft final report, submit a final  
18 report on the items included in subparagraphs II(a) and (b) or before December 1, 2010, containing  
19 its findings and any recommendations for proposed legislation, to the governor, the president of the  
20 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
21 means committees, the house and senate clerks, and the state librarian.

22 VII. The commission shall, following a public hearing on a draft final report, submit a final  
23 report on the items included in subparagraphs II(c) and (d) or before November 1, 2012, containing  
24 its findings and any recommendations for proposed legislation, to the governor, the president of the  
25 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
26 means committees, the house and senate clerks, and the state librarian.

27

28 Amend the bill by inserting after section 97 the following and renumbering the original sections 98-  
29 103 to read as 99-104, respectively:

30

31 98 Repeal. RSA 77-F, relative to a commission to study business taxes, is repealed.

32 Amend the bill by replacing section 104 with the following:

33

34 104 Effective Date.

35 I. Section 5 of this act shall take effect as provided in section 33 of this act.

36 II. Sections 13, 14, 16, 67-74, 77-80, 92-97, 99, and 100 of this act shall take effect July 1,  
37 2010.

- 1 III. Sections 75 and 76 shall take effect June 15, 2010.
- 2 IV. Section 98 of this act shall take effect November 1, 2012.
- 3 V. The remainder of this act shall take effect upon its passage.

2010-1713h

AMENDED ANALYSIS

37. Establishes a commission to study business taxes.



Amendment to SB 450-FN

1 Amend the bill by replacing section 88 with the following:

2

3 88 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other  
4 law to the contrary, for the fiscal year ending June 30, 2010, the department of administrative  
5 services shall transfer funds from the following accounts or funds maintained separately on the  
6 books of the state to the general fund in the following amounts:

7 Account/Fund	Amount Transferred to General Fund
8 Statewide Public Boat Access Fund, RSA 233-A:13	\$500,000
9 Nitrogen Oxide Emissions Reduction Fund,	\$90,000
10 RSA 125-J:13, II	
11 Laboratory Equipment Fund, RSA 131:3-a, II	\$100,000
12 New Hampshire Hazardous Waste Cleanup Fund,	\$100,000
13 RSA 147-B:3	
14 Default Bench Warrant Fund, RSA 263:56-d	\$100,000
15 Fire Standards and Training and Emergency Medical	
16 Services Fund, RSA 21-P:12-d	\$1,500,000
17 Recount Administrative and Fee Account,	\$110,000
18 RSA 660:31	



Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 New Chapter; Electricity Generation Tax. Amend RSA by inserting after chapter 83-F the  
4 following new chapter:

5

CHAPTER 83-G

6

ELECTRICITY GENERATION TAX

7

83-G:1 Definitions. In this chapter:

8

I. "Commissioner" means the commissioner of the department of revenue administration.

9

II. "Department" means the department of revenue administration.

10

III. "Taxable month" means a calendar month in which electricity is generated.

11

IV. "Taxpayer" means any person generating electricity in this state, except for:

12

(a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;

13

(b) A person generating electricity produced by wind energy, geothermal energy,  
14 hydrogen derived from biomass fuels or methane gas, ocean thermal, wave, current, or tidal energy,  
15 methane gas, biomass technologies, solar technologies, or hydroelectric energy, or that uses as its  
16 primary fuel source solid waste as defined in RSA 149-M:4; or

17

(c) A person generating electricity exclusively in a manner that the electricity generated  
18 is not interconnected to the electric distribution grid.

19

83-G:2 Imposition of Tax. Each taxpayer is liable for a tax of \$.00055 per kilowatt hour of  
20 electricity generated within the state.

21

83-G:3 Collection of Tax. Every taxpayer shall collect and monthly remit the tax to the state as  
22 provided in RSA 83-G:4.

23

83-G:4 Tax Returns.  
24 I. Except as provided in this section, on or before the fifteenth day of each second month  
25 following a taxable month, each taxpayer shall make a return to the department for the taxable  
26 month on a form prescribed by the department.

27

II. Any taxpayer who ceases to engage in generating electricity, and is thereby not  
28 responsible for filing returns under this chapter, shall file a final return with the department not  
29 more than one month after discontinuing such activity. This requirement shall apply  
30 notwithstanding any other provision of this chapter regarding the time within which to file a return.

31

III. If the commissioner finds that the information required for the making of an accurate  
32 return cannot reasonably be compiled by a taxpayer within one month and 15 days after the close of

1 the taxable month for which a return is to be made, the commissioner may grant an extension of  
2 time for the filing of such return. Any such extension shall be granted for a period not to exceed 31  
3 calendar days. The granting of such extension may be conditioned upon the payment by the  
4 taxpayer of an amount of money equal to the amount estimated by the commissioner to be due with  
5 the return when filed under extension. All such estimated payments shall be credited against the  
6 taxpayer's liabilities under this chapter.

7 IV. The taxpayer shall pay to the department the amount of tax imposed by this chapter at  
8 the time it makes a return.

9 83-G:5 Exemptions.

10 I. It is in the public interest to foster the generation of electricity from renewable energy  
11 sources and from small scale distributed energy resources and to encourage waste reduction.

12 II. Electricity generated from the following sources shall not be subject to taxation under  
13 this chapter:

- 14 (a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;
- 15 (b) Energy generated by wind energy, geothermal energy, hydrogen derived from  
16 biomass fuels or methane gas, ocean thermal, wave, current, or tidal energy, methane gas, biomass  
17 technologies, solar technologies, or hydroelectric energy, or that uses as its primary fuel source solid  
18 waste as defined in RSA 149-M:4; or
- 19 (c) Electricity generated which is not interconnected to the electric distribution grid.

20 83-G:6 Instruments, Books, Records, Papers, and Other Documents.

21 I. Every taxpayer shall provide and keep the necessary instruments and records to show the  
22 amount expressed in kilowatt hours of electricity generated by such person.

23 II. Every taxpayer required to file or actually filing under this chapter shall keep books,  
24 records, papers, and other documents which are adequate to reflect the information required by this  
25 chapter to be reported to the department by the filing of timely returns with the department.

26 III. All instruments, books, records, and other papers and documents required to be kept by  
27 this chapter shall, at all times during business hours of the day, be subject to inspection by the  
28 department.

29 83-G:7 Additional Returns. When the commissioner has reason to believe that a taxpayer has  
30 failed to file a return or to include any part of the total kilowatt hours electricity generated in a filed  
31 return, the commissioner may require the taxpayer to file a return or a supplementary return  
32 showing such additional information as the commissioner prescribes. Upon the receipt of the  
33 supplementary return, or if none is received within the time set by the commissioner, the  
34 commissioner may find and assess the amount due upon the information that is available. The  
35 making of such additional return does not relieve the taxpayer of any penalty for failure to make a  
36 correct original return, or relieve such person from liability for interest imposed under RSA 21-J:28  
37 or for any other additional charges imposed by the commissioner. This section shall not be construed

1 to modify or extend the statute of limitations provided in RSA 21-J:29.

2 83-G:8 Administration; Rulemaking.

3 I. The commissioner shall collect the taxes imposed under this chapter, interest on tax,  
4 additions to tax, and penalties imposed, and pay over to the state treasurer the amount of funds  
5 collected under this chapter.

6 II. The commissioner shall adopt rules, under RSA 541-A, relative to:

7 (a) The form of the return and the data which it must contain for the correct  
8 computation of the number of kilowatt hours of electricity generated in this state and the tax  
9 assessed.

10 (b) The administration of the electricity generation tax.

11 (c) The recovery of any tax, interest on tax, additions to tax, or penalties imposed by RSA  
12 83-G or RSA 21-J.

13 83-G:9 Tax Sales. The provisions of RSA 80:26 apply to the sale of land for the payment of taxes  
14 due under this chapter, and the state treasurer is authorized to purchase the land for the state. If  
15 the state purchases the land, the state treasurer shall certify the purchase to the governor, and the  
16 governor shall draw a warrant for the purchase price out of any money in the treasury not otherwise  
17 appropriated.

18 83-G:10 Severability. If any provision of this chapter or the application thereof to any person or  
19 circumstance is held to be invalid, the invalidity shall not affect other provisions or applications of  
20 the chapter which can be given effect without the invalid provision or application, and to this end the  
21 provisions of this chapter are severable.

22 104 Reference Change. Amend RSA 21-J:31 to read as follows:

23 21-J:31 Penalty for Failure to File. Any taxpayer who fails to file a return when due, unless an  
24 extension has been granted by the department, shall pay a penalty equal to 5 percent of the amount  
25 of the tax due or \$10, whichever is greater, for each month or part of a month during which the  
26 return remains unfiled. The total amount of any penalty shall not, however, exceed 25 percent of the  
27 amount of the tax due or \$50, whichever is greater. This penalty shall not be applied in any case in  
28 which a return is filed within the extended filing period as provided in RSA 77:18-b, RSA 77-A:9,  
29 RSA 77-E:8, RSA [~~83-C:6, RSA 83-E:5~~] 83-G:4, RSA 84-A:7, or RSA 84-C:7, or the failure to file was  
30 due to reasonable cause and not willful neglect of the taxpayer. The amount of the penalty is  
31 determined by applying the percentages specified to the net amount of any tax due after crediting  
32 any timely payments made through estimating or other means.

33 105 Reference Change. Amend RSA 21-J:33-a, I to read as follows:

34 I. If there is a substantial understatement of tax imposed under RSA 77, RSA 77-A, RSA 77-  
35 E, RSA 78-A, RSA 78-C, RSA 82-A [~~or RSA 83-C~~], or RSA [~~82-E~~] 83-G, for any taxable period, there  
36 shall be added to the tax an amount equal to 25 percent of the amount of any underpayment  
37 attributable to such understatement.

1 106 Repeal. RSA 83-E, relative to the electricity consumption tax, is repealed.

2 107 Effective Date.

3 I. Section 5 of this act shall take effect as provided in section 33 of this act.

4 II. Sections 13, 14, 16, 67-74, 77-80, 92-99, and 103-106 of this act shall take effect July 1,  
5 2010.

6 III. Sections 75 and 76 shall take effect June 15, 2010.

7 IV. The remainder of this act shall take effect upon its passage.

Draft Amendment to SB 450-FN

- Page 5 -

2010-1727h

AMENDED ANALYSIS

42. Replaces the electricity consumption tax paid by consumers with an electricity generation tax paid by generation facilities.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 Taxation of Transfers of Certain Estates. RSA 87:1 is repealed and reenacted to read as  
4 follows:

5 87:1 Tax Imposed; Exemption.

6 I. An estate tax is hereby imposed upon the transfer of the estate of every decedent leaving a  
7 taxable estate for which the gross value after allowable deductions, as defined by the Internal  
8 Revenue Code of 1986, is greater than \$2,000,000, and who has property within this state.

9 II. The first \$2,000,000 of the gross value of the decedent's estate shall be exempt from the  
10 estate tax.

11 III. The amount of the New Hampshire estate tax shall be equal to 8 percent of the gross  
12 value of the portion of the decedent's taxable estate that exceeds the exemption in paragraph II.

13 IV. If only a portion of the decedent's estate is located in this state, the tax shall be  
14 determined as follows:

15 (a) For a decedent who, at the time of death, was a resident of this state, the  
16 New Hampshire estate tax shall be reduced by an amount determined by multiplying the entire  
17 amount of the tax by the percentage which the gross value of the real and tangible property portion  
18 of the decedent's estate located outside of this state bears to the gross value of the entire estate.

19 (b) For a decedent who, at the time of death, was not a resident of this state, the  
20 New Hampshire estate tax shall be determined by multiplying the entire amount of the tax by the  
21 percentage which the gross value of the real and tangible property portion of the decedent's estate  
22 located in this state bears to the gross value of the entire estate.

23 104 Authority to Audit. Amend RSA 87:36, II to read as follows:

24 II. The department may, on its own motion, undertake such an audit upon written notice to  
25 the executor, administrator, or legatee within the statute of limitations as provided in RSA 21-J:29[  
26 ~~except that where a change is reported as provided in RSA 87:10, such notice shall be provided~~  
27 ~~within 6 months of the receipt of such amended return].~~

28 105 Repeal. The following are repealed:

29 I. RSA 87:7, relative to intent of chapter.

30 II. RSA 87:9, relative to chapter void, when.

31 III. RSA 87:10, relative to adjustments.

32 106 Effective Date.

- 1 I. Section 5 of this act shall take effect as provided in section 33 of this act.
- 2 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.
- 3 III. Sections 75 and 76 shall take effect June 15, 2010.
- 4 IV. Sections 103-105 shall take effect January 1, 2011.
- 5 V. The remainder of this act shall take effect upon its passage.

Draft Amendment to SB 450-FN

- Page 3 -

2010-1755h

AMENDED ANALYSIS

42. This amendment changes the rate of the New Hampshire estate tax to 8 percent of the gross value of the portion of the decedent's taxable estate that exceeds \$2,000,000.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 Exemption Increased. Amend RSA 77:3, I to read as follows:

4 I. Taxable income is that income received from interest and dividends during the tax year  
5 prior to the assessment date by:

6 (a) Individuals who are inhabitants or residents of this state for any part of the taxable  
7 year whose gross interest and dividend income from all sources, including income from a qualified  
8 investment company pursuant to RSA 77:4, V, exceeds [~~\$2,400~~] \$5,000 during that taxable period.

9 (b) Partnerships, limited liability companies, associations, and trusts, the beneficial  
10 interest in which is not represented by transferable shares, whose gross interest and dividend  
11 income from all sources exceeds [~~\$2,400~~] \$5,000 during the taxable year, but not including a  
12 qualified investment company as defined in RSA 77-A:1, XXI, or a trust comprising a part of an  
13 employee benefit plan, as defined in the Employee Retirement Income Security Act of 1974, section  
14 3.

15 (c) Fiduciaries deriving their appointment from a court of this state whose gross interest  
16 and dividend income from all sources exceeds [~~\$2,400~~] \$5,000 during the taxable year.

17 104 New Paragraph; Taxable Income; Capital Gains. Amend RSA 77:4 by inserting after  
18 paragraph V the following new paragraph:

19 V-a. The realized gain from the sale of all real and financial assets less the realized loss from  
20 the sale of financial assets, other than a primary residence, including stocks, bonds, and property.

21 105 Exemptions. Amend RSA 77:5, I to read as follows:

22 I. Income of [~~\$2,400~~] \$5,000.

23 106 Married Taxpayers; Joint Returns. Amend RSA 77:5-a to read as follows:

24 77:5-a Married Taxpayers; Joint Returns. A married taxpayer may claim the exemptions  
25 provided in RSA 77:5 for both self and spouse, regardless of the ownership of the income from  
26 interest [~~or~~], dividends, *on capital gains*, provided that both husband and wife file a joint return.

27 107 Returns and Declaration. Amend RSA 77:18, IV to read as follows:

28 IV. Notwithstanding the provisions of paragraphs I-III, the following individuals shall not be  
29 required to file a return and shall not be considered to have gross or net taxable income for the  
30 purposes of this chapter:

31 (a) Every individual whose total interest and dividend income is less than [~~\$2,400~~]  
32 \$5,000 for a taxable period.



1 (b) For joint filers whose total interest and dividend income is less than [~~\$4,800~~] \$10,000  
2 for a taxable period.

3 108 Repeal. The following are repealed:

4 I. RSA 77:4, IV, relative to the exemption of dividends declared by corporations to be a  
5 return of capital.

6 II. RSA 77:4-c, relative to sale or exchange of transferable shares not taxable.

7 III. RSA 77:7, relative to capital distribution.

8 109 Effective Date.

9 I. Section 5 of this act shall take effect as provided in section 33 of this act.

10 II. Sections 13, 14, 16, 67-74, 77-80, 92-99, and 103-108 of this act shall take effect July 1,  
11 2010.

12 III. Sections 75 and 76 shall take effect June 15, 2010.

13 IV. The remainder of this act shall take effect upon its passage.

2010-1756h

AMENDED ANALYSIS

42. This amendment requires taxation of capital gains and increases the standard exemption under the interest and dividends tax.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 105:

3

4 103 Tobacco Tax; Tax on Products Other than Cigarettes. Amend RSA 78:7-c to read as follows:

5 78:7-c Tax Imposed on Tobacco Products Other Than Cigarettes. A tax upon the retail consumer  
6 is hereby imposed on tobacco products other than cigarettes at a rate of [~~48.59~~] 65.03 percent of the  
7 wholesale sales price. The tax under this section may be rounded to the nearest cent if the  
8 commissioner determines that the amount of tax would not thereby be made materially  
9 disproportionate. No such tax is imposed on any transactions, the taxation of which by this state is  
10 prohibited by the Constitution of the United States. No such tax shall be imposed on premium  
11 cigars.

12 104 Applicability; Tax on Tobacco Products Other than Cigarettes. Section 103 of this act shall  
13 apply to all persons licensed under RSA 78:2. Such persons shall inventory all taxable tobacco  
14 products other than cigarettes in their possession and file a report of such inventory with the  
15 department of revenue administration on a form prescribed by the commissioner within 20 days  
16 after the effective date of this section. The tax rate effective on the effective date of this section shall  
17 apply to such inventory and the difference, if any, in the amount paid previously on such inventory  
18 and the current effective rate of tax shall be due within 90 days of the effective date of this section.  
19 The inventory form shall be treated as a tax return for the purpose of computing penalties under  
20 RSA 21-J.

Draft Amendment to SB 450-FN

- Page 2 -

2010-1757h

AMENDED ANALYSIS

42. Increases the tax rate imposed on tobacco products other than cigarettes.



Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 Insurance Premium Tax. Amend RSA 400-A:32, I(a) to read as follows:

4 I.(a) Every insurer shall pay to the insurance commissioner [~~a tax~~] upon such net premiums,  
5 for lines of business written, as set forth in the report filed pursuant to RSA 400-A:31, I, less  
6 estimated payments made in accordance with RSA 400-A:32, II, [~~as follows~~]:

7 ~~(1) Effective July 1, 2007, a tax of 1.75 percent for all lines of business written~~  
8 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1 a, I and II;~~

9 ~~(2) Effective January 1, 2009, a tax of 1.50 percent for all lines of business written~~  
10 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1 a, I and II;~~

11 ~~(3) Effective January 1, 2010, a tax of 1.25 percent for all lines of business written~~  
12 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1 a, I and II; and~~

13 ~~(4) Effective January 1, 2011, a tax of one percent for all lines of business written~~  
14 ~~pursuant to RSA 401:1, I III and V VIII, and RSA 401:1 a, I and II.~~

15 (5) a tax of 2 percent for all lines of business written pursuant to RSA 401:1, [IV,]  
16 including, but not limited to, insurers licensed pursuant to RSA 420-A, RSA 420-B, and RSA 420-F.

17 104 Applicability. The provisions of RSA 400-A:32, I(a) as amended by section 103 of this act  
18 shall apply to tax periods of authorized insurers beginning after June 30, 2009. Any additional  
19 premium tax liability due to the amendment to RSA 400-A:32, I(c) by section 103 of this act shall be  
20 paid in full to the insurance commissioner by June 15, 2010.

21 105 Effective Date.

22 I. Section 5 of this act shall take effect as provided in section 33 of this act.

23 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.

24 III. Sections 75 and 76 shall take effect June 15, 2010.

25 IV. The remainder of this act shall take effect upon its passage.

2010-1758h

AMENDED ANALYSIS

42. Sets the insurance premium tax at 2 percent for all lines of insurance business.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 105:

3

4 103 Tobacco Tax; Tax on Products Other than Cigarettes. Amend RSA 78:7-c to read as follows:

5 78:7-c Tax Imposed on Tobacco Products Other Than Cigarettes. A tax upon the retail consumer  
6 is hereby imposed on tobacco products other than cigarettes at a rate of [~~48.59~~] 72.34 percent of the  
7 wholesale sales price. The tax under this section may be rounded to the nearest cent if the  
8 commissioner determines that the amount of tax would not thereby be made materially  
9 disproportionate. No such tax is imposed on any transactions, the taxation of which by this state is  
10 prohibited by the Constitution of the United States. No such tax shall be imposed on premium  
11 cigars.

12 104 Applicability; Tax on Tobacco Products Other than Cigarettes. Section 103 of this act shall  
13 apply to all persons licensed under RSA 78:2. Such persons shall inventory all taxable tobacco  
14 products other than cigarettes in their possession and file a report of such inventory with the  
15 department of revenue administration on a form prescribed by the commissioner within 20 days  
16 after the effective date of this section. The tax rate effective on the effective date of this section shall  
17 apply to such inventory and the difference, if any, in the amount paid previously on such inventory  
18 and the current effective rate of tax shall be due within 90 days of the effective date of this section.  
19 The inventory form shall be treated as a tax return for the purpose of computing penalties under  
20 RSA 21-J.

Draft Amendment to SB 450-FN  
- Page 2 -

2010-1759h

AMENDED ANALYSIS

42. Increases the tax rate imposed on tobacco products other than cigarettes.

Rep. Almy, Graf. 11  
April 29, 2010  
2010-1760h  
01/09

Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 87 with the following:

2

3       87 Applicability; Tobacco Tax. Section 86 of this act shall apply to all persons licensed under  
4 RSA 78:2. Such persons shall inventory all taxable tobacco products in their possession and file a  
5 report of such inventory with the department of revenue administration on a form prescribed by the  
6 commissioner within 20 days after the effective date of this section. The tax rate effective on the  
7 effective date of this section shall apply to such inventory and the difference, if any, in the amount  
8 paid previously on such inventory and the current effective rate of tax shall be due within 90 days of  
9 the effective date of this section. The inventory form shall be treated as a tax return for the purpose  
10 of computing penalties under RSA 21-J.

Section	Title	Status
1-2	Department; Powers and Duties; Publication of Rates of Reimbursement Exempt From Rulemaking	
3	Administration of the New Hampshire Employment Program; Duties; Rulemaking	Tentatively Agreed to Approve.
4	Non-TANF Funded Program for 2-Parent Families With Dependent Children	Tentatively Agreed to Approve.
5	Eligibility for Medical Assistance.	Tentatively Agreed to Remove.
6-7	Authorizing the Department of Health and Human Services to File Claims for Medical and Financial Assistance Against Abandoned Property Held by the Treasury; Filing of Claim With Administrator	Tentatively Agreed to Approve.
8	Repeal, 2009, 144:211, relative to community mental health centers	Tentatively Agreed to Approve.
9	Department of Health and Human Services; Transfer Among Accounts	
10-11	Lead Paint Poisoning Prevention and Control; Rulemaking and Lead Paint Poisoning Prevention Fund	Tentatively Agreed to Remove.
12	New Paragraph; Department of Health and Human Services; Duties of the Department	Tentatively Agreed to Approve.
13-14	New Section; Special Fund ;Civil Fines and Special Fund	Tentatively Agreed to Approve.
15	Eligibility for Services Under the Medicaid Waiver	
16	Medicaid Enhancement Tax; Due Date	Tentatively Agreed to Approve.
17-32	Changes in various references to the Multiple Offender Program	Tentatively Agreed to Approve.
33	Applicability (section 5)	Tentatively Agreed to Remove.
34	Legislative Branch; Operating Budget; Lapse of Appropriation	
35	Judicial Branch; Operating Budget; General Fund Appropriation Reduction	
36	Department of Information Technology; Operating Budget; General Fund Appropriation Reductions	Tentatively Agreed to Approve Detail Changes.
37	Department of Administrative Services; Operating Budget; General Fund Appropriation Reduction	
38	Department of State Operating Budget General Fund Appropriation Reduction	Tentatively Agreed to Approve as a lump sum reduction with a 02/15/11 report date.
39	Cultural Resources; Operating Budget; General Fund Appropriation Reduction	
40	Department of Revenue Administration; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
41	Board of Tax and Land Appeals; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve as a lump sum reduction with a 02/15/11 report date.
42	Real Estate Commission Operating Budget General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
43	Real Estate Appraiser Board; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
44	Board of Accountancy; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
45	Joint Board of Licensure and Certification; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
46	Board of Manufactured Housing; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
47	Executive Council; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.

Section	Title	Status
48	Adjutant General; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
49	Department of Agriculture, Markets and Food; Operating Budget; General Fund Appropriation Reduction	
50	Department of Justice; Operating Budget; General Fund Appropriation Reduction	
51	Public Employee Relations Board; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
52	Racing and Charitable Gaming Commission; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
53	Department of Labor; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
54	Liquor Commission; Operating Budget; Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
55	Department of Corrections; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
56	Commission for Human Rights; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
57	Department of Resources and Economic Development; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
58	Department of Environmental Services; Operating Budget; General Fund Appropriation Reduction	
59	Department of Transportation; Operating Budget; General Fund Appropriation Reduction	
60	Health and Human Services; Operating Budget; General Fund Appropriation Reduction	
61	New Hampshire Veterans' Home; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
62	Health and Human Services Administratively Attached Boards; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
63	Postsecondary Education Commission; Operating Budget; General Fund Appropriation Reduction	
64	Department of Education; Operating Budget; General Fund Appropriation Reduction	
65	The Lottery Commission; Operating Budget; Appropriation Reduction	
66	McAuliffe-Shepard Discovery Center; Operating Budget; General Fund Appropriation Reduction	
67	Department of Health and Human Services; Suspension of Home Health Rate Setting Rule	
68	Department of Health and Human Services; Suspension of Catastrophic Illness Program	Tentatively Agreed to Approve
69	Department of Health and Human Services; Suspension of Senior Volunteer Grant Program	Tentatively Agreed to Approve
70-72	Department of Health and Human Services; Alcohol Abuse Prevention and Treatment Fund; Duties; and Meetings and Reports	
73	Services for Children, Youth, and Families; Suspension of Incentive Funds	Committee agreed to reduction to 3% and reporting requirement. Amendment forthcoming.
74	Department of Health and Human Services; Reduction of residential provider rates.	Tentatively Agreed to Approve.
75	Department of Health and Human Services; Direct Graduate Medical Education; Suspension	Tentatively Agreed to Approve.



Section	Title	Status
76	Department of Health and Human Services Indirect Graduate Medical Education; Suspension	Tentatively Agreed to Approve with change in effective date to 4/1/10.
77	Department of Health and Human Services; Suspension of Catastrophic Aid Payment	Tentatively Agreed to Approve with change in effective date to 6/15/10.
78	Department of Health and Human Services; Temporary Assistance to Needy Families	Tentatively Agreed to Approve.
79	Department of Health and Human Services; Public Assistance Definitions. Link APTD eligibility to SSI.	
80	Rooms and Meals Tax ; Distribution to Cities and Towns	
81	Meals and Rooms Tax; Definition of Hotel Campsites	
82	Authorization for Debt Restructuring	
83-85	Capital Appropriation; Increased University System of New Hampshire KEEP NH; and Bonds Authorized	
86-87	Tobacco Tax; Rate Increased; and Applicability	
88	Operating Budget; Transfer of Dedicated Funds	
89	Operating Budget Lapse of Appropriation; New Hampshire Retirement System; Retirement Pension Benefit; Health Insurance	
90	Operating Budget; Lapse of Appropriation; Judicial Council; Contracts for Program Services	
91	Department of Treasury; Lapse of Appropriation for Debt Service	
92-96	Taxation of Interest and Dividends; Who Taxable; What Taxable; Partnerships and Limited Liability Companies; Repeal relative to definitions; and Applicability	
97	Commission Established; There is a commission established to study business taxes and safe harbor deductions for the reasonable compensation deduction under the business profits tax	
98	New Hampshire Retirement System; Employer Contributions; State Payment	
99	Department of Agriculture; Licenses ;Transfers of Animals and Birds	
100	Lottery Commission; Report Required	
101	Operating Budget; Transfer of Appropriations; Adequate Education Grants; Funds From Education Trust Fund Transferred to General Fund	
102	Application; Appropriations Reductions; All State Agencies	
103	Effective Date	



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

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-4580 1-800-852-3345 Ext. 4580  
FAX: 603-271-4637 TDD Access: 1-800-735-2964

Nicholas A. Toumpas  
Commissioner

Terry R. Smith  
Director

April 28, 2010

The Honorable Marjorie K. Smith, Chairman  
House Finance Committee  
Legislative Office Building, Room 210  
Concord, NH 03301

Dear Chairman Smith:

Thank you for your question concerning the Division of Family Assistance's 2-Parent Financial Assistance program that came out of the House Finance Committee's request for information on SB450.

As you know, this financial assistance program provides services to intact families who have zero or minimal earned income and meet the financial and resource eligibility requirements to qualify for assistance. In addition, eligibility for the program requires deprivation of parental support or care for the child in the household. For our 2-Parent program, that deprivation is defined as unemployment or underemployment of the primary wage earner.

Pursuant to your request regarding the definition of "unemployment" and "underemployment," relative to RSA 167:77-e Assistance Program for 2-Parent Families with Dependent Children, the following reference from our administrative rules, is as follows:

*He-W 628.03 (a)(1) Unemployed Parent Program (UP).*

*(a) A child in a 2-parent household shall be considered to be deprived of parental support or care due to unemployment when the PWE (principle wage earner):*

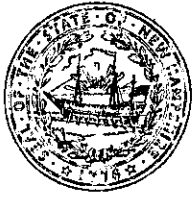
*(1) Currently works less than 100 hours per month on average...*

Changing "shall" to "may" would allow the Department greater flexibility in the utilization of the funds that support this program.

Thank you for the opportunity to provide clarification in this matter and if you have any further questions, please do not hesitate to contact me at 271-4414.

Sincerely

Terry R. Smith  
Director



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION FOR CHILDREN, YOUTH & FAMILIES

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Nicholas A. Toumpas  
Commissioner

Maggie Bishop  
Director

April 28, 2010

Received  
4/29/10

Honorable Marjorie Smith, Chairman  
House Finance Committee  
Legislative Office Building, Room 210-211  
Concord, NH 03301

Re: Committee questions regarding Sections 1 & 2 of SB450.

Dear Chairman Smith:

Enclosed please find the Department's responses to the questions asked at the Finance Committee's work session on Tuesday, April 27, 2010 regarding Sections 1 & 2 of SB 450. If the committee has additional questions or concerns, please let us know.

Q: What is the scope of the bypass of JLCAR?

A: The Department would be still be required to go through the rule making process in accordance with RSA 170-G:4 XVII and RSA 170-G:5 relative to the certification of all providers for services, placements and programs paid for by the Department pursuant to RSA 169-B:40, 169-C:27 and 169-D:29. Sections 1 & 2 of the bill would simply exempt the Department from the requirement to include specific reimbursement rates for providers in each of these rules.

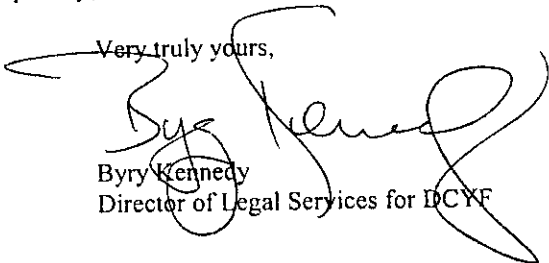
Q: What is intended by the "publication" language in this section of the bill?

A: The word "publication" was used for two reasons: first, to distinguish between the need to *establish* rates as required by RSA 170-G:4 XVII and the need to "*publish*" those rates in administrative rule; and, second, to parallel the existing statutory language for a similar provision in the Medical Assistance Program at RSA 161:4 VI(a).

Q: What is the scope of the programs effective/covered by this legislative imitative?

A: The exemption from the requirement to publish specific rates in rule would apply to all services placements and programs that are paid for by the Department in delinquency, abuse and neglect and CHINS cases.

Very truly yours,

  
Byry Kennedy  
Director of Legal Services for DCYF

Cc: Maggie Bishop, Director DCYF.  
John Williams, Esq.  
Steve Mosher, Commissioner's Office



# State of New Hampshire

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NICHOLAS A. TOUMPAS  
COMMISSIONER

April 29, 2010

The Honorable Marjorie K. Smith, Chair  
House Finance Committee  
Legislative Office Building, Rooms 210-211  
Concord, NH 03301

**Re: *House Finance Proposal to Utilize the New Hampshire Hospital Vacant 'I' Unit for Adult Beds Displaced as a Result of the Closure and Relocation of the Anna Philbrook Center***

Dear Representative Smith:

At the April 27, 2010, House Finance work session on SB450 you indicated that by July 1, 2010, the Department of Health and Human Services should move forward with its proposal to close the Anna Philbrook Center building and relocate the children to the New Hampshire Hospital (NHH) 'F' Unit. Additionally, you suggested that NHH consider the reopening of the currently vacant 'I' Unit in order to accommodate the projected 14 adult beds loss as a result of relocating the children. A request was made for the costs associated with the reopening of the 'I' Unit.

Attached is a detailed cost projection associated with the addition of these adult beds. The 'I' Unit is structurally smaller than other Units at NHH, thus the attached budget projection is based upon a 12-bed unit.

The Department looks forward to the continued work of your Committee and will remain a continuous resource regarding the fiscal issues associated with the closure and relocation of the Anna Philbrook Center and the displaced adult beds at NHH.

Sincerely,

A handwritten signature in cursive script that reads "Nancy L. Rollins".

Nancy L. Rollins  
Associate Commissioner

Enclosure

**New Hampshire Hospital  
Relocate Adult Wing of F Unit  
To Vacated I Unit - House Proposal  
Effective 7/1/10**

**Confidential Internal Draft**

Position Title		SFY2011	
		Salary	Benefits
Mental Health Worker III	1	\$ 29,349.00	\$ 14,175.57
Mental Health Worker II	17	\$ 463,930.00	\$ 224,078.19
Nurse Coordinator	1	\$ 62,425.00	\$ 30,151.28
Registered Nurse III	4	\$ 210,364.00	\$ 101,605.81
Nurse Specialist	2	\$ 114,564.00	\$ 55,334.41
Ward Clerk	1	\$ 31,524.00	\$ 15,226.09
Health Facility Cleaner III	1	\$ 24,315.00	\$ 11,744.15
Recreational Therapist II	1	\$ 40,373.00	\$ 19,500.16
Training Development Therapist	2	\$ 66,102.00	\$ 31,927.27
Psychiatric Social Worker	1	\$ 48,826.00	\$ 23,582.96
	8750-010	\$ 1,091,772.00	\$ 527,325.88
	8750-060	\$ 527,325.88	
Food & Nutrition	8410-023	\$ 23,571.43	
Psychiatric Time	8750-102	\$ 246,500.00	
Pharmacy	8750-096	\$ 227,857.14	
Medical Services	8750-101	\$ 74,642.86	
Medical Supplies	8410-020	\$ 20,821.43	
Overtime	8750-018	\$ 118,000.00	
Holiday Pay	8750-019	\$ 35,000.00	
Benefits on CIs 018 & 019	8750-060	\$ 30,248.10	
	Total	\$ 2,395,738.83	
	GF	\$ 1,677,017.18	
	DSH	\$ 718,721.65	

**HOUSE FINANCE COMMITTEE**

Legislative Office Building, Rooms 210-211

Concord, NH

Friday, April 30, 2010

**SENATE BILL 450-FN, AN ACT** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**NON-GERMANE AMENDMENTS TO SENATE BILL 450-FN**

**TESTIMONY OF:**

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**CHAIRMAN SMITH:** Good morning. I'd like to call the House Finance Committee to order. I have

several announcements. If you are filling out pink cards in order to speak, giving me the bill number is no help at all. You have to give me the amendment number which you want to speak, because we are hearing these one amendment at a time. So without the amendment number, it's no help. So that includes Miss Little, Representative Pilliod and Miss McKinnon, and any other pink card must have the amendment number.

Okay. Then on the list of amendments that appear before you today, Amendment 1655 is not going to be introduced by the sponsor, nor is Amendment 1701, and nor is 1676. So we are removing from the list of Amendments we are going to hear today 1655, 1676, and 1701. The rest of the Amendments we will hear in the order in which they are printed. And we will, therefore, begin with Amendment number 1484 and the Chair recognizes Representative Wendelboe who is the sponsor of the Amendment.

FRAN WENDELBOE, State Representative, Belknap County, District #1: Thank you, Madam Chairman. Good morning. I believe all the Members have a copy of the Amendment from last week. There are no changes recommended to it at this point.

Without going into a lot of detail, I think it was pretty clear that this Amendment simply would require the Insurance Commissioner and the JUA Board to sit down and negotiate a settlement over the JUA situation, which we all know the Supreme Court held that it was improper, unconstitutional, private property rights taking for the State to have attempted to take that \$110 million. The issue now is for the doctors and the parties that are members, have paid into that \$110 million fund, to access that money and get a dividend paid, a

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surplus has to be declared. That has not been declared and I believe this Amendment would require that that situation be remedied and in there there is a maximum of up to \$25 million that would be payable to the State by the fund and in a 1 to 3 ratio. For every \$3 the doctors get paid out, that they would offer the State a dollar. This was their offer. It was not a requirement of my Amendment. My Amendment initiative was to get this finally resolved. The Court spoke loud and clear. Refused reconsideration. It's been put to bed. I would hate to think that the litigants will have to go back to court to be able to try to access their money now that the Court has established that it is their money.

So I believe this Amendment provides the mechanism and the counsel for the fund, the doctors, felt that they would like to share with the State, put other issues to bed by the Amendment. And so unless you have any particular questions of me, I understand that there are significant people here today that will be giving testimony on the issue.

CHAIRMAN SMITH: Thank you very much, Representative Wendelboe. Representative Wendelboe has introduced Amendment 1484h. For those of you familiar with legislative procedure, if you have a question as to why Representative Wendelboe is speaking from her seat, she is a member of this Committee. The bill has been introduced and we are now introducing Amendments. Some are being introduced by Members of the Committee, some are not. But in the case where the introducer is a Member of the Committee, it is perfectly appropriate to speak from her seat.

The Chair next recognizes the Commissioner of

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Insurance, Mr. Sevigny. And it would appear that the Commissioner is to be joined by the Deputy Attorney General Bud Fitch.

Good morning, gentlemen. If you recall, in order for people to hear you, you must keep the microphone very, very, very close.

ROGER A. SEVIGNY, Insurance Commissioner,  
Department of Insurance: Good morning, Madam Chair, Members of the Committee. Thank you for inviting me to provide my views today on Representative Wendelboe's Amendment to Senate Bill 450-FN. I strongly oppose this Amendment or any action, for that matter, at this time that would affect the status of JUA funds. I have a few prepared remarks and I'm certainly willing to entertain your questions, but please understand in advance that there are a number of questions that I will simply not be in a position to answer either because we do not yet know the answer, or because they relate to an ongoing confidential financial examination process.

As the Insurance Commissioner, I'm responsible for ensuring the financial soundness of the JUA and protecting its ability to fulfill its public purpose. Its purpose is to promote access to healthcare for all New Hampshire citizens by ensuring that all healthcare providers in the State have access to adequate medical malpractice coverage. My duty is to fulfill that public purpose.

Since its creation in 1976, the JUA has been exempt from federal taxation based on a statement from the IRS confirming that the JUA is an integral part of the State. In the Tuttle case, the plaintiffs took the position that the JUA is not an

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integral part of the State. The lower court agreed with this view, although the Supreme Court pointedly refrained from ruling on this question. The plaintiffs' argument and the lower court's concurrence that the JUA is not an integral part of the State has raised questions over the federal tax status of the JUA. As a result, there is the potential for a very substantial federal tax liability for the JUA. This liability makes it uncertain whether there is, and if there is, what the amount is of any excess surplus that is available to be paid out at all.

I've ordered an examination of the JUA that is going to provide information necessary for our tax expert counsel and for the Attorney General to determine what options are available to the State which preserve the long-standing tax exempt status of the JUA. It is imprudent to take action regarding JUA funds until we are able to fully understand the potential tax implications of the various options that may be available.

The Insurance Department commenced an examination immediately upon conclusion of the *Tuttle* case. The primary focus is on examining the potential federal tax liability that arose from the plaintiff's arguments. The Department's goals are: To quantify the tax exposure, if any; to determine steps the State can take which preserve the JUA's tax exempt status; to resolve the remaining outstanding issues. The examination is ongoing.

We are also working with our tax counsel in the Attorney General's Office to evaluate what changes to the regulations governing the JUA are warranted in order to preserve the tax exempt status of the JUA and to properly reflect the Supreme Court's decision in this matter. As I noted at the

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beginning, and as I hope you gather from the content of my remarks, we are at a very critical and sensitive time in addressing these issues. As a result, I may not be in a position to answer many of your questions at this time. Thank you for your time.

CHAIRMAN SMITH: Thank you very much, Commissioner. Mr. Fitch, do you want to add anything?

ORVILLE "Bud" FITCH, Deputy Attorney General, Office of Attorney General, Department of Justice: Madam Chair, if I may, and I will be brief. The Attorney General's Office joins the Commissioner in opposing adoption at this time of Amendment 1484h. As the Commissioner's explained, the examination is not yet complete. The examination will provide information that is necessary for the expert tax counsel that has been retained in this matter to advise us of what options are available if we are able to preserve the long-standing tax exempt status of the JUA. We think that none of the decision-makers have sufficient information at this moment in time to understand the implications of any of the options they might want to consider, and we simply need more time to allow the examination be completed and then for our expert tax counsel to work with us and the Commissioner to be in a position to answer very reasonable questions that I expect you have for us today, that we will not be able to answer about what the effect would be of different approaches to addressing these funds.

We strongly recommend maintaining the status quo of the JUA funds until we know the results of the examination and are able to complete the legal analysis of the federal tax implications. Acting too soon may result in whatever you choose to do

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actually not happening if it has effects on the tax exempt status of the JUA. So this is really not our position to any concept or support of any concept. It's simply this is too soon. This is not the moment in time to take action on this. We need more information. We need to be in a better position to give you legal counsel about what the effects of options would be before it's prudent to act. Thank you.

CHAIRMAN SMITH: Thank you very much, Mr. Fitch. Are there any questions? Representative Wendelboe.

REP. WENDELBOE: Thank you, Madam Chairman. There will be a number of questions. Commissioner, good morning. Mr. Fitch, good morning.

MR. FITCH: Good morning, Representative.

REP. WENDELBOE: I would like to start off referring to a response letter that I will provide to the Committee later that the Attorney General's Office sent to legal counsel for the litigants dated April 28<sup>th</sup> in which you state: As you are aware, on February 22, 2010, the Commissioner ordered a financial examination of the JUA and go into pretty much what the Commissioner's just testified.

It also makes the statement that the Attorney General's Office is representing both the Commissioner and the JUA Board. My first question is: When were the litigants notified, other than this letter, that there was going to be an examination of the financial stability of the fund? Question one. And question two, could you address the current Court Order that's stated that it is improper for the Attorney General's Office to represent both the State Commissioner and the JUA?

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MR. FITCH: Madam Chair, Representative Wendelboe, in the first instance, the normal process of an examination is that it is entirely confidential. We are sharing with you today that there is one ongoing because we felt it was necessary and it was a decision by the Commissioner to do that, and we support that decision in order to explain why we're not able to answer reasonable questions that you likely will have of us today; but it is not normally a process where there is notice sent out other than to the folks that are actually under examination.

And as to question two, I think this is not the right venue and I'm going to decline your request to try to address the Attorney General's representation decisions. I think it doesn't pertain to whether this Committee should on this occasion advance the Amendment, and I think those discussions are more properly conducted in a different venue and there are other members of my office who are, frankly, better situated to respond to that and they weren't available today. And so they're not here today. So I will respectfully decline to answer your second part of the question.

REP. WENDELBOE: May I continue? Thank you, Madam Chairman. Commissioner, could you tell me what is the current balance that could be considered surplus, if we set aside the federal issue, what is the current amount that would be considered a surplus at this time?

MR. FITCH: If I may, Commissioner, I would advise the Commissioner not to respond because the purpose of the examination is to do analysis necessary to reach that conclusion. The examination is under way. It has not been completed. And I

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think the correct answer to the question, Commissioner can correct me if you choose to, but it would be simply we don't have the necessary information to know that today.

REP. WENDELBOE: May I continue? Commissioner, I would like to be provided as soon as possible, for the period of time this Amendment discusses for the years --

CHAIRMAN SMITH: Representative Wendelboe, we can't hear you.

REP. WENDELBOE: I'll speak louder.

CHAIRMAN SMITH: That's a good idea.

REP. WENDELBOE: Commissioner -- and if my voice sounds angry because it's -- I don't want you to think I'm yelling and angry, but when you raise your voice sometimes your tone. Could you provide me as soon as possible for the period of time that is discussed in this Amendment the amount of premiums paid in each year, the amount of expenses of operation of the management of the fund, the payouts from that fund, and the estimated reserves for future claims against those for each of those years. And could I also have a copy of all of the minutes of the JUA meetings for that period of time which I understand are under the purview of the Right-to-Know Law. When could I have those available to me?

MR. SEVIGNY: Certainly. I'll take a look at what it is you're asking for and do the best I can to provide you with what you're looking for.

REP. WENDELBOE: May I continue? Commissioner, I would think that those are documents that would

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just need to be copied. They are all documents required by the rules of the JUA to be established and required minutes by the rules of the JUA as well as our very clear law, the Right-to-Know, and your rules specifically state that the JUA Board is subject to the Right-to-Know section.

If I may continue? At what point would the litigants, the other party -- if this were a criminal investigation, there would be a right of discovery. At what point, since you are in an adversary position to your very members, the doctors, and the hospitals, and the nurses, and the various medical professionals, since you are in an adverse position to them, at what point would you be sharing this information instead of out of the blue saying that we're doing an investigation as to the solvency of this plan?

MR. FITCH: Madam Chair, Representative Wendelboe, I think that the comparison to a criminal process is probably not one that is helpful to understanding what's going on here. I'll answer your question as you framed it. We generally don't inform defendants or potential future defendants in a criminal investigation of that investigation until it's advantageous for the process of the investigation. And then once a court process has been started, there are court rules that govern the providing of discovery. And so I think it's just an apples and oranges and this is not a situation that's well compared to the criminal process.

REP. WENDELBOE: May I continue?

CHAIRMAN SMITH: Yes. There are other Members, Representative Wendelboe, who have questions. So if you could begin to sum up that would be good.

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REP. WENDELBOE: Thank you, Madam Chair. In criminal cases there are time frames. In civil cases there are not. And I believe that since the JUA technically is supposed to represent the people insured under them, that this information by right should be provided to the people that it actually impacts. Have you contacted the IRS to get an initial ruling?

MR. FITCH: Madam Chair, Representative Wendelboe, we are engaged in the process of evaluating, in light of the Supreme Court's holdings in this matter, what steps are available to the State to maintain the long-established tax exempt status of the JUA. When the time becomes appropriate, we'll take the steps that are appropriate and certainly that may well include having communication with the IRS.

At this moment in time, we're still gathering the information and our expert tax counsel require information we don't currently have for them to render us sound, legal advice. And that's the right first step in this process. It takes time. It was started promptly after the decision was made. And we're simply not yet at a point where we can provide the legal counsel that people need to have in order to make prudent decisions.

REP. WENDELBOE: Madam Chair, I'll accede to other Members at this time, but I might have other questions.

CHAIRMAN SMITH: Thank you, Representative Wendelboe. Representative Scamman.

REP. SCAMMAN: Madam Chairman. Good morning, gentlemen. My question is pretty simple. We

received yesterday a list of many taxes that Ways and Means considered, most of them they said they didn't like, but they gave them to us to make a choice. Do you have any idea that this case might -- we might know before the end of this Fiscal Year if -- how much money might -- the State might get out of that or do you have an estimate of when we might know?

MR. FITCH: Madam Chair, Representative Scamman, unfortunately, I think the answer is we're unlikely to have this process at a point where we can, in keeping with our legal obligations of providing counsel, have that certainty. It's unlikely to be before the point that you need to address the current budget crisis that we have.

REP. SCAMMAN: Just wanted to get it on record.

CHAIRMAN SMITH: Thank you very much.  
Representative Foster.

REP. FOSTER: Thank you, Madam Chair, but Representative Scamman just asked my question.

CHAIRMAN SMITH: Does anyone else on the Committee have any questions? Representative Wendelboe, do you want to ask any further questions now or are you ready for us to move on to other witnesses?

REP. WENDELBOE: I have a couple more questions.

Commissioner, do you believe the rights of the JUA policyholders in the Tuttle case can be defeated by changes in the JUA plan of operation in insurance policy forms? Is that also part of a what this delay time is about?

MR. SEVIGNY: Madam Chair, Representative Wendelboe, I'm not sure what you mean by delay.

REP. WENDELBOE: Let's assume that a doctor has an occurrence policy from the JUA from '99 to 2008, and that a claim for malpractice, for example, that occurred in 2007 is made after 2008, after the doctor has left the JUA. Would this doctor be covered for the claim since he's no longer a current policyholder?

MR. SEVIGNY: The physician would be covered according to the terms of the policy, and I'd have to know the sort of policies that that physician purchased. I'd have to know the time frame. That's not enough -- every case where coverage is sought is looked at individually and a decision is made based on the facts. So I can't -- I can't give you -- I can't speculate without having an actual case before me. Let me further elaborate though. You asked about the policyholders. My job is a regulator to protect consumers and policyholders. And in the discharge of my duties, it's the first and foremost duty that I've got is to be certain that the insurance that someone has purchased is able to perform the promise to pay. At this point in time, I can't tell you what the JUA has for surplus or excess surplus or anything. It's critically important for us to preserve the tax exempt status and to determine the financial soundness of the JUA and for those reasons I reiterate, I would not support doing anything to affect the status of the JUA funds at this time.

REP. WENDELBOE: One final question?

CHAIRMAN SMITH: Certainly.

REP. WENDELBOE: Commissioner, is your

Department taking any action at this time that will or could impair the rights of the JUA policyholders established by the *Tuttle* case?

MR. FITCH: Madam Chair, Representative Wendelboe, if I can just interject. At this time the Department of Insurance and the Attorney General's Office are working to examine all of the feasible alternatives so that we can provide sound, legal counsel to the decision-makers. And I think that you're asking an impossible question because whatever outcome comes out, people are going to take different points of view on its implications. And we really need to be afforded the opportunity to finish the work that was started of getting the examination complete, obtaining expert tax counsel on it so that we can tell you what the implications are of the different options that are there.

REP. WENDELBOE: May I perhaps make my question clearer? Is the only issue that's being examined, as part of what you're telling us, the federal tax liability of the fund or are you looking at other areas?

MR. FITCH: Madam Chair, Representative Wendelboe, at this time we are looking at how -- what options are available to the State to take at this moment in time to preserve the tax exempt status of the JUA funds and to position ourselves to be able to provide sound, legal counsel to decision-makers about what, if any, further steps should be taken in this matter. There is nothing off the table in terms of alternatives that are there. We are trying to prepare ourselves to be able to address any alternatives that any of the decision-makers here come to us and say, hey, if we do this, what happens?

CHAIRMAN SMITH: Gentlemen, thank you very much for your time. The Chair recognizes Kevin FitzGerald. Good morning, Mr. FitzGerald. If you would identify yourself for the Committee.

KEVIN FITZGERALD, ESQ., Nixon Peabody, LLP, Manchester, NH: Good morning, Madam Chairperson. My name is Kevin Fitzgerald. I'm from the Law Firm of Nixon Peabody and specific in our Manchester, New Hampshire, office and it's been my privilege to represent a consortium of approximately 300 healthcare providers, physicians, hospitals, and other allied providers who are also policyholders in the JUA and were petitioner plaintiffs in the Tuttle litigation that I know you have heard much about.

I'm here this morning to speak in support of Representative Wendelboe's Amendment 1484h. And I want to begin first by thanking Representative Wendelboe for, frankly, being the first person associated with government in the State of New Hampshire to take the initiative to actually engage the policyholders and their counsel in a constructive dialogue which begins with the proposition that was affirmed in the Tuttle case that the State made promises, both in its contracts and in its regulations, which have the force of law, and those contracts are to be honored, and that the policyholders alone have the right in any excess surplus that exists at the JUA. And on a matter of principle, it should not have to be engaged in the kind of dialogue that you've heard this morning, welcome to our world, with respect to the State of New Hampshire's representatives from the Attorney General's Office and the Insurance Commission who seem to change their statement of purpose throughout the course of this case. You heard a different statement of purpose last March

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when they appeared before you to urge you with great confidence that there was more than enough money in the JUA sufficient to encourage you to pass a bill to take \$110 million of the policyholders' excess surplus.

Today the statement of purpose is a different one, but it still does not include the fundamental recognition that the policyholders had to litigate to get the State to recognize and have yet, as you heard today, to get the State to actually honor.

The State, in fact, and you heard no answers, no direct answers to Representative Wendelboe's questions today and that's because in our view, and this is my view and we are prepared to demonstrate it at appropriate time and appropriate place, that while the State is, indeed, engaged in conversations about the assessment of what risk might exist under the Internal Revenue Code, where the validity of Section 115 exemption of the JUA, that's not a new issue. The contractual promises, the plan of operation which has been in place for decades, are the same, and those were the fundamental premises, legal premises, that the Supreme Court recognized and acknowledged and enforced in the *Tuttle* opinion.

What's new is the State lost that case, and it is now engaged in an exercise to, as the saying goes, rope-a-dope, while it looks at this, quote, unquote, issue which, frankly, needs to be addressed promptly. We have engaged our tax advisors, our firm's about 800 lawyers with tax expertise. We have engaged Pricewaterhouse Coopers. We know exactly what needs to be done to resolve and we think can resolve this question, probably in the space of about 90 days, and needs to be resolved because if the IRS self-executes and

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comes to the JUA before the JUA with the impediment now being placed on it by this punitive representation, again, of the Attorney General, gets a chance to come to it, it stands to lose significant.

So with that in mind, Representative Wendelboe reached out to the policyholders and we have said to her, and it's embodied in the spirit of this Amendment, the policyholders are willing to engage in a constructive discussion which actually even though there is no legal entitlement to it, would result in a financial benefit coming to the State of New Hampshire. These policyholders are not the sort of windfall grabbers that were described in the opinion. They're simply people who want their promises honored and want the law honored and have also come forward in good faith to say we represent an industry in crisis, healthcare. We are willing to engage in a settlement discussion with you to resolve this issue. We are willing to engage and work jointly with you to resolve the tax issues.

We have actually met with them. We tendered Pricewaterhouse to them to describe exactly how that should happen. We have got no return phone calls. We have got no assurances specifically that what, indeed, is going on is they're trying to figure out a way to come back again, Tuttle 2, and take it all. And on behalf of the litigants, I can assure you that will not happen. That is -- that is not what the law of this state is.

We are, however, supportive of this Amendment. And we think in, as Representative Scamman mentioned, you are seeing a state of proposals, \$85 million of which I think were tendered yesterday, and at a point in time when the State of New Hampshire and you all are working hard to try

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to figure out how to solve this problem -- mañana -- hard problem to work on, we'll get back to you on this, we are not interested in that discussion, frankly not even the courtesy of a return phone call or a return letter, seems to me to underscore, perhaps, the truth of the assertion that they're really not interested in that dialogue at all, not interested in dollar one being paid to the policyholders or to the State. They want it all.

Finally, I need to underscore the impropriety of the Attorney General's Office coming to you today and representing it represents both the interests of the Insurance Department and the JUA. The law of this state, indeed, the decision on Tuttle was that the Attorney General had an ethical conflict under Rule 1.7 (a) of the Rules of Professional Conduct. That conflict is a matter of a court order. And I don't know what internal process the Attorney General's Office has engaged in, but the process that most lawyers are familiar with when they take the oath in this State is that you are sworn to honor court orders and to comply with the rules of professional responsibility. And that conflict frames, finally, why it is that you should you credit this Amendment and reject the, frankly, unlawful behavior of the Attorney General's Office in supporting this effort to frustrate not only the rights of the policyholders, but a potential benefit to the State in the form of Representative Wendelboe's Amendment

CHAIRMAN SMITH: Thank you very much.

MR. FITZGERALD: Thank you.

CHAIRMAN SMITH: There are other fora where if you choose to bring the charges that you just



leveled in public. This legislative body is not the place to discuss or evaluate the nature of the charges that you just raised and so I would ask you not to allude to that again in this discussion. Just a small fact. Did you say Nixon Peabody has 800 lawyers?

MR. FITZGERALD: That's correct. We have 17 offices, Madam Chairperson, one of which is located in Manchester, New Hampshire.

CHAIRMAN SMITH: Thank you very much. Does anyone have any questions for Mr. Fitzgerald? If not, thank you very much for your time. The Chair recognizes Henry Lipman.

HENRY LIPMAN, Executive Vice-President/CFO, LRG Healthcare: Thank you. Good morning, Madam Chair, Members of the Committee. Thank you for the opportunity to speak in favor of Representative Wendelboe's Amendment. I am Henry Lipman. I'm the Executive Vice-President, Chief Financial Officer for LRG Healthcare. We are two hospitals, one Lakes Region General Hospital in Laconia, one Franklin Hospital in Franklin, and a large number of physicians who also are employed by the hospital who are probably, to my best of my understanding, the single largest policyholder within the JUA.

I wanted to come before you and share with you just a little historical perspective on why I think this Amendment is appropriate. I was listening to the Governor's State of the Union Address in my office on the radio in 2009 when the idea of tapping into the JUA funds first came about. My initial concern in talking with one of my colleagues was what impact would this have on future premiums by taking money out of the JUA, and what impact would it have on additional umbrella

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coverages that we would have to purchase if the JUA was weakened.

My second concern is to make sure that there was sufficient funds in the JUA to pay claims. That remains my concern today the first priority that our contracts be able to be paid.

On the other hand, when the size of the surplus became apparent, and you may recall from testimony that occurred in the legislature in 2009 and all through 2010 that there was at least 110 million in excess surplus meaning that beyond what the Insurance Department and their consultants had determined that there was 110 million, and I believe somewhere in the order of 50 something million they were going to leave in the JUA to ensure its solvency. So the numbers that we are talking about when we are talking about 110 wasn't the whole picture financially.

Having heard this, I personally, along with members of my management team and Board of Trustees, reached out in numerous ways to various people within State government to try to create a win/win situation. We also reached out with other policyholders to do this. We invested time and money to try to create a win/win situation understanding the issues that the State was up against and also understanding issues that the whole healthcare sector's up against. You know, our hospital today is standing up running an operating deficit. We are still here to try to create a win/win situation.

You know, I also have to say, I heard a lot about the tax liability issue. The fundamental premise here is that the JUA Board has never been allowed independently to establish what the

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reserves are. I don't understand why the JUA Board is not being allowed to do its work which is to assess what the reserve status is. And it's also, I think, important to point out about the Wendelboe Amendment that not \$1 goes out of the JUA until there's been an assessment that there is actually an excess surplus.

I urge you to penetrate the smoke and mirrors that are being put up against this tax situation and let the JUA Board do its job. I think this Amendment is sound for the policyholders, it's sound for the State of New Hampshire, and it's about time that someone send this State a message that with the financial crisis that we're in, with the difficulties that individuals in our communities are facing, that someone show some leadership and move this issue forward. Thank you. I'll take any questions.

CHAIRMAN SMITH: Thank you very much. Are there any questions? Representative Wendelboe.

REP. WENDELBOE: Thank you, Madam Chairman. Good morning, Mr. Lipman. Could you tell me if by some chance the JUA Board ruled a surplus amount and paid it out, and it was later discovered that the tax liability was greater than was estimated, what would happen? Would the State have to make up that difference or would there be assessment made back to the very people who received the dividend to payback into the fund any shortfall?

MR. LITMAN: The policyholders under the rules and regulations and the law that supports that, it's -- the nature of the policies require the policyholders to share in any deficits, and conversely, if there's an upside to be able to participate in that. We don't expect there to be a

windfall. Our first priority is that there be sufficient money to cover the claims.

REP. WENDELBOE: Thank you.

CHAIRMAN SMITH: Thank you very much. Any other questions? No. Thank you very much. The Chair recognizes Georgia Tuttle. Welcome, Dr. Tuttle. It's nice to put a face with the name we are all familiar with.

DR. GEORGIA TUTTLE, Lebanon, NH: Thank you. I certainly hope there won't be a Tuttle 2 for you to learn to know me better. My name is Georgia --

CHAIRMAN SMITH: There's universal agreement on that.

DR. TUTTLE: My name is Georgia Tuttle. I'm a private practicing physician in Lebanon, New Hampshire. I'm a former member of the JUA Board where I served from 2001 to 2004. And I'm an insured physician in the JUA, have been since 1985.

I understand the roles and the duties of the JUA and although -- and through its own rules that JUA Board has the authority to determine the status of the reserves and follow the contract and rules and payout those -- payout those excess reserve funds to the physicians to whom they're contracted with.

As a policy holder, I've never had one moment of concern about whether when I retire my occurrence policy would cover me. And I'm shocked this morning to find out that I should have been afraid. I saw those financial statements for three years. I've been a member of the JUA following it closely. So I guess I'm stunned that on January 28<sup>th</sup>

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before the Supreme Court decision there was \$110 million surplus, and after that decision was rendered, suddenly there's concern about insolvency in this fund. I just was completely stunned and I guess that's all I can add to that.

I happen to be a public official. I'm City Councilor and Mayor of Lebanon, New Hampshire. I operate under the Right-to-Know Law every single day. And I guess I was also stunned to find out that after the court ruled and the Constitution of New Hampshire was upheld, I was stunned to find out that parts of our government can decide that things can be done without the right of the public to continue to follow the process. So I really hope that this Amendment will pass. I think it is a win/win situation. This is about patients in the state. It's about you when you're a patient. It's about those patients who need help in their Medicaid fund. It's about keeping hospitals, small hospitals, solvent. This is a win/win situation for the State. We are more than willing as policyholders to support this Amendment. I represent those policyholders in private practice, and I hope you will also support this Amendment.

And I also want to go on the record to say I have absolutely no objection to paying federal income tax if it's required. I will be on the hook to pay that money if there's not enough in the JUA fund. And if, in fact, the JUA has been operating improperly for all these years, let's clear it up. But I want us to go to the federal government and the IRS. I don't want them chasing us. If they chase us, there will be fines and penalties. If we go to them and self-report, those penalties will probably be waived; and so I hope that we will stand up and to what's right and move forward asking the federal government and the IRS to review

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this situation.

We have always operated under the understanding that we were tax exempt based on a letter from the IRS. If that is incorrect, it needs to be corrected and as soon as possible, and it needs to be done in a public view and not in secrecy.

I guess I'll close there. If you have any questions, I'd be happy to try to answer them.

CHAIRMAN SMITH: Thank you very much, Dr. Tuttle. Does anyone have any questions for Dr. Tuttle? Not seeing, any thank you very much for your time. The Chair recognizes Tom Buchanan.

TOM BUCHANAN, Administrator, Derry Medical Center, Derry, NH: Good morning. My name is Tom Buchanan. I am the Administrator of the Derry Medical Center in Derry, New Hampshire. We are a 27-provider independent primary care group. And I just want to share with you a little background that we were -- we've been insured by the JUA for many, many years. And we originally got involved in this litigation because we were very, very concerned about the proposed taking of \$110 million that would have quite possibly left the fund underfunded and resulted in the deficits being paid for by the policyholders. And, you know, as the Court found, these are assessable policies. The policyholders have rights of the surplus but they also own the downside. And for us that could be very significant. This is a difficult market for primary care providers.

As you know, Medicaid payments have not risen in years. We struggle to take care of our patients everyday. And you know, we need affordable liability insurance and we need stable premiums.

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And we are very concerned. And as a private group we represented the interests of a lot of other groups in the plaintiff's groups. They are not just onesies, twosies physicians. There are a lot of big groups in this group of and many are, you know, on the front lines. They're obstetrical groups, they're E.R. groups, they're radiology groups who have difficulty obtaining affordable coverage in the market.

So I'm here to support this Amendment. We tried, as you heard from others in a leadership role, to resolve this early on. The Court's taken the position that, you know, we do have a vested right in this money. And I guess I find it a little bit inconsistent that we need an examination now. We didn't hear about an examination when \$110 million was proposed to be taken. So but we do support this Amendment. We would like to see it resolved as we did over a year and a half ago. And we'd like to see the JUA Board act as a board and start addressing these issues.

From day one we have never received any support from the Board who current and former policyholders were. All those efforts were completely stymied. So as the insured group we had to do all the due diligence on our own without help from anyone. And I think it's a little bit inconsistent that the Department of Insurance who's supposed to act on our behalf did as little as possible to help protect our rights. So I support this Amendment, and we thank Representative Wendelboe and have any questions I'd be glad to answer. Thank you.

CHAIRMAN SMITH: Thank you very much. Anyone have any questions? If not, I thank you for taking the time to come. And Chair recognizes Representative Pilliod.

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JAMES PILLIOD, State Representative, Belknap County, District #05: Thank you, Madam Chair, Members of the Committee. I ask for two minutes and that's all I'm going to take. I want to just start, I'm Jim Pilliod, and I represent Belknap County, District 5, which includes four towns of Gilford, Alton, Barnstead and Belmont. Am I a member of the JUA or a policyholder? No, but I was originally. And I found that the direction of the group that I had joined with a policy was no longer what I expected it to be and I left it about 1986, about the time we started talking about this bill.

And the Amendment I'm against for a different reason. I have no money attached. There's absolutely no income I will receive from it. So, therefore, I have no financial interest whatsoever. But I do have an interest -- thank God, I'm not a lawyer. I apologize for that. But on the other hand, it's hard to understand how a decision has been reached by a Superior Court Judge, and I quote, the Act which was proposed in the first place was declared unconstitutional and shall not be enforced. And accordingly, the JUA Board of Directors shall not transfer funds to the general fund and no costs or attorney fees are awarded. That's the ruling which the Supreme Court in one word said we consent to that decision.

Now -- now we have a compromise. I originally said to somebody, why doesn't the JUA simply donate like \$25 million to the State? I'm not sure they could do it legally; but nonetheless, we now have an Amendment which calls for a 3 to 1 change in the income, if you will, of physicians or hospitals, those who are policyholders and some money for the State. But if you note closely, the amount first transferred would be \$25 million, one-third of

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which would go to the State and so forth, two-thirds would go to the policyholders. That's a one-time income. It doesn't go on forever. But maybe they could increase it. Maybe after all the discussion they could increase it. Fine. That's great. But it's still one-time. You don't keep on getting it.

I, for the last 20 or so years, have been worried about what this policy really meant. What did -- what did -- were they doing everything right as a corporation? I have no idea. But I will say this. That when the Supreme Court finally declared and it was, again, requested to review, is this unconstitutional and they said yes, they agreed with the Superior Court Judge's decision. You know, I do not want our State operating on stolen funds. That word stolen is simply my observation as an amateur, I'm not a lawyer. But I do think that a compromise could be reached through an amendment such as this. But with all the agreements and then you worry about the taxation problems, I'm sorry, I'm against this Amendment and I so state.

CHAIRMAN SMITH: Thank you very much, Dr. Pilliod, Representative Pilliod. Does anyone have any questions for Dr. Pilliod?

REP. PILLIOD: I'm both, by the way.

CHAIRMAN SMITH: Dr. Pilliod, I understand that. And I'm sure that you have heard about the individual who was both a doctor and a lawyer and his doctor friends thought he was a fabulous lawyer and his lawyer friends thought he was a wonderful doctor.

REP. PILLIOD: Thank you, Madam Chair.

CHAIRMAN SMITH: We think you're a fine Representative, Doctor.

REP. PILLIOD: Thank you. Any other questions I'd be happy to try to answer them.

CHAIRMAN SMITH: I don't see any questions. Is there anyone else here who would like to address Amendment 1484? If not, I close the hearing on 1484.

For those of you who were not here when we started, I want to repeat that the following amendments have been withdrawn by their sponsors. Amendment 1655, Amendment 1676, and Amendment 1701.

I'd now like to open the hearing on Amendment 1627, and recognize its sponsors, Representative Vaillancourt.

STEVE VAILLANCOURT, State Representative, Hillsborough County, District #15: Thank you, Madam Chair, Members of the Committee. I understand you have a copy of the Amendment with you so I will not bother to do that handout. I do have two other handouts I would like to allow to go around at this particular time and a possible third. I presented, Madam Chair, to your secretary yesterday the preliminary report by the Governor's Commission on Gambling and asked her if your Committee had already received it. If not, if you would be interested in having a copy of that. Did you receive that or are you interested in having it made?

CHAIRMAN SMITH: The answer, Representative Vaillancourt is yes, we are interested. Yes, we have those. But yesterday we were dealing with a number of other complex issues and it wouldn't have

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been -- it would have gotten lost in the pile of papers, to tell you the truth. So we -- we tried to organized the distribution of handouts to make sure the members can focus.

REP. VAILLANCOURT: Right. And I did not have copies of that made, but I did present it to your secretary.

CHAIRMAN SMITH: Yes, and that will be taken care of. Thank you.

REP. VAILLANCOURT: I think that might be useful. Although on the cover of it, it says not for distribution. It's on their web site so I assume it's for distribution. Thank you for having me here.

My name is Steve Vaillancourt. I'm a Representative from Manchester, Ward 8, home of the Manchester-Boston Regional Airport.

I have a couple of handouts that you may look through as I'm speaking, if you so desire. The two-page handout called your *Honorable Compromise for Expanded Gambling*, the first page is a series of bullet points that explains the proposal. The other two pages are some numbers and I'm so glad this is the Finance Committee so when I talk about numbers I have confidence that you will be able to know possibly more than I do about how they're arrived at. The front of that sheet is a projection of how the revenues would be shared. And the back of that sheet is a projection of how, in fact, the facilities could make a reasonable profit, albeit not an excessive profit on their investment.

At the outset, I guess I should say that there are probably at least three traditional ways of

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looking at expanded gambling. And I am not an opponent of expanded gambling, although I was an opponent of the bill that was presented on the House floor last week. Because I believe that if we are going to do something, we should maximize the State's return and minimize any potential for corruption or problems. I believe that bill last week failed on both of those counts. So that bill was one of the traditional approaches to expanded gambling which would be for the state to simply give it away to certain businesses and to have them run it and the State to take a certain percentage of the profit - a tax, so to speak. I believe the tax that was established in that bill was way too low, it was basically a license for preexisting establishments to print money. Because gambling is, for all intents and purposes, a license to print money. So that approach was one that I do not support. And the House kind of said last week that it does not support it.

A second approach would be for a totally State-Run facility or a series of facilities. This is often referred to as the European or the Canadian model. It would have the State building and totaling running one or two casinos. Quebec to our north has three casinos. One in the Montreal area, one in the Quebec City area, and one in the Hull area abutting Ottawa. That's a model that I personally find acceptable, but I doubt if it could get a majority to pass this House.

The third model is what I like to refer to as the South Carolina model. And those of you who dealt with gambling in the past know that what they did in South Carolina was basically open it up and say anybody can have -- virtually anybody can have gambling machines at their institution. The "Ma and Pa" corner store. And this, in fact, would mean

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hundreds, if not thousands, of slot machines universally throughout the landscape of the state. I don't think even the people that support expanded gambling think that this is a good idea because if there's any way to lead us down the path to addiction and the problems inherent therein, that would be the problem that that plan would have. So I believe each of those plans is flawed, and probably we need a different approach if we're to do expanded gambling at all. That's why I've presented for you today, what I call *Your Honorable Compromise for Expanded Gambling*. And just a word first at the title.

I used that title advisedly, I guess. I used "Your Honorable" because it is not my plan. I do not take authorship of it. It is basically the plan put forward by former Senator, currently Your Honor, Ted Gatsas, the Mayor of the City of Manchester, who I just received an e-mail from is dealing with some bonding issue or something so he could not be here today. But it is his proposal. It's a proposal that has been around for approximately 10 years. In fact, His Honor told me that he had this vetted by then Attorney General Phil McLaughlin when he first presented the proposal about 10 years ago. So it has been around for awhile.

The second reason I call it "Your Honorable Plan" is that it gives everybody an honorable chance to participate in expanded gambling. Everybody would have an opportunity to bid for these facilities, as opposed to the plan which was defeated last week, which would basically have given the pre-established race courses, Seabrook, Rockingham, Belmont, and a mega facility in Hudson, basic entree before anybody else could get in and would have some bidding but only for the North

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Country facility. Let me stress at the outset, Hudson, Rockingham, Seabrook, Belmont, would all have an opportunity to receive expanded gambling machines in this plan. There is nothing about this plan that would cut them out of the process. In fact, I would assume that they would have a leg up when it comes to getting involved with this. However, like everybody else, they would have to undergo a bidding form and be selected. Anybody that wants to bid could bid.

The -- we have heard a lot about the racetrack in Loudon. They conceivably could put a proposal together and bid for one of these facilities. We heard a group in Manchester wanted to get together. I personally, being from Manchester, think it would be an ideal location for expanded gambling. We have also heard that a group in -- I think it was Groveton, was it Groveton -- wanted to have a facility. They could bid on it. In fact, this plan would actually make it better for those facilities because while the plan defeated last week had a huge number of machines, 5,000 at Rockingham Park, I believe it was 4,000 at Hudson and 2,000 thereabouts at the rest, depending on the amended version, 17,000 total, this plan would limit the number of slots to 1200 maximum at any given facility. It would presume that we have four facilities that would bid for the 1200 machine locations, and then there would be two smaller locations of 600 machines. And the reason I came upon the 600 machine division was because while we were dealing with this in the Local and Regulated Revenue Committee, one of the so-called experts that came to testify said, well, you know, Belmont doesn't even want 2,000. The North Country doesn't even want 2,000. They only need five or 600 there. So, in fact, by putting 2,000 in that plan and then charging them for 2,000, you're charging them about

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four times what they really need.

So this plan would allow bids of two categories. It would allow you to try to go for a 1200 facility -- machine facility or a 600 machine facility and you could choose whichever one you wanted to do. I assume Rockingham Park and Millennium would go for the 1200. I assume Seabrook would and Hudson would. But there's no reason that a North Country facility would not opt to go for the 600 machine license.

The reason this plan is different from the other three I referred to earlier is because I believe this plan is amalgamation. It's a hybrid of exactly what we need to do to make gambling work. It is unique and I think in the New Hampshire tradition, we can make it work and this is the way to do it. Because what this plan does, and a lot of people say, oh, we don't want state control, we don't want the state operating this, because it would create an entire new bureaucracy. But, in fact, if you look at the bill, this plan would have the State basically lease the space from these six facilities. The State would allow them to keep a percentage of the return, and it's meant to be 15% and you can see on the back sheet how that would work-out to a reasonable rate of return for them. But this plan does not involve an entire new mass of State employees.

As a casino, there would be -- or slot casino or whatever, there would be three types of employees. Only one of them would be State employees. First of all, it would envision each facility having restaurants and bars. In fact, the bill provides for a liquor license for each of these facilities. If you heard on the radio yesterday, they're going to rebuild the Friendly's

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over on the Heights. And I think I heard that they were going to employ 70 or 80 employees over there. So if you consider a casino with 1200 slots involving maybe 15, 16 hours of operation a day, people having to eat constantly, I would say each facility should have two restaurants or more in that location. The State would have nothing to do with the employees at the bars and restaurants within this facility. Along with the 15% return the facility would get to keep, they would keep 100% of the profits from the restaurant and bar aspect of operations which I think could be considerable. Of course, the State would get the 9% rooms and meals tax as it does with every other restaurant. So that is one category of employee, a huge percentage probably of the casino that would not be State employees.

The second category, and whether you like to think of it or not, one of the most important things you have when you go to a casino are bathrooms being cleaned and the carpets being swept, and the maintenance of the place. Laugh if you want, but that's very important. According to this plan, it would be part of the 15% benefit that the facility would get, they would supply the heat, the water, the sewer, and they also would supply the maintenance and that would include bathroom cleaning and also any kind of maintenance, cleaning up on a day-to-day basis. So those type of employees would be hired not by the State, but by the facility that rents it for a 15% return of investment. The only type of State employees would be involved, if you go, I think you have the same copy that I do, at the bottom of Page 1 -- no, I'm sorry, go to -- go to the Line 23 on Page 2. Facilities provided by the facility licensee shall contain non-gaming resources such as dining, liquor, hotel, any other support service approved

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by the gaming authority. The facility shall at a minimum provide and pay for heat, electricity, water, sewer, maintenance and security surveillance, which is what I've already mentioned would be what they would be paying. The only State employees would be those people who are, in fact, cashiers at the facility, or handling the machines themselves.

Now, since this Committee probably hasn't dealt with gambling in detail for awhile, you probably know or maybe you don't know, but we don't really have a lot of quarters or nickels or dimes coming out of machines anymore. Most of the time when you win, at least the casinos I've been to, you get a receipt and you take that receipt and you cash it in. So one kind of employee you would have to have would be people that are cashing in your receipts. And the other kind of employee that you have to have are people that are on the floor controlling the machines. Okay. That's where I was at the bottom of Page 1.

Video lottery employee means a person employed by the State in the operation of a video lottery location, including without limitation, cashiers, floor men, machine mechanics, security personnel or inspectors, and supervisors or managers. Those are the only people that would be State employees. So how does this plan work? The first thing that would happen is that gaming oversight authority would be established. And if you read or will read the Governor's Commission Report on gambling, the very first point they address is the need for better supervision and better restrictions on the operation of not only any expanded gambling, but the current gambling we already have. This plan addresses that even before the Governor's Commission noted that it was necessary. It

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establishes a gaming oversight authority which would run the show, so to speak, and it would be comprised of three individuals. The Department of Resources and Economic Development Chair, the Department of Revenue Administration Chair -- Commissioner, and the person that would head up this facility would be the Department of Security for the State, the State Police Commissioner. Is that what it's called? Department of --

REP. DOKMO: Safety.

REP. VAILLANCOURT: Safety, I'm sorry. Those three officials would create a gaming oversight authority. Presumably, the first task they would do would be to hire somebody who would run the show, and I would assume this would be one of the few high-paying jobs. Somebody that had the expertise to organize this.

Then we would have a process whereby six facilities would be chosen through a sealed bid process. Now, I have never supported expanded gambling for the idea that we need new revenue. But obviously, we do need new revenues, especially after I saw the monthly returns from April being about 40 million shy for the month right now, leading us to what I expected all long probably be about \$100 million shortfall this year. There is no doubt that new revenue will be generated from this proposal. To me, that's a side benefit because my primary goal has always been to have a place for people to go to waste their money just like they can waste their money by going to 162 Red Sox games a year or whatever else.

CHAIRMAN SMITH: Excuse me, did you say that was wasting money?

REP. VAILLANCOURT: I should have gone like this (Indicating). Whenever I use the word waste, I always like to put it in quotes. Because, Madam Chair, to me, how I spend my money is my business. What you consider wasting might be what I consider a good thing. I could buy a whole new set of encyclopedias. Somebody might consider that wasting. Somebody might consider it a great investment. Somebody could consider going to all the Patriot games and paying \$500 or whatever they pay a waste of money. A trip to Europe could be considered a waste of money. Scratch tickets, I consider a total waste of money. And frankly, I also consider slot machines a waste of money. But I'm not going to tell you that you don't have the right to waste your money. I play a little Blackjack on occasion which is certainly not a waste of money.

CHAIRMAN SMITH: Congratulations.

REP. VAILLANCOURT: But we do, in fact, need money in this state. So as far as the State allowing people to have access to a way to play slots, which they obviously said they want to do, this would raise money for the State.

I want to get into just a moment the way it would raise money. And I think this is probably the most important thing we'll look at here because we're all concerned about the bottom line. And there's talk about how much exactly this would raise. To me, and I'm glad I'm before Finance again, because you can follow along with me. There's a very simple formula for how much the State will get for slot machines. You can take the number of machines in this plan, 6,000, multiply by the average take per machine, per day. I have given you a scenario of three different numbers; \$150 per

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machine per day, \$200 per machine per day, and 250 per machine per day. And then multiply by that by the State's take. And this plan it's at least 60%. I've also given you a handout that shows the average daily return for casinos in the Northeast. This is a little bit outdated. The latest I could get was the Michael Pollock Inside Observer for January 2009. So this was for 2008. It may be down slightly. But this will show you exactly how much every casino in the Northeast is making per machine. The numbers I've scribbled in in handwriting are the number of slots that each of those facilities according to their web site has.

So you can see at the top Philadelphia Park has 3300 machines making an average of \$386 per machine per day. At the bottom, whatever this place Mighty M is called in New York, is only making 100 per machine per day. You can see, for example, when this was given to Ways and Means -- I'm sorry -- to Local and Regulated Revenues, the second item on this list was Rockingham Park because they had projected Millennium already that they would make \$367 per machine per day at Rockingham. And they were using 3,000 as the initial point rather than the 5,000 that they had asked the State to approve. Then you can see Mohegan Sun and Foxwoods which are the two mega casinos in Connecticut.

I think it's fair to assume that you could easily make \$200 per machine per day. When Senator Gatsas put this plan together he used \$148 per machine. I believe that is way low. He was doing it to be conservative. As you can see from this chart, you could easily make \$250 per machine per day. But let's take, for example, for the purpose of our arithmetic here 6,000 machines, \$200 per day, with the State taking 60%. You can see on this chart exactly how much that would mean for the State.

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That would generate \$438 million, give or take. If the State got 60% of that it would bring in 262 million a year. And that also will give you an idea how everybody else gets a part of this take.

Sixteen percent would go to the aforementioned gambling oversight authority which would run the whole show, would hire the cashiers, and the other personnel that I talked about briefly. And obviously, the more per machine per day, probably the more number of personnel they would need to hire. So I think 16 percent is a good figure for them. Certainly, something they could make in a good operation with and any excess would go back to the State as well as the 60%.

Now, this is another way where this is a hybrid proposal. Because the State would not buy these machines, but according to the Gatsas plan, *Your Honorable Plan*, the State would enter into contracts with three technology providers, three of those companies that make these expensive machines, and they would get 6% profit to them provide machines. And the incentive for them would be since they're going to get a profit of the take, they're going to present -- give us the best, most up-to-date machines, the most alluring, enticing machines that they can possibly have. So the 6,000 machines would be provided by the three providers and they would take 6% of the cut. I'm not an expert with computers, but I'm told that a centralized computerized system would be needed and would take about 2 percent of the monies.

I'm also not a big fan of dedicated funds. I don't believe this plan should be used to continue the dying establishment of racing. The plan that was defeated on the House floor last week had one percent going to dog and horse racing. I say dog

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racing, because we passed yesterday or the day before, the final death knell blow for them, hopefully, if the Governor signs it. Dog racing is gone. Senator D'Allesandro has always thought that slot machines should help revitalize horse racing. I don't think there should be any linkage between the two so I would not have a dedicated fund for improving the quality of horses in the state. And after much thought I did determine that the one dedicated fund we probably need is for one percent of the revenue to go back to the host city or town. And this plan would, in fact, mandate that before the facility could be chosen, it would have to show proof that its city or town had accepted it. So if you look at one percent there, that is how much the Town of Salem, for example, would get for a facility. If they had a 1200 machine facility making 2500 -- \$250 per machine per day, Salem would get about \$1 million a year with this plan.

Now the Gatsas plan, I believe -- I'm sorry, the D'Allesandro plan, I believe, called for that to be 3%, which would have meant around \$10 million a day -- a year for Salem. To me, much in excess of what would be reasonable thing for the good people of Salem to receive. Especially because the good people of the rest of the state weren't receiving any. So this chart shows you how much the State would make, how much the gambling oversight authority would need to operate, the technology provider, centralized computerized system, how much the towns would get, and the bottom is the 15% for the facility licensee which would be, in fact, the profit or the operating expenses that they would get and the profit after they had invested there.

Now this is as opposed to the D'Allesandro plan which we defeated last week which would give them not 15%, not even 50 percent as envisioned last

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year, but a full 61 percent would go to those people. That's why I referred to the plan we defeated last week as a get-rich quick scheme, not for the State, but for the facilities which would be running these mega casinos up to 5,000. It would, in fact, have amounted to more than a billion dollars in profit going back to Las Vegas if Millennium were to get to keep 60% and have 5,000 machines. I have nothing against capitalism as Representative Doreen Howard asked in an e-mail the other day. I am a huge capitalist. But I believe when the State has a concern, such as an expanded gambling, we should limit the rate of return to what is reasonable, not what is gouging. I consider the 15% for the facilities very reasonable and if you'll look at the final page, you can walk through exactly how Senator Gatsas put together these six facilities could make a reasonable return on their investment.

I'm not an expert on buildup costs and such, but for each machine he had estimated that you would need 50 square feet. In other words, 60,000 feet for 1200 machines. \$200 per square feet. He had estimated about a 12 million cost of retrofitting or building up to get these machines.

Now, if you'll notice that the one place this plan does resemble the D'Allesandro plan is that we do have an upfront charge, not 50 million as the D'Allesandro plan envisioned, but since this is only 1200 machines, this plan asks for a \$12 million minimum bid from the four facilities at 1200 machines. A \$6 million minimum bid from the facilities with 600 machines. That would mean \$60 million minimum upfront. 25% of that would go into the gambling oversight authority as their operating start-up costs. That would be 15 million. Forty-five million would come back for the general

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fund immediately. But I mention that at this point because I've also used the \$12 million that the facilities would have to presumably borrow in order to pay that upfront fee so they would be borrowing 24 million. And if you run the math at how much your average interest rate of return is, you can go through that sheet and find out that it would cost a 1200 machine facility about \$7 million a year to operate. And then you'll find out that \$150 machine will probably bring them around \$10 million in profit for the year or in monies for the year, leaving them with about 3 million profit and that goes up exponentially to the point where it's \$250 per day per machine, they're ending up making around \$46 million for their initial investment over a five-year plan.

Again, you're better at numbers than I am. So I ask you to all look at these two sheets of numbers. And I'm sure you'll tell me exactly where I'm wrong if, in fact, I am wrong. But I've had LBA all go over these numbers. I think the assumptions that representative -- former Senator/Mayor Gatsas made were accurate. Just a couple of more things quickly and I will take questions, but I wanted to answer some of the most commonly asked questions when I go through this.

This would not allow table games, Blackjack, roulette, whatever you call those. I mean, the kinds I like to play. And the reason it wouldn't was because I assume that anybody that got one of these facility licenses, the six of them, would continue to have charitable table games. So this plan is one that does not cannibalize charitable gaming. In fact, it probably enhances it. Because if you're a family and you like to play slots, but your husband or wife, daughter, presuming they're 21, likes to play table games, you could all go to

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the same facility, some of you go play slots, and the others go play table games, which would be run by the Charities, the same way they're run now. If you go to Rockingham, which we did at Local and Regulated Revenues, or Belmont or Seabrook, they all have Charities operating at their house. This would continue under this plan with the Charities continuing to get their cut and, obviously, the house taking whatever that cut is. Again, this is a hybrid plan. It doesn't try to rewrite the system. It doesn't try to get the State intimately involved so it doesn't change that. So no table games in this.

Some people have asked about what's this business about 92 percent which this bill would dictate, the 92 percent payback? Well, just to go through it quickly. If I put a dollar in the slot machine, I'm going to lose 92 percent of it on average when I hit that plunger. In other words, the payout rate is 92 percent. And you can say, oh, that's really good I'm only going to end up losing 8-cents on the dollar. It's only a function of time, of course, because in five seconds I'm going to hit it again and lose 98 percent of the other 92 percent I have left. So if you divide eight into 100, you know, that after about 12 or 13 pushes, my whole dollar is going to be gone on average. That's why the thing makes money. But, and again, this obviously depends, it's not going to be that way for every time I hit the plunger. But on average, every time I play I'm going to lose 8% and keep playing until I've lost everything. So that's why the 92 percent figure comes in.

The original Gatsas plan called for only an 87 percent payout. In my research with casinos I've been told that nobody would go to a casino if they're an expert gambler unless the payout is in

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that 92 percent ratio. All it basically does is allow people to basically play longer. That's why if you look at the \$200 per machine per day, it's quite easy. If I put a dollar in a machine playing a quarter and takes me 12 times to lose that quarter I'm going to lose a quarter in about a minute. I'm going to lose a dollar in about five minutes. The machine is going to make about \$12 an hour which would easily get you to \$200 per day. But that's only a quarter. Most people don't play quarters. They play 50-cents or a dollar or even more per pop. That's why, as you'll see on this sheet, people are averaging way more than \$200 per day.

Just a little side fun story. I was actually when I went to Montreal to try to research the bill last year, I hate to play slots, but I decided I should at least try one. So I was looking for the penny slot machines. I ended up with a nickel slot. And I put my \$10 bill in and it gave me \$10 of credits. So I said I'll play it 5-cents. And I actually won. I won, I don't know, a dollar or something. And it added up to my total so I now had \$11 I could have cashed out. And a woman sitting next to me said you could have won a lot more than that. And I said, well, what do you mean? She said, well, you could have put a lot more of your bet in. And I said I'm not interested in winning. I just want to see how it plays. And she said, well, you shouldn't even be here. In other words, I was taking up one of her machines that she could have been betting a lot more money on. But obviously, the more you bet, the more you win, but you could play a nickel machine if you so deemed. So 92 percent payout, no charitable gaming.

The number of hours that this would be open, it's in the bill that the gaming oversight

authority would establish that. Most places go to 24-hour day operation. I certainly think 16 hours of operation would be sufficient. From, say, 10 in the morning until 2 in the morning. I think the State mentions that you have to stop selling alcohol at 1:00 a.m. but you could still continue to play without the alcohol. So I think 16 hours a day would be good. If you only made \$12 per machine per hour, you'd be up there at the \$200 range. So when we talk about the assumptions of money, I think these are certainly doable and conservative assumptions that this plan has that I put together for you.

One other thing, on the back of this sheet that has all of the casinos per day, starting with Rockingham. You'll notice down there at the bottom it has Hollywood Slots in Maine making \$187 per day with a thousand machines. But look at the back of this machine -- this sheet. This will prove that the more machines you have, the less per day take. Makes common sense. If Rockingham were to have 5,000 machines, a couple thousand might be sitting empty at a given hour. If they only had 1200 machines, more likely than not they're all going to be played at that hour. You'll notice up in Bangor, Maine, when they had 475 machines, they were doing \$235, \$250, \$277 per machine per day. In the second half of the year they went from 475 to 1,000, and lo and behold, their take per day per machine dropped as well. In other words, you just can't throw 17,000 machines and say your rate per machine per day is going to be as high as it would be with a lesser number. That's another reason this plan with a limited number of 6,000 machines is more likely to guarantee that you're going to maximize the per machine per day total and bring you, in fact, what it says it will do.

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I think I've tried to answer all the questions that anybody could ask. But I'd be willing to take any specific questions, again, with the caveat that I didn't write this bill. I just tweaked the Gatsas proposal a little bit. But you get the idea that this is a hybrid meant to maximize State returns, minimize the potential for corruption, and I think the less number of machines a facility has, the less chance that they're going to buy off votes or deal in shady operations. So to me, this is an ideal plan. If you're ever going to go to expanded gambling this is the way it should be done with the requisite amount of oversight. I'm not against expanded gambling. I do believe that if you have many of these in the state, you're going to have, I'm not going to lie to you, there will be increased addiction because all studies show that if I can go to machine ten miles from my house, a parlor, a play facility, rather than driving 150 miles to Foxwood, I'm probably going to go more often. In fact, up in Bangor, I think they have created a lot of addicts in Bangor because we are told that 96% of the revenue up there comes not from tourists, but from people in the local area.

Machines in this state put in the locations where there's a huge population could, in fact, draw out-of-state people and thus alleviate the problem for New Hampshire addicts, although it's going to exist. This plan would allow a North Country facility although, quite frankly, I don't see the population in the North Country supporting a facility except a very minimal facility. I do not see this as a tourist destination type of thing. So while it doesn't foreclose the possibility of my friends from the North Country getting a facility, I think the most likely chance for the facilities to succeed would be where the people are; Manchester, Portsmouth, Rockingham, Salem area,

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where with the population from northern Massachusetts. If you want one in Berlin and you got the money, go for it. You might be able to make it with this plan. I will take questions, Madam Chair

CHAIRMAN SMITH: Thank you very much, Representative Vaillancourt. And Representative Vaillancourt, would you please make sure that you fill out a pink card before you leave?

REP. VAILLANCOURT: I will, certainly.

CHAIRMAN SMITH: Representative Kurk.

REP. KURK: Thank you, Madam Chairman. On this sheet that you gave us indicating the number of slot machines and the winnings per day, Mohegan Sun in Connecticut with 6800 slots shows winnings per day of 366. And its close neighbor, Foxwoods, with 6200 slots shows winnings per day of \$257. Why such a disparity for such similar casinos?

REP. VAILLANCOURT: I'm not an expert on these, and again, I will only quote the source at the bottom which seems to be the Bible for the industry, Michael Pollock Gaming Observer. I have learned that a different group of people go to Foxwoods versus Mohegan Sun. I'm told that most of us from the North would tend to gravitate, although they're very close together, toward Foxwoods, those coming up from the south apparently the traffic flow from New York City would tend to funnel it in toward Mohegan Sun. That might be the answer. There are potentially more people coming up from New York City than there are from us going down. It could be advertising.

If you listen to the Red Sox games, as I

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occasionally do, I believe I hear ads for Mohegan Sun on the Red Sox. So there is something that could be said. Advertising probably lures more people in as well. But the bottom line answer is, I'm surprised at the difference. But I only do what the experts tell me. And the bottom line is that the 250 or \$200 would be, I think, minimal entree, if they had that many machines and doing 350 or more. But you'd have to look, you'd have to talk to the demographic experts to get the real answer to that.

REP. KURK: Thank you. Thank you, Madam Chair.

CHAIRMAN SMITH: Representative Wendelboe.

REP. WENDELBOE: Thank you, Madam Chairman. Good morning, Representative Vaillancourt. I have two questions. The first is in the years that Senator Gatsas floated this particular gambling Amendment, were there gambling entities lined up pushing it, ready to put money on the dotted line or was mostly just Senator Gatsas without the industry there supporting it?

REP. VAILLANCOURT: That gives me a chance to say something I didn't want to say during my initial presentation. But the Gatsas proposal was, I believe, 5500 machines, with a maximum of either 1,000 or 1200 per location. This is almost exactly the same as the Gatsas, just tweaked a little bit. Now, if I'm Millennium with multi-million dollars to invest from Las Vegas, would I get behind the Gatsas plan which limits me to one house machine and I only get to keep 15% of the profit? Or would I get behind the D'Allesandro plan which gives me 5,000 machines with 60% of the profit? The reason the Gatsas plan has never gotten people on board before is because there's not all this big money

flowing around to support a plan that's going to benefit the State. These people that are behind that other plan are the people with money to throw into the state, to try to maximize their profits and minimize the State profit. So the reason that the Gatsas plan was pretty much a non-starter, was because didn't have millions of dollars being thrown in to influence your vote by television and by all these fancy lobbyists. I think that's the answer that there was not a rush to the Gatsas plan like there has been a rush to the other plan.

REP. WENDELBOE: Additional question?

CHAIRMAN SMITH: I'm just thinking about what the, quote, fancy lobbyists must be thinking about the effectiveness of their investment.

REP. VAILLANCOURT: Well, those lobbyists are giving money to the Senators who propose that other plan. I haven't received a penny from any lobbyist for proposing this plan. I don't know if Senator Gatsas did. But the money flows where the money is going to go to. And as I say, the money is going to go to the other plan where they give 5,000 machines with the 60% rate of return. I don't care about those people. I care about the people of the State of New Hampshire, the taxpayers. As a Representative, my oath is to the Constitution and to the people of the State of New Hampshire, not to Millennium in Las Vegas and not to these lobbyists who are giving me -- giving other people \$1,000 a pop for their campaigns.

CHAIRMAN SMITH: Well, we'll wait to read the financial -- the campaign financing reports.

REP. VAILLANCOURT: I've looked at them, believe me.

CHAIRMAN SMITH: Why do I not doubt that.  
Representative Wendelboe.

REP. WENDELBOE: Thank you, Madam Chairman.  
Obviously, our profits are going to not be huge if  
there are no betting companies interested in such a  
small payback. In looking --

REP. VAILLANCOURT: A small payback?

REP. WENDELBOE: Yes.

REP. VAILLANCOURT: \$50 million over five  
years, a return of your investment of 25% a year.  
I don't consider that a small payback at all.

REP. WENDELBOE: That's where I'd like to turn  
to.

CHAIRMAN SMITH: Would you let Representative  
Wendelboe finish her question?

REP. VAILLANCOURT: I'm sorry.

REP. WENDELBOE: That's why I want to turn to  
the numbers you're talking about. Under the plan  
defeated, there was talk of 300 to \$400 million in  
investment of building and so on by the entity.  
This is talking about a \$12 million investment for  
renovation costs. Obviously, if it was a new  
facility, I think anyplace would find it greatly  
difficult on \$200 a square foot to acquire land in  
a well-populated area to be able to purchase the  
land, do the site work, and build the \$200 a square  
foot. But if they somehow were able to do that,  
looking at your number, you're projecting a \$9.855  
million profit at \$150 per machine per day. And I  
think that probably is a smaller facility.



REP. VAILLANCOURT: That's not profit.

REP. WENDELBOE: Again, that's where I'm going. Then you show the 7.178 on cost between the payback out of the mortgage and your estimate of square foot maintenance cost, which gives what sounds like a lofty \$2.7 million profit. But you also say the profit is prior to taxes. So I've got to think that by the time you do the BET, BPT, and federal taxes on that, you're probably really only looking at a profit of \$1.4 million. And I question any entity jeopardizing \$30 million for a \$1.4 million profit that if it wasn't successful they'd still have the stone of a mortgage around their neck for building property that's not making them enough money to be profitable. So I question that this, while it looks wonderful for the State, I question if the State would ever get a dime because somebody really crunching numbers looking at this would say there's enough profit here for us to take a financial risk.

REP. VAILLANCOURT: Well, let's take it point by point. First of all, there's no \$30 million investment. It's a \$12 million upfront minimum bid which many companies would not have to borrow. They would already have it in their cash flow. So they would write it down not an 8% but something far less than that, I think --

REP. WENDELBOE: Line E.

CHAIRMAN SMITH: Excuse me, Representative Wendelboe, please let Representative Vaillancourt respond.

REP. WENDELBOE: I'm using his number from Line E.

REP. VAILLANCOURT: Line E is including the \$24 million, that 12 million of that would come, as I say, under the best circumstances, they would have to borrow, and \$12 million for the buildup cost. And then if you add to that the cost of 12 -- of 1.2 million a year for the hiring of the personnel, the maintenance, their costs become \$7 million a year. And as I told you, I don't believe they would be making \$150 per machine per day. They could, in fact, end up making \$300 per machine per day, in which case their profits would be very, very extreme. That's what capitalism is all about. You invest. You think you're going to maximize your return. And that's what you're doing. And then, in other words, instead of making \$50 million over five years, they'd make 75 million. That may involve them adding a little extra advertising in. But I don't think to the initial comment you made that we should confuse gambling with economic development.

Unlike the Senator from Manchester, I have never proposed gambling as an attempt to build a big mega resort or as an attempt to create one-time jobs, building a new facility. Let's talk about the facilities that could be bidding -- one of the six facilities that could be bidding for this. You could have a restaurant downtown in Concord that's already built and up and running and you could say I got enough space. I could bid for this. So you wouldn't have to rebid. All you'd have to do is maybe put maybe some electrical outlets in so you could plug in machines.

There was talk in Manchester of the facility across from the Verizon Wireless Center, which would be a tremendous facility, it's an open plant already existing there. Plenty of parking. You wouldn't need to buildup the parking. You wouldn't

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need to buildup the facility. You could easily retrofit that for \$12 million. And you already have Manchester investors who I understand are lining up to do that. When you talk about the profits for facility, what you continue -- what you neglected was the profit that they would get from a restaurant. Again, the restaurant and liquor operation in this facility would be over and above any profits noted here. And anybody that's smart enough to be an investor is going to realize that they're going to make a lot of money on a couple of restaurants.

When I go to the Montreal casino, which admittedly is about three times as big as any of these places would be, they have four mega restaurants and numerous bars. And those mega restaurants are always packed. So presumably, a restaurant could make as much as the gambling aspect of this operation. That's why so many restaurants exist and there would be a population that would already be there having to want to eat. But whether or not they bid, the future will tell. If nobody wants to do this, fine. Nobody's forcing them. Nobody's putting a gun to your head and saying, hey, Mister Businessman, you got to take a chance on this. That's the point of investing. I go out of my way. I live with the risk that I take. And on this, I think you make a very, very good profit. A return of, even if you mention it's only 12 -- of only 1.2 million a year, on an initial investment of \$25 million, when after a few years you're going to be done with most of those upfront costs, for the long run you're making a mighty good investment. Again, if they don't want to bid, they don't have to. If Rockingham doesn't want this because Millennium would rather take billion dollars back to Nevada than a couple million, fifty million, then I'm sure there's other facilities

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would bid on this. But if they don't, then it just wouldn't happen and that would be fine with me.

My whole point is that if it does happen, the State should not be making mega companies rich, but it should be enabling the taxpayers of the State of New Hampshire to make a good return and not have to worry about corruption.

CHAIRMAN SMITH: Thank you. Representative Wendelboe, did you have another question? No. Does anyone else have any questions for Representative Vaillancourt? If not, thank you very much for your presentation. Please remember to fill out a pink card.

REP. VAILLANCOURT: I will. Thank you, Madam Chair.

CHAIRMAN SMITH: The Chair recognizes Representative Hess.

DAVID W. HESS, State Representative, Merrimack County, District #09: Thank you very much, Madam Chair, Members of the Committee.

For the record, my name is David Hess representing Merrimack 9. It might surprise some of you that I'm here in opposition to this Amendment. And I also wanted to clear up any ambiguity. I am not a high-paid lobbyist associated with this kind of legislation. I ask for three minutes. I hope to conclude in less than a third of that time.

I would submit that this is neither the time, the place, the venue, nor the truncated process to consider a proposal of this magnitude and complexity. And I would also suggest there is no

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historical precedent anywhere in this country whereby a casino gambling legislation will generate one penny of revenue in the first 12 to 15 months after it is enacted. So it probably won't do anything at all for the current deficit problem. I would be happy to answer any questions, Madam Chair.

CHAIRMAN SMITH: Thank you very much, Representative Hess. Does anyone have any questions for Representative Hess? Not seeing any, thank you very much.

REP. HESS: Thank you.

CHAIRMAN SMITH: Anyone else here who would like to speak on Amendment 1627? Representative Gionet, I'd be happy to recognize you. Please be sure to fill out a pink card when you finish.

EDMOND D. GIONET, State Representative, Grafton County, District #03: Thank you, Madam Chair. Thank you. And I will fill out a card before I leave.

I'm here to speak against this version of a gambling bill. One thing it does is it monopolizes charitable gaming. It does not create any jobs at all. Slots do not create jobs. They create an income for the facility that has them. What we are trying to do, and I do associate gambling with economic recovery, is to create jobs, particularly in parts of our state where jobs are very scarce. There are 52 -- 530,000 people out of work in New Hampshire right now?

CHAIRMAN SMITH: I think that's a little high.

REP. GIONET: Well, possibly. The right number

do you happen to know? I thought I read 530.

CHAIRMAN SMITH: I think you're off by about ten-fold.

REP. GIONET: All right.

CHAIRMAN SMITH: The State population is around one million counting everyone, including people on the war force.

REP. GIONET: So I'll embarrass myself with the wrong number, but there are a lot of people that are out of work and the concern is we have to put people back to work. And to put people back to work the D'Allesandro bill made more economic sense. Ideally --

CHAIRMAN SMITH: Representative Gionet.

REP. GIONET: Yes.

CHAIRMAN SMITH: The bill to which you refer is not before us. And the House of Representatives has voted on that bill. So if you could address the strengths or weaknesses of this Amendment, I would appreciate it.

REP. GIONET: Thank you, Madam Chair. And I didn't mean to get off base here. I was --

CHAIRMAN SMITH: I know, it's tempting.

REP. GIONET: I get carried away because I have a lot of emotion attached to this because of the part of the state that I come from and the importance of jobs. This bill as it's presented to you would be a bill that would allow the State to operate a facility that I feel that they aren't

qualified to do and they are not creating jobs. They are only creating a source of income to the State which is very limited because -- all right.

CHAIRMAN SMITH: I'm sorry, I'm sorry. I am listening to you.

REP. GIONET: All right. I didn't know. I thought I was saying something wrong.

CHAIRMAN SMITH: No, absolutely not.

REP. GIONET: No.

CHAIRMAN SMITH: I apologize.

REP. GIONET: So I guess the short of this is it does not create jobs. It does limit a source of revenue to the State which I don't believe is what we are trying to do here. I will answer any questions. I probably lost my train of thought because I rambled on in a different direction, and you corrected me. You did the right thing. I just want to point out that it's very important to us that we have a bill but not this one, because it doesn't do what we should be doing for the state.

CHAIRMAN SMITH: Thank you very much for your testimony, Representative. And I want to assure you that one of the concerns that this Committee is grappling with is the question of employment opportunities in the North Country, and in other sections of the bill that's before us. That matter has been given a great deal of consideration. And no one has represented his or her constituency better than you in identifying and constantly reminding us of the problems. So thank you very much for that.

REP. GIONET: Thank you, Madam Chair. I'll answer questions.

CHAIRMAN SMITH: Does anyone have any questions for Representative Gionet. Representative Anderson.

REP. ANDERSON: Thank you, Madam Chair. I'm curious with regard to your comment. You don't think this proposal would, number one, retain jobs, create jobs, and also create revenue for the State?

REP. GIONET: Maybe I wasn't clear. It will not provide jobs. To have a slot machine parlor does not create jobs. To have table games, you are creating jobs. You're certainly going to create jobs with slots if you incorporate the business -- the restaurant facilities that may be associated with it. But comparatively to a full-blown casino, the slot parlors do not create that many jobs on their own. I don't know if that answers your question.

REP. ANDERSON: Thank you.

REP. GIONET: Ideally -- ideally, if this bill were to say that there be one full-blown casino in the southern part of the state, one full-blown casino in the northern part of the state, two different demographics, two different clienteles, a resort destination up north, Rockingham Park down south, this would create a lot of jobs, permanent jobs, and a great revenue source that the State could rely on. And I guess thank you for the opportunity to say that.

CHAIRMAN SMITH: Any other questions? If not, thank you very much. Please fill out a pink card.

REP. GIONET: Thank you.



CHAIRMAN SMITH: Not seeing anyone else who wants to testify on Amendment 1627, we close the hearing on that Amendment. And open the hearing on Amendment number 1593. The Chair recognizes Representative Kurk.

NEAL KURK, State Representative, Hillsborough County, District #07: Thank you, Madam Chairman. I've asked the LBA to pass out some sheet of paper which provides a brief summary of the proposal and there will be sufficient copies, I hope, for members of the audience.

The purpose of this proposal is to revise the State Retirement Plan for new hires only. None of this proposal affects existing employees and the purpose is to put the State in the future and its retirement system in the future on a much sounder fiscal basis so that we will have a -- be in a position that we will be more likely to be able to afford to pay the promised pension benefits to State employees.

The problem with pension plans, as we all know, is not unique to New Hampshire. This is a nationwide problem. The unfunded liabilities of pension plans depends upon how you calculate the future returns on investment. And the PEW folks -- foundation folks have suggested for the nation as a whole it may approach \$1 trillion. Certainly, in New Hampshire, it's very significant, depending upon how well the plan does. It's somewhere between four and \$6 billion.

We can make some changes, I believe, in the existing plan, but they're very difficult changes to make so I'm focusing on the future. Because this state, while it's been around for a couple hundred

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years, hopefully will be around for many, many more years in the future, and we need to have a viable plan for our employees. Here's what the proposal does. Some of these ideas are not unique to this state. They have been proposed and implemented in many other states. Indeed, there was an article in the *Wall Street Journal* yesterday which Representative Belvin passed around unbeknownst to me in which some of these very ideas are proposed.

First, the pension for future employees is calculated on their base pay, no over time, no sick pay, no holiday, no special details. If you're employed and your final years' pay is \$40,000 or \$60,000, your pension will be -- and you're in Group I -- your pension will be 60% of that final pay. Number two. The retirement pay -- excuse me -- the retirement age is increased by five years for members of both Group I and Group II. The years of service for members of Group II is increased from 20 years to 25 years and both the retirement age and the years of service can be adjusted in the future to reflect longevity.

I think most of you are aware that when we put the social security system into effect in 1938 with the retirement age of 65, life expectancy was roughly 65 years. That plan worked. Unfortunately, President Roosevelt, like many of his successors, neglected to realize that Americans are living longer and now I think it's males live to an estimated age of 79 and females 81. Clearly, we cannot forecast the future. So we need to have some mechanism to adjust these retirement -- the retirement ages as life expectancy increases. I had a very brief chat with the retirement system Executive Director just before the meeting today, and he indicated that as good as our actuaries are, they cannot predict these numbers and he would be

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much more comfortable if we predicted them and put the actual numbers into -- into the plan. Perhaps, we can work on that issue.

Fifthly, the maximum pension cannot exceed 75 percent of final compensation. In order to pay for this, we all know that our assumed rate of return at eight and a half percent. I think we are one of the highest. I think there are only two other public pension plans which have an eight and a half percent anticipated rate of return. That has to be reduced. This plan does not require that, specifically, but it will happen. And I think members of this Committee know the higher the rate of return, the lower the State contribution.

If we could assume a 12% rate of return, the State contribution of the pension fund would be significantly less. But if it has to go down to 4 percent, our contribution is much higher. And to some extent this is a political decision, to some extent it's a fiscal decision. The point is, that since this is a defined benefit plan and the State is guaranteeing these payments, and the State runs the risk of an economy that does not produce the required rate of return, and the members do not run that risk, the only way to balance that equity is to increase members' rates and the plan does that with Group I members going from 5 to 7%, and Group II from 9.3 to 13 percent. The reason for those numbers is that it represents a 40 percent increase for both groups.

The other thing that this plan does is reserve the right to the State to make prospective changes, specifically member contributions. One of the problems we are faced with now is that there is a legal argument that the pension plan becomes a contract that once vested a member has a right to

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for his entire employment with the State for 30 years or whatever it might be. I don't think that's tenable in the uncertainty environment that we have now with respect to life expectancies and returns on investments. So this plan reserves the right to the State to make certain prospective changes.

What this plan did not do and what it probably should do is to ban double dipping which is a situation where the individual works for, say, 30 years in Group I or 35 years in Group I and retires, gets his pension and then turns around and goes back to work for the State and gets both his pension and salary. Commissioner Flynn was one of those, I believe, who was infamous, I think is the correct word, for doing this legally but it's very inappropriate. And I think we need to prevent that. But that is not in this bill.

And so Madam Chairman, that's the proposal. One way or another, at one time or another, now or shortly, we need to take this action to stem the hemorrhaging that the state, the system, and indeed, ultimately, the State employees will undergo. I'd be prepared to answer any questions that I can, if anyone has those.

CHAIRMAN SMITH: Thank you very much, Representative Kurk. Are there any questions for Representative Kurk? Representative Foster.

REP. FOSTER: Yes, thank you very much, Madam Chairman. And Representative Kurk, could you give me an example of a prospective change that might be made?

REP. KURK: Yes. If it turns out in the future that we need to adjust members' contribution from

the proposed 7% down to 6% or up to 10% that could be done.

REP. FOSTER: That's what I thought, but I just wanted to confirm that. Thank you.

CHAIRMAN SMITH: Are there any other questions for Representative Kurk? If not seeing any, thank you very much, Representative Kurk.

Barbara Reid from the New Hampshire Municipal Association does not choose to speak, she has submitted written testimony in support of the amendment. The Chair recognizes -- now, I don't know whether it is Beaudoin, Bowdran or Bowden. So the first question is tell me how you would like to be addressed?

TROOPER MARC G. BEAUDOIN, State Police, Trooper I: It's Beaudoin, Madam Chairperson.

CHAIRMAN SMITH: Okay. Thank you very much. And we are happy to have you here.

TROOPER BEAUDOIN: Thank you, Madam Chairperson, and Members of the Committee, for allowing me the chance to come here and speak with you today. My name is Trooper Marc Beaudoin. I'm here representing the New Hampshire Troopers Association. And I'm here in opposition to Amendment 1593h. I've been in law enforcement now for approximately 14 years, and I've looked at this document, and quite frankly, I could look at this and just say okay, because this document doesn't affect me. When I read this document, this document only affects new employees after July 1<sup>st</sup>. So it would be wrong of me not to come up and at least try to represent troopers that are going to be hired in six months, a year, five years from now.

Basically, what this Amendment is going to do is it's going to create a two-tier system and you're going to have troopers -- and I'm just speaking on behalf of the Troopers' Association. Obviously, this affects both law enforcement, fire, and teachers. But basically, for Troopers, you're going to have two groups of Troopers. You're going to have those that are already in the system right now and have been hired before July 1<sup>st</sup> that have certain benefits. And then you're going to have brand new troopers coming through the door that are going to have a different set of benefits and retirement system. This affects two things. The first thing it affects is morale, and the second thing that it affects is recruitment.

In reference to morale, now I've been a Trooper for over ten years now. And I've going to be working now, let's say, with somebody who gets hired after July 1<sup>st</sup>. We are going to have the same job tasks, we are going to face the same hazard on the road together, only my benefits will be slightly more than their benefits. That's going to affect this person's morale and any other Troopers hired after July 1<sup>st</sup>. That's going to affect their morale.

The second issue that this is going to affect is recruitment for police departments and the State Police. Currently, the State Police has and receives several applications from out-of-state perspective employees. When we go out and we do a test, we have so many applications. Just let's say for a figure of 200 applications. Out of the process that we go through in the hiring process, we whittle that down to approximately ten good candidates. Now, if you reduce that number, you're reducing that number significantly to good quality candidates that we have. Now, New Hampshire was

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just recently voted one of the -- actually, the safest state in the union. I'd like to think that that has something to do as a result of the New Hampshire State Police, as well as local law enforcement, in the state. But you're going to severely reduce the recruitment that comes with this.

Just today, I was speaking with a Trooper that I was hired with just over ten years ago. He was a police officer in the State of Rhode Island and he was in the Academy. While he was in the Academy the state legislature down in Rhode Island decided to make drastic change to their retirement system. He said to his wife and his family, I can't work under this system. I have to go somewhere else. He looked around and he found New Hampshire and he applied here to New Hampshire State Police. This Trooper has been a valuable Trooper to the State of New Hampshire now for over ten years, and he works some major cases. Now, this is a Trooper that we would not have gotten if our retirement system was vastly different. This is major change to our retirement system that we are looking at right here with only two weeks left to go. This is the type of change that should be discussed in a Committee, not here in the Finance Committee. This is change that's going to take time to develop and come to fruition.

I agree that the retirement system does need some change. I personally agree with it. I have a vested interest in this. I would like to when I'm 50, 55 years old, to make sure that this retirement system is still here. All right. I agree that there does need to be some change in the system. However, with only two weeks left to go and trying to ram this in is not the appropriate way to do this. This is something that really needs to be in Committee that needs to be discussed with everybody that has

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a vested interest.

Now, as part of the New Hampshire Troopers Association, we would be willing to work with Representative Kurk and anybody else that has a vested interest in the retirement system in order to come to some type of agreement that we can all live with that will benefit our State employees, will benefit the Troopers.

So in closing, I respectfully request that the Committee vote to inexpedient to legislature, ITL this amendment and I thank you for allowing me here the time to come and speak with you.

CHAIRMAN SMITH: Thank you very much.  
Representative DeJoie.

REP. DEJOIE: Thank you, Madam Chair. And Trooper Beaudoin, thank you. Let me just start by thanking you and your colleagues for the work you do everyday. It's appreciated by one on this Committee and everyone in Committee.

TROOPER BEAUDOIN: Thank you, sir.

REP. DEJOIE: I just wanted to comment and agree with your -- this is a statement, not a question, Madam Chair, if I might? Your concern about morale is, in fact, something we have seen in the Department of Corrections for the past ten years with workers side by side in different classifications doing the same job in different classification of retirement. Do you believe that would have a significant impact on Trooper retention?

TROOPER BEAUDOIN: I think initially -- well, there's two issues here we are talking about. One,

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the first one is morale. The second one is recruitment. I think initially the impact on morale may not be all that bad and I say that for this reason. Initially, in the first few years you're going to have the vast majority of troopers that are still troopers that have been here in this prior system, so to speak. They're still going to perform and do the same things they have been doing. As time goes on, five years down the road, ten years down the road, that's going to change. Now you're going to have 50 percent senior troopers, 50 percent junior troopers, so to speak, that are in these two different tier systems. And I think that's going to be the time when you're really going to have the morale issues that are going to be coming to butt heads. And as for recruitment, I think that's going to impact recruitment right away. And I also think that that's going to impact the amount of people that are going to get ready to leave the system, too, and walk-out the door as well.

Recruitment, it's hard. I'm going to tell you, it's hard to find a good quality candidate that can do this job. And like I said, out of 200 applicants, you can usually get maybe ten good candidates out of it. And you don't see the level of corruption in this state with law enforcement that you may see in other states. And I'd like to believe that is due to the extensive backgrounds that we do on our people that come into this organization.

CHAIRMAN SMITH: Thank you very much. Are there any other questions? If not, thank you very much for taking the time to be here. The Chair recognizes Mr. Ingram.

TROOPER BEAUDOIN: Thank you, Madam

Chairperson, and Committee.

DICK INGRAM, Executive Director, New Hampshire Retirement System: Thank you, Madam Chair, and Members of the Committee. For the record, I'm Dick Ingram, the Executive Director of the retirement system. I just wanted to offer a few very brief comments and I'll try to answer any questions that you might have.

As you've heard, the provisions of this bill are largely prospective in nature so if you are looking at what the fiscal impact might be from any of these proposals on the biennium that we are in right now, or even the next biennium, they will be relatively minimal from a fiscal point of view. So I just want to make that observation. And we have not at this point performed any sort of detailed fiscal analysis of the proposals with our actuaries because of time concerns at this point, but we would certainly do that if this went forward.

There is a one specific section of the bill that Representative Kurk alluded to regarding, I believe it is -- it's found on Page 2 of the bill on line -- begins on Line 24 -- of the Amendment rather -- and begins on Line 24 regarding the decennial adjustment required that would be proposed here. The problem as we understand it from our actuaries and attorneys is that the construct of that provision as it stands right now would not meet Internal Revenue Service standards for plan design. That it would make the -- the determinability of future benefits indeterminable, I guess, to use that term. And that is the challenge to the actuaries that Representative Kurk referred to. So if this provision were to go forward in this manner, I think we would be obligated to object to it because it would, in

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fact, cause the plan to fail to qualify as a tax exempt entity, which is obviously a serious consequence.

There are a number of what I would call ministerial, you know, types of suggestions that I might make if the proposal were to move forward to clean-up the language and make it consistent within itself. Nothing that would change the intent or the purpose of the proposal as it stands. But I am holding off on those because I think they could be dealt, you know, outside of this hearing.

I would offer one other comment to comment that was made about the eight and a half percent rate of return assumption that is part of our actuarial evaluation. While it is true that that is on the high end of the stated or the assumed returns that public plans use in their actuarial calculations in this country, it is also important to know that you also have to look at the wage inflation assumption that is included as part of your actuarial calculation and calculate the net of those two numbers. Our rate of return, investment rate of returns is assumed to be eight and a half percent. Our wage inflation assumption is four and a half percent, which means that our actuarial calculations assume that the investment returns on the plan will deliver 4 percent, which as it turns out is actually at the low end or below the median of similar public plans in the country. So that's not to minimize the significance of any changes that might occur as a result of revisiting what the rate of return is or should be, but I think it's important to note that the full context of that comment, I think, is important. With that, I would stop and I'm happy to answer any questions if there are any.

CHAIRMAN SMITH: Thank you, Mr. Ingram. Are there any questions for Mr. Ingram? Representative Belvin.

REP. BELVIN: Thank you, Madam Chair. Welcome, Mr. Ingram.

MR. INGRAM: Hi.

REP. BELVIN: Either I was inattentive for which I apologize or I didn't understand your remarks on lose tax exempt status. Could you amplify that, please?

MR. INGRAM: Certainly. The New Hampshire Retirement System qualifies as a tax exempt entity under Section 401(a) of the Internal Revenue Code and has to meet a series of qualifications of which I am not qualified to speak on in detail. But one of the essential provisions is that the benefits paid under the plan be determinable with some specificity. And the language that is in the proposal that's before you, the Amendment that's before you, would make that not possible in the eyes of our actuaries and attorneys.

REP. BELVIN: Thank you. Thank you, Madam Chair.

CHAIRMAN SMITH: Thank you, Representative Weyler.

REP. WEYLER: Thank you. Welcome, Mr. Ingram.

MR. INGRAM: Thank you, Representative.

REP. WEYLER: What about define contribution plan? There's no way to determine from those what the payout will be.

MR. INGRAM: And that is the essence of those plans. You define the contribution what goes in. You don't define the benefit that comes out. This is a defined benefit plan. So you have to be able to calculate with some predictability what that benefit will be.

REP. WEYLER: Unless the plan is identified as defined contribution.

MR. INGRAM: Correct, which would be a completely different --

REP. WEYLER: Right.

MR. INGRAM: -- system entirely. You're absolutely right, Representative.

REP. WEYLER: Thank you, Madam Chair.

CHAIRMAN SMITH: Any other questions for Mr. Ingram? If not, thank you very much for taking the time to be here. The Chair recognizes Laura Hainey.

LAURA HAINEY, President, American Federation of Teachers in New Hampshire: Good afternoon. My name is Laura Hainey and I'm President of American Federation of Teachers in New Hampshire. And we represent teachers, para-professionals, support staff, some municipal workers and higher ed. So we have group members in Group I and Group II. Full disclosure, I was a teacher. I have money in the retirement system. I am vested but I no longer am part of the retirement system.

With that, I ask that you not accept this Amendment. I've heard the Gabriel Roeder Smith, Ken Albert, many times that says it's not a good idea

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to have two plans because eventually you have the senior employees and the younger ones and eventually it becomes tied and you have one against the other. The younger group becomes more in numbers than the older group. And they look at it how come you're getting a better benefit than me? And it causes some internal morale problems. I ask, you know, I understand that reform, I've been doing this, this is my sixth year. We have done a lot of stuff to help the retirement system. We have changed from the open aggregate to entry age which was huge. And we have made some other changes that I think have been more important to the retirement system than doing something like this.

If you really want to do something retirement and to lower the rates, payout the unfunded liability. If you look at the teachers group, pension rates aren't that high. If I read the report right, 38 percent is the normal pension rate. Whereas, 62 percent is what you're paying to fund the unfunded liability. And you have the unfunded liability because you had that open aggregate and the amount of money was not going in the correct amount. So that's where you get that. If you can pay that off, the normal contribution rates are not that high. So with that, I ask that you not accept this Amendment.

CHAIRMAN SMITH: Thank you very much. Does anyone have any questions for Miss Hainey? If not, thank you very much for taking the time to be here. Is there anyone else here who would like to testify on Amendment 1593? If not, this closes the hearing on 1593. And the Finance Committee will be in recess for 45 minutes until 1:00 p.m. We will start promptly at one with Amendment 1679.

(Recess for lunch taken at 12:17 p.m.)

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(Reconvened at 1:10 p.m.)

CHAIRMAN SMITH: I'd like to call the Finance Committee back into session. And the next Amendment that we are going to consider is Amendment 1679, and the Chair recognizes Representative Kurk.

REP. KURK: Thank you, Madam Chairman. This bill is very simple. It abolishes the Racing and Charitable Gaming Commission, and it does so -- and in doing so it would save the general fund somewhere between half a million and \$1 million, mostly in administrative expenses.

Those functions of the Commission, such as regulating charitable gaming, would be transferred to Lottery Commission. The administrative functions of the Commission would be assumed by the Lottery Commission without the personnel going from the Racing and Charitable Gaming Commission also going to the Lottery Commission and that's where the saving comes in. Basically, it's in a reduction of personnel.

The reason for proposing this is that the Lottery Commission - sorry -- the Racing and Charitable Gaming Commission have much, much, much less to do as a result of over the past couple decades, as a result of changes in society with respect to the kinds of gambling we like to do. Horse racing is gone. Dog racing is gone. Simulcasting remains. A lot more work when it comes to charitable gaming, but not enough to justify continuation of the Commission at its present size.

As we look around to try to find efficiencies in state government, without reducing the level of service that's provided, I think this is one that's

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obvious and staring us in the face. These two organizations can be combined with the savings to the state and the taxpayers, help us with our deficit. Moreover, not to do this, I think, leaves us open to the charge that we have a whole variety of people on the State payroll who are not performing -- who are performing work that could be done for much less money or need not be done at all. So as far as I'm concerned, this is -- now is the time to do something that to me is rather obvious. If for whatever reason the Committee is not inclined to do it this year, I suspect it will get done next year. Certainly, the year after.

It's just -- it's just an expense that we cannot afford, whether it's looking at a \$200 million deficit or a \$500 million deficit, spending half a million or an extra half to a million dollars, it just doesn't make sense. So I would ask Members to respond favorably to this. Thank you, Madam Chair.

CHAIRMAN SMITH: Thank you very much.  
Representative Weyler.

REP. WEYLER: Thank you, Madam Chair.  
Representative Kurk, half a million dollars is a big savings. You wiping out this whole bureau or are you --

REP. KURK: No, they have a number of -- in the budget they have a number of different components. The only one that would be abolished would be the administrative function. The regulatory functions, as it says in paragraph two, would be switched -- sorry, paragraph one -- would be switched to the Lottery Commission.

REP. WEYLER: So follow-up?

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CHAIRMAN SMITH: Yes.

REP. WEYLER: How many people you talking about?

REP. KURK: I'm not sure.

REP. WEYLER: I don't think there'd be all that much savings. You are still going to have, as I recall, there isn't that many administrative people.

REP. KURK: The administrative budget is \$1.4 million in that one segment of their budget. And some of those people would have to be retained and go to the Lottery Commission. But many of them would not. And I don't have the exact numbers, Representative Weyler. I'm sure the LBA working through the Commission could provide us with that if the Committee decides to go forward with this.

REP. WEYLER: And the other thing that surprises me is we have already got a job search out to head up the Lottery Commission. So we're going to eliminate a second job, we are going to run out of all the people that have experience in running a gaming operation. It could -- it would be more logical in my mind if we transferred the Director of the gaming and -- Racing and Charitable Gaming Commission to head up the Lottery Commission solving the problem of filling that job with someone who has experience in a like business.

REP. KURK: If the individual of the Racing and Gaming Commission, Mr. Kelley, wishes to apply for that position, I'm sure he can do so. My understanding is that they have a number of pretty good applicants and that I guess the period during which it would apply is closed, but I don't know

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that. My point is this is not an effort aimed at individuals. This is designed to promote government efficiency. If expertise is needed in some area, the Lottery Commission has quite a bit of expertise at the rank below the Executive Director that could be obtained. But I don't think that that's a sufficient reason to oppose the efficiencies that this bill would generate.

REP. WEYLER: I disagree. Thank you.

CHAIRMAN SMITH: Any other questions for Representative Kurk? If not, the Chair recognizes Paul Kelley.

CHAIRMAN SMITH: Good afternoon, Mr. Kelley.

PAUL KELLEY, Director, New Hampshire Racing and Charitable Gaming Commission: Good afternoon, Madam Chair, Members of the Committee. For the record, my name is Paul Kelley. I am the Director of the Racing and Charitable Gaming Commission. I guess to some extent I have a vested interest before you because the bill specifically eliminates my position. Having said that, I think this is poor policy to bring across right now because when I look at what our job does, first of all, I think you should look at the Commission and it's -- it's a org shot. It's very vertical. It's not horizontal. We don't have a lot of support staff and a lot of decisions are done at the managerial level.

As far as not having as much live racing, that is true. We took about half a million dollars out of the budget, the legislature did, for funding live racing. So field personnel is gone. You still need the intellectual talent to run a gambling organization. There's a lot of money being -- in

Simulcast wagering, over \$70 million so far this year is being involved in Simulcast wagering. You have need to have the expertise and talent on board to know what the Interstate Racing Horse Track tells you to do with gambling. How it allows you to do Simulcast wagering. And we have to work with the Association of Racing Commissioners International on policy and to watch pool activity to make sure there's no money being laid off in the State of New Hampshire. Currently, that's done by me and my deputy director who happens to be a CPA.

Also, you would need to look at the games of chance. The games of chance are a pretty complex animal in New Hampshire. No one was regulated, I think, at a good level until it came to our agency. There were a lot of problems and we have cleaned up with it. When Bingo was done by the Attorney General's Office you probably remember that Chamber of Commerces were licensed to do Bingo. That was against the law. But low-level employees at the AG's Office, well-intended didn't realize that's against the law. When it got to my agency and my level and I read the law and I understand these things are wrong, we correct them. So we try to correct things that are wrong in the law and I think you need the upper level management to look at those things and review those things.

Games of chance is a very complex field. There's a lot of cash moving around and I think you need the expertise and in rule writing to make sure those jobs are done correctly. Again, I've been at the helm since 1995 adjudicating the rules of the Commission. And I think this is a poor policy to merge it the way it's being suggested to you now. When -- I think Representative Weyler brought up you have no director in place as it is at Lottery. Yet, you want to bring all this work over to

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Lottery. And the only intellectual talent you really have to come over is the Director and Deputy Director. It's bad policy to cut those positions and I think Representative Kurk said somewhere about a half million or million dollars saving in salaries. Certainly not my salary at that level. So perhaps two commissioners or something, but certainly I can't -- I can't see that level. Thank you, Madam Chairman, Members of the Committee. If you have any questions, I'd be happy to answer.

CHAIRMAN SMITH: Thank you, Mr. Kelley. Are there questions? Representative Weyler.

REP. WEYLER: Thank you, Madam Chair. Mr. Kelley, some years when we passed the Texas Hold'em game and we gave it over to your organization, how long did it take you to get sprung up and get your people trained to supervise that?

MR. KELLEY: When you gave us games of chance you gave it to us very quickly on very quick notice. You gave us an industry in \$45 million to regulate. You gave me zero dollars and zero people. So I personally went out there with my deputy and two or three staff members and tried to write rules and tried to get this org -- get games of chance whipped into shape. Many places that I went they were betting 5 or \$10 which was against the law. The law at the time was a much smaller bet. And I asked these individuals why they were betting 5 or \$10, was because it came under the local purview of the local police, and was for the Boys' Club or the Girls' Club and they thought, oh, it doesn't make a difference, just for charity. Well, I was amazed and I called the wild, wild West. So since then, we have been reigning that in. Making a lot of enemies on the way, by the way, but we're reigning it in and every session this

legislature has asked for more legislation to tighten the ropes, to make sure we get the resources.

Now two years ago you did. You gave us -- well, a year and a half ago you gave us -- let us have a couple of auditors' positions so we could try to audit these primary game operators and get that in line. We have three or four audits in the pipeline now for the Commission to review and that's good. But when you originally gave us, you gave us zero dollars and zero people.

REP. WEYLER: The Charities I talked to are pretty happy and it's worked out fairly well. Thank you. Thank you, Madam Chair.

CHAIRMAN SMITH: Thank you. Are there any other questions for Mr. Kelley? If not, thank you very much, Mr. Kelley.

MR. KELLEY: Thank you.

CHAIRMAN SMITH: The Chair recognizes Rick Newman.

RICK NEWMAN, The Lodge at Belmont: Thank you, Madam Chair. Hum -- for the record, my name is Rick Newman. I am here today representing The Lodge at Belmont, one of the three Pari-mutuel licensed facilities in the state. And, you know, I was somewhat hesitant to testify. I feel a little odd being a part of a regulated industry testifying on who's going to regulate us, but I felt the Committee needed to hear. We -- we are here opposed to this Amendment. Director Kelley mentioned -- hum -- some of the complexities of Pari-Mutuel wagering and, you know, it really is a very different animal than just about anything else

that's gone in the gambling world. It is very complex. It is nothing like lottery. And I think it takes a certain amount of expertise and experience to be able to properly regulate it.

The integrity of Pari-mutuel racing pools is the number one part of the business that we have to always be vigilant in protecting and having -- making sure that everyone across the country that we deal with has confidence that those racing pools and the integrity of all of the facilities is being looked at and being watched very carefully.

I don't believe, and I haven't researched every state, but I have been dealing with Pari-mutuel facility here in Belmont since 1995. I don't believe there's another state where a Lottery Commission runs the Pari-mutuel racing. Pari-mutuel facilities that we contract with to Simulcast, which as a result of legislation, is the only Pari-mutuel wager left in the state, to my knowledge are all run by racing commissions, similar to what we have. And, you know, these people, I'm concerned about the impact on our business. Would there be racing commissions out there who might be concerned that there was a lack of expertise all of a sudden. I mean, I'm assuming if this were to pass it would happen as quickly as July 1<sup>st</sup>. If that were the case, I mean, would there be difficulties in us perhaps being able to get Simulcast signals?

I would point out that just not that long ago, and we're about to become a Bingo hall as well, Bingo has become a part of our business, and not that long ago the Lottery didn't want Bingo any more, and they sent it over to the Pari-Mutuel Commission at the time and I think that's worked pretty well. And but I would just ask the Committee

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to look very carefully at this. If there is cost savings on administrative, frankly, I don't think you'll realize it in the end. But the potential impact on the Pari-mutuel wagering in this state could be very real.

CHAIRMAN SMITH: Thank you very much. Does anyone have any questions for Mr. Newman? If not seeing any, thank you for taking the time to be here. The Chair recognizes Representative Vaillancourt.

STEVE VAILLANCOURT, State Representative, Hillsborough County, District #15: Thank you, Madam Chair, Members of the Committee. I appear in favor of this Amendment to this bill for all the reasons that Representative Kurk has stated and a couple of others. For the record, my name is Steve Vaillancourt. I represent Manchester Ward 8, still home of the Manchester-Boston Regional Airport.

I don't want to get involved with personalities because I think we've already learned that that is not a good thing to do. But I certainly think that this is an institution which has outlived its usefulness and anybody looking for savings of state money would go to try to consolidate this. It doesn't mean that we're not going to have regulations of charitable gaming that we have now. It doesn't mean that we are going to fall down on-the-job. It just means that we're trimming a little of the bureaucracy that's not necessary. I believe it's 35 to 40 percent of the revenues for this agency that is no longer necessary because we don't need to hire all those people that go through the horse tracks and the dog tracks. So the commissioner, the director, whatever he's called, has lost about 35% of the oversight responsibility. That's gone completely. So we really don't need

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that.

I do want to congratulate the charitable gaming authority for a bill that you'll be doing on the House Floor this week that went before my Committee, Local and Regulated Revenues, Senate Bill 367, which tightens up some of the necessary regulations. But the reason they need it to be tightened up is because this Commission, this agency, fell down on-the-job when it came to regulating what was going on at Hinsdale. We had people that were left losing money when that track closed. You can't say that this has been run in a stellar fashion.

But the other reason that I support this Amendment is because as a former member of the Ways and Means Committee and member of Local and Regulated Revenues, I have worked very often with the Lottery Commission and with this Commission and I have never seen a particular body in the state that is so controlled by lobbyists as the Pari-Mutuel and Gaming Commission is and that agency. They took a position in favor of the historical gaming positions which the previous lobbyist was fighting for. They took a position against dog racing. This agency, this Commission, as far as I'm concerned, has gone way beyond the role of administrating and has stepped into the role of advocating more than any other group I see in the state. I don't think we should be funding an agency that spends way too much time and money advocating positions that generally they lose.

So for the idea of efficiency, and also for the idea of cutting down on the interests of lobbying, in one particular regulating body, I support this idea. And I also say that the Lottery Commission in all my dealings has been one of the best run in the

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state and I assume they will continue to be when they get another excellent lottery director that can handle this and the current Pari-Mutuel Director could go work for them if they so chose.

CHAIRMAN SMITH: Thank you very much. Does anyone have any questions for Representative Vaillancourt? Does anyone else want to speak -- Mr. Callaghan. Would you please fill out a pink card.

DANIEL J. CALLAGHAN ESQ., Devine-Millimet, Manchester, NH: I will.

Madam Chair Members of the Committee, my name is Dan Callaghan. I'm an attorney at Devine Millimet in Manchester and Concord and represent Rockingham Park and Seabrook Greyhound Park. I had not intended to speak. We think the bill -- this bill is premature. Just so you understand one thing that Mr. Newman pointed out. Our renewal of our license process begins now. They have to be done by September 1<sup>st</sup>. It's a very complicated process and I am just very concerned about that. If there's issues with regard to merging commissions, by all means take a look at it, but don't implement it in the middle of what is a very hectic time for the racetracks.

So I would ask you just to defer on the issue rather than looking at it. The reason I did not sign up because I thought that the speakers, and especially Mr. Kelley made the case. I do take great concern at the suggestion that the lobbyists control the racing commission. Mr. Kelley didn't say it because he wasn't raised with that question. But Mr. Kelley will tell you I've been representing the tracks since 1983. I've sued the Commission on several occasions to have them interpret things certain way. The Commission contrary to our request

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refused permission for Rockingham Park to Simulcast the Kentucky Derby in 1986.

CHAIRMAN SMITH: Who won that year?

MR. CALLAGHAN: Who won that year? I have it on a piece of paper, Madam Chair. By the way, as the Chair knows, tomorrow being the first Saturday in May, is the Derby and this year a filly has a very good chance of winning so, and you can go to any of the tracks and place your bets if you want.

CHAIRMAN SMITH: That's very good to hear. And if she wins perhaps she'll run for the Senate.

MR. CALLAGHAN: She's not old enough yet. And she hasn't got a residency yet. She's only three.

CHAIRMAN SMITH: I'm not going to respond to that.

MR. CALLAGHAN: But I appreciate that and I probably -- will if we can retrack it that would be good. I will -- but that was one. I guess the point is that the Commission's charge is not only to regulate us, but to promote the industry. That's in the statute. And similarly, I assume the Lottery Commission has the same responsibility to regulate lottery but promote it. So there's a balance that you have to achieve with regard to that. So to suggest that lobbyists control any commission in the state is an affront to both the commission and to the lobbyists and I'd be glad to answer any questions. Thank you.

CHAIRMAN SMITH: Thank you very much. And, of course, lobbying is legal in the State of New Hampshire.

MR. CALLAGHAN: So is the practice of law.

CHAIRMAN SMITH: That's why we make you wear the orange badges. Representative DeJoie.

REP. DEJOIE: Thank you, Madam Chair. Follow-up on that last statement? Have you ever found a time when the Commission did not uphold its responsibility?

MR. CALLAGHAN: I'm not aware of any. I mean, we challenged whether they had the right to deny us the right to Simulcast. We sued and ultimately prevailed to be able to Simulcast the Preakness.

REP. DEJOIE: Thank you.

CHAIRMAN SMITH: Which doesn't happen until later in the month.

MR. CALLAGHAN: Two weeks after tomorrow.

CHAIRMAN SMITH: Does anyone have any other questions or has any other sports questions they'd like to raise.

MR. CALLAGHAN: Yes.

CHAIRMAN SMITH: I believe the Red Sox are in Baltimore.

MR. CALLAGHAN: Yes.

CHAIRMAN SMITH: Not seeing anything else, is there anyone else who would like to testify on Amendment 1679? If not, close the hearing on 1679, and open the hearing on 1716. The Chair recognizes Representative Keans.

SANDRA B. KEANS, State Representative,  
Stratford County, District #01: Thank you, Madam  
Chair. I'd like to take credit for this, but it  
was brought to me by my city clerk.

CHAIRMAN SMITH: Representative Keans, can you  
either speak loud or move to the --

REP. KEANS: Sure. I said I'd like to take  
credit for this; but unfortunately, I can't. My  
city clerk brought it to me. And she thinks it's  
just a little drop in the bucket, as I do, but it  
seems to be less controversial than anything else  
we have heard. And from what we have been able to  
determine by the numbers of transactions, it  
appears that that's a relatively stable number each  
year. And we're guesstimating, and I haven't talked  
to the Secretary of State's Office, but we are  
guesstimating it's about \$800,000. Maybe a little  
bit more. Maybe a little bit less. So maybe the  
Secretary of State's Office would have some better  
numbers for us, Madam Chair, to specifically tell  
us what that might be.

CHAIRMAN SMITH: Are you finished with what --

REP. KEANS: I am.

CHAIRMAN SMITH: Okay. The Chair then  
recognizes --

REP. KURK: Wait, Madam Chair.

CHAIRMAN SMITH: I'm sorry. Yes.

REP. KURK: I don't know this is part of your  
Amendment, but I don't know what it means and I  
wonder if you could help me. Line 16 there's a fee  
for the issuance of a delayed birth certificate.

Does that mean --

REP. KEANS: That's been on the books for years. In other words -- yeah. You have to go back and go through all the files.

REP. KURK: Can you tell me what it means?

REP. KEANS: They charge you more --

REP. KURK: Not that the birth was delayed?

REP. KEANS: No, no. No.

CHAIRMAN SMITH: It's the certificate, not the birth. Representative Wendelboe.

REP. WENDELBOE: Thank you, Madam Chair. Representative Keans, why did she pick \$5? I've often thought that it should be harder to get married and harder to get divorced. So perhaps we should think about more than \$50.

REP. KEANS: I'd be open to that. I'd be open to that. I happen to agree with you.

CHAIRMAN SMITH: Any other questions for Representative Keans? If not, the Chair recognizes the Deputy Secretary of State, Mr. Scanlan, former distinguished member of this body.

DAVID M. SCANLAN, Deputy Secretary of State, Office of Secretary of State: Thank you, Madam Chair. Madam Chair, if it's okay, I'd like to have Steve Wurtz, the Acting Director of Records come up as well?

CHAIRMAN SMITH: I'd be delighted to have Mr. Wurtz come up and join you.

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MR. SCANLAN: Thank you, Madam Chair, Members of the Committee. For the record, I'm David Scanlan, Deputy Secretary of State. Within the past year there was an effort by some of the users of vital records, the vital records improvement fund, to put a proposal forward to increase fees in this area. And Secretary of State's Office opposed that effort because we felt that given this economy, now's not the time to be raising fees on everyday citizens in the State of New Hampshire. And the people that would be affected are everyday people doing everyday things. Parents wanting to enroll their children in elementary school would have to get a birth certificate to do that. Somebody that might have to go on unemployment benefits, you know, may need some of this information for that. College student wanting to go on a trip or study abroad for semester would have to use this information to get a passport. And so for that reason, for the same reason that we opposed the initiative then we oppose this bill, this Amendment as it's being presented today.

In addition to that, the vital record improvement fund which is where these fees go is for a very specific purpose. And that is maintaining and preserving vital records of the state and maintaining and providing an automated system on which those records can be kept. The fees that come in on an annual basis are running slightly ahead of expenditures every year. The bulk of the expenditures are for IT expenses and most of the money that goes into the fund end up going to the Department of Information Technology at this point. So stating that opposition I'd like to turn this over to Steve Wurtz, to see if he has anything additional he'd like to say and then we might attempt to answer any questions you might have.

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CHAIRMAN SMITH: Thank you very much, Mr. Scanlan. Mr. Wurtz.

STEPHEN WURTZ, Acting Director, Division of Vital Records, Office of Secretary of State: Thank you, Madam Chairman. My name is Stephen Wurtz. I'm the Acting Director of the Division of Vital Records.

As it was just pointed out, the vital records fees themselves that we generate go to -- they're used by individuals for necessity. I don't know of any individual that came into a clerk's office and just wanted to buy six copies of their birth records. They buy it because they need it. They buy it because it's required, whether it be motor vehicle or passport.

Back in the early '90s, a Committee such as yourself passed legislation that allowed us to raise the fee but distribute the monies to the state and the local clerk's office. We share in that. And that promise that legislation made back then was to improve the automation of vital records. In fact, back then there was no automation. Everything was typewriter, pen, paper. Since the early '90s we've been able to achieve automation by putting hardware in the office of the city and town clerks to do their job. They do it in a more accurate and efficient way because the system allows a lot of through the edit process will give us a better product. We've put not only the hardware but the software in the office. And for the most part, in the North Country, we've brought Internet to their local cities and towns. Happy to report that because of this fund that comes out of fees, we're 100%, all 234 cities and town clerks utilize our system and they benefit in

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some cases from the Internet itself.

CHAIRMAN SMITH: Mr. Wurtz, is there anything in this Amendment that is taking money away --

MR. WURTZ: Not yet.

CHAIRMAN SMITH: -- from you and from what you're doing? Isn't this adding --

MR. WURTZ: Right.

CHAIRMAN SMITH: -- \$5? So could you address that because my understanding was that you would be able to continue to do everything that you always do with the money that you've always had, but an additional \$5 would come in.

MR. WURTZ: I will take a corrective course of action, Madam Chair. Sorry.

CHAIRMAN SMITH: Thank you.

MR. WURTZ: With all that said, our concern is this. Any additional revenues or increase to the fee itself could cause less spending or purchasing of the documents that we sell. In other words, as a family -- young family wants -- goes out to get married, it costs 45. Today, with the Amendment it would cost 50, with an additional \$20 to that to purchase a certified copy. Those increased fees, and especially the subsequent fees that we sell which are discounted, we would, I guess, anticipate a reduction in those, thus reducing the amount of money that we, the State, would be receiving from the general fund.

Now, yes, they would split additionally funds to the general fund, funds to the vital records

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improvement fund. But I think we're all cautious of increasing of the fees that could cause a total reduction in the sale of our products.

CHAIRMAN SMITH: I thank you very much for that. I thought I heard you say that people didn't just go in and get records for the heck of it. That they really went in because they wanted to do something. And so they're going to do it. If, perhaps, we cause people to think twice about getting married, I'm not sure that's wrong. But let's just say --

REP. KURK: Why stop at 50?

CHAIRMAN SMITH: Let's just say, I mean, since I take you at your word that you people use this system only when they have to, and here a cost is going up, we have a proposal before us to puff the funding for domestic violence if we believe that in this difficult time, the possibility of domestic violence is going to increase, not decrease. And that is of real concern to us. We need to find additional funds to help make sure we deliver essential services to the people in the state. If your Department does not support this, could you suggest another way that we could raise money in order to make sure that we can meet the essential needs of the people of the state? We thought there was a natural nexus here in that the programs available for domestic violence, programs available to protect children, all of those seem to tie pretty closely to your office. But if that is not an acceptable alternative, can you suggest something else to us?

MR. WURTZ: Well, first of all, the domestic violence fund isn't really our office. That's --

CHAIRMAN SMITH: I didn't say it was your

office.

MR. WURTZ: Okay.

CHAIRMAN SMITH: I said we would -- that the health and human services budget calls for a cut and that's a cut that is not acceptable to this Committee.

MR. WURTZ: Okay.

CHAIRMAN SMITH: We, therefore, have to find money someplace and we are looking. And if this isn't acceptable, and we also don't want to cut all kinds of other services to children after they have been born and for which a birth certificate has been produced. Can you offer another suggestion, any other suggestion from? It doesn't have to be from your Department. It could be from somebody else's. The way we usually try to do things in this state. Any suggestion at all to raise a limited amount of money to help us deliver essential services?

MR. SCANLAN: Madam Chair, if I might? We are going to go along with whatever the Committee decides. This is a policy issue. And I think we are just letting you know what our viewpoint is on this thing. This Amendment actually deals with two different areas. One is marriage licenses where the fees are distributed in a different way, and the bulk of that fee does go to the domestic violence fund. When we are talking about records, the vital records that are requested, that's a different area all together. And that fee, with the exception of the portion that goes to the city clerks, or the town clerks for their function in this process, the balance goes to the vital records improvement fund, which does have a very specific but very important

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purpose as well. And so, I mean, can you add to that for the general fund? I mean, yeah. This Committee can do that.

CHAIRMAN SMITH: But nothing in this Amendment, except the possibility that people will not get married or will not ask for birth certificate for a passport, nothing in this Amendment is taking any money away from vital records?

MR. SCANLAN: Nothing in this Amendment takes money away from vital records unless you look into the future a little bit. When the need is there, and there is a group, as I mentioned early on, that feels the need is coming, to increase the fee to cover costs, to the extent this fee is dramatically increased it's going to make it harder for vital records improvement fund to react to that.

CHAIRMAN SMITH: Can you tell me what the clerks -- what the local clerks do for their -- what is it, \$8?

MR. SCANLAN: I believe the clerks currently get \$4. I'll let Steve Wurtz answer that.

MR. WURTZ: The issuance of a certified copy means there's already an event filed. And through the automated process they would be able to the clerk for that \$12 fee that they're receiving now would locate the record, be able to issue it through the automated system, using the state's safety paper which is the special paper that we use for fraud prevention. For that purpose -- for that, the clerk would receive \$4 of the original 12 for their services and then eight would be paid to the state.

CHAIRMAN SMITH: Thank you very much. Are there

any other questions for either Mr. Scanlan or Mr. Wurtz? Representative Kurk.

REP. KURK: Thank you, Madam Chairman. Do you think that the nexus for raising your fee to provide domestic violence assistance and remediation of domestic violence would make more sense if it covered not just those who got married which comprise the decrease in proportion of the population that engages in domestic violence but also were applied to unmarried individuals who might be living together?

CHAIRMAN SMITH: Are we going to be licensing them, Representative Kurk? Doesn't that violate their libertarian --

REP. KURK: So does cost for marriage license. But nonetheless, if the Committee is looking for revenue, why focus on one segment of the population that needs the services? Why not focus on the entire population that needs the services?

MR. SCANLAN: Again, I think we have to draw a distinction between the marriage license fee which has a purpose that vital records doesn't deal with and that's the domestic violence fund, versus the other part -- portion of this Amendment that deals with just simply the issuance of birth certificates, death certificates, copies of marriage licenses, which is strictly a vital records function.

CHAIRMAN SMITH: Thank you very much. And I -- there are ways that, of course, we could make sure that those individuals also contributed some money, but we'll have to discuss that in another opportunity. Representative Scamman.

REP. SCAMMAN: Madam Chairman. Gentlemen, you said this is a dedicated fund. Just for my information, at the end of each year is the balance of this fund lapsed into the general fund or does it stay in the dedicated fund?

MR. SCANLAN: This fund does not lapse. Right. Now there's a balance in there that is approximately \$2 million. That money has been saved up so that the -- so that the vital records -- vital records improvement fund can go to the next -- I'm going to get this language wrong, but the new -- the new automated system. There's an RFP that's currently in the works which, hopefully, will get put out to bid sometime soon. And that money, that reserve is there will pay for that system.

REP. SCAMMAN: Follow-up?

CHAIRMAN SMITH: Certainly.

REP. SCAMMAN: You spoke about hooking up the whole state electronically. How much did the fund pay for that process, just general terms? Just trying to get a grasp of the extent of the --

MR. WURTZ: I guess I don't have the figure because it didn't happen all at once. It happened over a period of time. It took us probably seven years to be able to roll out the product, the hardware, and then most recently in the last five years the Internet service. And we do so by signing up the individual towns with satellite service which allows them to have access to our software.

CHAIRMAN SMITH: Any other questions?  
Representative Keans.

REP. KEANS: Thank you, Madam Chair. That's kind of interesting because actually my city clerk was hoping to get some money out of this. Because she said a couple years ago she had to buy modules in order to be part of the state system that she paid for out of her budget and not -- not paid for by you folks.

MR. WURTZ: That wouldn't be true in the vital records area, because all software for vital records is web-based. So there's really nothing to purchase to put on their computer. Back in 2003 when we went web-based all they need is a web browser, a computer, which we provide if they didn't have one to be able to access it, access that program. So there's no modules that they would have to purchase to be able to receive the services.

REP. KEANS: I'll get back to you on that.

MR. WURTZ: Yep.

CHAIRMAN SMITH: Than you very much. Any other questions? If not, thank you. Thank you both, gentlemen. There were three representatives, three town clerks or I guess -- Sue McKinnon, Patricia --

MR. WURTZ: Piecuch.

CHAIRMAN SMITH: Okay. And Patricia Little. I understand that two had to leave and only one is here and they were all opposed to this Amendment. And we will hear from --

PATRICIA LITTLE, City Clerk, Keene, NH:  
Patricia Little.

CHAIRMAN SMITH: Patricia Little. We are very

happy to have you, Miss Little.

MS. LITTLE: Thank you.

CHAIRMAN SMITH: Representative Eaton wants it noted that our witness is from the charming city of Keene.

REP. EATON: Secondarily note she is one of my constituents.

REP. SCAMMAN: God bless you.

MS. LITTLE: Yes. For the record, my name is Patricia Little, and I'm the City Clerk in Keene. I have been the City Clerk there for, I think, 32 years. So time has flown by for me. Hum -- I am presently the Chair of the Vital Records Improvement Fund, which is the Statutory Committee that has the fiduciary and management responsibility for this initiative, this technology initiative that's been deployed to all of our towns and cities. That's actually used -- also used by our hospitals and our funeral directors as we all sort of deal with birth, death, and marriages. You know, excepting for a capital appropriation many, many years ago, I think right in the very beginning of this initiative, this activity, this registration of birth, death, and marriages across the state does not utilize any general fund money. None. We are totally self-sufficient out of this improvement fund, which is coming from the work at the local level.

Now, you know, when I started, I think, this is our third generation of technology. And that happens. We are now looking as Deputy Secretary State Scanlan said, we are looking for that fourth generation. And what is prompting us to look to a

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newer technology is because the cost of maintaining this technology is going to deplete the resources from this fund.

CHAIRMAN SMITH: Miss Little, could I ask you to address this Amendment? Nothing in this Amendment is taking any money.

MS. LITTLE: I'm getting to that, Madam Chairman.

CHAIRMAN SMITH: You asked for one minute and meanwhile we are getting to -- waiting to get to -- thank you.

MS. LITTLE: Here's the issue. We are going to need to replace our technology. We're going to need an adequate fund to replace that technology. If we go with -- if you approve a 60% increase in this fund we are going to have a very exceedingly, if not impossible, task to come back to you when the time is that we do need to have a fee increase for the initiative, you're not going to support it because you're going to say, well, you just had a 60% increase in the initiative. We got to think about New Hampshire citizens. How appropriate is that? So what I'm saying is, if you increase this fee to go through the general fund, you have removed essentially any opportunity for us to think about and preserve this technology. Because we won't be able to come back again. It's like you've taken the chance away for us to think about an increase in the fund when that time comes and if that time comes. So I'm asking you not to support this Amendment, to think about this fund support and initiative and we are very proud to have this initiative self-sufficient. You're going to probably take away that opportunity 'cause you will not support another increase some future year when



it is needed. Thank you.

CHAIRMAN SMITH: Thank you very much. Any questions for Miss Little? I thank you and I thank you very much for staying here all day and listening to all of this. And I hope you, you know, learned a little bit about some of the issues here just as we would learn if we spent time in your -- in your office. Anything else? The Chair then thanks you very much. The Chair recognizes Representative Vaillancourt.

STEVE VAILLANCOURT, State Representative, Hillsborough County, District #08: Thank you, Madam Chair, Members of the Committee. Steve Vaillancourt, Manchester 8. As well as being a Representative, I worked for a time at the Manchester City Office -- City Clerk Office which, of course, deals with this and when I was there Tricia Piecuch was the Deputy City Clerk. I believe she's now Deputy City Clerk in Nashua. One of the best people you could ever deal with at any level of government.

Although I worked in the Elections Division, I occasionally had contact with the front office when people came in to get their birth certificates and marriage licenses. And I strongly oppose the section of this that deals with a 67% increase in something that is very vital for people to get. When you go from \$12 to \$20, that's a 67 percent increase in the birth certificate. I would not necessarily oppose the 11% increase. The \$5 increase in the marriage license. I guess that could be justified. But I certainly don't think you can justify a 67% increase in the cost of getting your birth certificate. Birth certificates are necessary for people that probably are least able to afford them. Most of the time I remember sitting

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there and people that were coming in were young people that needed this for a specific reason. The Deputy Secretary of State enumerated what they were. These are not people who have a lot of disposable income. I always labored under the impression that these should have some relationship to the cost of providing them. Takes about two minutes to hit the computer, to print this out, and to get it. To me, a \$12 charge for something that takes one piece of paper and two minutes worth of work is quite enough. In fact, I think they should be lowered, rather than increased. I don't believe there's any relationship whatsoever between a birth certificate and the domestic violence fund, except I guess if we assume that everybody who's born is going to be beaten on one occasion or the other. So I would specifically oppose the birth certificate portion of this bill, of this Amendment. The marriage, that -- I guess that's okay. Now you have gay marriage. I'm sure you're making up for the lack of marriage certificate monies.

CHAIRMAN SMITH: Thank you very much, Representative Vaillancourt. Any questions? Is there anyone else who would like to testify on Amendment 1716? If not, close the hearing on 1716. Open the hearing on 1726 and recognize Representative Leishman.

PETER LEISHMAN, State Representative, Hillsborough County, District #03: Thank you, Madam Chair. I've been asked by Representative Barody who's unavailable to be with us today to just introduce this. It's dealing with the funds that are collected on utility bills to help offset contributions for those seeking funds to help minimize their cost for upgrades for solar or wind power. Representative Barody actually prepared a short introduction with what he was going to say

today, and Mr. Shea and Mr. Murphy are passing that out. Also, within that package there's a list of individuals that have taken advantage of this generation rebate and you'll see in Representative Baroody's prepared statement his concern that a city, such as Manchester, is paying more than 10% of the cost for this fund, yet is only getting one percent back. So he's asking 50 percent of the money from this fund be directed to those communities, to the communities that are contributing fully or more than other communities at least get 50 percent of those funds that they contribute to their electric rate and Representative Baroody asked if we had any questions and may be addressed to him on Monday at the work session.

CHAIRMAN SMITH: Thank you very much, Representative Leishman. I do want to announce that Jack Ruderman from PUC and Michael Fitzgerald from DES are here. If anyone has any questions to ask now rather than in the work session. Representative Wendelboe.

REP. WENDELBOE: Thank you, Madam Chairman. I would just like to know the total amount of the fund per year in this fund?

JACK RUDERMAN, Administrator IV, Sustainable Energy Division, Public Utilities Commission: I can speak to that, Madam Chair. Good afternoon. My name is Jack Ruderman, and I head up the Sustainable Energy Division at the Public Utilities Commission. The renewable energy fund is about ten months old. Our funding comes in annually in July and the funding comes from utilities and competitive energy suppliers who have not been able to meet all of their renewable energy obligations under the State's renewable portfolio standard law.

The funding that came in last July was \$4.5 million. The funding that will be coming in this coming July is very difficult to predict, but all indications so far are that we should expect probably on the order of one million or less into that fund. At the same time, we have outflows from the fund for rebate programs that have been established and that we are continuing to establish most recently moving from residential programs to beginning process to establish a commercial and industrial rebate program as well.

CHAIRMAN SMITH: Thank you very much.  
Representative Wendelboe.

REP. WENDELBOE: Thank you. And the 4.5 million and the one million that you are anticipating for next year, those are total funds or only the amount of funds that are available for this particular category?

MR. RUDERMAN: No. The total funds are 4.5 million. Our current cash balance is roughly 2.7 million. And we have funds obligated between now and July of 2011 that represent the remainder of that balance.

REP. WENDELBOE: Follow-up?

CHAIRMAN SMITH: Certainly.

REP. WENDELBOE: Are these funds what are normally referred to as the RGGI funds?

MR. RUDERMAN: No, that's a different fund.

REP. WENDELBOE: May I continue?

CHAIRMAN SMITH: Yes.

REP. WENDELBOE: Are these funds involved with -- there were three recent grants announced for three communities in the state. Are these in any way matching those or is that from the RGGI fund?

MR. RUDERMAN: No, and they're not matched with the RGGI fund either. It's my understanding those are all competitive federal grant funds that were awarded by Federal Department of Energy to those communities.

REP. WENDELBOE: Thank you.

CHAIRMAN SMITH: Are there any other questions? Thank you very much for being here, Mr. Ruderman. We will revisit this on Monday but LBA will let you know if there's any time or any need for you to be here.

MR. RUDERMAN: Thank you very much.

CHAIRMAN SMITH: Thank you very much.

REP. WENDELBOE: Madam Chairman, I had a question as well.

CHAIRMAN SMITH: Certainly.

REP. WENDELBOE: Would this particular Amendment dealing with energy money, would an Amendment or a potential Amendment to this Amendment dealing with RGGI funds be in order?

CHAIRMAN SMITH: You mean right now?

REP. WENDELBOE: Between now and next Thursday?

CHAIRMAN SMITH: This doesn't -- my -- I'm

hesitating. I'm a little troubled by -- I don't see a clear answer. As such, this was a non-germane Amendment. We had a hearing today on this because it is a non-germane Amendment. I can well see that there would be changes in any of these Amendments that we've heard today, but if any of them were to bring in an issue that was brand new, then I would think that brand new issue would require another hearing for which we've run out of time. So since this doesn't involve RGGI money at all, is that correct, Mr. Ruderman, or not?

MR. RUDERMAN: As far as I know this would not involve RGGI money whatsoever.

CHAIRMAN SMITH: I would think that that would be bringing in a different topic and would need to have a hearing.

REP. WENDELBOE: Okay. If I may?

CHAIRMAN SMITH: Yes.

REP. WENDELBOE: In reading the Amendment, it wasn't clear and I assumed that it was part of RGGI and felt that because the subject matter was here that it would be relevant if it could be modified. I wasn't aware there was another pot of money.

CHAIRMAN SMITH: I just don't know enough about this.

REP. WENDELBOE: I don't either. That's why I just assumed it was RGGI money.

CHAIRMAN SMITH: Excuse me. Mr. Frydman, as the House Counsel, is there --

(Mr. Shea confers with Chairman Smith.)

CHAIRMAN SMITH: Mr. Shea has just informed me that he wanted to confirm that there are two separate sections in the budget not related to each other; one for RGGI and one for the renewable energy fund.

Mr. Frydman, I don't like putting in this position of giving advice to the Chair on horseback, so to speak, but I am always happy to be corrected particularly about things I know so little about.

DAVID FRYDMAN, Legal Counsel, House or Representatives, N.H. General Court: As long as betting on horse racing is legal today.

CHAIRMAN SMITH: It is. If only the gambling tax would --

MR. FRYDMAN: The renewable energy fund, as I understand it, is a different section of law entirely than the RGGI funds and as such, the principle around non-germane amendments is, is the amendment a logical extension of the original bill such that people who had an interest in that, the topic under discussion in the amendment, would be put on sufficient notice to be aware of the fact that they should be here today to follow what's going on and be able to speak to it. And in light of the fact that the renewable energy fund is funded differently, used differently, a different section of law, seems in my opinion, at least, although clearly, it's the call of the Chair, that it is a -- it wouldn't provide the kind of natural logical extension to put people on notice that this might come up.

CHAIRMAN SMITH: Thank you very much for that. I

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think you obviously based your answer on fact. I based mine on instinct, and I think we're in agreement that you could not bring that in without having a hearing on it and the deadline for non-germane amendments has passed.

REP. WENDELBOE: Until the Committee of Conference.

CHAIRMAN SMITH: Until the Committee of Conference time. That would be up to the Committee of Conference. And, of course, we operate under rules as does the Senate, although we have not had joint rules in awhile. We have joint what?

REP. EATON: They have rules.

CHAIRMAN SMITH: The Senate has rules.

REP. EATON: Okay.

CHAIRMAN SMITH: And I will not entertain any obvious comments related to the other body. You know, that would be up to the Chair of the Committee of Conference and I'm pleased to say that won't be me. So anything else on 1726?

MIKE FITZGERALD, Department of Environmental Services: Madam Chair, if I could? Mike Fitzgerald from DES. Just wanted to mention there are currently three pieces of legislation pending in either body in regard to this fund.

CHAIRMAN SMITH: I think we are having trouble hearing you. Could you -- if you do want to speak --

MR. FITZGERALD: Sorry, Madam Chair. Mike Fitzgerald from DES. We are the agency that



requested the renewable portfolio standard legislation back a couple years ago. I just wanted to mention that there are currently three pieces of legislation in various phases of -- in both bodies dealing with either this fund or potentially looking at RGGI funds. And also this -- the statute that the renewable portfolio standard and the fund is under calls for a review by the PUC of the effectiveness of the fund starting in 2011, January 2011, eight months away. As Mr. Ruderman mentioned, it's only ten months old but there's a schedule to review it and to suggest and make -- suggest any legislative changes that might be necessary and I just wanted to inform you of that.

CHAIRMAN SMITH: Thank you very much and Representative Wendelboe thanks you, also. I now close the hearing on 1726 and open the hearing on 1729 and recognize Representative Eaton.

DANIEL EATON, State Representative, Cheshire County, District #02: Thank you, Madam Chair. Amendment 1729 relates to Risk Pool Management Programs in the State of New Hampshire. The Amendment before you is needed to provide regulatory oversight of pool risk programs to provide insurance like coverage to cities and towns and school districts across the State of New Hampshire. Until last year, the programs created under state law specifically provided there to be no regulatory or enforcement authority by the State. Last year we passed an amendment that allowed limited authority for the Bureau of Securities Regulation to obtain more information about the operations of Pool Risk Management Programs; but the law had no teeth for Bureau of Securities Regulation to do enforcement.

As you may know, the Bureau of Securities

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Regulation had to go to court to exercise its attempts to gain more information. Current law, RSA 5-B:5, I(c) has always required pool risk programs must return all earnings and surplus in excess of any amounts required for administration, claims, reserves, and purchases of excess insurance to the participating political subdivisions. It now appears at least one of the pool risk programs of New Hampshire may have amassed a vast surplus of funds that have not been returned to local communities. This Amendment will provide the Bureau of Securities Regulation the specific authority necessary to enforce the protections in the statute. The Amendment provides BSR, Bureau of Securities Regulation, the authority to order compliance, conduct investigations, issue subpoenas for information necessary, issue cease and desist orders, and seek injunctive relief in civil proceedings in Superior Court. Due process rights are protected by following existing administrative procedures and providing appeals to the Superior Court in contested matters.

The Amendment sets ceilings on excess surplus funds pool trusts can keep as extra reserves. The Amendment ensures the return to local communities and their taxpayers of all surplus funds in the programs. The amount determined annually -- the amount of reserve permitted is determined annually by an actuary to fund the unpaid portion of the ultimate expected losses, plus 10% of estimated claims. An actuary first must determine the amount needed to fund the unpaid portion of expected losses and to that amount a pool can be kept -- can keep an extra 10% of expected claims it has against any additional risks or errors in actuary estimate of expected losses.

In contrast, the State Health Insurance Program

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requires an amount equal to only 5% of expected claims be retained, in addition to the actual early determined amount for ultimate expected losses. At the 5% level the State of New Hampshire in all but one of the last five years, I believe, has provided a premium holiday to all participants. The Amendment caps the additional reserves permitted to be kept by a pool trust to twice the amount required for the State plan. It's important to point out that the risk management programs, like the State Health Insurance Program, are self-insurance programs and not commercial private insurance companies. I believe that there will be testimony coming ahead that will reference the NAIC standards, the National Association of Insurance Commissioners. Their standards are set to commercial entities which need to keep significantly greater surpluses for losses, as well as to expand their pool in their business.

Life insurance companies, self-funded risk programs, need to develop an account for reserves to meet future claims. This Amendment recognizes the need for such reserves -- that need for such reserves can lead to the professional judgment of an actuary to determine the level of reserves necessary to meet their claims. In addition, some level of additional surplus is typically retained to hedge against the risk that the expected claims as projected by the actuary were underestimated. For the State plan, the statute requires a 5%. This legislation requires 10. Both the State and political subdivisions have the ability to fund additional costs if the estimates are greater than expected. The private insurance industry does not have that ability.

The standard used for private insurance companies to determine the excess surplus they must

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have on hand is called the RBC or Risk-Based Capital. A Risk-Based Capital Formula typically takes into account all the amounts that are necessary for the expansion of the private insurance business. Finally note that the Pooled Risk Management Programs, as well as private insurance, both purchase reinsurance or stop loss insurance to limit exposure for claims which exceeds certain amounts. Using Reinsurance, Pool Risk Programs limit and manage the risk as their claims estimates are too low. As a reference, here's the information from 2008 LGC HealthTrust gleaned from material on their web site.

Their Member Contributions were 342 million. Claims Paid, 307 million, including 14.8 million covered by stop loss. Administrative Expenses for 13 million. Other Expenses 14.5 million. Their Claims Reserve 22 million, unrestricted Assets 25 million, and their Board Designated Risk-Based Capital, 61 million. The cost of Stop Loss Coverage Reinsurance 17 million which covered claims in excess of \$100,000. It appears, and I will stress appears, especially for the sake of my former colleagues sitting in the front row, that surplus and reserves from 2008 amounted to about 103 million for claims -- on claims of less than 300 million.

In contrast, the formula in the Amendment would provide about 55 million in reserves, and reinsurance would still provide insurance against excess losses and high costs. The formula would allow the return of almost \$50 million back to communities who paid into the fund. If there is an excess reserve of 10 million, 30 million, 50 or 80 million, particularly in these economic times, those dollars should be going back to cities and towns to fill holes or reduce their tax rates.

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Finally, the Amendment notes that the Bureau of Securities Regulation in consultation with the Department of Insurance shall determine whether the limits on reserves provided for should be adjusted and whether there should be additional limits placed on the amount of -- on the amount of administrative costs.

Madam Chair, there's also another question that seems to come up in some documents I've been going over and that is that the RSA requires that any pool risk in the State of New Hampshire must be a New Hampshire corporation. And I've seen a document that appears to imply that the LGC has either merged or become a Delaware Corporation which would also demonstrate the need for greater ability for this Bureau of Securities Regulation to have some authority. I would close with that.

CHAIRMAN SMITH: Thank you very much. Representative Eaton, would you be sure to give a copy of your statement to the court reporter.

REP. EATON: She lives next-door to me. I'll take care of that.

CHAIRMAN SMITH: I thought she lived here?

REP. EATON: That's what I said. She lives next-door to me.

CHAIRMAN SMITH: Representative Keans.

REP. KURK: God bless her.

REP. EATON: Yes.

REP. KEANS: Representative Eaton, looking at

this and being a local official, I'm -- I can think of three different outfits that this might cover; School Care, Primex, and the LGC HealthTrust. Is that -- are there more? Am I right on those three?

REP. EATON: You're definitely right on those three, and I believe there may be more but I don't know for sure.

REP. KEANS: Thank you.

CHAIRMAN SMITH: Are there any other questions? Representative Kurk.

REP. KURK: Thank you, Madam Chairman. I know it's hard to look to your right but you might consider doing that from time to time.

REP. EATON: Only as a courtesy to you, Representative Kurk.

REP. KURK: Of course.

CHAIRMAN SMITH: Representative Kurk, has there ever been a time that we have not acknowledged your right to speak at whatever length you chose to speak?

REP. EATON: I think he was actually referring to political philosophy that any time I can get him to turn left, I'll go with it.

REP. KURK: Thank you, Madam Chairman. Representative Eaton, as I understand it, this proposal has no direct impact on the State Budget. That is to say, none of this money, if your proposal were adopted, would go to the State. It would all go back to municipalities or whomever it was that paid the premiums.

REP. EATON: That is absolutely correct. This is solely for the benefit of the cities and towns.

REP. KURK: Further question?

CHAIRMAN SMITH: Yes.

REP. KURK: This is a very complicated area. At least it is to me. I'm not familiar with it, and I've never seen it addressed in the budget. Is this the appropriate place to bring this or is this -- or should it really go before Commerce or some other Committee that has jurisdiction over these kinds of matters because it's really a very significant policy issue that you're raising?

REP. EATON: I have every intention of answering that question in detail, but I have a funny feeling that someone to my right might even do it better.

CHAIRMAN SMITH: I'm happy to have Representative Eaton answer the question. I would make two points. We passed a budget as we always do in the odd year. This is not House Bill 1 or House Bill 2. It does, however, have in it, in addition to some administrative and other sections relating to Health and Human Services, significant changes, budget adjustments, in how we will go forward in the next year. Some of those adjustments result in monies that cities, towns -- not school districts -- but cities and towns, and to some degree school districts had expected. They will no longer -- if this bill were to pass they would not receive those funds next year.

The House of Representatives, whether this is wise or not, Members of the House of Representatives serve as State Representatives in

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this body and they also serve as the county delegation. I always have thought that was a conflict, but it is -- it is what the law says. And we are the representatives closest to local government in the State legislative body. We are particularly concerned that there are some places where we are going to be forced, because of the economic situation, to lower the amount of money that cities tax -- cities, towns, and school districts will get. One example is rooms and meals. Another is in terms of the State contribution to retirement and there are some other examples. Because what we are trying to do is do as little harm as possible to the citizens of the state, to the cities, the towns, the counties, and the school districts. This is something that is relevant to the issue that we are facing. The hearing today is because no one would ordinarily have expected this to be in the bill and that is why we are holding a hearing on it as a non-germane amendment. It is why it was posted yesterday morning. In addition, there were informal conversations so that no one would be surprised by this.

For all of those reasons, I believe that it was perfectly appropriate for us to bring this in as long as we held this non-germane amendment hearing. Representative Kurk.

REP. KURK: Thank you, Madam Chairman. So in order to offset the downshifting that occurs in the budget, we are going to set up a mechanism so that the towns get back their own money sooner than they otherwise would. That's your concept of --

REP. EATON: Representative Kurk, I would state that this Amendment was brought in for the purpose of ensuring the risk pools operate within the intent and spirit of the law, to provide the Bureau



of Securities Regulation to have the tools they need to ensure the intent and spirit of the law are followed, to set generally accepted principles of accounting into a formula of how they operate and have absolutely no relevance to the budgetary concerns, except that it does have a complement, if it is adopted, and also the fact that whether it's House Bill or Senate Bill 450, or not, we will be dealing with this issue since our friends on the other side of the wall have a similar, albeit significantly more liberal, version of a similar matter where it's a little more restrictive than what this bill is or this amendment is. This was coming forth whether we are dealing with a budget bill or not on information that has recently come to light. The benefit to the cities and towns is a complement to any other action we may be taking.

REP. KURK: Thank you.

CHAIRMAN SMITH: Any other questions for Representative Eaton? If not, the Chair recognizes Mark Connolly and Kevin Moquin. Good afternoon, gentlemen.

MARK CONNOLLY, Director, Bureau of Securities Regulations: Good afternoon. My name is Mark Connolly, the Director of Securities Regulations for the State. And Kevin and I are appearing today as regulators, meaning from our perspective 5-B entities were required before last year to file a report with the Department of State, but a question really or regulatory question weren't able to be made of any of these entities. And there were questions that were raised about some of the financial standing of one of the 5-B entities. And the legislature, as Representative Eaton suggested earlier, gave some regulatory oversight to the agency. In the Department of State, the Bureau

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really is the area we do a lot of financial analysis. And for the last year we've been asking questions and reviewing information which, obviously, we're not in a position to talk to today. But the intent, as we understood the legislature last year, ended up being so unclear we ended up in court to basically get information which we're now reviewing. So this language in the bill pretty much dovetails the enforcement authority we have in general for any entity that we oversee.

Questions like the reserve analysis, it sounds reasonable to start with the formula. It's in there. I don't think we are here today to say exactly what the formula is. But as far as a regulatory tool, I think this gives us the power to, I think, what the legislature's asked the Department of State to do.

CHAIRMAN SMITH: Do you have anything to add, Mr. Moquin? Nice to see you hear again.

KEVIN MOQUIN, Bureau of Securities Regulation, Secretary of State's Office: Nice to see you, too, Madam Chair. Yeah, I just want to address particularly general enforcement powers that this bill addresses. And as Mark has mentioned, we have been in a situation where we've been looking at some allegations against one of the 5-B entities and that's still in process. So it's not something we can talk about in depth. That process that we've gone through has been challenged, both administratively and in court. And so we think it would be helpful to clarify the intent of the legislature in terms of what authority the Secretary of State was given last year in Chapter 128 of the Laws of 2009, things that will really help us in carrying out the mission we believe we

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were given by the legislature last year. Being able to seek return of surpluses, to explicitly have the authority to conduct investigations even though we believe that it is in the current law. Issue subpoenas without the need to go to a hearings officer or go to a hearing specifically on a subpoena. Issue cease and desist orders and seek injunctive relief. Those are all powers that we normally would have and authorities that we would normally have in our investigations and as part of that authority it would be that kind of clarification would be very helpful for us.

CHAIRMAN SMITH: Thank you very much. Are there any questions? Representative Kurk.

REP. KURK: Thank you, Madam Chairman. Good afternoon, gentlemen.

MR. MOQUIN: Good afternoon.

REP. KURK: Is there any other legislation going through the process that deals with these issues or is this the only one?

MR. CONNOLLY: Representative, if I understand your question clearly, no, this is the only one we are aware of.

REP. KURK: Thank you. Further question, Madam Chair?

CHAIRMAN SMITH: Yes.

REP. KURK: Assume that you get this authority and you proceed with the regulatory work and you find that there is surplus beyond what is necessary, what's the time frame that that surplus is likely to get back into the hands of the

customers, the cities and towns, of some of these organizations? Is this something that happens within months? Does it take years? Could you just give us a sense of the timing of all the process that you would go through, should you get this authority?

MR. CONNOLLY: It's a question I really haven't thought of. But I would think that if a determination is made that funds should go back to the towns, they should go back immediately. In our normal operation, when we have reason to engorge money or restitution, it's typically immediate. So using that parallel, I wouldn't see any reason why -- obviously, if the funds are invested in a way that would create a problem to take them out right away, I mean, those are -- there's financial considerations. But philosophically, I think the money should go back right away.

REP. KURK: Follow-up?

CHAIRMAN SMITH: Yes.

REP. KURK: You don't anticipate lawsuits or anything like that which might slow the process down?

MR. CONNOLLY: I started my comments today saying we're regulators. I've just been asked to look at financial statements and in the context of enforcement activities we have taken in the past. If the legislature deems it appropriate for us to have these powers, which we typically have, I think any -- any determination we would make as to funds going back to cities and towns or any action we would take, we would feel comfortable that it would be acting in the best interest of the State and not subjecting the State to any unnecessary lawsuits.

REP. KURK: Thank you.

CHAIRMAN SMITH: A question came up earlier that perhaps you could help us with. How many of similarly situated entities are there in the state?

MR. MOQUIN: Yes. I think I've got the same answer, unfortunately. I believe we know of three. And the fourth, there is a fourth, I believe, out there, but I don't have the name at hand, so.

CHAIRMAN SMITH: Thank you. Any other questions? If not, thank you very much for being here. And the Chair recognizes Maura Carroll.

MAURA CARROLL, Interim Executive Director, Local Government Center: Good afternoon, Madam Chair, Members of the Committee.

CHAIRMAN SMITH: Good afternoon.

MS. CARROLL: I'm pleased to be here this afternoon. My name is Maura Carroll and I have the privilege to serve as the Interim Executive Director of the New Hampshire Local Government Center. I've been before you on a number of occasions over the last many years, and the course of that testimony was usually to represent our members and to talk with you about issues concerning cities and towns. I find myself in a unique position today to talk with you about our organization per se. And I don't think this legislature since the enactment of RSA 5-B has really talked about LGC or any of its entities in any detail. But I can tell you this. When RSA 5-B was enacted, the intent was that in a pooling program that we would have our members identify the important things about running the pools. And there

are folks who are going to testify behind me that can give you a little more detail about that. But the reason we were not reporting to the Insurance Department was that we were not going to be regulated by the State, and we continue not to be regulated by the State. So at that time the Insurance Department had indicated, so there was no mistake, make sure that any reporting is done with another agency. So that's how the Secretary of State inherited the reporting for 5-B entities. It was never meant to be a regulatory authority.

In this country there are 47 pools associated with municipal leagues. Twenty-four of those 47 are regulated. All of them are regulated by the Insurance Department. We have no quarrel with being regulated. If that gives greater comfort to the legislature, to the public, to our members -- it will be, as you know, more expensive to be regulated -- but if that gives greater comfort because we deal with public funds, we have no opposition to that. But we do believe that if you're going to regulate 5-B entities, they ought to be regulated by the Department of Insurance, because that's the business we're in.

So I would like to let you know who we have here today to talk with you about the operation of the Local Government Center. We have our consulting actuary, Peter Riemer, who will walk you through how we make these decisions about reserves. We also have Wendy Parker and Jon Steiner from our organization who are the -- Wendy is the Assistant Executive Director for Risk Services and has worked with the HealthTrust for many years. Jon Steiner is the Associate Executive Director for Member Relations and also has worked with the pool's operations. So with your permission, Madam Chair, I would ask that the three of those individuals be

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able to testify at once so that you can ask the detailed questions that you may have of all of them.

CHAIRMAN SMITH: Thank you very much, Ms. Carroll. Does anyone have any questions for Ms. Carroll? If not, thank you again.

MS. CARROLL: Thank you very much.

CHAIRMAN SMITH: The Chair recognizes Peter Riemer, Wendy Parker, and Jonathan Steiner.

Good afternoon. If you could just introduce yourself for the record.

JONATHAN G. STEINER, Associate Executive Director for Member Relations, Local Government Center: Good afternoon. My name is Jonathan Steiner.

PETER J. RIEMER, Ridgewood, NJ: I'm Peter Riemer.

WENDY PARKER, Assistant Executive Director for Fisk Services, Local Government Center: And I'm Wendy Parker.

MR. RIEMER: Madam Chair, with your permission, I would like to present a summarized statement that links to a letter that I've prepared with enough copies for distribution to the Committee at the appropriate point.

CHAIRMAN SMITH: Thank you very much. Any point that you want that distributed, Mr. Murphy will help.

MR. RIEMER: Thank you.

CHAIRMAN SMITH: And please make sure you keep the microphone very close.

MR. RIEMER: This working?

CHAIRMAN SMITH: That's good.

MR. RIEMER: Very good. Madam Chair, Members of the Committee, good afternoon. As I've stated in the introduction, my name is Peter Riemer. I've been an actuary to the Local Government Center for 22 years. And I'm here today to present my comments in reaction to the proposal before the Committee. As I understand it, as was stated earlier, the primary components of the proposal as it affects reserves are that the reserve would be limited to the sum of 10% of expected premiums, plus the amount needed to pay what are typically called Incurred But Not Reported Claims and expenses related to paying those claims. A standard kind of a concept of run-out claims because medical claims typically take several weeks to come through the system for payment.

With respect to that portion of that component of the reserve, I have no issue; but I do have a number of concerns regarding the 10% limit which I believe is inadequate based on my experience.

The chief concerns that I have with the 10% limit are, first of all, that it is far below traditionally maintained levels of reserve for the purposes we maintain it, not only at HealthTrust but in the range of health insurance companies in the United States and in New England which I've studied with this factor in mind. The limit as proposed in the Amendment at 10% of expected claims is actually quite close to the level, low enough to

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the level that it would possibly involve us in regulatory corrective action under the concept of risk-based capital which Representative Eaton mentioned in his opening and which I'll go into in further detail in a bit. Further, if HealthTrust, which is the health insurance entity within Local Government Center, were subject to the 10% limit, I would recommend as their actuary that they purchase commercial stop loss insurance to provide protection should the 10% reserve level prove to be inadequate and potentially become exhausted. This, of course, would add a cost to the rate structure for the entities that we serve.

And finally, with a reserve capped at the proposed 10% level, it wouldn't be uncommon for, given the normal variance in claim costs that an entity even as large as HealthTrust experiences, to drive reserves well below that 10% target, requiring special corrective action and that would have adverse effects in the subsequent rating following the year when our 10% cap reserve was impacted and reduced. What we would have to do in the following year is develop a rate adjustment that had components that went far beyond the normal kind of thing that would increase rates from year to year. So what I would see happening in that scenario where we suffer an adverse event or event which drives our 10% reserve below that level, the following year's rate increase would have three components.

First of all, there would be a component to take what we now would see as previously deficient rates, bring them to a sufficient level. We would additionally have the normal expected inflationary or trend increase that would be needed. And finally, we would have to have a component within the next year's rate to begin to rebuild reserve

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levels back toward the 10% level or whatever our target was. So that's a quick summary of my concerns with the limit as low as 10% which I believe is inadequate.

I would like now for a moment to provide some further background so that the Committee has some information from our perspective on this concept of appropriate reserves and risk-based capital. HealthTrust has used the Risk-Based Capital concept for managing its surplus since 2002. The Risk-Based Capital concept was developed starting back in the 1990s as kind of a joint effort between the American Academy of Actuaries and the National Association of Insurance Commissioners, the NAIC. The core of the concept is to establish an index, a way that regulators can measure, quantify somehow, the relative strength of an insurer and the method that was chosen, the so-called Risk-Based Capital Method, does that by calculating a simple ratio that divides the organization's reserves by a special number called the authorized control level.

Now, the authorized control level was the result of lots of study that tried to understand the risks that insurers face and quantify that risk, recognizing there are many factors that drive the risk in an insurance company and in insurance products. There's the product design, the health networks they contract with, the reinsurance arrangements, the type and level of assets that they have. All of those components of the operation present risk and opportunity for loss. So what the joint effort of the actuarial body and the NAIC resulted in was this relatively simple ratio that could alert regulators to insurers that were poorly capitalized. Now, despite the fact that the so-called authorized control level, which is a number key to this measurement, is an extremely

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complex calculation involving multiple pages and entries of all kinds of aspects of the insurance operations, it usually works out for most insurers that the authorized control level comes out to be about 4 percent of claims. It's not how it's calculated but usually what it turns out to be to give you an order of magnitude.

So with that background and explanation of what this Risk-Based Capital idea is, I've prepared in my letter a quick summary of these kinds of numbers, first with respect to HealthTrust operation now, and secondly, what the numbers would look like if HealthTrust were subject to the proposed 10% limit. The numbers I've prepared are estimated latest financial results as of March 31<sup>st</sup> of this year. Our current reserve, and in this context I'm speaking of the reserve in excess of the Incurred But Not Reported Claim Reserve, but the reserve that is referenced relative to the 10% limit in the law is \$71.3 million. HealthTrust authorized control level, that number, that complex number that turns out to be about 4 percent of claims, for HealthTrust that's \$16.5 million. And the Risk-Based Capital ratio is simply the reserve divided by the authorized control level. The \$71.3 million divided by the 16.5 and that number comes out to be 4.3.

Now traditionally, since HealthTrust has operated under this concept, the Trustees have periodically reviewed what they believe, with the advice of advisors, is an appropriate level for Risk-Based Capital for the organization. The target -- the official target is currently 4.2, to maintain a ratio of that size. As we see here, as of March 31<sup>st</sup> it was 4.3.

Now let's look at what the numbers would look

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like if we were subject to a 10% limit on reserves; 10%, that is, of expected claims. In the context of the year 2010, our expected claims are \$397 million. So 10% of that is 30 point -- 39.7 million. And the Risk-Based Capital ratio in that case would be the 39.7 million. The limited capped reserve amount divided by the authorized control level of 16.5 million, that ratio would be 2.4. The 2.4 is significant in my mind because it hangs dangerously close to levels for the Risk-Based Capital Index that would generate regulatory intervention in states where the Insurance Department regulates under the Risk-Based Capital concept, the model concept developed by the NAIC. New Hampshire is such a state. What happens? How do states use this Risk-Based Capital concept to fulfill their responsibility to manage insurance companies?

Well, really, the concept while we're talking about it as maybe a way to measure the financial strength of an insurance company, the pre-eminent use of the Risk-Based Capital concept by a regulator is to watch for those companies that develop a Risk-Based Capital ratio at 2 or below. Again, I would recall that the calculation we just went through, under a capped 10% reserve, HealthTrust would be at 2.4 ratio. If an insurer's ratio drops below 2, the regulatory intervention at that point is relatively mild. The insurer has to prepare a remediation plan. There's no active regulator involvement. If the ratio drops to as low as 1.5, then the regulator can involve itself with examining and certain corrective actions, a slightly more aggressive stance to begin to build reserves. If the ratio drops to as low as one, at that level the regulator is authorized to take control of the insurer and at a ratio of .7 the regulator is mandated to take over the operations

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of the insurer.

Now for HealthTrust, our so-called 2.0 trigger, a Risk-Based Capital ratio of 2.0, would be hit at \$33 million. It's two times the authorized control level of \$16.5 million. So that \$33 million trigger at which HealthTrust would be red flagged as a potentially weak insurer. \$33 million. That's just \$6.7 million below the 10% limit proposed by the Amendment of \$39.7 million. Ten percent of our expected claims.

That \$6.7 million separation is only 1.7 percent of our expected claims, a number that in our experience is well within the variance and the susceptibility to results different than expected that we experience all the time. So if we were limited to a 10% reserve, in some years we would almost certainly find ourselves under the spotlight of the regulators because we were hitting the Risk-Based Capital triggers which are used throughout to measure the strength of insurance organizations.

I feel that by contrast the level of reserve we maintain now and our approach to understanding what our risk is allows us to meet our obligations, to entirely fulfill the promises we make to our customers; and when we do have adverse results, to correct them and get back to a strong position in a measured way rather than having to react suddenly and adversely to our members.

Furthermore, we have a practice of systematically returning to our members in a measured scheduled way excess reserves. Excess relative to our standard of the 4.2 Risk-Based Capital ratio. And finally, I would offer some comments about what we see other insurance

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companies doing, and I feel in this context our operation is very similar to the commercial insurance operations in terms of the risks that it undertakes, the commitments it makes. Our members have full faith and belief that we will pay the claims. That we will not have to go back to them with any kind of supplemental premium. I'm not even sure we could. So our operation has to stand on its own to meet its obligations.

If you look at other insurers, as we periodically do for the Trustees, the last study I did last year showed that New England health insurers typically have Risk-Based Capital ratios in a range of 5.0 to 8.0. Recall the HealthTrust ratio is now at 4.3. And the ratio that would implicitly be mandated under this amendment would be 2.4.

Furthermore, another point of reference is the Blue Cross/Blue Shield organization, the national organization which licenses the various Blue Cross entities within the state, including Anthem Blue Cross Plans. Because the Blue Cross association has such strict standards for its so-called brand, it has more stringent Risk-Based Capital requirements than do the commercial insurers. The Blue Cross National Association will place a licensee, such as Anthem Blue Cross of New Hampshire, in a kind of monitored watch status if its ratio was as low as 5. It will intensify the monitoring if it drops to 3.5. If it gets as low as 2.0 which is just where the typical regulatory and a mild action would begin to occur, that Blue Cross organization would lose its license and lose its brand and not be able to practice in this state.

Madam Chair, that concludes my prepared remarks.

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CHAIRMAN SMITH: Thank you very much.  
Representative Kurk.

REP. KURK: Thank you, Madam Chairman. Good afternoon, sir. Under the current situation without this new regulatory framework, how large would your reserves have to be before you would consider returning the excess to your customers either by check or by reduction in next year's premiums?

MR. RIEMER: Under which system, the current system?

REP. KURK: Current system, as you're operating now.

MR. RIEMER: As we are operating now, we are right at about the level that we think is the appropriate level of reserve to maintain. I'll point out that two years ago at the end of 2008, and I think Representative Eaton's numbers might relate to that situation, the reserve level was much higher. And we undertook in developing the rates for our two pools for 2009, we undertook a distribution of some of that excess back there. So we were at probably something like 90 plus million dollars of reserve. We actually built in a credit within our rating structure to begin to return that money back.

REP. KURK: Follow-up? So that as you get above 71 million that money is -- on these numbers that money is, in effect, returned to the cities and towns in one form or another.

MR. RIEMER: There's a programmed way of returning it, yes. Action would be taken to begin to give it back.

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REP. KURK: Follow-up?

CHAIRMAN SMITH: Hm-hum.

REP. KURK: If we go into the new system, would you have to distribute, according to this, the difference between the 10% ratio, the 39.7 million, and your reserves of 71.3 which is 31.6, would you have to return that to your customers at this time?

MR. RIEMER: If we were --

REP. KURK: Is that the implication of the new system?

MR. RIEMER: That's the implication. I would point out that that \$31 million represents less than nine-tenths of one percent of the premium that Local Government Center has collected for health insurance since its inception. So another way to phrase that is to say that the reserve level we maintain now, which I feel is a level that is needed to maintain and fulfill all of our commitments under the most adverse circumstances, was achieved, in effect, with a .9%, a nine-tenths of one percent impact on the rates. In other words, that's the cost of providing the protection that this reserve provides.

REP. KURK: Further question?

CHAIRMAN SMITH: Certainly.

REP. KURK: So if you're compelled by this legislation to adopt the new system, two things would happen. Number one, there would be a one-time return of this 31 million.



MR. RIEMER: Yes.

REP. KURK: And secondly, premium rates for municipalities would fluctuate significantly from year to year in the future depending upon what happened to your experience.

MR. RIEMER: I believe they would.

REP. KURK: Thank you.

CHAIRMAN SMITH: Representative Eaton.

REP. EATON: First, let me state, I don't have the affirmation in print in front of me. I do know that a similar organization to LGC, Primex, seems to maintain some sort of consistency in their premiums as much as the market allows consistency. And I was advised by telephone yesterday that they operate with about roughly in the state of 8%.

MR. RIEMER: Reserve.

REP. EATON: Yeah.

MR. RIEMER: Right.

REP. EATON: So the 10% being far more generous, I'm still having a problem understanding the gravity of the situation.

MR. RIEMER: Right. Keep in mind that despite the objections I see to the 10% limit, I'm not saying having a 10% limit would be a grave situation. I would say it would be adverse to our members. If I were the actuary to Primex, assuming they have operations, commitments, and obligations, products, similar to HealthTrust at Local

Government Center, I would be recommending that they increase that reserve level. To put things in context, there was a period in the mid-nineties when HealthTrust experienced some adverse results having so do with migration among the products, a surge in medical inflation, some other issues. In that period, which I see as sort of a three-year period where there were kind of a concentration of losses, a loss experience of that period scaled up to today's dollars would have been -- would represent today about a \$47 million loss. With a reserve of 10% or \$39.7 million, that would put us out of business.

Now we do everything we can in prudently managing this operation so that we don't get too many situations like that. Sometimes external events take control. For example, last year when we were doing a preliminary determination -- this was back in October -- of the rates that we would offer our July customers this coming July, we were faced at that time with a much more uncertain economic situation. We were faced, you may recall at the time, with a threat that H1N1 could turnout to be a big deal. And we were faced with a threat which really hadn't been much of a risk for us before that on the assets side, we normally think of our risks on the claim side, but on the asset side we felt concerned about the potential risk there because of the turmoil in the financial markets. So that we determined back then that this kind of reserve was giving us the protection we wanted. So I'm not so much concerned that a particular level means we go out of business tomorrow. But that it gives us the protection we need so that we can tell our members with absolute assurance we are here to pay your claims. I couldn't do that at a 10% level without some of these other mechanisms.

REP. EATON: Follow-up?

CHAIRMAN SMITH: Yes.

REP. EATON: Yet, the State of New Hampshire operates on a 5% and every year, I believe, but one in the last five years they have had a premium holiday.

MR. RIEMER: That's how I would expect it to operate. The reserve and the whole concept and the technical underpinnings as developed by the Academy of Actuaries at the NAIC was to deal with the extraordinary year. We give back money. We make money most years. But it's the -- it's the triple threat, the perfect storm scenario that some people felt we might be entering upon last fall that this level of reserve protects against. And the money in a member-managed, a member-governed organization really still belongs to them. Things that we do, you mentioned the other organization that tends to maintain uniform rate increases and stability, they do that as a judgment that maybe works for them and their customers. For us and our customers who govern us, they prefer the rating mechanism that we have which does have some more volatility, but it has aspects they are comfortable with in terms of equity and fairness and controlling costs.

REP. EATON: Just one more follow-up on a separate issue. And that is, I have seen a document and I guess maybe I need some clarification. 5-B states you have to be a New Hampshire corporation. I've seen a document that gives the impression that you have either become a Delaware Corporation or merged with a Delaware Corporation. Can you help me with that?

MR. RIEMER: I have no knowledge of that.

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MR. STEINER: No, I have no knowledge of that either.

REP. EATON: Thank you.

MR. STEINER: If you have a document, I'd love to see the document because we -- that has -- rings no clarity or no truth to us.

REP. EATON: Thank you.

CHAIRMAN SMITH: Thank you. In your presentation, you referred to regulators. I'm a little confused because I thought that Ms. Carroll said that you were free of regulation.

MR. RIEMER: We are. When I was, Madam Chair, referring to regulators as my context was insurance departments. And that we constructed the Risk-Based Capital application and applied it to this organization because we thought it made sense even though we are not regulated by the Insurance Department. We thought that a lot of other people had thought this through and were applying it in their regulation of insurance departments and it became kind of a measure, a simple way to measure insurer strength that we adopted it. So yeah, I recognize that we are not doing that now.

CHAIRMAN SMITH: So you are not regulated by anyone?

MR. RIEMER: Not on this issue. No. We are not regulated by the Insurance Department. Nevertheless, we do the same Risk-Based Capital computations, the authorized control level, the determination of the ratio that we would do if we were filing the annual statement with the Insurance

Department.

CHAIRMAN SMITH: Thank you. Representative DeJoie, and then Representative Scamman.

REP. DEJOIE: Thank you, Madam Chair. Thank you for your testimony. Welcome to New Hampshire.

MR. RIEMER: Thank you.

REP. DEJOIE: Help me understand. I'm having a little trouble following, lots of weeds and entities going around. Who are you representing today?

MR. RIEMER: I'm representing Local Government Center.

REP. DEJOIE: Not the HealthTrust?

MR. RIEMER: HealthTrust is the insurance entity within that. So specifically, that would be the entity within Local Government Center that I work for. Yes. HealthTrust.

REP. DEJOIE: So you're representing the HealthTrust or Local Government? They're separate entities and Ms. Carroll was very careful when she testified to talk about representing Local Government. I was just trying to understand so I know.

MR. STEINER: The HealthTrust is a subsidiary of the Local Government Center.

REP. DEJOIE: You're representing the HealthTrust and all its membership in your testimony.

MR. RIEMER: Yes.

REP. DEJOIE: Okay. Thank you.

CHAIRMAN SMITH: Representative Scamman.

REP. SCAMMAN: Madam Chair, I just want to make sure I understood the answer to your last question. What you're saying is you're regulated according to what a regulator would do if they were doing your work. Basically, 10% is what you think is a reasonable figure.

MR. RIEMER: I don't think 10% is reasonable. I think it's too low.

REP. SCAMMAN: That's your job is that you set what the reserves should be.

MR. RIEMER: Yes.

REP. SCAMMAN: That's why you call yourself a regulator.

MR. RIEMER: No, I'm not calling myself a regulator. I'm sorry. When I use the word regulator, I mean Insurance Department.

CHAIRMAN SMITH: I guess there is a little confusion. You use the word regulator as a conditional. If you were regulated by the Insurance Department --

MR. RIEMER: Yes.

CHAIRMAN SMITH: -- there would be certain things you would be required to do. In fact, you are not regulated by anyone at all, but you choose to follow voluntarily as you best see it a path

that would be -- that which you would have followed if you had any regulatory oversight.

MR. RIEMER: Yes.

REP. SCAMMAN: Thank you.

CHAIRMAN SMITH: Representative Harris.

REP. HARRIS: Thank you, Madam Chair. Other than reading about this the first thing this morning --

CHAIRMAN SMITH: Could you speak up?

REP. HARRIS: Yes. Other than reading about this the first thing this morning in the papers, and I've been listening to what you have to say, it reminds me a bit of the fact that New Hampshire has done fairly well in the mortgage rates because we were very conservative and most of our banks wanted 20 percent down, as opposed to taking much riskier ways to do it.

MR. RIEMER: Hm-hum.

REP. HARRIS: So I think there's some people on this panel, or think that you have too much of a reserve.

MR. RIEMER: Hm-hum.

REP. HARRIS: And you're saying no, this is the prudent amount of reserve. So I think what we are going back and forth about is the amount of risk people feel is appropriate and so there are other people perhaps who have less risk but you don't -- you feel that that's too little. And is there some way to reconcile this so we can understand?

MR. RIEMER: It's really difficult. One of the out throws of this Risk-Based Capital concept when it was developed and really as a tool for regulators, was that there was some confusion about it that it was thought to be a methodology for determining the optimal or the best or recommended level of reserve. It was really developed as a regulatory tool to be a red flag, a warning for regulators. Nevertheless, because it is somewhat of a handy concept for simple statistic that measures insurance strength, it's become used as that. But there really is no kind of a standard, business standard or actuarial standard or as far as I know a regulatory standard that says what the good company should hold as reserves. So I'm offering my opinion here today as a professional who's lived through the history of this organization, seen some of what the adverse variances have been, some of the worst ones that I mentioned in the 1990's, and coming to a determination that the level of reserve we're maintaining now is appropriate. I hope that helps.

REP. HARRIS: It does help. Thank you.

CHAIRMAN SMITH: Representative Foster.

REP. FOSTER: Yes, thank you, Madam Chairman. Help me out. Do you have a program for distributing surplus? I believe I heard you say that any surplus was sort of used to slow the fluctuation in premium; correct? But is there a program for distributing surplus should there be a surplus?

MR. RIEMER: There is. And when I speak of surplus in this context, I'm talking about what I would call as surplus beyond the 4.2 level or the roughly \$71 million level that we presently have. So when I reference the return of some of that



surplus in the 2009 ratings that we did, we were at a point, and I'm speaking from memory here back at the end of 2008 when we were determining the rate for 2009, we had something on the order of a 25 to \$30 million of reserve in excess of our own target. What we did, we established a credit in the rating formula that took one-third of that excess. For argument sake, say it was thirty. We took one-third of that, \$10 million. We built it in as a credit for the rates we were then going to be issuing in 2009. Now why did we do one-third? Why didn't we do it all? Because we have experience with volatility in the health insurance business. I can tell you today that when we had six months of additional experience under our belts, and this was occurring during the 2009 which was a year of some significant impacts, even on healthcare costs due to the recession, the \$30 million excess which we were intending to distribute in a smooth way by first passing back one-third of it, which we did in the 2009 rates, that \$30 million excess is gone now. Why is it gone? It's gone because we gave back 10 million of it and the other 20 million of it has disappeared in terms of excess cost, excess claims. We experienced a significant hike in healthcare costs in 2009 after we had already set the 2009 rates. So yes, we do have a program and a systematic method of returning surplus. It's based on a partial give-back formula, and I think our experience in the last year shows that that makes sense. If we had given the whole \$30 million back in as a credit in the 2009 rate, instead of looking at a \$70 million surplus now we'd be looking at a 45 or \$50 million surplus.

MR. STEINER: Actually, I have some of those numbers. At the end of 2008, our reserves stood at \$94 million. At the end of 2009 that figure was 78 million, which is a reduction of 16 million. That

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was a result of planning to return 13 and a half million. That's what we planned to return through the rates, and then having to raise that figure to 16 million due to unexpected claims. Then as of March 31<sup>st</sup> of this year, as Peter said, our reserves currently stand and dropped another 7 million to roughly \$71 million and claims are now running 8% above projections as of March 31<sup>st</sup> and we expect that by July that figure could be 10% above projections or higher.

REP. FOSTER: Follow-up? For simplicity sake, when you say you were going to return that, did any of your clients ever see a rate decrease?

MS. PARKER: What happens is in the rate -- for example, if a community was in line for a 10% rate increase for that renewal, we would then make a reduction to that. So they may have seen an 8% increase in their premiums versus the 10% if we were not returning any money back. So it was a lower increase than they would have otherwise received.

REP. FOSTER: Just to clarify. So what you're saying is that the rate reduction is seen as a less steep climb.

MS. PARKER: That's correct, and we provide a rating exhibit to each one of our members that would show those calculations and show them the amount of surplus that was credited back to them in that rating.

REP. FOSTER: Thank you.

CHAIRMAN SMITH: Representative Scamman.

REP. SCAMMAN: Madam Chairman. Peter, would it

make a difference the percentage that you would want to keep if you were 100 times larger than you are?

MR. RIEMER: A hundred?

REP. SCAMMAN: Your company looked at it as a different percentage they would need to keep?

MR. RIEMER: Yes, it would drop. The NAIC Risk-Based Capital Formula does recognize that it has a component that, in effect, provides a less stringent, as a percent, reserve requirement based on size.

REP. SCAMMAN: Thank you.

CHAIRMAN SMITH: Are there any other questions? Representative Kurk.

REP. KURK: A comment, Madam Chairman. You're an actuary, sir, and you deal with very complicated issues. I am very impressed by the simplicity with which you explained this complex issue; but more impressed by the fact that you were able to give a simple yes or no answer to some of our questions.

MR. RIEMER: Thank you.

REP. KURK: That's rare not only amongst ourselves, myself in particular, but also people who appear before us. So that clarity is much appreciated.

MR. RIEMER: Thank you, Representative Kurk.

MR. STEINER: Thank you. Some of the comments that I wanted to make Peter has covered, but there were two issues that I did want to touch on. One is

the \$100 million figure that's been in the press and floated around. Actually, what Peter and I have talked about it's that \$98 million at the end -- I'm sorry -- 2008, it is the \$94 million is that figure. And as I said, it's not \$71 million, and we expect that by July, as I said, with 10% higher than expected, that number may drop again.

The other issue that I wanted to discuss is the comparison of HealthTrust to the State's self-insured fund. Quite simply, the State is a single employer plan, HealthTrust is a multi-employer pool that operates much like an insurance company and competes in the public sector marketplace. For example, even Harvard Pilgrim is a commercial carrier but they are a non-profit. We are different. We are a pool; but again, we compete in the same marketplace. If there's a pandemic or other claims that affect the State and the State goes over that 5%, they can come to the legislature and ask for more money. I'm not sure if you'll give that to them but they can. We don't have that mechanism as the operation that we run at so we keep our reserves the way we are to be able to pay the claims. That's why we need the reserves.

The other point I wanted to discuss is the fact that we have been here and we have talked about actuaries and regulators and RBC and huge sums of money, but we haven't talked about the things that we do at LGC and why those things are far more important than just the money issues that we're talking about here today. For more than 30 years HealthTrust, or just about 30 years, HealthTrust has offered health coverage to teachers, firefighters, police officers, public works employees, local officials. And we've been there to provide coverage that they need. In fact, insurance -- when a town or city or school district purchases

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insurance from the LGC HealthTrust, they're purchasing nothing more than a promise. It's a promise that we are going to be there in the future to pay their claim. And we deal with people when they are dealing with some of the most difficult circumstances of their lives. It may be a sick child, it may be a spouse that needs surgery, it may be a person that needs medication. And we are dealing with them and we have made promises. What I am afraid of with this piece of legislation if it passes, is that it will curtail our safety net. We will not have the funds necessary to keep those promises and we have kept those promises for 30 years and I would like to be able to keep those promises in the future as well.

CHAIRMAN SMITH: Thank you very much. Any other questions for this panel? Could I just ask about how common is it in your industry to operate with no regulatory oversight?

MR. STEINER: Approximately half of the pools do not have regulatory oversight throughout the country.

REP. BELVIN: Madam Chair, Ms. Carroll covered that.

CHAIRMAN SMITH: Well, she gave us -- no, she gave us a number but that's not the same. She said the number, I believe, was either 34 or 37.

MR. STEINER: I have a handout from AGRIP, the Association of Governmental Risk Insurance Pools and it's the legal size paper right here and every state and it lists if they need to file paperwork, who regulates them, and it's other information. Legal restrictions imposed upon membership, requirement to file audit and financial statements.

Everything you need is right here.

CHAIRMAN SMITH: Thank you very much because there's a difference between saying that you're not regulated by the insurance companies and saying that there is no regulatory oversight. And so that was the, you know, that was the question I wanted to clarify. I thank you very much for the time that you have put in, you know, to be here with us today. And we will next revisit this on Monday; but I assume that with any luck at all you could still make a plane back to Ridgewood.

MR. RIEMER: Thank you.

CHAIRMAN SMITH: The next -- I next recognize Dave Caron.

DAVID CARON, Town Manager, Town of Londonderry: Thank you, Madam Chair. Would it be fine to have one of my fellow board members join me at the table?

CHAIRMAN SMITH: Of course. Is that John Salisbury?

MR. CARON: It is Steve Fournier who's a town administrator.

CHAIRMAN SMITH: Then we do need a card from Mr. Fournier after you finish testifying. I'm sorry. There was no indication that you were here as a board member and so I did not introduce you that way.

MR. CARON: Good afternoon, Representative Smith. I understand you have had a very long day and I'll try to be very brief this afternoon in my comments. My name is Dave Caron, the Town Manager

for Town of Londonderry. I sit here in my capacity as serving on the Board of Directors of New Hampshire Local Government Center. I recently ended a three-year stint as its chair and two years previous to those years as its vice-chair. We are comprised of 31 Board members consisting of all New Hampshire local government appointed officials, elected officials, and being the first pool in the country we have invited and reserved seats on our Board for employees, recognizing the products that we offer do impact employees, their families and their lives and thought it was prudent to receive their input on our policy-making process. We are supported by, as you have just seen, a very able staff and probably say some of the best consultants in the Northeast. Looking at the size of our operation, there's about 350 to \$400 million, we think it's critical that we preserve the funds and spend them in the most prudent and fiscally responsible way possible.

HealthTrust started in 1983 to fill a need and that need was during an insurance crisis municipalities could not receive affordable health insurance. Our goal and our objectives were further broadened in 1987 when we began a property liability pool when the City of Portsmouth and the Town of Hudson could not secure property liability coverage. I apologize for dating myself, but I was one of the first trustees of the PLT Board back in 1987. We are a voluntary board. Membership is voluntary. If our services to New Hampshire governments were no longer relevant, we would not be in business today. What we try to do is very simple. We try to provide a service as low as cost as possible to allow our members, being towns, cities, school districts and counties, to fulfill their obligation of New Hampshire law in the most fiscally responsible manner possible. Again, our

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membership and organization is not mandatory. We are voluntary. We compete with some other public pools, Primex and School Care, as well as private insurers, such as Anthem, CIGNA and Harvard Pilgrim. And again, I would submit today respectfully that if our customers felt that we were not operating in a fiscally prudent manner, there's a very simple way with us. They can walk with their feet. They really can. They can seek bids. They can look at other insurers and place their coverage elsewhere. From year to year, we do lose business and we do gain business. And last thing I knew we were the largest health insurance pool in the United States and that goes -- that speaks well to our fellow board members in their policy setting responsibilities, our staff, and our consultants.

My hair is gray. Steve has no hair. Half of that is caused during our annual discussion attempting to balance our fiduciary responsibilities with the hats we wear at home as local government officials when we establish the RBC. You've heard testimony for about half an hour on that. Our meeting goes between four, five hours each year attempting to set our rates because we're trying to provide that balance to make sure that we do not charge our customers more than we need, but also being mindful in completing our fiduciary responsibility to ensure the long-term stability and dependability of our products and our rates. I must admit, frankly, I'm a little perplexed why this issue is before you. As a member of the Board of Directors, along with Steve, I've been a board director for probably about eight years now, if any of our members have an issue, they pick up the phone and they call us. That's the New Hampshire way. And I was hoping that if there was an issue at the State level somebody pick the phone up and

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be able to explain to those agencies how we operate, why we operate, and be able to present in full detail what our obligations are to our members.

None of our members have voiced any complaints to me, and to the best of my knowledge my other 30 colleagues on the Board of Directors regarding the operations of Local Government Center. They are not happy at times with some decisions we make and that's part of the process. By the end of the day when we establish the rates, it's my responsibility, it's Steve's responsibility, and it's the 29 other directors' responsibilities to look at our peers on the school/municipal level in the eye and explain to them the decisions we made as their elected Board of Directors.

To answer a couple of questions which came up during previous testimony -- the joys of Blackberry -- our corporate counsel has confirmed that we are totally a New Hampshire corporation. We do not have any connections to being a Delaware Corporation. In response to Representative Foster, prior to this year the Town of Londonderry saw a significant rate increase. We did experience a rate, actual rate reduction in one year. In fact, previous to this year, our average rate increase for the Town of Londonderry was a minus .3 percent. And that's -- that's number of factors which Peter's told you about. I can't explain them in total, but it's also part of our responsibility to ensure that we operate a fiscally prudent organization keeping in mind our responsibilities while sitting as a Board of Director and also not taking off our hats we wear at home, which is to be a responsible local official.

So again, we'd like to be able to answer any

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questions you may have. To our knowledge there have been no complaints by our members. There is a vocal group of -- there's a local union who's very, very vocal about our operations and everybody is entitled to their opinion. I know when I go home at night after a board meeting I can look myself in the mirror and say we are spending and we are investing our members' funds responsibly for their best interests both at home and for LGC as a viable organization in the future.

CHAIRMAN SMITH: Thank you very much. So you've been on the Board then for a number of years?

MR. CARON: I have, yes.

CHAIRMAN SMITH: So perhaps you can help us understand why I'm looking at something from the State of Delaware, Secretary of State, that says pursuant to Title 6, Section 18.209 under Delaware Limited Liability Company Act, the name of the surviving limited liability company is Local Government Center, Property Liability Trust, LLC, a foreign limited liability company, the jurisdiction in which this limited liability company was formed is New Hampshire. The name of the limited liability company being merged into the limited liability company is LGC, PLT, LLC, a Delaware Limited Liability Company. And that document is in the -- was filed in the Secretary of State's Office in Delaware. It says business is conducted at 25 Triangle Park Drive. It says that an attorney with Hinckley, Allen and Snyder is the person who should be contacted and this was signed by John Andrews and perhaps this -- in 2006. Perhaps this is just another operation that we're not familiar with of the, you know, at the Local Government Center, because I know they do many, many things. Can you help explain this if you've been -- if you were on

the Board in 2006?

MR. CARON: If I may have a copy of that after? We will have our answer Monday morning. We'll go back to our corporate attorney at Hinckley, Allen, and Snyder who just told me we are not a Delaware Corporation.

CHAIRMAN SMITH: Maybe somebody forgot to tell Mr. Mark S. McCue. That would be really embarrassing, I think. Of course you can have a copy of that.

MR. CARON: Thank you.

CHAIRMAN SMITH: Could I ask you something else because truthfully, 5-B:5 is not my area of expertise, and so I could clearly be missing something. But when I look at 5-B:5, these are Pooled Risk Management Programs. When I look at 5-B:5, Standards of Organization and Operation, it says each Pooled Risk Management Program shall meet the following standards of organization and operate. Each program shall (a) exist as a legal entity organized under New Hampshire law; (b) be governed by a board, the majority of which is composed of elected or appointed public officials, officers, or employees. And while I haven't seen a list of the Board, I assume that that is exactly who you all are.

MR. CARON: They all fall under that definition.

CHAIRMAN SMITH: And (c), return all earnings and surplus in excess of any amounts required for administration, claims, reserves and purchase of excess insurance to the participating political subdivisions. I understand there's a difference of

opinion as to what an appropriate reserve may or may not be. But when -- I think it was Mr. Rimer who testified or Riemer, I'm not sure.

MR. RIEMER: Riemer.

CHAIRMAN SMITH: Riemer. Who spoke to us before and said that there came a time in -- that sounds so court like, I don't mean that -- that there was a time when you had an excess and so you made a decision to return one-third.

MR. CARON: That's correct.

CHAIRMAN SMITH: But if you have an excess in the reserves, could you help me understand where the authority, the legal authority came from to decide that there was -- you identified something that was an excess of reserves, you identified it, no one else regulated you, and of that amount you agreed to give one-third back to your clients, customers, users, whatever word you want to use. This isn't saying there's a dispute over how much reserve is appropriate, 'cause you make that decision. But then you only gave one-third back. And I went on down the list. There's a (d), and (e), an (f), but no place does it say anything that would mean that you had any option at all there.

MR. CARON: You're correct. During that particular year we returned one-third of what we perceived at that particular time to be our surplus to our members based upon what we felt was a very responsible, fiscal strategy to maintain as best we could in this insurance environment stability within our rates. I think you heard testimony previously is that in following years we had a significant increase in our claims. And one of our strategies is attempt to stabilize our rates over a

multi-year period. We do not want our members to be subject to rate fluctuation. Similarly, we don't want our tax rates to fluctuate wildly on a local level. So we try to make sure that our excess funds are returned over a multi-year period to provide for that rate stability.

CHAIRMAN SMITH: These -- these -- this RSA 5-B was amended as recently as June 29<sup>th</sup>, 2009. So if you had had the experience that because of your decision in your professional judgment in wanting to be cautious and to make sure things are stable, you decided that despite the law you were only going to return one-third, did the thought ever occur to the Board that perhaps you might come to the legislature and ask the legislature to change the language so you would be acting within the law?

MR. CARON: I guess that's where I'm a little confused how we were acting outside of the law.

CHAIRMAN SMITH: Because it says that when you decide what the excess is, you must return all earnings and surplus. Return all earnings and surplus in excess of any amounts required for administration, claims, reserves, and purchase of excess insurance to the participating political subdivisions. You decided X amount was in excess and then chose to give only one-third.

MR. CARON: We chose to only give one-third in that particular year. If all of our information and all of our experience had continued on, then in theory all those reserves would have been returned over a three-year period, which provides for rate stability for our members and stability for the organization in our insurance products.

CHAIRMAN SMITH: I appreciate that, and I

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appreciate your concern. I would suggest that you might want to ask your legal counsel or your government affairs group or your lobbyists to consider coming to the legislature and ask for a change in this language so that if you were to do the same thing again in the future, it would in fact be legal as against what it is under this document. Was there -- Representative Foster, do you have a question?

REP. FOSTER: I do. Thank you. Could you tell me how often you inform your members or your clients the total amount of your surplus?

MR. CARON: Our audit is available annually. So they are made aware annually of what our financial position is and how they can secure a copy of our audit. We also have a process in which we -- due to the time in which our insurance rule occurs and the budget time, we also issue what we call a guaranteed maximum rate to our members for budgeting purposes, and to go back and revisit that rate in the hope they will be able to reduce the insurance premiums for the following year, either reduce the increase or actually physically reduce the rates.

REP. FOSTER: Follow-up, Madam Chair? But you do not just -- you do not disseminate that information in a newsletter or something. It is the client who must ask for the audit; is that right?

MS. PARKER: There's a mailing that goes out each year annually that we proactively send out to every member that is in the HealthTrust, the member being the member city, town, or school.

REP. FOSTER: And the surplus is identified in there?

MS. PARKER: Yes, it is.

REP. FOSTER: And it's -- there's a definition --

MS. PARKER: Yes, there is.

REP. FOSTER: -- as well.

MS. PARKER: Yes, there is.

CHAIRMAN SMITH: Did I see a hand here, either Mr. Steiner?

MR. RIEMER: If I may, Madam Chair? The point of response I was going to make is my view of the action to distribute the surplus, the \$30 million number, was that it was a decision to distribute the surplus over three years. And I think it was genuinely a good faith effort to return that money in a way that made sense given the complexities of the process. For example, because of healthcare cost inflation, the -- our target level of surplus is subject to growth. If our target level is \$7 million -- \$71 million today, under a 10% healthcare cost inflation environment that target goes up by 10%, say close to \$80 million. And if the target of what we need to maintain and keep for the protection of our members goes up, and our assets don't go up as much, that shrinks the surplus. So we were dealing in a process where we knew what we would call surplus is a dynamic number that's actually changing monthly, because our required or our target surplus level is growing as an inflationary outgrowth of healthcare cost inflation and so there is -- there's a moment in time concept of what the surplus is, but it's actually changing all the time. So that's why we

developed the three-year concept of returning the surplus over three years. So that as we remeasure and adjust to the increased target level, we're not going to have wild swings in our rates.

CHAIRMAN SMITH: Thank you very much for that.

MR. RIEMER: Thank you.

CHAIRMAN SMITH: Any other questions?  
Representative DeJoie.

REP. DEJOIE: Thank you, Madam Chair. Following up on that, just a little different line. If you have a surplus that you are determining to -- whatever the legalities, I'm not -- that's not my area -- but that there's a determination to extend it over three years, presumably there's interest accruing on that money.

MR. RIEMER: Yes.

REP. DEJOIE: That interest is returned as well?

MR. RIEMER: If I may again, Madam Chair?

CHAIRMAN SMITH: Certainly.

MR. RIEMER: It's a -- it's an iterative concept. So for example, if we have \$30 million today that's regarded as surplus by these measurements, let's look ahead to the next year. We didn't return all the 30. Suppose we return 10. If we have a 10% growth in the target because of the inflation of healthcare, our \$30 million evolves as follows: It drops to 20 because we gave back 10.

REP. DEJOIE: Hm-hum.



MR. RIEMER: The surplus drops another ten because the target grew, because healthcare costs are inflating and these numbers magnify. So one year after measuring our surplus and providing one-third of it back with a rate credit, under the scenario I've said, I've announced, the surplus at the end of a year after that is now only 10 million. So now we would revisit and plan to return that 10 million over three years. You know, the interest would accrue in these measurements and effectively be credited. But I hope my example provides an explanation of why we do it in an iterative three-year program way. Because if we gave the \$30 million back all at once, we go forward a year, our target has increased, now we are \$10 million below our target. So we had a nice \$30 million rate credit, but in the next rate year we are going to have to start building toward our target, we are going to need \$10 million to do that. Rates would fluctuate wildly under that kind of a process.

CHAIRMAN SMITH: Isn't that why most entities of which I'm familiar, including retirement bodies, use a rolling average, whether it's three years or five years, and use that rolling average to make sure that you're evening out and not reacting too quickly to either ups or downs. And wouldn't that perhaps be a more effective way of handling this?

MR. RIEMER: It's a similar -- it's a similar concept.

CHAIRMAN SMITH: Well, perhaps. Thank you very much. Representative DeJoie.

REP. DEJOIE: Just want to follow-up one question. Just to clarify, effectively return is the same as saying that whatever interest there

happens to be and whatever amount there happens to be with all the permutations that that interest is returned?

MR. RIEMER: Yes.

REP. DEJOIE: Thank you.

CHAIRMAN SMITH: Representative Belvin.

REP. BELVIN: Madam Chair, thank you very much. I am neither an actuary, nor a lawyer, nor a regulator, but I am a legislator. And I wrote down one-third was credited, two-thirds was retained as part of a prudent reserve. The language of the RSA you read talks about a reserve. And given our actuary, thank you, sir, at the moment in time, I think that LGC kept it as a reserve and, in fact, was in compliance with the law as I as a simple legislator understand.

CHAIRMAN SMITH: Representative Belvin, you are many things. One thing you are not is a simple legislator. Are there any other questions? Oh, Mr. Fournier.

STEVE FOURNIER, Town Administrator, Town of North Hampton: I just want to make a few comments. My name is Steve Fournier. I'm Town Administrator in North Hampton. I'm actually probably one of the newer members of the Board of Directors. I think one thing you see about with Dave and I sitting here is the difference in the size of the communities that are represented on the Board, the difference between towns versus schools, and also the difference between employees and management and elected officials. You know, one thing I talked to some of my selectmen after this article hit the Union Leader yesterday late afternoon. We were

going to be getting \$100 million from the State for our insurance. They are going to come in and save the day. Most people would think that the selectmen are going to say, oh, boy, we are going to get money this year. That's not what they said. What they came in and said was, oh, boy, my health insurance rates are going to spike next year because we are not going to have our savings in there to offset the increases in the future years. That was their number one concern. You know, like Dave said, I do question this last minute or last hour effort to come up with additional revenues to send back to the cities and towns, which in towns, we don't get to see that money until next year. So it's not like we get this extra money that we can go put into paving roads this year. There's no municipal finance and unanticipated revenue like that, has to go back in our fund balance so we just can't touch that. So it doesn't help the towns at all with this year's budget.

In addition, we know where the money is going to. We don't have any problems right now with the way the LGC is spending their money. As a board member I got my rates. My rates went up this year. Last year they went down 1.9%. This year they went up a significant amount. My first duty when I went back to that town was to call up the other providers and ask them for rates. I did that. I went through. The rates I have with the LGC remain the lowest ones I could get at this point in time because of things that were mentioned with the market. One thing I know is that I'm not going to have a spike every other year. My Municipal Budget Committee came in to me this year and had a fit because of the fact that every year I come in with a rate I say, well, I need this rate increase and they say, well, it drops every year. Well, I couldn't imagine coming in with them and saying

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guys, I'm just guessing. I have no idea where this rate is going to come next year and then I can't go back if it comes in higher than what the guaranteed maximum rate is. Luckily, right now with the reserves we have, we are able to have a guaranteed maximum rate and I can go in and say, guess what, we are not going to be going over that. So a little bit from the management side of the municipal budgets. That extra money they have helps us stabilize our budgets when we have to go to town meetings in March and May. So any kind of reduction in there is going to hurt us. I just wanted to add in there, Madam Chair.

CHAIRMAN SMITH: Thank you very much for that. Representative Wendelboe.

REP. WENDELBOE: Thank you, Madam Chairman. Good afternoon.

MR. FOURNIER: Good afternoon.

REP. WENDELBOE: You said it wouldn't be any help with this budget because budgets have already been set and it would lapse at the end of the year. However, if the budgets have already been set and there are proposals before us that will further cut appropriations to cities and towns, would not this money going back to you give you flexibility that you would have funds there that could fill the hole that would be created in other areas?

MR. FOURNIER: No. Because the way that the budget law is we have to budget our expenses and our revenues. We could -- any revenues that we have we have to put back into our fund balance any excess of what we budgeted. So we could revise our revenues, but I really don't see that as helping that much to cut. I mean, we have been having

other cuts about the retirement contribution. So really would just go back in the fund balance. If the Select Board which we are going through an election, and two Select Board members can say, you know what, we don't want to use that money to offset it. It go back in the fund balance. So it's not a definite. It's not one of those things would go right in.

CHAIRMAN SMITH: Any other questions? If not, thank you very much, gentlemen.

MR. FOURNIER: Thank you.

CHAIRMAN SMITH: The Chair recognizes John Salisbury.

Good afternoon, Mr. Salisbury. Have you been here all day?

JOHN SALISBURY, Concord, NH: A good portion.

CHAIRMAN SMITH: Well, we have been glad to have you here with us.

MR. SALISBURY: Thank you very much. My name is John Salisbury and I'm a retired resident of Concord, New Hampshire. I've been here for more than 12 years. I am not representing any of the pools. I am here as a citizen. I've spent more than 40 years of my professional career as an executive in captive insurance companies, an organization that operates self-insurance programs that have been controlled by public entities. Three of the captive insurance companies are national in scope, and four of the organizations provide self-insurance or group insurance programs. They were located in Maryland, Maine, Connecticut, New Hampshire. Currently, I serve as a professional

director on a board of a captive insurance company that serves the metal working industry. I'm here to testify against the legislation and that's not to say that I am against appropriate regulation. In fact, I feel that the registration here, just the New Hampshire registration, is inadequate.

First, I think you all realize that trying to enact legislation of this type one week prior to the legislature adjourning is a pretty difficult process. I also think that you now recognize the complexity of it as a result of the testimony of the actuary and others that are here. I've worked in several states and operated national programs. I'm aware of the variety of ways in which insurance pools are regulated. Some states, such as New York, require their public entity organizations to be reciprocals. That's a type of insurance company. In Wisconsin, for example, they will not allow self-insurance pools to public entities. What they have to do is the public entities have to organize as a mutual insurance company. In many other states -- New Hampshire is really one of the greater exceptions, but it's an exception and it isn't an exception, because the boards of these corporations run their companies like they are insurance companies. They use many of the same standards. And it's hard for me to understand why you would think that public officials that serve on those boards wouldn't return monies if they felt it was prudent. You know, they have tremendous budget pressures just like you do right now in this legislature, and they're scrapping for every dime they can find. I think you all know that.

Well, I wanted to have a brief comment. I thought the actuary did an outstanding job for you in trying to create in simplistic ways what this is all about. But there is risk and I just want you to

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think back a little while about the investment risk. What happened with our economy? What would happen then with the investment dollars? You've got that risk. What about a reinsured becoming insolvent? The reinsured of LGC becoming insolvent? Guess what? Not of the health insurance program. But that has happened to LGC. What do you do to cover those dollars? It's happened to many pools in the country. So they have to reserve for those kinds of events. I think a kind of an arbitrary 10% rule does not fit. I think what you have to depend upon is the professional expertise, and that is exactly what these Boards do, of their actuaries, of their investment advisors, of their lawyers and experts, operational experts. They rely on them very heavily. And having worked as an executive for public entity officials, I can tell you it's a constant education process to get them to thoroughly understand these operations in detail.

So while I'm not opposed to legislation that regulates, I would say that the time, if you want to regulate these public entity pools in this state, it belongs in the Insurance Department, and you probably should have a Study Committee to look at what kind of regulation that should be. But by and large, it would look somewhat like you regulate a mutual insurance company. The primary benefit of that would be you'd have a regulatory oversight. The primary disadvantage on the part of the public entity pools is they'd have to fill out this yellow paper which reveals everything in their life and it costs money -- more money to do. So I appreciate your time and welcome any questions. I realize you've had lengthy testimony here and it is almost 4 o'clock.

CHAIRMAN SMITH: Mr. Salisbury, that's early for

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this Committee.

MR. SALISBURY: That's good.

CHAIRMAN SMITH: Have you lived in New Hampshire only for 12 years or in Concord for 12 years?

MR. SALISBURY: I've lived in New Hampshire for 12 years.

CHAIRMAN SMITH: For 12 years. And you haven't yet volunteered to serve in the New Hampshire legislature? I think you're a little late because, you know, just as you might serve on your community chess board, or the ballet board, or the health board, it's time.

MR. SALISBURY: Right now my volunteer services is with SCORE which is the Service Corps of Retired Executives.

CHAIRMAN SMITH: That's a very good program. Good for you.

MR. SALISBURY: I am volunteering there. But at one time in my career I was a lobbyist and lobbied the Maine legislature extensively. I can say that when I left I just had reminders of what that experience was when I've been here today sitting for long hearings.

CHAIRMAN SMITH: Sitting next to all the orange badges?

MR. SALISBURY: Yes. And so I retired from that career relatively early because of those experiences and I certainly envy all of you and the work you do. I appreciate it very much.



CHAIRMAN SMITH: And we do it for the money.

MR. SALISBURY: Yeah, I know. Oh, yeah, I know that. Sure.

CHAIRMAN SMITH: Are there any questions for Mr. Salisbury? If not, thank you very much. Ms. Carroll, would you like to add something?

MS. CARROLL: Madam Chair, we have our corporate counsel, Mark McCue, here to respond to your question about the Delaware corporation issue, if you would so desire.

CHAIRMAN SMITH: Thank you. That would be very helpful. I even know Mr. McCue's middle initial. It's S.

MARK S. MCCUE, Hinckley, Allen, and Snyder, Concord, NH: Good afternoon. My name is Mark McCue. I am an attorney with Hinckley, Allen, and Snyder here in Concord. I have a good explanation although it's probably not a simple explanation for the document you're looking at.

In 2003, our firm has handled the corporate work for LGC, including helping it through its decision in 2003 to unify its various Pool Risk Management Programs into a system of related organizations. In order to do that, in order to comply with RSA 5-B and to have the goal of a single coordinated Board of Directors, each of the pools was created or converted into an LLC, a limited liability company. And at the time in 2003 under the New Hampshire Limited Liability Act, it was relatively new, and it did not recognize the merger or conversion of a corporation into a limited liability company. So its standard corporate practice at the time to use Delaware,

which is -- had the older, more advanced limited liability statute in order to convert a New Hampshire corporation into eventually a New Hampshire limited liability company but there was the extra step of going to Delaware. So new mirror LLCs were created in Delaware. The existing New Hampshire Municipal Pool Risk Management Programs were then merged into those entities so that they would become LLCs. And then they were immediately merged back into New Hampshire LLCs with the New Hampshire LLCs becoming the surviving corporation. And that was all in 2003.

The document, I suspect, someone has raised and is confusing people is that in 2006 and seven, Local Government Center decided that it would be prudent to merge its workers' compensation trust with this property liability trust. At that time I became involved. I wasn't involved, although my firm was in 2003, and in 2006 and seven in conducting that merger I noticed through the records that although the mergers through Delaware had been completed, were made of record in New Hampshire, they were not properly made of record in Delaware. So in order to correct the records in Delaware, and make sure that LGC was not named a corporate tax down in Delaware, we had to file a revival of that shell LLC that we created in 2003 for the sole purpose of putting on record it's merger back into New Hampshire and into the New Hampshire LLC. So there was only a moment of time in 2003 when there existed Local Government Center LLCs and that was strictly for the purpose of having a circuitous route back to New Hampshire to revert them from corporations to LLCs. And again, the purpose of having these subsidiaries as LLCs is so they could be single member organizations with a single member being Local Government Center, Inc., and so that would be managed by a single board

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which is the Board of Directors of Local Government Center, Inc. So I'm happy to answer --

CHAIRMAN SMITH: Thank you very much for that explanation.

MR. MCCUE: I should add, too, and I double checked, the records at the New Hampshire Secretary of State confirm that, in fact, these entities are all New Hampshire entities and have been.

CHAIRMAN SMITH: Thank you very much. This is very interesting. Certainly was helpful underlying the complexities of LLCs.

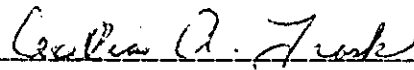
MR. MCCUE: Thank you.

CHAIRMAN SMITH: Did anyone else have any questions for Mr. McCue? No. Is there -- is there anyone else here who would like to testify on amendment 1729? If not, I close the hearing on 1729.

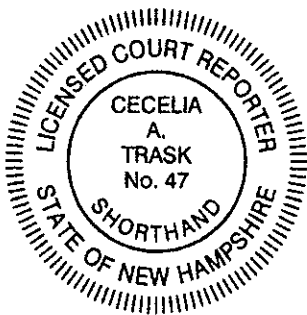
(Hearing concluded)

## C E R T I F I C A T I O N

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



Cecelia A. Trask, LSR, RMR, CRR  
State of New Hampshire  
License No. 47



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HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** April 30, 2010

**LOB ROOM:** 210-211                      **Time Work Session Called to Order:** 1:00

**Time Adjourned:** 1:01

(please circle if present)

**Committee Members:** Reps. M. Smith, Nordgren, Foster, Eaton, Baroody, Benn, Leishman, DeJoie, Bucu, Foose, Mitchell, Keans, Casey, Harris, Kurk, D. Scamman, E. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokmo, Bergin, Belvin, R. Elliott and Weyler.

**Bill Sponsors:** Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

\* Handouts attached.

**Motions:**            OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:                      (Please attach record of roll call vote.)

Section	Title	Status
1-2	Department; Powers and Duties; Publication of Rates of Reimbursement Exempt From Rulemaking	Tentatively Agreed to Remove.
3	Administration of the New Hampshire Employment Program; Duties; Rulemaking	Tentatively Agreed to Approve.
4	Non-TANF Funded Program for 2-Parent Families With Dependent Children	Tentatively Agreed to Approve.
5	Eligibility for Medical Assistance.	Tentatively Agreed to Remove.
6-7	Authorizing the Department of Health and Human Services to File Claims for Medical and Financial Assistance Against Abandoned Property Held by the Treasury; Filing of Claim With Administrator	Tentatively Agreed to Approve.
8	Repeal. 2009, 144:211, relative to community mental health centers	Tentatively Agreed to Approve.
9	Department of Health and Human Services; Transfer Among Accounts	
10-11	Lead Paint Poisoning Prevention and Control; Rulemaking and Lead Paint Poisoning Prevention Fund	Tentatively Agreed to Remove.
12	New Paragraph; Department of Health and Human Services; Duties of the Department	Tentatively Agreed to Approve.
13-14	New Section; Special Fund; Civil Fines and Special Fund	Tentatively Agreed to Approve.
15	Eligibility for Services Under the Medicaid Waiver	
16	Medicaid Enhancement Tax; Due Date	Tentatively Agreed to Approve.
17-32	Changes in various references to the Multiple Offender Program	Tentatively Agreed to Approve.
33	Applicability (section 5)	Tentatively Agreed to Remove.
34	Legislative Branch; Operating Budget; Lapse of Appropriation	
35	Judicial Branch; Operating Budget; General Fund Appropriation Reduction	
36	Department of Information Technology; Operating Budget; General Fund Appropriation Reductions	Tentatively Agreed to Approve Detail Changes.
37	Department of Administrative Services; Operating Budget; General Fund Appropriation Reduction	
38	Department of State Operating Budget General Fund Appropriation Reduction	Tentatively Agreed to Approve as a lump sum reduction with a 02/15/11 report date.
39	Cultural Resources; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
40	Department of Revenue Administration; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
41	Board of Tax and Land Appeals; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve as a lump sum reduction with a 02/15/11 report date.
42	Real Estate Commission Operating Budget General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
43	Real Estate Appraiser Board; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
44	Board of Accountancy; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
45	Joint Board of Licensure and Certification; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
46	Board of Manufactured Housing; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
47	Executive Council; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.

Section	Title	Status
48	Adjutant General; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
49	Department of Agriculture, Markets and Food; Operating Budget; General Fund Appropriation Reduction	
50	Department of Justice; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
51	Public Employee Relations Board; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
52	Racing and Charitable Gaming Commission; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
53	Department of Labor; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
54	Liquor Commission; Operating Budget; Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
55	Department of Corrections; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
56	Commission for Human Rights; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
57	Department of Resources and Economic Development; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
58	Department of Environmental Services; Operating Budget; General Fund Appropriation Reduction	
59	Department of Transportation; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
60	Health and Human Services; Operating Budget; General Fund Appropriation Reduction	
61	New Hampshire Veterans' Home; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
62	Health and Human Services Administratively Attached Boards; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
63	Postsecondary Education Commission; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
64	Department of Education; Operating Budget; General Fund Appropriation Reduction	
65	The Lottery Commission; Operating Budget; Appropriation Reduction	
66	McAuliffe-Shepard Discovery Center; Operating Budget; General Fund Appropriation Reduction	Tentatively Agreed to Approve Detail Changes.
67	Department of Health and Human Services; Suspension of Home Health Rate Setting Rule	
68	Department of Health and Human Services; Suspension of Catastrophic Illness Program	Tentatively Agreed to Approve
69	Department of Health and Human Services; Suspension of Senior Volunteer Grant Program	Tentatively Agreed to Approve
70-72	Department of Health and Human Services; Alcohol Abuse Prevention and Treatment Fund; Duties; and Meetings and Reports	
73	Services for Children, Youth, and Families; Suspension of Incentive Funds	Committee agreed to reduction to 3% and reporting requirement. Amendment forthcoming.
74	Department of Health and Human Services; Reduction of residential provider rates.	Tentatively Agreed to Approve.
75	Department of Health and Human Services; Direct Graduate Medical Education; Suspension	Tentatively Agreed to Approve.

Section	Title	Status
76	Department of Health and Human Services Indirect Graduate Medical Education; Suspension	Tentatively Agreed to Approve with change in effective date to 4/1/10.
77	Department of Health and Human Services; Suspension of Catastrophic Aid Payment	Tentatively Agreed to Approve with change in effective date to 6/15/10.
78	Department of Health and Human Services; Temporary Assistance to Needy Families	Tentatively Agreed to Approve.
79	Department of Health and Human Services; Public Assistance Definitions. Link APTD eligibility to SSI.	
80	Rooms and Meals Tax ; Distribution to Cities and Towns	
81	Meals and Rooms Tax; Definition of Hotel Campsites	Tentatively Agreed to Approve.
82	Authorization for Debt Restructuring	
83-85	Capital Appropriation; Increased University System of New Hampshire KEEP NH; and Bonds Authorized	
86-87	Tobacco Tax; Rate Increased; and Applicability	
88	Operating Budget; Transfer of Dedicated Funds	
89	Operating Budget Lapse of Appropriation; New Hampshire Retirement System; Retirement Pension Benefit; Health Insurance	Tentatively Agreed to Approve.
90	Operating Budget; Lapse of Appropriation; Judicial Council; Contracts for Program Services	Tentatively Agreed to Approve.
91	Department of Treasury; Lapse of Appropriation for Debt Service	Tentatively Agreed to Approve.
92-96	Taxation of Interest and Dividends; Who Taxable; What Taxable; Partnerships and Limited Liability Companies; Repeal relative to definitions; and Applicability	Tentatively Agreed to Approve.
97	Commission Established; There is a commission established to study business taxes and safe harbor deductions for the reasonable compensation deduction under the business profits tax	Tentatively Agreed to Approve <b>Ways &amp; Means amendment #2010-1713</b>
98	New Hampshire Retirement System; Employer Contributions; State Payment	
99	Department of Agriculture; Licenses ;Transfers of Animals and Birds	Tentatively Agreed to Approve.
100	Lottery Commission; Report Required	Tentatively Agreed to Approve with language change.
101	Operating Budget; Transfer of Appropriations; Adequate Education Grants; Funds From Education Trust Fund Transferred to General Fund	Tentatively Agreed to Approve.
102	Application; Appropriations Reductions; All State Agencies	Tentatively Agreed to Approve.
103	Effective Date	



House Ways & Means			
§ 450, Sections to am#2010-1311 & Amendment Listing			
#	Sponsor	Description	Straw Vote
86	Section	Tobacco tax increase to \$1.98	11-9
1760	Section	Tobacco floor tax- <u>section 87</u>	11-9
1757	Almy	Tax other tobacco prod increase to \$1.78 equivalent & floor tax	11-9
1759	Almy	Tax other tobacco prod increase to \$1.98 equivalent & floor tax	11-9
1583	Smith	Dedicated fund \$2 million transfer specified- <u>section 88</u>	13-7
1724	Almy	Dedicated fund \$2.5 million transfer specified- <u>section 88</u>	11-9
92-96	Section	LLC repeal from the interest & dividends tax	15-5
1713	Almy	Changes to the Commission to study business taxes- <u>section 97</u>	20-0
99	Section	Pet shop license increase to \$350	12-8
1727	Hatch	Electricity Generation Tax @ \$.00055	10-10
1758	Vachon	Insurance Premium tax back to 2%, effective for FY 2010	10-9
1755	Walsh	Estate tax over \$2 million	10-9
1756	Walsh	Capital Gains tax	10-9

Amendment to SB 450-FN

1 Amend the bill by replacing section 88 with the following:

2

3 88 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other  
4 law to the contrary, for the fiscal year ending June 30, 2010, the department of administrative  
5 services shall transfer funds from the following accounts or funds maintained separately on the  
6 books of the state to the general fund in the following amounts:

7 Account/Fund	Amount Transferred to General Fund
8 Statewide Public Boat Access Fund, RSA 233-A:13	\$500,000
9 Nitrogen Oxide Emissions Reduction Fund,	\$90,000
10 RSA 125-J:13, II	
11 Laboratory Equipment Fund, RSA 131:3-a, II	\$100,000
12 New Hampshire Hazardous Waste Cleanup Fund,	\$100,000
13 RSA 147-B:3	
14 Default Bench Warrant Fund, RSA 263:56-d	\$100,000
15 Fire Standards and Training and Emergency Medical	
16 Services Fund, RSA 21-P:12-d	\$1,000,000
17 Recount Administrative and Fee Account,	\$110,000
18 RSA 660:31	

Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 97 with the following:

2

3 97 New Chapter; Commission to Study Business Taxes Established. Amend RSA by inserting  
4 after chapter 77-E the following new chapter:

5

CHAPTER 77-F

6

COMMISSION TO STUDY BUSINESS TAXES

7

77-F:1 Commission to Study Business Taxes Established.

8

I. There is a commission established to study business taxes.

9

II. The members of the commission shall be as follows:

10

(a) Three members of the senate, appointed by the president of the senate.

11

(b) Four members of the house of representatives, appointed by the speaker of the house  
12 of representatives.

13

(c) Five members of the public appointed by the governor, representing the following  
14 groups and interests:

15

(1) Tax experts and accountants;

16

(2) Small business;

17

(3) Real estate, finance, and investment; and

18

(4) Business trade associations.

19

II. The commission shall study and evaluate:

20

(a) The present system of business taxation in New Hampshire, including but not  
21 limited to the rates and allocation among taxpayers of the business enterprise tax, the business  
22 profits tax, and the interest and dividends tax.

23

(b) Whether there are changes to the present system of business taxes and rates of  
24 assessment that should be considered by the legislature in order to:

25

(1) Ensure fairness and equity in the allocation of business taxes including among  
26 similarly situated business entities and taxpayers;

27

(2) Ensure clear tax laws and synchronization with federal tax laws; and

28

(3) Continue to provide a business tax environment that enhances the growth of jobs,  
29 income in the state, and the transition to clean and renewable energy.

30

(c) Safe harbors for the reasonable compensation deduction under the business profits  
31 tax, including but not limited to:

32

(1) Safe harbors based on the percentage of the gross selling price on the sale of

1 business assets other than inventory;

2 (2) The percentage of gross revenues and the percentage of gross business profits  
3 using the independent investor return test;

4 (3) The federal self-employment tax; and

5 (4) Any other issue related to the reasonable compensation deduction.

6 (d) Business tax credits and deductions including, but not limited to, net operating  
7 losses.

8 III. The commission may solicit and receive testimony and other information from any  
9 person or organization with information or expertise relevant to the committee's objective. State  
10 agencies shall cooperate with the commission, and provide data, information, reports, and testimony  
11 to the commission upon request.

12 IV. The governor shall appoint a chair from among the members. The first meeting of the  
13 commission shall be called by the chair and shall be held within 45 days of the effective date of this  
14 section. Seven members of the commission shall constitute a quorum.

15 V. Legislative members of the commission shall receive mileage at the legislative rate when  
16 attending meetings of the commission.

17 VI. The commission shall, following a public hearing on a draft final report, submit a final  
18 report on the items included in subparagraphs II(a) and (b) or before December 1, 2010, containing  
19 its findings and any recommendations for proposed legislation, to the governor, the president of the  
20 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
21 means committees, the house and senate clerks, and the state librarian.

22 VII. The commission shall, following a public hearing on a draft final report, submit a final  
23 report on the items included in subparagraphs II(c) and (d) or before November 1, 2012, containing  
24 its findings and any recommendations for proposed legislation, to the governor, the president of the  
25 senate, the speaker of the house of representatives, the chairs of the house and senate ways and  
26 means committees, the house and senate clerks, and the state librarian.

27  
28 Amend the bill by inserting after section 97 the following and renumbering the original sections 98-  
29 103 to read as 99-104, respectively:

30  
31 98 Repeal. RSA 77-F, relative to a commission to study business taxes, is repealed.

32 Amend the bill by replacing section 104 with the following:

33  
34 104 Effective Date.

35 I. Section 5 of this act shall take effect as provided in section 33 of this act.

36 II. Sections 13, 14, 16, 67-74, 77-80, 92-97, 99, and 100 of this act shall take effect July 1,  
37 2010.

Draft Amendment to SB 450-FN

- Page 3 -

- 1 III. Sections 75 and 76 shall take effect June 15, 2010.
- 2 IV. Section 98 of this act shall take effect November 1, 2012.
- 3 V. The remainder of this act shall take effect upon its passage.

Draft Amendment to SB 450-FN

- Page 4 -

2010-1713h

AMENDED ANALYSIS

37. Establishes a commission to study business taxes.

Rep. Almy, Graf. 11  
April 28, 2010  
2010-1724h  
03/01

Amendment to SB 450-FN

1 Amend the bill by replacing section 88 with the following:

2

3 88 Operating Budget; Transfer of Dedicated Funds. Notwithstanding RSA 6:12 and any other  
4 law to the contrary, for the fiscal year ending June 30, 2010, the department of administrative  
5 services shall transfer funds from the following accounts or funds maintained separately on the  
6 books of the state to the general fund in the following amounts:

7	Account/Fund	Amount Transferred to General Fund
8	Statewide Public Boat Access Fund, RSA 233-A:13	\$500,000
9	Nitrogen Oxide Emissions Reduction Fund,	\$90,000
10	RSA 125-J:13, II	
11	Laboratory Equipment Fund, RSA 131:3-a, II	\$100,000
12	New Hampshire Hazardous Waste Cleanup Fund,	\$100,000
13	RSA 147-B:3	
14	Default Bench Warrant Fund, RSA 263:56-d	\$100,000
15	Fire Standards and Training and Emergency Medical	
16	Services Fund, RSA 21-P:12-d	\$1,500,000
17	Recount Administrative and Fee Account,	\$110,000
18	RSA 660:31	

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 New Chapter; Electricity Generation Tax. Amend RSA by inserting after chapter 83-F the  
4 following new chapter:

5

CHAPTER 83-G

6

ELECTRICITY GENERATION TAX

7

83-G:1 Definitions. In this chapter:

8

I. "Commissioner" means the commissioner of the department of revenue administration.

9

II. "Department" means the department of revenue administration.

10

III. "Taxable month" means a calendar month in which electricity is generated.

11

IV. "Taxpayer" means any person generating electricity in this state, except for:

12

(a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;

13

(b) A person generating electricity produced by wind energy, geothermal energy,  
14 hydrogen derived from biomass fuels or methane gas, ocean thermal, wave, current, or tidal energy,  
15 methane gas, biomass technologies, solar technologies, or hydroelectric energy, or that uses as its  
16 primary fuel source solid waste as defined in RSA 149-M:4; or

17

(c) A person generating electricity exclusively in a manner that the electricity generated  
18 is not interconnected to the electric distribution grid.

19

83-G:2 Imposition of Tax. Each taxpayer is liable for a tax of \$.00055 per kilowatt hour of  
20 electricity generated within the state.

21

83-G:3 Collection of Tax. Every taxpayer shall collect and monthly remit the tax to the state as  
22 provided in RSA 83-G:4.

23

83-G:4 Tax Returns.

24

I. Except as provided in this section, on or before the fifteenth day of each second month  
25 following a taxable month, each taxpayer shall make a return to the department for the taxable  
26 month on a form prescribed by the department.

27

II. Any taxpayer who ceases to engage in generating electricity, and is thereby not  
28 responsible for filing returns under this chapter, shall file a final return with the department not  
29 more than one month after discontinuing such activity. This requirement shall apply  
30 notwithstanding any other provision of this chapter regarding the time within which to file a return.

31

III. If the commissioner finds that the information required for the making of an accurate  
32 return cannot reasonably be compiled by a taxpayer within one month and 15 days after the close of

1 the taxable month for which a return is to be made, the commissioner may grant an extension of  
2 time for the filing of such return. Any such extension shall be granted for a period not to exceed 31  
3 calendar days. The granting of such extension may be conditioned upon the payment by the  
4 taxpayer of an amount of money equal to the amount estimated by the commissioner to be due with  
5 the return when filed under extension. All such estimated payments shall be credited against the  
6 taxpayer's liabilities under this chapter.

7 IV. The taxpayer shall pay to the department the amount of tax imposed by this chapter at  
8 the time it makes a return.

9 83-G:5 Exemptions.

10 I. It is in the public interest to foster the generation of electricity from renewable energy  
11 sources and from small scale distributed energy resources and to encourage waste reduction.

12 II. Electricity generated from the following sources shall not be subject to taxation under  
13 this chapter:

14 (a) An "eligible customer generator" as defined in RSA 362-A:1-a, II-b;

15 (b) Energy generated by wind energy, geothermal energy, hydrogen derived from  
16 biomass fuels or methane gas, ocean thermal, wave, current, or tidal energy, methane gas, biomass  
17 technologies, solar technologies, or hydroelectric energy, or that uses as its primary fuel source solid  
18 waste as defined in RSA 149-M:4; or

19 (c) Electricity generated which is not interconnected to the electric distribution grid.

20 83-G:6 Instruments, Books, Records, Papers, and Other Documents.

21 I. Every taxpayer shall provide and keep the necessary instruments and records to show the  
22 amount expressed in kilowatt hours of electricity generated by such person.

23 II. Every taxpayer required to file or actually filing under this chapter shall keep books,  
24 records, papers, and other documents which are adequate to reflect the information required by this  
25 chapter to be reported to the department by the filing of timely returns with the department.

26 III. All instruments, books, records, and other papers and documents required to be kept by  
27 this chapter shall, at all times during business hours of the day, be subject to inspection by the  
28 department.

29 83-G:7 Additional Returns. When the commissioner has reason to believe that a taxpayer has  
30 failed to file a return or to include any part of the total kilowatt hours electricity generated in a filed  
31 return, the commissioner may require the taxpayer to file a return or a supplementary return  
32 showing such additional information as the commissioner prescribes. Upon the receipt of the  
33 supplementary return, or if none is received within the time set by the commissioner, the  
34 commissioner may find and assess the amount due upon the information that is available. The  
35 making of such additional return does not relieve the taxpayer of any penalty for failure to make a  
36 correct original return, or relieve such person from liability for interest imposed under RSA 21-J:28  
37 or for any other additional charges imposed by the commissioner. This section shall not be construed



1 to modify or extend the statute of limitations provided in RSA 21-J:29.

2 83-G:8 Administration; Rulemaking.

3 I. The commissioner shall collect the taxes imposed under this chapter, interest on tax,  
4 additions to tax, and penalties imposed, and pay over to the state treasurer the amount of funds  
5 collected under this chapter.

6 II. The commissioner shall adopt rules, under RSA 541-A, relative to:

7 (a) The form of the return and the data which it must contain for the correct  
8 computation of the number of kilowatt hours of electricity generated in this state and the tax  
9 assessed.

10 (b) The administration of the electricity generation tax.

11 (c) The recovery of any tax, interest on tax, additions to tax, or penalties imposed by RSA  
12 83-G or RSA 21-J.

13 83-G:9 Tax Sales. The provisions of RSA 80:26 apply to the sale of land for the payment of taxes  
14 due under this chapter, and the state treasurer is authorized to purchase the land for the state. If  
15 the state purchases the land, the state treasurer shall certify the purchase to the governor, and the  
16 governor shall draw a warrant for the purchase price out of any money in the treasury not otherwise  
17 appropriated.

18 83-G:10 Severability. If any provision of this chapter or the application thereof to any person or  
19 circumstance is held to be invalid, the invalidity shall not affect other provisions or applications of  
20 the chapter which can be given effect without the invalid provision or application, and to this end the  
21 provisions of this chapter are severable.

22 104 Reference Change. Amend RSA 21-J:31 to read as follows:

23 21-J:31 Penalty for Failure to File. Any taxpayer who fails to file a return when due, unless an  
24 extension has been granted by the department, shall pay a penalty equal to 5 percent of the amount  
25 of the tax due or \$10, whichever is greater, for each month or part of a month during which the  
26 return remains unfiled. The total amount of any penalty shall not, however, exceed 25 percent of the  
27 amount of the tax due or \$50, whichever is greater. This penalty shall not be applied in any case in  
28 which a return is filed within the extended filing period as provided in RSA 77:18-b, RSA 77-A:9,  
29 RSA 77-E:8, RSA [~~83-C:6, RSA 83-E:5~~] 83-G:4, RSA 84-A:7, or RSA 84-C:7, or the failure to file was  
30 due to reasonable cause and not willful neglect of the taxpayer. The amount of the penalty is  
31 determined by applying the percentages specified to the net amount of any tax due after crediting  
32 any timely payments made through estimating or other means.

33 105 Reference Change. Amend RSA 21-J:33-a, I to read as follows:

34 I. If there is a substantial understatement of tax imposed under RSA 77, RSA 77-A, RSA 77-  
35 E, RSA 78-A, RSA 78-C, RSA 82-A [~~or RSA 83-C~~], or RSA [~~83-E~~] 83-G, for any taxable period, there  
36 shall be added to the tax an amount equal to 25 percent of the amount of any underpayment  
37 attributable to such understatement.

Draft Amendment to SB 450-FN

- Page 4 -

- 1       106 Repeal. RSA 83-E, relative to the electricity consumption tax, is repealed.  
2       107 Effective Date.  
3           I. Section 5 of this act shall take effect as provided in section 33 of this act.  
4           II. Sections 13, 14, 16, 67-74, 77-80, 92-99, and 103-106 of this act shall take effect July 1,  
5       2010.  
6           III. Sections 75 and 76 shall take effect June 15, 2010.  
7           IV. The remainder of this act shall take effect upon its passage.

Draft Amendment to SB 450-FN

- Page 5 -

2010-1727h

AMENDED ANALYSIS

42. Replaces the electricity consumption tax paid by consumers with an electricity generation tax paid by generation facilities.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 Taxation of Transfers of Certain Estates. RSA 87:1 is repealed and reenacted to read as  
4 follows:

5 87:1 Tax Imposed; Exemption.

6 I. An estate tax is hereby imposed upon the transfer of the estate of every decedent leaving a  
7 taxable estate for which the gross value after allowable deductions, as defined by the Internal  
8 Revenue Code of 1986, is greater than \$2,000,000, and who has property within this state.

9 II. The first \$2,000,000 of the gross value of the decedent's estate shall be exempt from the  
10 estate tax.

11 III. The amount of the New Hampshire estate tax shall be equal to 8 percent of the gross  
12 value of the portion of the decedent's taxable estate that exceeds the exemption in paragraph II.

13 IV. If only a portion of the decedent's estate is located in this state, the tax shall be  
14 determined as follows:

15 (a) For a decedent who, at the time of death, was a resident of this state, the  
16 New Hampshire estate tax shall be reduced by an amount determined by multiplying the entire  
17 amount of the tax by the percentage which the gross value of the real and tangible property portion  
18 of the decedent's estate located outside of this state bears to the gross value of the entire estate.

19 (b) For a decedent who, at the time of death, was not a resident of this state, the  
20 New Hampshire estate tax shall be determined by multiplying the entire amount of the tax by the  
21 percentage which the gross value of the real and tangible property portion of the decedent's estate  
22 located in this state bears to the gross value of the entire estate.

23 104 Authority to Audit. Amend RSA 87:36, II to read as follows:

24 II. The department may, on its own motion, undertake such an audit upon written notice to  
25 the executor, administrator, or legatee within the statute of limitations as provided in RSA 21-J:29[  
26 ~~except that where a change is reported as provided in RSA 87:10, such notice shall be provided~~  
27 ~~within 6 months of the receipt of such amended return].~~

28 105 Repeal. The following are repealed:

29 I. RSA 87:7, relative to intent of chapter.

30 II. RSA 87:9, relative to chapter void, when.

31 III. RSA 87:10, relative to adjustments.

32 106 Effective Date.

- 1 I. Section 5 of this act shall take effect as provided in section 33 of this act.
- 2 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.
- 3 III. Sections 75 and 76 shall take effect June 15, 2010.
- 4 IV. Sections 103-105 shall take effect January 1, 2011.
- 5 V. The remainder of this act shall take effect upon its passage.

2010-1755h

AMENDED ANALYSIS

42. This amendment changes the rate of the New Hampshire estate tax to 8 percent of the gross value of the portion of the decedent's taxable estate that exceeds \$2,000,000.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2  
3 103 Exemption Increased. Amend RSA 77:3, I to read as follows:

4 I. Taxable income is that income received from interest and dividends during the tax year  
5 prior to the assessment date by:

6 (a) Individuals who are inhabitants or residents of this state for any part of the taxable  
7 year whose gross interest and dividend income from all sources, including income from a qualified  
8 investment company pursuant to RSA 77:4, V, exceeds [~~\$2,400~~] **\$5,000** during that taxable period.

9 (b) Partnerships, limited liability companies, associations, and trusts, the beneficial  
10 interest in which is not represented by transferable shares, whose gross interest and dividend  
11 income from all sources exceeds [~~\$2,400~~] **\$5,000** during the taxable year, but not including a  
12 qualified investment company as defined in RSA 77-A:1, XXI, or a trust comprising a part of an  
13 employee benefit plan, as defined in the Employee Retirement Income Security Act of 1974, section  
14 3.

15 (c) Fiduciaries deriving their appointment from a court of this state whose gross interest  
16 and dividend income from all sources exceeds [~~\$2,400~~] **\$5,000** during the taxable year.

17 104 New Paragraph; Taxable Income; Capital Gains. Amend RSA 77:4 by inserting after  
18 paragraph V the following new paragraph:

19 V-a. The realized gain from the sale of all real and financial assets less the realized loss from  
20 the sale of financial assets, other than a primary residence, including stocks, bonds, and property.

21 105 Exemptions. Amend RSA 77:5, I to read as follows:

22 I. Income of [~~\$2,400~~] **\$5,000**.

23 106 Married Taxpayers; Joint Returns. Amend RSA 77:5-a to read as follows:

24 77:5-a Married Taxpayers; Joint Returns. A married taxpayer may claim the exemptions  
25 provided in RSA 77:5 for both self and spouse, regardless of the ownership of the income from  
26 interest [~~or~~], dividends, *on capital gains*, provided that both husband and wife file a joint return.

27 107 Returns and Declaration. Amend RSA 77:18, IV to read as follows:

28 IV. Notwithstanding the provisions of paragraphs I-III, the following individuals shall not be  
29 required to file a return and shall not be considered to have gross or net taxable income for the  
30 purposes of this chapter:

31 (a) Every individual whose total interest and dividend income is less than [~~\$2,400~~]  
32 **\$5,000** for a taxable period.

1 (b) For joint filers whose total interest and dividend income is less than [~~\$4,800~~] **\$10,000**  
2 for a taxable period.

3 108 Repeal. The following are repealed:

4 I. RSA 77:4, IV, relative to the exemption of dividends declared by corporations to be a  
5 return of capital.

6 II. RSA 77:4-c, relative to sale or exchange of transferable shares not taxable.

7 III. RSA 77:7, relative to capital distribution.

8 109 Effective Date.

9 I. Section 5 of this act shall take effect as provided in section 33 of this act.

10 II. Sections 13, 14, 16, 67-74, 77-80, 92-99, and 103-108 of this act shall take effect July 1,  
11 2010.

12 III. Sections 75 and 76 shall take effect June 15, 2010.

13 IV. The remainder of this act shall take effect upon its passage.

2010-1756h

AMENDED ANALYSIS

42. This amendment requires taxation of capital gains and increases the standard exemption under the interest and dividends tax.

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 105:

3  
4 103 Tobacco Tax; Tax on Products Other than Cigarettes. Amend RSA 78:7-c to read as follows:  
5 78:7-c Tax Imposed on Tobacco Products Other Than Cigarettes. A tax upon the retail consumer  
6 is hereby imposed on tobacco products other than cigarettes at a rate of ~~[48-59]~~ 65.03 percent of the  
7 wholesale sales price. The tax under this section may be rounded to the nearest cent if the  
8 commissioner determines that the amount of tax would not thereby be made materially  
9 disproportionate. No such tax is imposed on any transactions, the taxation of which by this state is  
10 prohibited by the Constitution of the United States. No such tax shall be imposed on premium  
11 cigars.

12 104 Applicability; Tax on Tobacco Products Other than Cigarettes. Section 103 of this act shall  
13 apply to all persons licensed under RSA 78:2. Such persons shall inventory all taxable tobacco  
14 products other than cigarettes in their possession and file a report of such inventory with the  
15 department of revenue administration on a form prescribed by the commissioner within 20 days  
16 after the effective date of this section. The tax rate effective on the effective date of this section shall  
17 apply to such inventory and the difference, if any, in the amount paid previously on such inventory  
18 and the current effective rate of tax shall be due within 90 days of the effective date of this section.  
19 The inventory form shall be treated as a tax return for the purpose of computing penalties under  
20 RSA 21-J.

Draft Amendment to SB 450-FN

- Page 2 -

2010-1757h

AMENDED ANALYSIS

42. Increases the tax rate imposed on tobacco products other than cigarettes.

Draft Amendment to SB 450-FN

1 Amend the bill by replacing all after section 102 with the following:

2

3 103 Insurance Premium Tax. Amend RSA 400-A:32, I(a) to read as follows:

4 I.(a) Every insurer shall pay to the insurance commissioner [~~a tax~~] upon such net premiums,  
5 for lines of business written, as set forth in the report filed pursuant to RSA 400-A:31, I, less  
6 estimated payments made in accordance with RSA 400-A:32, II, [~~as follows~~]:

7 ~~(1) Effective July 1, 2007, a tax of 1.75 percent for all lines of business written~~  
8 ~~pursuant to RSA 401:1, I-III and V-VIII, and RSA 401:1-a, I and II;~~

9 ~~(2) Effective January 1, 2009, a tax of 1.50 percent for all lines of business written~~  
10 ~~pursuant to RSA 401:1, I-III and V-VIII, and RSA 401:1-a, I and II;~~

11 ~~(3) Effective January 1, 2010, a tax of 1.25 percent for all lines of business written~~  
12 ~~pursuant to RSA 401:1, I-III and V-VIII, and RSA 401:1-a, I and II; and~~

13 ~~(4) Effective January 1, 2011, a tax of one percent for all lines of business written~~  
14 ~~pursuant to RSA 401:1, I-III and V-VIII, and RSA 401:1-a, I and II.~~

15 ~~(5)]~~ a tax of 2 percent for all lines of business written pursuant to RSA 401:1, [~~IV,~~]  
16 including, but not limited to, insurers licensed pursuant to RSA 420-A, RSA 420-B, and RSA 420-F.

17 104 Applicability. The provisions of RSA 400-A:32, I(a) as amended by section 103 of this act  
18 shall apply to tax periods of authorized insurers beginning after June 30, 2009. Any additional  
19 premium tax liability due to the amendment to RSA 400-A:32, I(c) by section 103 of this act shall be  
20 paid in full to the insurance commissioner by June 15, 2010.

21 105 Effective Date.

22 I. Section 5 of this act shall take effect as provided in section 33 of this act.

23 II. Sections 13, 14, 16, 67-74, 77-80, and 92-99 of this act shall take effect July 1, 2010.

24 III. Sections 75 and 76 shall take effect June 15, 2010.

25 IV. The remainder of this act shall take effect upon its passage.



2010-1758h

AMENDED ANALYSIS

42. Sets the insurance premium tax at 2 percent for all lines of insurance business.

Rep. Almy, Graf. 11  
April 29, 2010  
2010-1759h  
01/09

Draft Amendment to SB 450-FN

1 Amend the bill by inserting after section 102 the following and renumbering the original section 103  
2 to read as 105:

3  
4 103 Tobacco Tax; Tax on Products Other than Cigarettes. Amend RSA 78:7-c to read as follows:  
5 78:7-c Tax Imposed on Tobacco Products Other Than Cigarettes. A tax upon the retail consumer  
6 is hereby imposed on tobacco products other than cigarettes at a rate of [~~48.59~~] 72.34 percent of the  
7 wholesale sales price. The tax under this section may be rounded to the nearest cent if the  
8 commissioner determines that the amount of tax would not thereby be made materially  
9 disproportionate. No such tax is imposed on any transactions, the taxation of which by this state is  
10 prohibited by the Constitution of the United States. No such tax shall be imposed on premium  
11 cigars.

12 104 Applicability; Tax on Tobacco Products Other than Cigarettes. Section 103 of this act shall  
13 apply to all persons licensed under RSA 78:2. Such persons shall inventory all taxable tobacco  
14 products other than cigarettes in their possession and file a report of such inventory with the  
15 department of revenue administration on a form prescribed by the commissioner within 20 days  
16 after the effective date of this section. The tax rate effective on the effective date of this section shall  
17 apply to such inventory and the difference, if any, in the amount paid previously on such inventory  
18 and the current effective rate of tax shall be due within 90 days of the effective date of this section.  
19 The inventory form shall be treated as a tax return for the purpose of computing penalties under  
20 RSA 21-J.

Draft Amendment to SB 450-FN  
- Page 2 -

2010-1759h

AMENDED ANALYSIS

42. Increases the tax rate imposed on tobacco products other than cigarettes.

Rep. Almy, Graf. 11  
April 29, 2010  
2010-1760h  
01/09

Draft Amendment to SB 450-FN

1 Amend the bill by replacing section 87 with the following:

2

3       87 Applicability; Tobacco Tax. Section 86 of this act shall apply to all persons licensed under  
4 RSA 78:2. Such persons shall inventory all taxable tobacco products in their possession and file a  
5 report of such inventory with the department of revenue administration on a form prescribed by the  
6 commissioner within 20 days after the effective date of this section. The tax rate effective on the  
7 effective date of this section shall apply to such inventory and the difference, if any, in the amount  
8 paid previously on such inventory and the current effective rate of tax shall be due within 90 days of  
9 the effective date of this section. The inventory form shall be treated as a tax return for the purpose  
10 of computing penalties under RSA 21-J.

HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** May 03, 2010

**LOB ROOM:** 210-211                      **Time Work Session Called to Order:** 1:45

**Time Adjourned:** 1:46

(please circle if present)

Committee Members: Reps. M. Smith, Nordgren, Foster, Eaton, Baroody, Benn, Leishman, DeJoi, Bucu, Poose, Mitchell, Keans, Casey, Harris, Kurk, D. Scamman, R. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokmo, Bergin, Belvin and R. Elliott.

Bill Sponsors: Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

\* Handouts attached.

Motions:            OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:                (Please attach record of roll call vote.)

Motions:            OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:                (Please attach record of roll call vote.)

HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** May 03, 2010

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Time Work Session Called to Order: 1:45

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(please circle if present)

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TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)



May 3, 2010

The Honorable Representative Marjorie Smith  
Chairman  
House Finance Committee  
Legislative Office Building  
Concord, NH 03301

RE: SB 450

Dear Rep. Smith:

This letter is intended to provide the House Finance Committee with information regarding the potential impact of SB 450 on Medicaid reimbursement for inpatient services provided by the Children's Hospital at Dartmouth (CHaD.) During the House Finance work session on SB 450 on Tuesday, 4/20, Rep. Wendelboe asked NH Medicaid Director Katie Dunn what the reimbursement rate was for CHaD, as a percent of costs. Ms. Dunn's response was "On average, NH hospitals are paid 50-60% of cost by NH Medicaid. The average will be lower with the suspension of DGME, IME and Catastrophic Aid and will need to be recalculated."

I asked DHMC's Finance Department to review NH Medicaid claims data to try to answer Rep. Wendelboe's question about CHaD. We reviewed inpatient admissions for the 6-month period of July 1, 2009 to December 31, 2009 for NH Medicaid patients, ages 0 – 17, excluding normal newborns. The data set included 323 admissions. The NH Medicaid reimbursement rate, including Indirect Medical Education (IME) payments and Catastrophic payments, (DGME was already suspended for this time period), was 43% of CHaD's cost of providing the care for these patients. **When we examined this same group of claims and eliminated IME and Catastrophic payments, we determined that the NH Medicaid reimbursement rate would decrease to 33% of cost.**

Dartmouth-Hitchcock opposes the suspension of IME and Catastrophic Aid to hospitals as proposed in SB 450. The suspension of these two payment categories disproportionately impacts Dartmouth-Hitchcock Medical Center. As a teaching hospital and home to the state's only children's hospital, DHMC is required to provide a comprehensive range of pediatric specialty services that would otherwise be unavailable in New Hampshire. **A reimbursement rate of 33% of cost threatens DHMC's ability to continue to provide the full range of pediatric services needed by New Hampshire patients – and NH Medicaid. I urge the House Finance Committee to reconsider these harmful cuts.**

If you require any additional information, please feel free to contact me.

Respectfully,

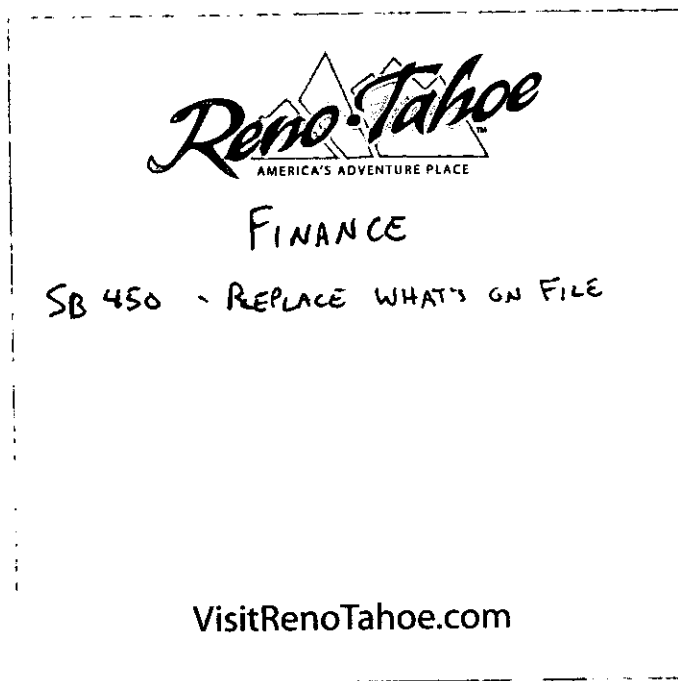
Gina Balkus  
Director of Government Relations

cc: House Finance Committee Members

Rep. Kurk, Hills. 7  
May 6, 2010  
2010-1963h  
01/09

Amendment to SB 450-FN

- 1 Amend the bill by replacing all after section 51 with the following:





STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF COMMUNITY BASED CARE SERVICES

129 PLEASANT STREET, CONCORD, NH 03301  
603-271-8560 1-800-852-3345 Ext. 8560  
Fax: 603-271-4912 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Nicholas A. Toumpas  
Commissioner

Nancy L. Rollins  
Associate Commissioner

May 3, 2010

The Honorable Marjorie K. Smith  
Chairman  
House Finance Committee  
Legislative Office Building  
Concord, NH 03301

***Re: Follow up to Inquiry – Governor’s Commission on Alcohol and Other Drug Prevention, Intervention and Treatment***

Dear Representative Smith:

This letter is in response to the inquiry regarding the time and personnel obligations of the Bureau of Drug and Alcohol Services (BDAS) to the Governor’s Commission.

The attached document identifies the time and cost for BDAS personnel to manage current Commission tasks and obligations versus the tasks which BDAS could otherwise obligate to evidence based practice if this time were available.

Please let me know if I you need additional information or if I can be of further assistance.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Nancy L. Rollins".

Nancy L. Rollins  
Associate Commissioner



**Current Personnel Obligations**

**Supplanted Duties**

**Prevention**

Position #	Title	# Hrs /Month	Annual Cash Value	Current Commission Tasks/Obligations
16603	Regional Coordinator	2	\$953	1) Bi-annual special reports, 136 pages detailing 43 contracted providers; 2) RFP development specific to Governor's Commission scope of service and criteria; 3) Develop and enforce protocol for meeting Governor's Commission requirements; 4) Prepare spreadsheet for proposals submitted for Governor Commission members to consider and make their recommendations for funding; 5) Attend Governor Commission Executive Committee and full committee meetings to answer questions on proposed programs; 6) Prepare and attend Governor Commission Bi monthly Prevention Task Force meetings; prepare agenda and other documents; 7) Due to parallel process in contract awards, funding and management creates undue delays, and work revision demands on staff.
16624	Chief of Prev & Educ	5	\$2,679	
42948	Administrator I	5	\$2,760	
16604	Administrative Secretary	6	\$1,994	
42936	Senior Analyst	3	\$1,932	
		Sub-Total:	\$10,317	

**Program Monitoring for Fidelity to Evidence Based Practice**  
 Conduct timely follow up with all contracted providers; including site visits and formal reviews, which has not been conducted in the past two years. Conduct consistent monitoring to ensure contract performance, evidence-based intervention fidelity and identification of technical assistance needs. Full analysis on work performance and web based data entries would be completed with regularly documented feedback Regular and consistent email and telephone communication would be provided to all contracted providers Contracting process is fragmented and often delayed due to the parallel process.

**Treatment**

Position #	Title	# Hrs /Month	Annual Cash Value	Current Commission Tasks/Obligations
16608	Administrator I	4	\$2,733	1) Bi-annual Gov. Comm Tx services reports utilizing a specific format requested by the Gov. Comm. Reports utilize information from Client Event Data Set but also contain several pages of narrative. 2) RFP Development and Process: Gov. Comm. identified Evidence Based Practice as its treatment focus for the future BDAS RFP for TX. Several meetings were held to vet the Commission's ideas around EBP and BDAS already selected EBP priorities. Required to obtain approval for BDAS selected priorities.3) Contract management and fiscal responsibilities. BDAS proposed contract reductions to the Comm. for their approval. Proposed funds restoration was also brought to the Commission for approval. BDAS Clinical Unit staff also prepared Executive Summaries and analysis of all Tx proposals for the Gov. Commission Ex. Committee on all applicants for treatment services for their approval.
16591	Regional Coordinator	4	\$1,925	
14959	Program Specialist IV	6	\$2,753	
16596	Secretary II	10	\$3,753	
		Sub-Total:	\$11,163	

**Program Monitoring for Fidelity to Evidence Based Practice**  
 Programmatic contract oversight and provider certification sites visits should occur twice a month to insure that all contracted providers are visited annually. The Clinical Services Unit has had to prioritize onsite inspections, focusing primarily on residential program locations, and is only able to currently do an approximately 6 per year. Based on past experience, some providers will need additional on-site technical assistance as a result of those clinical services reviews and those technical assistance services have not been provided at the level necessary to insure optimum performance.

**Business Office Functions**

Position #	Title	# Hrs /Month	Annual Cash Value	Current Commission Tasks/Obligations
42891	Systems Dev Spec IV	2	\$1,124	Data analysis for Governor's Commission reports. Close work and coordination with AOD units to prepare funding and contract information for the Governor's Commission.
12266	Administrator I	2	\$1,154	
		Sub-Total:	\$2,277	

**Program Monitoring for Fidelity to Evidence Based Practice**  
 Allocate more time to new IT systems development, including working with providers to bring system on line. Allocate more time to improving BDAS business functions. Allocate additional time in the development and implementation of the prevention IT system and Treatment IT system.

**Management**

Position #	Title	# Hrs /Month	Annual Cash Value	Current Commission Tasks/Obligations
9U454	Bureau Chief	6	\$5,220	1) Convene BDAS Administrators to identify specifics of funding and contract information needed for the Governor's Commission. 2) Meeting with Business Office staff to develop spreadsheets in a user friendly format that includes the total funding available and proposed allocations for different types of services. 3) Meeting with unit administrators and business office staff to prepare information for contract amendments and related spreadsheets. 4) Work with BDAS units to develop proposals to the Governor' Commission for specific types of services (i.e. prevention transformation).

**Program Monitoring for Fidelity to Evidence Based Practice**  
 1) Greater community interaction with stakeholders within the AOD system. 2) Greater community interaction with stakeholders from other systems. Greater interaction with other state agencies (via Governor's Commission) integrating /coordinating AOD policy and services. 3) More involvement with related projects from other systems (DOC, DHHS, DCYF, BBH, NHNG, DOE). 4) Greater involvement with other stakeholders (Governor's Commission, etc.) in implementing the AOD Plan for the State.

**TOTAL: \$28,978**

DETAIL CHANGE						
SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)						
DHHS ONLY - TENTATIVE AGREEMENTS AS OF 5/3/10 SHADED (WITH ADJUSTED FIGURES)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
1	<b>SECTION 60 - DEPARTMENT OF HEALTH AND HUMAN SERVICES (Total GF required reduction in 1311h = \$22,977,000)</b>					
2						
3	05-95-40		Division for Children, Youth and Families			
4	05-95-40-4030-6040		Domestic Violence Programs			
5	05-95-40-4030-6040	073	Grants - Non-Federal	G	0	Tentatively agreed to remove.
6						
7	05-95-40-4030-5855		Child-Family Services			
8	05-95-40-4030-5855	101	Medical Payments to Providers	G	(6,997)	Rate reductions of 2%.
9	05-95-40-4030-5855	101	Medical Payments to Providers	F	(7,031)	See above.
10	05-95-40-4030-5855	533	Foster Care Services	G	(172,486)	Rate reductions of 2%.
11	05-95-40-4030-5855	533	Foster Care Services	F	(173,320)	See above.
12	05-95-40-4030-5855	533	Foster Care Services - SYSC Restructuring	G	(1,130,247)	Restructures SYSC for expanded multi-use: consolidates Committed and Detained populations; creates Transition and Stabilization Program, and creates staff-secure shelter bed facility to replace currently contracted services.
13	05-95-40-4030-5855	535	Out Of Home Placements - SYSC Restructuring	G	(3,055,853)	See above.
14	05-95-40-4030-5855	535	Out Of Home Placements	G	(232,263)	Rate reductions of 2%.
15	05-95-40-4030-5855	535	Out Of Home Placements	F	(233,385)	See above.
16	05-95-40-4030-5855	550	Assessment and Counseling	G	(1,716)	Rate reductions of 2%.
17	05-95-40-4030-5855	550	Assessment and Counseling	F	(1,724)	See above.
18	05-95-40-4030-5855	563	Community Based Services	G	(59,040)	Rate reductions of 2%.
19	05-95-40-4030-5855	563	Community Based Services	F	(59,325)	See above.
20						
21	05-95-40-4030-5857		DCYF-Prevention Programs			
22	05-95-40-4030-5857	073	Grants - Non-Federal	G	(784,911)	Committee agreed to reduce diversion incentive program percentage from 4.5% to 3%; reduction column reflects adjusted reduction amount. Section 73 of the bill will be amended to reflect change.
23						
24	05-95-40		Division of Family Assistance			
25	05-95-45-4500-6127		Employment Support			
26	05-95-45-4500-6127	102	Contracts For Program Services	G	(73,000)	End family intervention contract for services and manage internally within DHHS.
27	05-95-45-4500-6127	102	Contracts For Program Services	F	(554,000)	See above.
28						

DETAIL CHANGE						
SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)						
DHHS ONLY - TENTATIVE AGREEMENTS AS OF 5/3/10 SHADED (WITH ADJUSTED FIGURES)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
29	05-95-45-4500-6174		APTD Grants			
30	05-95-45-4500-6174	501	Payments to Clients	G	(1,000,000)	Links APTD cash assistance eligibility to SSI. Clients denied assistance for SSI will not receive State cash assistance. See section 79 of amendment for statutory changes.
31						
32	05-95-48		Bureau of Elderly and Adult Services			
33	05-95-48-4810-8915		Congregate Housing			
34	05-95-48-4810-8915	502	Payments to Providers	G	(15,000)	Rate reductions of 2% for social services-congregate housing.
35						
36	05-95-48-4815-6173		Nursing Services			
37	05-95-48-4815-6173	504	Nursing Home Payments	G	(2,057,000)	Reduction of Nursing Home line similar to other BEAS reductions from 6% to 2%
38	05-95-48-4815-6173	504	Nursing Home Payments	F	(2,057,000)	See above.
39	05-95-48-4815-6173	505	Mid-Level Care Expenses	G	(71,000)	Rate reductions of 2%.
40	05-95-48-4815-6173	505	Mid-Level Care Expenses	F	(70,000)	See above.
41	05-95-48-4815-6173	506	Home Nursing Services	G	(435,000)	Rate reductions of 2%.
42	05-95-48-4815-6173	506	Home Nursing Services	F	(436,000)	See above.
43	05-95-48-4815-6173	529	Home Health Services	G	(161,000)	Rate reductions of 2%.
44	05-95-48-4815-6173	529	Home Health Services	F	(161,000)	See above.
45						
46	05-95-90		Division of Public Health Services			
47	05-95-90-9015-5121		Health Promotion			
48	05-95-90-9015-5121	020	Current Expenses	G	(12,422)	Discontinued health promotion and osteoporosis project, left with unencumbered funds
49	05-95-90-9015-5121	022	Rents & Leases Other than State	G	(1,500)	See above.
50	05-95-90-9015-5121	050	Personal Services - Temporary/Appointed	G	(9,503)	See above.
51	05-95-90-9015-5121	060	Benefits	G	(727)	See above.
52						
53	05-95-90-9020-2223		Boston EMA Title I			
54	05-95-90-9020-2223	568	TI HIV Care Boston Ema	G	(400,000)	Eliminates funds to AIDS Services Organizations (ASO's) for HIV care program. SECTION 11 OF HB 1664 (1078h) CONTAINED IDENTICAL REDUCTION
55						
56	05-95-90-9025-5178		Immunization Program			
57	05-95-90-9025-5178	102	Contracts For Program Services	F	(5,000)	Reduction in courier contract services.
58						

DETAIL CHANGE						
SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)						
DHHS ONLY - TENTATIVE AGREEMENTS AS OF 5/3/10 SHADED (WITH ADJUSTED FIGURES)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
59	05-95-90-9030-5230		Public Health Laboratories			
60	05-95-90-9030-5230	020	Current Expenses	G	(20,400)	State will be unable to receive regularly any specimens for infectious diseases investigations and outbreak management.
61	05-95-90-9030-5230	548	Reagents	G	(27,000)	See above.
62						
63	05-95-92		Bureau of Behavioral Health			
64	05-95-92-9200-7010		Community Mental Health Services			
65	05-95-92-9200-7010	552	Rehab Services	G	(466,000)	Establish Daily Limit on Functional Support Services for Children & Adolescents at 2.5 hours per day, which is currently the same limit for adults.
66	05-95-92-9200-7010	552	Rehab Services	F	(617,000)	See above.
67						
68	05-95-93		Division of Developmental Services			
69	05-95-93-9300-7100		Developmental Services			
70	05-95-93-9300-7100	102	Contracts for Program Services	G	(30,000)	Institute on Disability - limits funding for training.
71	05-95-93-9300-7100	557	Medicaid Waiver Services - Independent Living	G	(244,000)	Community Support Services - Independent Living. 59 clients will experience reductions in services. Client impact is the result of this reduction and the reduction under 05-95-93-9300-7016.
72	05-95-93-9300-7100	557	Medicaid Waiver Services - Independent Living	F	(244,000)	See above.
73	05-95-93-9300-7100	557	Medicaid Waiver Services - DD & ABD Waiver Service Coordination	G	(243,000)	Reduces funding for case management services.
74	05-95-93-9300-7100	557	Medicaid Waiver Services - DD & ABD Waiver Service Coordination	F	(243,000)	See above.
75	05-95-93-9300-7100	557	Medicaid Waiver Services - Targeted Case Management (Non-Waiver)	G	(184,000)	140 clients will experience reductions in case mgt services. Client impact is the result of this reduction and the reduction under 05-95-93-9300-7016.
76	05-95-93-9300-7100	557	Medicaid Waiver Services - Targeted Case Management (Non-Waiver)	F	(184,000)	See above.
77						
78	05-95-93-9300-7016		Acquired Brain Disorder Services			
79	05-95-93-9300-7016	557	Medicaid Waiver Services - Independent Living	G	(44,000)	See 05-95-93-9300-7100 above for number of clients impacted.
80	05-95-93-9300-7016	557	Medicaid Waiver Services - Independent Living	F	(44,000)	See above.
81	05-95-93-9300-7016	557	Medicaid Waiver Services - DD & ABD Waiver Service Coordination	G	(43,000)	Reduces funding for case management services
82	05-95-93-9300-7016	557	Medicaid Waiver Services - DD & ABD Waiver Service Coordination	F	(43,000)	See above.

DETAIL CHANGE						
SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)						
DHHS ONLY - TENTATIVE AGREEMENTS AS OF 5/3/10 SHADED (WITH ADJUSTED FIGURES)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
83	05-95-93-9300-7016	557	Medicaid Waiver Services - Targeted Case Management (Non-Waiver)	G	(33,000)	See 05-95-93-9300-7100 above for number of clients impact.
84	05-95-93-9300-7016	557	Medicaid Waiver Services - Targeted Case Management (Non-Waiver)	F	(33,000)	See above.
85						
86	05-95-93-9300-7110		Children's Services			
87	05-95-93-9300-7110	557	Medicaid Waiver Services - In Home Support	G	(100,000)	In home support waiver services funding reduction. No reduction of services, but delays start of services.
88	05-95-93-9300-7110	557	Medicaid Waiver Services - In Home Support	F	(100,000)	See above.
89						
90	05-95-93-9300-7559		NH Brain Injury Program			
91	05-95-93-9300-7559	502	Payments to Providers	G	(50,000)	Limits case mgt and pilot project on school sports concussions.
92						
93	05-95-93-9300-5191		Special Medical Services			
94	05-95-93-9300-5191	046	Consultants (Non-Benefited)	G	(41,000)	Eliminate unencumbered funds for neuro motor clinic consultants.
95	05-95-93-9300-5191	102	Contracts for Program Services	G	(15,000)	Family Voices contract level funded at FY 2009 level.
96	05-95-93-9300-5191	561	Specialty Clinics	G	(99,000)	Funds available if no additional caseload increases occur.
97						
98	05-95-94		New Hampshire Hospital			
99	05-95-94-9400-8750		Acute Psychiatric Services			
100	05-95-94-9400-8750	102	Contracts for Program Services	G	(190,000)	Eliminates 5% salary increase from Dartmouth contract for components for NHH, BHH (Research & Policy) Medicaid & DJJS.
101	05-95-94-9400-8750	102	Contracts for Program Services	F	(22,000)	See above.
102	05-95-94-9400-8750	010	Personal Services - Permanent Classified	G	(961,333)	Adults will no longer be served on F-unit at NHH. Proposal will eliminate funding for 31 positions (15711, 15713, 15740, 15781, 15805, 15854, 15863, 15864, 15875, 15889, 15916, 15945, 16035, 16142, 16163, 16214, 16530, 16548, 16638, 18636, 18637, 18638, 30829, 30919, 30927, 30929, 30939, 16375, 16378, 40426, 30932)
103	05-95-94-9400-8750	010	Personal Services - Permanent Classified	F	(415,333)	See above.
104	05-95-94-9400-8750	060	Benefits	G	(480,667)	See above.
105	05-95-94-9400-8750	060	Benefits	F	(207,667)	See above.
106						
107	05-95-95-9560		Office of Medicaid and Business Policy			

DETAIL CHANGE						
SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)						
DHHS ONLY - TENTATIVE AGREEMENTS AS OF 5/3/10 SHADED (WITH ADJUSTED FIGURES)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
108	05-95-95-9560-6126		Medicaid Administration			
109	05-95-95-9560-6126	512	Transportation Of Clients	G	(306,000)	Reduce beneficiary transportation mileage rate from \$.41 to \$.30. Assume May 1 rate change for FY 2010 impact.
110	05-95-95-9560-6126	512	Transportation Of Clients	F	(306,000)	See above.
111						
112	05-95-95-9560-6143		Pharmacy Services			
113	05-95-95-9560-6143	503	State Phase Down	G	(1,800,000)	Projected budget surplus in State Phase Down payments under Medicare Part D due to flat prescription drug price growth. <b>Committee direction needed relative to \$3.7M clawback FMAP savings. Savings can be added to this line item (bringin total reduction to \$5.5M) or reflected on surplus statement.</b>
114						
115	05-95-95-9560-6147		Provider Payments			
116	05-95-95-9560-6147	101	Medical Payments to Providers - Family Training	G	(255,487)	Apply utilization management to coverage for in-home post delivery support (CPT H1002).
117	05-95-95-9560-6147	101	Medical Payments to Providers - Family Training	F	(255,487)	See above.
118	05-95-95-9560-6147	101	Medical Payments to Providers - Disposable Gloves	G	(49,559)	Discontinue coverage for disposable gloves for incontinence supply patients.
119	05-95-95-9560-6147	101	Medical Payments to Providers - Disposable Gloves	F	(49,559)	See above.
120	05-95-95-9560-6147	101	Medical Payments to Providers - Family Training	G	(400,000)	Apply utilization management for in-home post delivery support (CPT T1027)
121	05-95-95-9560-6147	101	Medical Payments to Providers - Family Training	F	(400,000)	See above.
122	05-95-95-9560-6147	101	Medical Payments to Providers - Children's Hospital Boston	G	(750,000)	Reduce reimbursement for Children's Hospital Boston from 80% of cost to 70% of cost.
123	05-95-95-9560-6147	101	Medical Payments to Providers - Children's Hospital Boston	F	(750,000)	See above.
124	05-95-95-9560-6147	101	Medical Payments to Providers - Priced above 60%	G	(1,468,500)	Reduce professional fees priced above 60%, to 60% of market.
125	05-95-95-9560-6147	101	Medical Payments to Providers - Priced above 60%	F	(1,468,500)	See above.
126	05-95-95-9560-6147	101	Medical Payments to Providers - Priced above 70%	G	(493,300)	Reduce professional fees priced above 70%, to 70% of market.

DETAIL CHANGE						
SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)						
DHHS ONLY - TENTATIVE AGREEMENTS AS OF 5/3/10 SHADED (WITH ADJUSTED FIGURES)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
127	05-95-95-9560-6147	101	Medical Payments to Providers - Priced above 70%	F	(491,700)	See above.
128	05-95-95-9560-6147	565	Outpatient Hospital	G	(350,000)	Reduce service limit on hospital outpatient services from 12 visits per year to 6.
129	05-95-95-9560-6147	565	Outpatient Hospital	F	(350,000)	See above.
130						
131	05-95-95-9584		DCBCS Treatment & Prevention			
132	05-95-95-9584-1388		Governor			
133	05-95-95-9584-1388	102	Contracts for Program Services	G	(76,000)	Reduce funding for Governor's Commission. <b>SECTION 15 OF HB 1664 (1078h) PROPOSED REDUCTION OF \$190,000.</b>
134						
135	TBD		Contract Savings			
136	TBD		Consolidate contracts to save administrative costs	G	(1,500,000)	Save 25% of indirect costs for social services & medical contracts.
137	TBD		Consolidate contracts to save administrative costs	F	(1,500,000)	See above.
138						
139	TBD		Contract Program Services	G	(1,500,000)	Eliminates contract for TANF family supports. Service to be delivered by DHHS staff.
140	TBD		Contract Program Services	F	(1,500,000)	See above.
141						
142	<b>OTHER SECTIONS</b>					
143	Section 67		Suspension of home health rate setting rules			Section would suspend home health rate setting rules for the FY 2010-2011 biennium.
144	Section 68		Suspension of catastrophic illness program			Bill would suspend the catastrophic illness program for FY 2011. Savings estimated at \$489,000 in FY 2011.
145	Section 69		Suspension of senior volunteer programs			Section would suspend the senior volunteer grant program for FY 2011. Savings estimated at \$31,813 for Senior Companion, \$53,727 for Foster Grandparents, and \$73,295 for Retired Senior Volunteer Program in FY 2011.

DETAIL CHANGE						
SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)						
DHHS ONLY - TENTATIVE AGREEMENTS AS OF 5/3/10 SHADED (WITH ADJUSTED FIGURES)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
146	Section 70-72		Governor's Commission on Alcohol & Drug Abuse Prevention			Sections would authorize the commissioner of DHHS to disburse funds from the alcohol abuse prevention and treatment fund, amend the duties of the Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention and Treatment, and delete authority for disbursement of funds from the alcohol abuse prevention and treatment fund. Savings contained in section 60 of the bill are not related to this change, of which the fiscal impact is indeterminable.
147	Section 73		Diversion Incentive Program to 3%			Committee tentatively agreed to reduce diversion incentive program funding from 4.5% to 3% of out-of-home placement funding which was the action proposed in sections 7 and 23 of HB 1664 (1078h). <b>\$784,911 savings contained on row 22 associated with this change.</b> Amendment forthcoming which will also include reporting requirement.
148	Section 74		Reduction of residential provider rates			Section would reduce rates paid to residential providers by 2% in FY 2011. Section 60 contains appropriation reductions relative to this change.
149	Section 75		Suspension of Graduate Medical Education Payments - technical correction			Section makes technical change to suspension of graduate medical education payments as contained in Chapter 144, Laws of 2009 (HB 2).
150	Section 76		Suspension of Indirect Medical Education Payments			Committee tentatively agreed to suspend payments for indirect medical education effective April 1, 2010. Savings estimated at \$219,000 in FY 2010 and \$1,031,000 in FY 2011. <b>SECTION 24 OF HB 1664 (1078h) CONTAINED SUSPENSION IN FY 2011.</b>
151	Section 77		Suspension of catastrophic aid payments to hospitals			Committee tentatively agreed to section with suspension effective 6/15/10 through the end of FY 2011. Savings estimated at \$1,400,000 in FY 2011.
152	Section 78		TANF home visiting footnote			Section would remove budget footnote relative to requiring DHHS to utilize \$400,000 appropriated TANF funds in FY 2010 and 2011 for the home visiting program.



DETAIL CHANGE						
SB 450 PROPOSED AMENDMENT (2010-1311h) VS ENACTED BUDGET (CHAPTER 143:1, LAWS OF 2009)						
DHHS ONLY - TENTATIVE AGREEMENTS AS OF 5/3/10 SHADED (WITH ADJUSTED FIGURES)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
153	Section 79		Link APTD Eligibility to SSI			Links eligibility for APTD cash assistance to SSI eligibility. Clients denied assistance for SSI will not receive State cash assistance. Corresponding reduction contained under section 60 above. <b>\$1,000,000 appropriation reduction contained on Row 30 above relative to this section.</b>
154						
155			<b>Total Funds</b>		<b>(34,881,943)</b>	
156						
157			<b>General Funds</b>		<b>(21,899,911)</b>	
158			<b>Federal Funds</b>		<b>(12,982,032)</b>	
159			<b>Highway Funds</b>		<b>0</b>	
160			<b>Fish &amp; Game Funds</b>		<b>0</b>	
161			<b>Other Funds</b>		<b>0</b>	

HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** May 04, 2010

**LOB ROOM:** 210-211      **Time Work Session Called to Order:** 11:30

**Time Adjourned:**

(please circle if present)

Committee Members: Reps. M. Smith, Nordgren, Poster, Eaton, Baroody, Benn, Leishman, DeJoi, Buco, Roose, Mitchell, Keans, Casen, Harris, Kirk, Q. Scamman, E. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokmo, Bergin, Belvin and R. Elliott. Weyler

Bill Sponsors: Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

*Beginning with sections 10-11*

Motions:      OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:            (Please attach record of roll call vote.)

Motions:      OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:            (Please attach record of roll call vote.)

HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** May 04, 2010

**LOB ROOM:** 210-211                      **Time Work Session Called to Order:** 1:00

**Time Adjourned:**

(please circle if present)

**Committee Members:** Reps. M. Smith, Nordgren, Foster, Eaton, Baroody, Benn, Leishman, DeJoie, Būco, Foose, Mitchell, Keans, Casey, Harris, Kurk, D. Scamman, E. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokmo, Bergin, Belvin and R. Elliott.

**Bill Sponsors:** Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

\*Amendment 2010-1711h distributed.

Rep. D. Scamman and Rep. DeJoie questions answered about intent.

Mr. Steve Mosher, Department of Health and Human Services (DHHS) explained department's position and endorsed.

Agreement that #2010-1711h be incorporated in Section 9.

Vice Chairman Nordgren: Revisited Sections 10, 11.

Ms. Kathryn Frey, Office of Health Management, DHHS, presented breakdown of fees and fines.

Hold Section 10, 11 for now.

Section 15:

Atty. Jennifer Jones, DHHS: Discussed questions on multiple issues. Nursing facility eligibility vs. HICBIC eligibility. Department wanted this for housekeeping. Inclusion in amendment #2010-1526 was ruled non-germane.

Chairman Smith: Concurred about lack of public hearing, lack of explanations and impact of changing rules, so why do this now?

Atty. Jones: Rules changed in late 2008 so housekeeping is necessary.

Sense of committee:

Rep. D. Scamman: Leave it in.

V. Chair Nordgren: This is not an urgent issue.

Rep. Kurk: Let's approve.

Rep. DeJoie: Issue is we don't have to address in this bill.

Rep. Foster: Agree with Reps. DeJoie and Nordgren. Wants public input.

Atty. Jones: This will cost \$348k next year if we take out.

Chairman Smith: Troubled by us taking action without input from policy committee. Could consider leaving in.

Section 67:

Rep. DeJoie: Did State just settle a case?

Mr. Jonathan McCosh, Business Administrator, DHHS: This change was put in place April 1. Section 67 suspends rule so that we can reduce rates. Home Health Market Basket sets our increase. This is subject to budget neutrality. Previous rate increase 3 years ago. Other long term care agencies have received increases since. \$435k savings. Extensive discussion of rate setting.

Tentative agreement to remove.

Sections 70-72:

Money will not be saved by eliminating the commission. Administrative differences would be avoided.

\* Letter from DHHS re: Governor's Commission on Alcohol and Other Drug Prevention, Intervention and Treatment (CAODPIT).

Rep. DeJoie suggests we eliminate language.

Chairman Smith reviews Commissioners.

Rep. D. Scamman: Let's grab savings but delete from bill.

Mr. Joe Harding, Director, CAODPIT: No there would not be savings.

Rep. Foster: This is a policy matter.

Sections 70-72 removed.

Section 73:

Rep. D. Scamman: Encourages adoption of Smith amendment #2010-1769h.

Rep. Kurk asks for trend data.

Atty. Byry Kennedy, Dir., Legal Services, Division for Children, Youth & Families: We can get that.

Accept amendment.

Section 78:

V. Chairman Nordgren reopens Section 78.

Can we continue our maintenance of effort (MOE)?

Ms. Frey, DHHS: MOE for home visiting programs. We expect more guidance in September.

Rep. Kurk: How will you make up \$450k if this is removed?

Concerns either way.

Deputy Commissioner Mary Ann Cooney, DHHS: We continue to propose this reduction.

Rep. DeJoie: How do you make up services?

Rep. Harris: If this goes, neonatal programs would be gutted?

Dep. Comm. Cooney: We'll try everything to access Health Care money.

Rep. Mitchell: Can we estimate cost of cutting?

Deputy Comm. Cooney: We have not done a cost-benefit analysis.

V. Chairman Nordgren: Programs like this work and cost us more in the end.

Rep. Kurk: With this language do we obligate ourselves?

Mr. Mosher: Yes, we're required in current budget.

Rep. Kurk: How do we give you more responsibility?

Rep. D. Scamman: Governor must come to Fiscal with a request before cutting.

Leave a question.

Section 79:

Amendment #2010-1739h

\$1 million savings if this accepted.

**Rep. D. Scamman:** What happens if we don't spend this? We know reversal rate is high.

**Atty. Jones:** No issue with MOE, no issue with Feds. We've trying to shorten period before cash payments are suspended.

**Rep. D. Scamman:** Questions connection between state and national figures.

**LBA:** Let's look at Health and Human Services.

Discussion of amendment #2010-1681. 14 Adults saved, 12 adults will be provided. DHHS \$1,440k savings for closing I wing. If Smith proposal not followed, what happens to I wing?

**Deputy Comm. Cooney:** I wing will be vacant. If we take beds out of system, patients go straight go emergency rooms. Hospitals don't bill towns.

**V. Chairman Nordgren:** Will you terminate education services:

**Deputy Comm. Cooney:** We will use this to cut costs.

**Rep. DeJoie:** We will lay off most educators and provide education through tutoring services?

**Deputy Comm. Cooney:** Focus will be on acute psychiatric services. Children will be segregated from adults.

**V. Chairman Nordgren:** Concern about change in educational component.

**Deputy Comm. Cooney:** We will continue to provide services.

**Rep. Kurk:** Savings in Residential Treatment closing?

**LBA:** \$4.2 in savings.

**Rep. Benn:** Have we done architectural work at YDC?

**Rep. Wendelboe:** Have you analyzed Laconia? **Rep. Smith** amendment #2010-1681 not favored by DHHS or Corrections. How can we solve problems without department support?

**Chairman Smith:** Amendment doesn't take a lot of time.

**Rep. Kurk:** Hillsborough County can absorb impact of loss of rent if facility closed?

**Chairman Smith:** Amendment drives planning for short and long term benefit. This is a plan, not a study.

Rep. Foster supports.

Rep. Keans: Look at Laconia.

Chairman. Smith: We're spending \$1 million per year to mothball Laconia.

Rep. Kurk: Do we need a public hearing?

Chairman Smith: This is germane because HHS and Corrections asked for efficiencies. There is a timetable.

Reps. Belvin, Bergin and Kurk: We are generating some numbers but we don't have all the numbers.

Rep. Wendelboe: Can't support because of Laconia.

LBA continued review of detail changes.

Agree to 14 through 19.  
Row 30 related to Section 79.  
Rows 102-105 on hold due to Sununu discussion.

Deputy Comm. Cooney: Cost of serving 12 people is high because you're opening another wing..

Rows 122-123 tied to 127.

Rep. DeJoie: Concerned about cut to children not being proportional.

All issues regarding use of children's wing discussed again.

Rep. D. Scamman, Rep. Foose suggested we move.

Rows 122-123 accepted.  
Rows 124-127 accepted.  
Row 133 accepted.  
Rows 136-137: Mr. Mosher, DHHS: Commissioner plans to change delivery of social services.

Rep. Kurk looks for a guarantee that savings come from Administration.

Accepted.  
Rows 139-140 accepted.  
Row 143 removed.  
Row 147 accepted.

Ms. Gail Matson: NH using a prototype process.

Row 153 accept amendment.  
Row 152 reverse.

\*Amendment # 2010-1730h, #2010-1596h, #2010-1467h, and #2010-1564h introduced.

Rep. D. Scamman reported trends at Sununu Center.

Mr. Eric Warren, DHHS

Deputy Comm. Cooney: Described transition from Tobey School.

Rep. Kurk, et al, explored number of youth counselors.

Deputy Comm. Cooney:: Underscored commitment to the amendment and to the committee.

Rep. D. Scamman questions personnel roles.

#### Section 34

\* Rep. Eaton introduced amendment #2010-1786.

Mr. Pattison, LBA: Described pressures on legislative budget.

Estimated balance of fund \$1.8 million at end of FY 2011. Calculation deducts cost of CAFER, legislative salaries and legislative mileage.

Accepted.

#### Section 35

\* Rep. Kurk introduced amendment #2010-1811h. Described background of judicial restructuring commission. By not filling positions with full timer, the court would prepare for future reorganization.

Rep. D. Scamman: Suggests cutting number of judges.

Rep. Kurk will modify to establish correct relationship with executive branch.

Regarding \$4 million reduction, Chairman Smith proposes cut of \$1 million instead.

\* Chairman Smith introduces amendment #2010-1437h.

Rep. Kurk suggests one-time money from agencies that are funded by organizations that impose a burden on the judiciary. Similar to legislation that lapses other funds.

Rep. Kurk has no problem; suggests that we create a package.

#### Section 58



\* Rep. Leishman introduced detail change sheet for Department of Environmental Services (DES).

\* Chairman Smith introduces amendment #2010-1641h.

Accept.

Sections 10-11

After discussion, V. Chairman Nordgren holds.

Section 15

No action.

Sections 17-32

\* Rep. DeJoie introduced amendment #2010-1635h.

Rep. Kurk endorsed.

Accepted unanimously.

Section 37

\* Rep. Kurk introduced amendment #2010-1765h and described amendment content.

Rep. Eaton spoke against.

Rep. D. Scamman spoke for.

Rep. Foster spoke against.

Rep. Wendelboe spoke against.

Rep. Baroody spoke against.

Rep. Belvin spoke for.

A straw vote: against.

Section 65

Accept

Dedicated Fund:

Title 5	\$1 million
Air Pollution	\$1 million, \$.5 million
Asbestos Abatement	\$200
Wetlands	\$1 million

Are there inadvertent problems?

\* **Comm. Burack**, Department of Environmental Services (DES) and **Ms. Susan Carlson**, Chief Operations Officer, distributed handout describing problems. Differences with Department of Administrative Services' numbers.

**Mr. Bob Scott**, Environmental Programs Administrator, DES: Described imbalance in fund and lack of ability to generate federal support.

**Chairman Smith**: Net result – no funds available. Suggestions for other funds?

\* **Mr. Gerard Murphy**, LBAO, distributed back-up data.

**Comm. Barthelmes**, Department of Safety (DOS) and **Mr. Kevin O'Brien**, Chief of Policy and Planning: Plate fund - can support \$250k with caution; Enhanced 911 – problematic given federal law. Suggestions for other funds.

**Comm. Virginia Barry**, Department of Education (DOE) and **Ms. Judith Fillion**, Director, Standards and Certification: We used \$1 million from education credentialing in 2009; could do \$250 k. Suggestions for other funds.

**Mr. David Scanlan**, Deputy Secretary of State: We need \$2 million from securities education. This fund already lapses. Suggestions for other funds.

**Atty. Celia Leonard**, Banking Department: (Amendment #2010-1437h) Concerned about losing funds that were collected for specific purposes.

**Ms. Kathleen Belanger**, Director of Administration, Insurance Department and **Ms. Norma Stallings**, Chief Tax Auditor: Balances used to accredit insurance companies.

\* **Ms. Debra Howland**, Executive Director, Public Utilities Commission (PUC) and **Atty. Anne Ross**, General Counsel: PUC handout showing reasons to not do.

**Chairman Smith**: Choice: find more cuts, find new revenue sources.

\* **Mr. Michael Kane**, LBAO: Passed out Ways and Means packet. Review individual items:

Section 86 – no support, remove.

Amendment #2010-1760h, no support, remove.

Amendment #2010-1757h, Keans/Eaton, roll call – 13-9 OTP

Amendment #2010-1724h, Leishman/Foose, show of hands.

Amendment #2010-1713h already supported by voice vote.

Section 99, already supported by voice vote.

Amendment #2010-1727h, Nordgren/Benn, roll call – 13-11 OTP.

Amendment #2010-1758h, Mitchell/Eaton, roll call – 14-11 OTP.

Amendment #2010-1755h, Foose/Leishman, roll call – 15-10 OTP.

Sections 86-88

Completed work, awaiting amendment.

Section 82

- Supported by Public Works.
- Rep. D. Scamman spoke against.
- Rep. Kurk spoke against.
- Rep. Harris spoke for new taxes, not cuts.

At 3:50 the work session was recessed until 4:30. Work began again at 4:50.

A vote was taken on Section 82, roll call – 14-11 OTP.

Sections 83-85

\* Chairman Smith introduced Amendment #2010-1828h.

Rep. Kurk: Where is promise to repay?

Chairman Smith: University Trustees have committed to a \$25 million contribution.

Amendment #2010-1828h passes by roll call, 14-11.

Sections 86-87 removed.

Section 88, amendment being processed.

Section 98 approved w/ a show of hands.

Section 80

Amendment #2010-1829h (Smith), moved OTP, Nordgren/Eaton, 13-12.

Amendment #2010-1599h (Kurk), moved OTP, Kurk/D. Scamman, roll call 11-14 fails.

Amendment #2010-1438h (Smith), moved OTP, Leishman/Foose, 13-12.

Sections 10-11

Keep in suggested V. Chair Nordgren.

Rep. L. Ober opposes, (show of hands) 11-14, fails.

Sections retained.

Section 15

Rep. DeJoie suggests removal, (show of hands) 14-11, passes. Section removed.

Section 35

Chairman Smith moves removal, Rep. Elliott seconds. (Show of hands) 16-7, passes. Section removed.

\* Chairman Smith distributes letter from University System of New Hampshire.

Section 37

Mr. Gerard Murphy, LBAO, described savings in Administrative services.

Reps. Kurk and Smith discussed quality of savings.

Rep. L. Ober asks for a preliminary reporting date.

Chairman Smith reminds that June 15 will be replaced by February 15. Accepted unanimously by a show of hands.

Section 49

\* Rep. Wendelboe presented amendment #2010-1870h. Moved OTP by Reps. Wendelboe/Elliott, 18-2. Original section should have reflected \$139,000 reduction. Page 9, lines 288, 289 will be removed per amendment #1870h. Unanimous show of hands, accepted.

Section 58

\* Chairman Smith presented amendment #2010-1826h. Rep. Eaton/Foster moved OTP, passed unanimously by a show of hands.

Chairman Smith discussed Burack letter identifying two new funds totaling \$100,000 for lapses.

Rep. Kurk questions language in amendment. Section 58 had been approved prior evening.

Section 64

\* Rep. L. Ober and Rep. Leishman present amendment #2010-1702h. Rep. Kurk discussed need for amendment. Rep. Bergin moved question. Passed by unanimous show of hands.

Chairman Smith discusses Catastrophic Aid and asks reduction of \$3,991,405 changing line 927 to 79%. Reps. Eaton and Foose moved OTP, passed by a unanimous show of hands.

Rep. Kurk supports avoiding downshifting.

Mr. Beardmore, LBAO, describes calculation of proration.

Section 64 now adopted.

At 6:55 the work session was recessed until 7:30. Work resumed at 7:40.

Section 60

\* Mr. Michael Kane, LBAO, distributed information on Sununu Youth Development Center staff level from Director William Fenniman.

Mr. Eric Borrin, Developmental Services Behavioral Specialist, DHHS, described differences.

\* Rep. Kurk presented amendment #2010-1827h. Reps. Kurk and Weyler move OTP, passed by show of hands.

Amendment #2010-1681 (introduced earlier today) on hold.

Rep. Eaton spoke in favor.

Rep. Wendelboe spoke against.  
Rep. L. Ober spoke against.

Rep. Eaton described reports of renovation at Laconia and urged adoption.

Rep. Baroody reported that Manchester doesn't want women's prison.

Rep. Emerton worried about prisoners being transferred.

Vote on #2010-1681h – show of hands 20-4.

Page 1, lines 12,13: Savings will be eliminated.  
Page 4, lines 102-105: Numbers will be unchanged.

No items on hold.

Row 30 reduction eliminated.

Answer to Rep. Elliott on in-home services provided by Asst. Comm. Nancy Rollins, DHHS: "This action impacts waiting by a number of months for each child."

Sections 87.88

Positions should be reversed. Motion passes, 13-6, position reversed.

On Page 2, row 43, 44 reduction reversed. Change supported.

Work completed on horizontal document for Section 60.

\*Chairman Smith presented amendment #2010-1592h.

Mr. Steve Mosher, DHHS, explained impact of amendment.

Chairman Smith questioned Mr. Mosher regarding lapses. How are deficits related to lapses?

Rep. Foose/Leishman moved OTP. Motion passed by roll call 17-7.

\* Rep. D. Scamman introduced amendment #2010-1892h; limits bumping rights.

Reps. D. Scamman and Kurk moved OTP; passed by hand vote 22-1.

Rep. DeJoie doesn't want to duplicate "bumping rights" problem.

\* Rep. DeJoie introduced amendment #2010-1635h; distribution of unclassified and classified employees in layoffs. Would consider use of proportionally on line 6. Red book employees are non-classified.

Rep. Kurk questions if this isn't policy?

Amendment adopted by a hand vote, 18-5.

\* Rep. Kurk introduced amendment #2010-1689h; described change from amendment that was included in HB 1664.

Rep. Eaton spoke against. Amendment withdrawn.

Rep. Kurk introduced amendment contained in HB 1664 which contains lower rates on 14, 15. Passed by a show of hands, 13-11.

\* Chairman Smith presented amendment #2010-1581h. Reps. Wendelboe/Leishman moved OTP, motion adopted by hand vote.

Funding for Connecticut River Valley Commission. Reps. Bergin/Foose moved OTP. Motion adopted by hand vote, 13-11.

\* Funding for Connecticut River Valley Commission, amendment #2010-1529h. Reps. Benn/Foose moved OTP, motion fails, 5-19.

\* Rep. Bergin introduced amendment #2010-1763h. Accepted by hand vote, 16-8.

\* Rep. DeJoie introduced amendment #2010-1595h. Rejected by hand vote, 4-20.

\* Chairman Smith introduced amendment #2010-1891h. Accepted by hand vote, unanimous.

\* Chairman Smith introduced amendment #2010-1883h. Accepted by hand vote, unanimous.

\* Chairman Smith introduced amendment #2010-1628h. Accepted by hand vote, 22-1.

\* Chairman Smith introduced amendment #2010-1775h. Accepted by hand vote, unanimous.

\* Rep. Kurk introduced amendment #2010-1761h, to study regulatory structure for gambling. The amendment failed by hand vote, 5-18.

\* Chairman Smith introduced amendment #2010-1533h, fine revenues from safety. Accepted by hand vote, 18-6.

\* Rep. Kurk introduced amendment #2010-1653h. Rejected by hand vote, 9-12.

- \* Rep. Kurk introduced amendment #2010-1608h, university debt service. Rejected by hand vote, 5-17.
- \* Rep. Kurk introduced amendment #2010-1611h, furlough rules. Accepted by hand vote, 14-8.

NON-GERMANE AMENDMENTS:

- \* Rep. Baroody introduced amendment #2010-1787. Rejected by hand vote 10-12.
- \* Rep. Wendelboe introduced amendment #2010-1484h. Rejected by hand vote, 8-16.
- \* Rep. Vallaincourt introduced amendment #2010-1627h, Gatsas bill. Rejected by hand vote 8-14.
- \* Rep. Kurk introduced amendment #2010-1593h, delete lines 23-31 on page 2. Rejected by hand vote, 8-14.
- \* Rep. Keans introduced amendment #2010- 1716h. Accepted by hand vote, 17-7.
- \* Rep. Eaton introduced amendment #2010-1729h, LGC. Rejected by hand vote, 11-13.
- \* Rep. Kurk introduced amendment #2010-1813h, withdrawn.
- \* Rep. Eaton and Rep. Foose introduced technical amendment. Voice vote.

Chairman Smith moved OTP, seconded by Rep. Eaton.

Respectfully submitted,

  
Rep. Randy Foose,  
Clerk

Motions:        OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:            (Please attach record of roll call vote.)

of restraint. We don't believe restraint is common

Asst. Atty General - Agencies will need help but volume of reports is unknown  
Ober distributed amendment to 485 but work session needs to be noticed for Thurs

5/4  
10/10

450 - FN

Amendment 1711 Seaman DeJare questions answered about intent  
Moshier. HHS explained dept's position and endorsed

Agreement that 1711 be incorporated in Sec. 9

Noelgren revisited sections 10, 11

Frey presented breakdown of fees - fines hold sec 10, 11 for now

Section 15

Jones: discussed questions on multiple issues  
Nursing Facility eligibility vs HHCBC eligibility  
Jones Dept wanted this for housekeeping inclusion 1526 was ruled non germane

Ch. Smith concerned about lack of public hearing, lack of explanations and impact of changing rules so when do this now

Jones: Rules changed in <sup>late</sup> 2008 so housekeeping is necessary



Sense of Committee

Scammann - leave it in

Nordgren - this is not an urgent issue

Kurk - lets approve

DeJoa - issue is we don't have to address in this bill

Foster - agree w/DeJoa and Nordgren wants public input

Jones - This will cost \$348k next year if we take out

Smith - Troubled by us taking action w/o input from policy committee

Could consider leaving in

~~Section~~ Section 67

DeJoa Did state just settle a case

McCauley This change ~~rate~~ was put in place for April 1

Sec. 67 suspends rule so that we can reduce rates

Home Health market Basket sets our Increase

This is subject to budget neutrality

Previous rate increase 3 yrs ago

Other long term care agencies have received increases since

\$435k savings

Extensive discussion of rate setting

Tentative agreement to remove

See 70-72

Money will not be saved by eliminating the commission. Administrative differences would be avoided. ~~Department~~

Letter from HHS re governors commission. DeJure suggests we eliminate language

Smith reviews commissioners

~~to~~ Scamman lets grab savings but detake from bill

Joe Harding - no there would not be savings

Foster - ~~not~~ this is a policy matter

70-72 Removed

Section 73

Scamman encourages adoption of Smith amendment to 1769

Kirk asks for trend data

Atty Kennedy we can get that change accept amendment

Wardlaw scopes Section 78

Can we continue our maintenance of effort Rate Fryn. MOE for home visiting programs

We expect more guidance in Sept.

Kirk How will you make up \$450K if this is removed

~~TABLE~~ - concerns either way

Coomay - We continue to propose this reduction

DeJure - How do you make up services

Harris - If this goes, non-essential programs would be gutted.

Cooney - We'll try everything to access Health Care \$

Mitchell - can we estimate cost of cutting.

Cooney - We have not done a cost-benefit analysis

Nordgren - Programs like this work and cost us more in the end.

Kirk - With this language do we obligate ourselves?

Mosher - Yes we're required in current budget

Kirk - How do we give you more responsibility

Scammann - Governor must come to Fiscal before cutting with a request

Leave A Question

Section 79

Amendment 1739

~~Kirk funding~~

\$1 mil savings if this accepted

Scammann - What happens if we don't spend this We know reversal rate is high

Jones - No issue with MOE. No this issue w/Secs

We're trying to shorten period before cash payments are suspended

Scammann questions connection between state and national figures

Leave white

LBA - lets look at HHS

Discussion of 1681

14 adults ~~is~~ saved

12 adults will be provided

DNHS \$1,440K savings for closing I wing  
If Smith proposal not followed what happens  
to I wing

Coony - I wing will be vacant

If we ~~lose~~ take beds out of system,  
patients go straight to emergency rooms  
Hospitals don't bill towns

Nordgren - Will you terminate education services

Coony - We will use this to cut costs

DeJan - We will lay off most educators and  
provide education through tutoring services

Coony - Focus will be on acute psychiatric  
services

Children will be segregated from  
adults

Nordgren - concern about ~~ed~~ change in educational  
component

Coony - We will continue to provide services

Kirk - Savings on Residential Treatment Closing

LBO - \$4.2 in savings

Bann - have we done architectural work at YOC

Wendleboe - have you analyzed LBA contract

Smith Amendment 1681 not favored by DPHS  
or Corrections

Wendlebor - How CAN we solve problems w/o department support

Smith - Amendment doesn't take a lot of time

Kirk - Hillsborough <sup>County</sup> near absorb impact of loss of rent if ~~per~~ women facilities closed

Smith: Amendment drives planning for short and long term benefit

This is a plan, not a study

Foster - Supportive

Keans - Look at harmonia

Smith - We're spending \$1 mil/year to mottball harmonia

Kirk - public do we need a public hearing

Smith - This is germane because MMS and Corrections asked for efficiencies

There is a timetable

Belvin, Bergin, Kirk - We are generating some numbers but we don't have all the numbers

Wendlebor - can't support because of harmonia

LBA - continued review of detail change

Agree to 14 through 19

Row 30 related to section 79

Rows 102-105 now hold due to sunover discussion

Cooney - cost of serving 12 people is high

because you're opening another wing  
122-123 tied to 127

DeJure concerned about cut to children not  
being proportional

All issues re use of Children's discussed

Again

Katie Down

Scamman, Fosse move on

122-123 Accepted

124-127 Accepted

133 Accepted ~~but increase savings to 1900~~

136-137 Mosher - Commissioner plans to change  
delivery social services

Kirk looks for a guarantee that savings  
come from administration

Accepted

139-140 Accepted

143 removed

146 Re. Removed

147 Accepted

OK  
153

Mattson - NH using a prototype process

153 - Accept Amendment

152 Reverse

Amendments 1230, 1596, 1467, 1564 introduced

Elliott } Amendment

Mr. Williams }

Scamman Reported trends at Summit

Eric Warren HHS

Cooney described transition from Tobey School  
Kirk et al explored # of youth counselors  
Cooney underscored commitment to ~~the~~ the  
amendment and to the committee  
Scamman questions personnel roles

Section 34 ~~178~~

Eaton introduces 1786

~~Accepted~~

Patterson described pressures on legislative  
budget

Est budget \$1.8 mil at end of FY2011

Calculation deducts cost of CAFER, legislative  
salaries and legislative mileage

Accepted

Section 35

Kirk introduced 1811

~~He~~ Described background of judicial  
restructuring <sup>commission</sup> ~~committee~~. By not filling  
positions with full time ~~into~~ the court  
would prepare for future reorganization

Scamman suggests cutting number of judges  
~~or~~ Kirk will modify to establish correct  
relationship w/ executive branch

~~Red~~ \$4 mil reductions Smith proposes  
cut of \$1 mil instead

~~Kirk~~ Smith introduces Amendment 1437

Kirk suggests one time money from agencies that are funded by organizations that impose a burden on the judiciary similar to legislation that lapses other funds

Kirk has no problem

Kirk suggests that we create a package

Section 5B

Krishnan introduced detail change sheet for DES

Smith introduces amendment 1641 accept

Section 10-11

After discussion Nordgren holds

Section 15

No Action

Section 17-32

DeJaire ~~John~~ introduced amendment 1625, 1635

Kirk endorsed

Accepted unanimously



Section 37

- Kirk introduced IP amendment 1265
- described amendment content
- Eaton spoke against
- Scammur spoke for
- Foster spoke against
- Wendell spoke ~~for~~ against
- Broody spoke against
- Balun - spoke for
- straw vote against

~~1437~~  
~~Sup Dedicated Fund Discussion~~  
 Roy

Section 65  
 Roy + Venkat  
~~open~~ Accept

~~1437~~ Dedicated Fund

Title 5	\$ 1 mil	
Air Pollution	\$ 1 mil	\$ .5 mil
Asbestos Abatement	\$ 200	
In lieu Wet lands	\$ 1 mil	

Are there  
~~How~~ Inadvertent Problems

Burak, Susan Carlson  
 Distributed handout describing problems  
 Differences with Def Admin #s

Bob Scott - described imbalance in fund and  
- lack of ability to generate federal support  
M.S. Net result - no funds available  
suggestions for other funds

LBA (Murphy) distributed back up data

Barthemes, O'Brien  
Plate Fund - can support \$250K with caution  
Enhanced 911 - problematic given federal law  
suggestions for other funds

Berry, Fillion  
we used \$1 mil from education credentialing in 2009  
could do \$250K  
suggestions for other funds

Scanlon  
we need \$2 mil from securities education  
this fund already lapses  
suggestions for other funds

✓ 1437

Banking Leonard  
concerned about losing funds that were collected for specific purposes  
Insurance Kathleen? Stalling  
balances used to accredit insurance co.  
PUC Ross, Howland  
PUC handout showing reasons to not do

M. Smith - Choice - find more cuts, find new revenue sources

LBA. (Korn) passes out W-M packet ✓

Review individual items

Sec 86 No support - remove

Amendment 1760 No support - remove

Amendment 1757 Kerns/Eaton roll call

Amendment 1724 Leshman/Fosse show of hands

OK Amendment ~~1713~~ already supported Voice

Section 99 Voice

Amendment 1727 Nordgren/Benn roll call

Amendment 1758 Mitchell/Eaton roll call

Amendment 1755 Fosse/Leshman roll call

Section 86-88

completed work awaiting amendment

Section 82

- supported by public works

- Schman spoke against

- Kirk spoke against

- Harris spoke for new taxes, not cuts

3:50 break until 4:30

resume / 4:50

Note on 82

Section 83-85

Smith ~~proposed~~ introduced amendment 1828

Kirk - Where is promise to repay  
Smith - University Trustees have committed  
to a \$25 mil contribution

Amendment passes 1828

sections 86, 87 removed

sections 88 amendment being processed

section 98 Approved w/show of hands

section 80	Smith Amendment	1829	Nordgren	Errow 13-12
	Kirk Amendment	1599	Kirk Scamman	Ames Roll call
	Smith Amendment	1438	Leishm	Foose 13-12

sections 10-11

keep in suggested Nordgren

Ober opposes 11-14

sections retained

section 15

DeJoie suggests moves for removal 14-11  
section removed

section 35

Smith moves removal Elliott seconds 16-7  
section removed

Smith distributes letter from UNH

~~16-7~~

Sec 37 ~~Kirk presented~~ 1765

LBA (Murphy) described savings in Administrative Services

Kirk, Smith discussed quality of savings

Ober asks for a preliminary reporting date  
Smith reminds that June 15 will be replaced  
by February 15

UNANIMOUS  
show of hands

Accepted

Sec 49

Wendleboe presented Amendment 1870

Wendleboe/Elliott 18-2

Original section should have reflected

\$139,000 reductions

pg 9, 288, 289 will be removed per 1870

UNANIMOUS show of hands

Accepted

Sec 58

Smith presented ~~Foster~~ amendment 1826

UNANIMOUS  
Eaton/Foster hands

~~FBA distributed~~ Smith discussed ~~with~~ Burnak  
letter identifying 2 new funds totaling  
\$100,000 for lapses

Kirk questions language in amendment

58 had been approved prior evening

64 Ober/Leishman presents amendment 1762  
Kirk discussed need for amendment  
Bergin moved question  
UNANIMOUS  
hands

Smith discusses catastrophic aid and  
askes reductions of \$3,991,405 changing  
line 927 to 799.  
Eaton/Foose moved UNANIMOUS  
show of hands

Kirk supports avoiding downshifting  
LBA (Beardmore) describes calculation of  
proportion

64 now ~~included~~ adopted

6:55 recess  
return at 7:30  
resumed at 7:40

60  
LBA (Kirk) passed distributed info on summer  
staff level from William Fenniman  
Eric Bourne described differences  
Kirk presented amendment 1827  
Kirk/Weyler hand vote passed  
amendment on hold 1681  
Eaton spoke in favor  
Wendleboe spoke against  
Ober spoke against

History  
- impact

Eaton described reports of renovation

at Lacopia and urged adoption

Barody reported that Manchester doesn't want women's prison

Emerton worried about prisoners being transferred

vote on show 1681

70-4 bonds

p 1 12-13 savings will be eliminated

p 4 102-105 numbers will be unchanged

No items on hold

Row 30 reduction eliminated

Answer to Rep. Elliott on in-home services provided by N. Rollins this action impacts waiting by a number of months for each child.

87, 88 positions should be reversed

13-6

Motion passes - position reversed

On pg 2 Row 43, 44 reduction reversed change supported

work completed on horizontal document - Sec 60

Smith presents Amendment 1592

Mosher explained impact of amendment

Smith questioned Mosher re lapses

How are deficits related to lapses

Foose/Leishman moved Roll call

Seaman/Kirk introduced 1892

limits bumping rights

Seaman/Kirk hand vote 22 - 2 passed

DeJoa doesn't want for duplicate "bumping rights" problem

Amr. DeJoa introduced amendment 1635

distribution of unclassified and classified employees in layoffs

would consider use of proportionally on line 6

Red book employees are non classified

Kirk questions if this isn't policy

passed 18-5 hand vote

Kirk introduced amendment 1689

described change from amendment that

was included in ~~1663~~ 1664

Entow spoke against

Amendment withdrawn

Kirk introduced amendment continued

in 1664 which contains lower rates on 14, 15  
13-11 show of hands



~~910 988605c~~

W

Smith presented amendment 1581  
Wardlebor / Leishman - passed hand vote

Funding for Cowan River Valley Commission  
Bergin / Foote 13-11 hand vote  
Accepted

Funding for Cowan River Valley 1529  
Benn / Foote 5-19 rejected

Bergin introduced 1763  
16-8 hand vote  
Accepted

DeJair introduced 1595  
4-20 hand vote  
Rejected

Smith introduced 1891  
Accepted  
passed hand vote  
UNANIMOUS

Smith introduced 1883  
Accepted  
passed hand vote  
UNANIMOUS

Smith introduced 1628  
Accepted  
passed hand vote  
32-1

Smith introduced 1775  
Accepted  
passed hand vote  
UNANIMOUS

Kirk introduced 1761  
study regulatory structure  
for gambling 5-18 hand vote  
Failed

Smith introduced 1533 18-6 hand vote  
five revenues from safety Accepted

Kirk introduced amendment 1653 9-12 hand vote  
rejected

Kirk introduced 1608 5-17 hand vote  
university debt service rejected

Kirk introduced 1611 14-8 hand vote  
furlough rules ~~rejected~~ Accepted

De Non Germaine

Broody introduced 1787 10-13 hand vote

~~to~~  
Wendell Lee introduced 1484 8-16 hand vote  
rejected

Vallancourt introduced 1627 8-16 hand vote  
Gatens Bill rejected

Kirk introduced 1593 8-14 hand vote  
delete times 24-31 on pg 2 rejected

Kerms introduced 1716 17-7 hand vote  
Accepted

Estow introduced 1729 11-13 hand vote  
LGC rejected

Kirk introduced 1913 withdrawn

Estow/Foose technical Amendment Voice

OTP

Smith Estow

# Speakers

# SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # SB450 Date 4-15-10

Committee FINANC

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)	
				Pro	Con
Rep Rich DiPentino	16 Dunbar Way, Rock, NH	559-9765	Rock 16		X
Megan Shaffer	43 Academy St Tilton, NH	03276 365-9257		X	X
Cheryl Sweeney	PO Box 167, Hill, NH	03243		X	X
John Labrec	6 London Rd, Concord	774-4989	NAELA		X
Susan Brumacham-Sullivan	374 N Brammfield	588-2082	Antimus		X
Madeline Coore	130 Silver St Manchester	04303	Kiddie Corner	New Revenue	Cuts
Claudia C. Damon	25 Hammond St. Concord, NH	225-1947	NH Center for Nonprofits		X
Laura M. Williams	59 Peterson Cir, Concord, NH	03303			X
			(opposed to cuts to child services)		X
Liz Hager	Concord				X
Sharon Snider-Moller	481 West Dr. Nashua, NH	860-1109			X
Brenda Noonan	53 Dubuque St. Apt 2. Manchester, NH	858-3073			X
Rick Newman		225-5734			X
Doug McMan		621-1004	AARP		X
Mark Sipple	Samuelworth	692-5479	MEBH		X
Jay Niederman	Manchester		NH		X
Kristin Lindsey	Derry		NH		X
Thomas Walker Jr	Weare		NH		X
ROBERT RAY	261 Sharp Dr. Concord, NH	387-6221	LUTHERAN Social Services		X
Robert Fox	250 Harwin St, Manchester, NH	603-879125			X
Wesley Butterworth			Rep - Chesh. 4		X
Rep Robert THEIBERGE			COOS, DIST. 4		X
Rep Jay	Tilton Northfield, Merrimack				X

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Bill # SB 450 Date 4-15-10

Committee FINANCE

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)	
				Pro	Con
CH. JACQUES JOHN BARRE	CONCORD		NH Courts	<input checked="" type="checkbox"/>	
Pres. CAS TEAN			NHBA	<input checked="" type="checkbox"/>	
Rep. Dave Nixon	MANCH. HOSRDS 17			<input checked="" type="checkbox"/>	
Sarah Aiken	Concord NH		ABLE-NH		
Christina Shaffer	Litchfield, NH		Parent		
Sarah Mattson	Manchester NH	206-2214	NH Legal Assn.		
Ann Gorton	261 Sheep Davis Rd	Concord	224-8111 Antrim Girls Shelter		<input checked="" type="checkbox"/>
JAMES C SWENSON	261 SHEEP DAVIS RD.		CONCORD		<input checked="" type="checkbox"/>
SUSAN LAVALLEE	14 DAVIS AVE.		DURHAM, NH OUR HOUSE FOR GIRLS		<input checked="" type="checkbox"/>
Ellen Edgely	Bra				<input checked="" type="checkbox"/>
Sarah Boutin	8 Tamworth Lane		Merimack 377-0682		
Jim Boutin	" " "		Apple Blossom Child Center Inc		
Dee Lapierre	Manchester NH	623-5847	Foster Grandparent		<input checked="" type="checkbox"/>
Annie Saruth	Litchfield, NH		Foster Grandparent		<input checked="" type="checkbox"/>
Michelle McLeod	3 Beacon St, Concord NH		SpA/Seu 1984 Program		<input checked="" type="checkbox"/>
MARGO TORRAN	42 Heathside Dr. Burlington		Foster Grandparent Project		<input checked="" type="checkbox"/>
Deanne C Well	15 Pitney St. Concord, NH	408	603 226-7170		<input checked="" type="checkbox"/>
Ernie Jackson	9 Sherburne Hill Rd		Epsom		<input checked="" type="checkbox"/>
Andrew Jervise	6 1/2 Beacon St		CONCORD NH Youth of NH NFI NORTH		<input checked="" type="checkbox"/>
Ernie Jackson					<input checked="" type="checkbox"/>
Cindy Walace	491 Mammoth Rd	422	Concord NH 03053	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Marti Ik	36 Gilman Drive		Gilford 03049	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Lesse Ransom	4 Berry Lane		Epsom NH 03234	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>





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To Register Opinion If Not Speaking

Bill # SB 450 Date 4/15/10

Committee FINANCE

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Name	Address	Phone	Representing	(check one)	
				Pro	Con
Wesley Letourneau	17 Bangor St Nashua	595-8464	self	reverse	con
Ellen Shernitz	Concord	224-7077	NHAS		X
<del>David Galesman</del>	<del>Nashua</del>		<del>NHAS</del>		X
Terri Brennan	20 Carter Hill Concord	224-8565	Youth of NH		X
Mary Lou Beaver	21 Hillcrest Dr, Rochester	856-8831	ECM		X
Sue Herber	104 Merrimack St Penacook				
Geraldine Liebert	447 Hurricane Rd Keene NH	357-6893	RSVP		X
Marilyn M Namara	Amherst, N.H	224-7791	NH BAR		X
Peter Antelino	Manchester NH		NH BAR		X
Tammy Laborito	Farming, NH	857-2865		new rev	con
James Williams	111 Sibley Road - Merrimack, NH				X
Darryl Messier	14 Martin Ave N. Andover, MA	978-689-529	self		X
Megan McDevitt	267 Guilman Pond Road Newport, NH	03773	NFI North		X
Sarah Comerford	145 Verge St Fairfield CT	06825	203-337-2461 self		X
Alexandra Maxim	26 Conover St Concord NH	03301	603-224-4769		X
Danna Woodson	16 N. Spring Concord		Engaging NH		X
Ron Cohen	15 Simpson Rd, Windham		Child Family Svcs		✓
Mary Byrnes	130 Silver St. Manch.	627-4198	Child Care	new reverse	con
Laurel Redden	2 Hill Ave Salem		Granite State Fair		✓
Christine Cissely	95 Charles St. Rochester				✓
Kimberly Savara	36 Tisbury Rd Dury, NH	03088	Upper 1200		✓
Gerald Sullen	470 Lake Ave Man. NH	03103			✓

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To Register Opinion If Not Speaking

Bill # SB 450 Date \_\_\_\_\_

Committee \_\_\_\_\_

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)	
				Pro	Con
France Sullivan	470 Lake		taskforce	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dale Ferguson	15 Apt 2 Thayer St		Taskforce NH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Joe Grady	123 Produce Rd				<input checked="" type="checkbox"/>
Rep Celia Skunder Sullivan					<input checked="" type="checkbox"/>
Rep Anne Grassie	Stratford				<input checked="" type="checkbox"/>
Rt. Nesjander					<input checked="" type="checkbox"/>
Amy Wyman	20 Willow Rd Franklin		NH Foster grand parents program		<input checked="" type="checkbox"/>
Charles T. Wood	28 Orange St		Kennebunk Chase 3		<input checked="" type="checkbox"/>
Nathaniel Meyer	39 Sheep Rd Lee		NH Chase Home		<input checked="" type="checkbox"/>
Con Darius	698 Mill. Pl		NH Chase Home		<input checked="" type="checkbox"/>
Dennis	Box 64 Greenfield		NH Chase Home		<input checked="" type="checkbox"/>
JACK Middleton	95 Freedom Shore Rd		Ferrisburgh, NH		<input checked="" type="checkbox"/>
Rep Jim & Rose	Concord Memorial #12				<input checked="" type="checkbox"/>
Maureen Redman	Swart Green Hill Rd	224 8834	Concord NH Child & Family Services		<input checked="" type="checkbox"/> For Funding Programs responsible
Melissa Skarup			Child and Family Services		<input checked="" type="checkbox"/>
Michael J. Inapio	11 Burrows Dr		Concord NH NIMCDL		<input checked="" type="checkbox"/>
Kat Strange			Child and Family Services of NH		<input checked="" type="checkbox"/>
Brian F. Hoffman	7 Elk Drive Bedford	472-5316	NH		<input checked="" type="checkbox"/> myself
Jerry Opri	185 Madelon Center Rd		Wardell, NH		<input checked="" type="checkbox"/>
Gina Balkus	Lebanon NH		Dartmouth-Hitchcock		<input checked="" type="checkbox"/>
Scott Harris	Manchester	03104	628-1459		<input checked="" type="checkbox"/> self
Barry SCOTCH	Manch.		668-7277		<input checked="" type="checkbox"/>

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To Register Opinion If Not Speaking

Bill # S B 540 Date 4/15/10

Committee FINANCE

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)	
				Pro	Con
Jed Callen	3 Maple St.	225-2595	—		✓
Lisa Hall	17 Monroe St	224-7791			✓
Dan Corley	McGrath Law 23 Montgomery	224-7111			✓
MARK GARRARD	TOWN OF HAMPTON	929-584			✓
Mike Ciesewski	13 Old Sawmill Bedford		—		✓
Jim Townsend	1555 RIVER RD MANCHESTER	668142			X
Margaret Kervac	900 Elm St Manchester	6281330			✓
Judith Fairclough	One Eagle Square, Concord				✓
Heather Taloni	7 Lincoln @ citi.com				✓
LUCINDA HOPKINS	PO Box 6591	603-361-8168	—		✓
Kay Griffin	E Broadway Derry, NH	03038			✓
PT JUSSET, Belknap W					✓
Ellie Collins	72 Freedom Drive		FOSTER GRANDPARENT PROGRAM		✓
J. Reynolds	" " " "				✓
EMILY UPLANTE	LOCHNEE		FOSTER GRANDPARENT PROGRAM		✓
Frances Lesnick	135 Elmhurst Ave Man, NH	935-7474			✓
Cristina Prousseau	43 Seminary Hill, W Lebanon, NH	248-5830			✓
CHRISTOPHER REGAN	16 LITTLE HALE RD DURHAM	863-2414			✓
Lynne Conway	221 Presidential Hwy Jefferson	586-7031			✓
PAUL CANN	23 WASHINGTON HILL RD, CHOCOMA	03817			✓
Rep Mary Cooney	McG Committee Grapen 7		written small testimony		✓
Debra Blaine	1000 State Ave Plymouth	03264 536-4847		no for cuts to courts	✓
Rep. Bob Gabel					✓

# SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # SB 450 Date 4-15-10

Committee FINANCE

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)	
				Pro	Con
Dolly Hess	122 Maple St Henniker		both of NH NFI North		✓
Kathleen Mckerley	451 NW Hwy Boscawen		Foster Grandparent PROGRAM		✓
Sandra Brandy	4 Cote Dr Dover NH		TAN FAN	✓ revenue	✓ cuts
Jennifer Parent	6 Talent Rd Litchfield		BAR		✓
Jack Middleton	Freedom, NH		BAR		✓
Jim MacKay	Concord NH		Self.		✓
JENNINE Mcloy	PORTSMOUTH				✓
John Van Alstede	Keren		SJF		✓
Eileen Brady	583 Cedar St March	622-4560	Nashua Soup Kitchen		✓
Amy Upton	164 East Side Dr.	224-2717	EAST SIDE LEARNING CTR		✓
Liza Breen	"	"	"		✓
Jan Soderqvist	110 TIRRELL Hill		BOFT STORE	✓	✓
Anne Sanath	5 Woodview Dr. Litchfield, NH				✓
Dotta Moran	14 Silvio Circh Derry, NH				✓
Carol Williams	72 Shaker St	927 4532	SELF	new revenue	cuts
Joan Richard	Plaistow NH				✓
Kyssa Crusco	1165 River Rd, Bldg, Bedford, NH	03110	Bar		✓
John A. Walkowski	Bedford NH		Atty/Bar		✓
Jack Crisp	Bow, NH		BAR		✓
Tracy Uhrin	Concord, NH		Atty/Bar		✓
Carol Harhart	400 Island Rd Manchester		ELNH		✓
Dennis Foreman	18 Maple Ave ATKINSON				✓
Debra Walak	Fisherville Rd, Concord			New Revenue	Less cuts

# SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # SB 450 Date \_\_\_\_\_

Committee Finance

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)	
				Pro	Con
Mary Beshka	688 Main St. Lebanon	630-1377			✓
Jane Marquis	4 Farley St. Nashua, NH	03064			✓
Jackie Valley	28 Mt Vernon St Dover, NH		representing NH alcohol and other drug service providers association		✓
Michael Skibbio	18 Low Ave Concord		DRC		✓
Jeanne Mason	249 Pleasant St. Concord		THE GREENS PLY		✓
Catherine Holub-Smith	328 Hooksett Rd Concord NH				✓
Amy Pepin	1 Hooksett Tpl. Dover NH				✓
David Shirley	282 River Rd, Manchester	NH 03104			✓
Cathy Green	183 STARBUCK Hwy S Dumbarton	NH 03046			✓
DEAN B. Eggert	10 Melville Ln, Dover, NH		NH BAR WADSWORTH		✓
Diana O'Donoghue	NEW ENGLAND Convenience Store Assoc.				✓
DARRELL MARTINEAU	603-264-3590		Cumberland FARMS		✓
Richard Lehmann	224-1988		NHAS - Amendment 1311h		✓
DAVID ORR	Tedeschi Foot Shops				✓
Anne Flint	Cumberland Farms				✓
Jeremy Walker	55 Chas Rd, Manchester, NH	03104			✓
LAUREN IANUSI	40 Thayer Blvd, Concord	224-2791	03307	SELF	✓
Antje Bourdages	49 Alderwood Dr. Stratham	603-773-9797	NH 03885		✓
Peter Ames	2 Commerce Dr #110	03110	American Cancer Society		✓
Michael Pearson	548 Rollins Rd Nephew	315-4193			✓

# SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # \_\_\_\_\_ Date \_\_\_\_\_

Committee \_\_\_\_\_

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)		
				Pro	Con	
John RIZANS	Rock Cof Arty	603-43419			X	
Stev Borafsky	708 Pine	Manchester	625-6441		X	
Christopher Banducium	19 Greeley Hill Rd	Bellfod NH	472-9041		X	
Rob Howard	14 Merrimack	Concord	428-3232 3616		X	
Heather BURNS	Concord	NH	225-8117	Self	X	
Meredith Cook	313 Harris St	Manchester	605-9996		X	
Stephanie Smilie	35 Nashua St	Manchester	NH		X	
Mary Ann Dupsky	30 Donovan Ct	Merrimack	NH		X	
Benjamin King	50 Black River	Rye	NH		X	
Ora Schwartzberg	1 Pillsbury	Concord	NH	603-224-8008	✓	
Joceline Champagne	2 Filkins St	Concord	NH	03301	✓	
Jane M. Schorch	35 E. Pearl St.	Nashua	NH	594-8300	✓	
Catherine Shanalaris	35 E. Pearl St.	Nashua	NH	594-8300	✓	
David Osman	One Mill Plaza	Laconia	NH	(Attorney)	X	
Tara McKillop	12 Hollyhights	Whitefield	NH	DEI/DrH	X	
Leslie MEEBY	125 Airport Rd	Concord	NH	Hospital Association	X	
Liz Blanchard	Penacook	N.H.		Chair of Merrimack County Commissioners	✓	
"	"	"	"	Concord City Councilor	✓	
Tammy Emery	50 Belknap St	Laconia	NH	Bellamy County	✓	
Leslie Nixon	78 Ridgerview Ln	New Boston		Hills Chy	✓	
Mary Alice Warner	255 Center Harbor	Nashua	NH	Belknap	✓	
Laura Hainey	553 2+3A	Ruggles	NH	03304	AFT-UIT	X
Elise Buzzi	169 Main St	Claremont	NH	03743	Family Support	X



















# Hearing Minutes

HOUSE COMMITTEE ON FINANCE

PUBLIC HEARING ON SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department , and relative to the due date for the Medicaid enhancement tax.

**DATE:** April 15, 2010

**LOB ROOM:** 210-211                      **Time Public Hearing Called to Order:** 11:00

**Time Adjourned:**

(please circle if present)

**Committee Members:** M. Smith, Nordgren, Foster, Eaton, Baroody, Benn, Leishman, DeJoie, Buco, Foose, Mitchell, Keans, Casey, Harris, Kurk, D. Scamman, E. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokmo, Bergin, Belvin and R. Elliott.

**Bill Sponsors:** Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

Sen. Kathy Sgambati, Dist 4, introduced the bill and spoke in support.

Governor John Lynch and Kristyn Van Ostern, Budget Director, addressed the Finance Committee. For a detailed account of their testimony, please refer to the attached official transcript.

Mr. Andrew DeVeer, Northfield, spoke in opposition to the bill.

\* Ms. Jennifer Deder, Portsmouth, representing herself, spoke in opposition to the bill and submitted written testimony.

\* Ryan Donnelly, Alton, representing self, spoke in opposition to the bill and submitted written testimony.

\* Ms. Jackie Lowell, Concord, representing Early Learning NH, spoke in support of the bill's revenue, in opposition to the bill's cuts and submitted written testimony.

Ms. Janine Clarke, Milton, representing herself, spoke in support of the bill's revenue but in opposition to the bill's cuts.

Ms. Cheryl Cutting, Sandown, representing herself, spoke in opposition to the bill.

Ms. Elizabeth Harrington, Nashua, representing herself, spoke in opposition to the bill.



Prof. Robert Cormier, MA, Suncook, representing himself, spoke in opposition to the bill.

Mr. Charles Marston, representing himself, spoke in opposition to the bill.

Ms. Karen White, Weare, representing herself, spoke in opposition to the bill.

Ms. Norma Geeks, Derry, representing herself, spoke in opposition to the bill.

Ms. Paula Plona, Derry, representing herself, spoke in opposition to the bill.

\* Ms. Kathleen Smith, Merrimack, representing herself, spoke in opposition to the bill and submitted written testimony.

Mr. John Dumais, Manchester, representing NH Grocers Association, spoke in opposition to the bill.

Ms. Laurel Redden, representing Granite State Fair Tax Coalition, addressed the committee and submitted written testimony.

\* Mr. Paul Dann, Hopkinton, Exec. Dir., representing the North American Family Institute (NFI), spoke in opposition to the bill and submitted written testimony.

Ms. Sarah Miller, Contocook, representing NFI, spoke in opposition to the bill.

Ms. Tara MacKillon, Whitefield, representing NFI North, spoke in opposition to the bill.

Ms. Megan McDevitt, Newport, representing NFI North, spoke in opposition to the bill.

Ms. Kristyn Bond, Dunbarton, representing NFI North, spoke in opposition to the bill.

Ms. Lynne Conway, Jefferson, representing NFI, spoke in opposition to the bill.

\* Ms. Karen Cusano, Contocook, representing NFI North, spoke in opposition to the bill and submitted written testimony.

Ms. Jill Dagenais, Weare, representing NFI North, spoke in opposition to the bill.

\* Ms. Michelle Galligan, Weare, Director Midway Shelter, representing NFI North, spoke in opposition to the bill

Mr. Thomas Grimley, Bradford, representing NFI North, Youth of New Hampshire, spoke in opposition to the bill.

Ms. Danielle Vyce, Jefferson, representing NFI North, spoke in opposition to the bill.

\* Chief Justice John Broderick, NH Supreme Court, accompanied by Justices King, Kelly and Lynn, representing the courts, spoke in opposition to the bill and submitted written testimony.

Ms. Nina Gardner, Concord, Director, Judicial Council, spoke in opposition to the bill.

\* Mr. Jones J. Tenn, Jr., President, New Hampshire Bar Association, Manchester, and Mr. McNamara spoke in opposition to the bill and submitted written testimony.

\* Atty. Chuck Douglas and Mr. Ralph Holmes, Concord, representing NH Association for Justice, spoke in opposition to the bill and submitted written testimony.

Rep. Dave Nixon, Hills 17, spoke in opposition to the bill.

\* Ms. Karen Jameson, Ms. Stephanie Smilie and Ms. Chelsea Ragusa, representing Home Visiting NH, spoke in opposition to the bill.

\* Ms. Sharon Francis, Executive Director, Connecticut River Joint Commissions, spoke in opposition to the bill and submitted written testimony.

Mr. George Watkins, Walpole, representing Connecticut River Joint Commissions, spoke in opposition to the bill.

Ms. Adair Mulligan, Lyme Ctr., representing Connecticut River Joint Commissions, spoke in opposition to the bill.

\* Mr. Jeff Dickinson, Franklin, representing Granite State Independent Living, spoke in opposition to the bill and submitted written testimony.

\* Ms. Jan Soderquist, Goffstown, representing Durable Medical Equipment (DME), Disabled Consumers, spoke in opposition to the bill and submitted written testimony.

Mr. Robert C. Fox, Manchester, representing Antrim Girls Shelter Guild, spoke in opposition to the bill.

\* Ms. Randa Tenney, Lutheran Social Services and Program Manager, The Antrim Girls Shelter, spoke in opposition to the bill and submitted written testimony.

\* Ms. Carolyn Virtue, Concord, representing Heritage Case Management, spoke in opposition to section 15 of the bill and submitted written testimony.

\* Mr. Norman Brown, Jefferson, representing Town of Jefferson, Youth of New Hampshire, spoke in opposition to the bill and submitted written testimony.

Mr. Mark Gearredo, Hampton, spoke in opposition to the bill.

Mr. Ed Hager, Goffstown, representing citizens, spoke in opposition to the bill.

Ms. Sara Dustin, Contocook, representing low income single parents, spoke in opposition to the bill.

\* Ms. Jessica Vaughn-Martin, representing the Family Intervention Program, Child and Family Services, Concord, spoke to the committee and submitted written testimony.

\* Ms. Tricia Lucas, Exeter, representing New Futures, spoke in opposition to sections 70-72 of the bill and submitted written testimony.

\* Atty. Richard Cohen, Concord, Executive Director, Disabilities Rights Center, spoke in opposition to the bill and submitted written testimony.

\* Michelle Dickson, Manchester, Advocacy Manager/Public Policy, representing National MS Society, spoke in opposition to the bill and submitted written testimony.

Mr. Timothy R Rourke, Bedford, representing Governor's Commission on Alcohol and Other Drugs, addressed the committee, without position on bill.

\* Ms. Amanda Grady, Concord, and Ms. Pamela English, Administrative Director for the New Hampshire Coalition Against Domestic and Sexual Violence, spoke to the committee and submitted written testimony.

Mr. Greg Burdwood, Dover, representing Family Support NH/ HUB Family Resource Center, spoke in opposition to the bill.

Dr. Gil Lazich, EdD, Contoocook, representing Friends/Foster Grandparents, spoke in opposition to the bill.

\* Ms. Alane Hill, Bow, representing Foster Grandparents, spoke in opposition to the bill.

Mr. John E. Labue, Concord, representing national Academy of Elder Law Attorneys, spoke in opposition to the bill.

Ms. Ann Smith, Hooksett, representing herself as Department of Information Technology (DoIT) employee, spoke in opposition to the bill.

Ms. Kathleen McDermott, Portsmouth, representing the Chase Home for Children and New Hampshire Partners in Service, spoke in opposition to the bill.

Ms. Sarah Mattson, Manchester, representing NH Legal Assistance, spoke in opposition to section 79 of the bill.

\* Ms. Melissa Laferriere, Concord, representing herself and court employees, spoke in opposition to the bill and submitted written testimony.

Ms. Julie Findley, Manchester, representing herself and court employees, spoke in opposition to the bill.

The following people filled out pink cards but did not speak (an asterisk indicates written testimony submitted):


Ms. Geraldine Liebert, Keene, representing RSVP – opposed.  
\* Ms. Margaret Kerouac, McLane Law Firm, Chair of the NH Bar Association Family Law Section – opposed.  
Mr. Jim Reams, Rockingham County Attorney – opposed.  
\* Atty. Cathy Green, Manchester, representing herself – opposed.  
\* Ms. Jackie Valley, Dover, representing NH Provider's Association, Drug and Alcohol Services – opposed.  
Ms. Barbara Salvatore, Bedford, representing State Commission on Aging –  
\* Ms. Judy Silva, Concord, representing New Hampshire Municipal Association – opposed.  
Mr. Richard L. Cram, Atkinson, representing Family Mediation – opposed.  
Ms. Kim Bavaro, Derry, no position was marked on the card.  
\* Ms. Christina Shaffer, Litchfield, representing child with a disability – opposed as amended.  
Ms. Ellen Fineberg, Concord, representing Children's Alliance – opposed.  
Rep. Robert Rowe, Amherst, representing Hillborough 06 – opposed re: court reduction.  
Rep. Tom Donovan, representing Sullivan 04 – no position was marked on the card.  
Mr. James Demers, Concord, representing RJ Reynolds – opposed.  
Mr. Joseph Grady, representing himself as citizen/state employee – no position was marked on the card.  
\*Ms. Ellen Edgerly, representing the Brain Injury Association of New Hampshire – opposed.

The following people did not request to speak but submitted written testimony:

Ms. Leslie Melby, Vice President for State Government Relations at the New Hampshire Hospital Association – opposed.  
Mr. Paul G. Sanderson, Selectman, town of Greenland – opposed.  
Ms. Stacy Carroll, single parent and recipient of services from Child and Family Services – opposed.  
Ms. Jennifer Decker, Portsmouth, living with Cerebral Palsy and is a recipient of services funded under the Home and Community Based Care waiver – opposed.  
Ms. Crystal Grover, Merrimack, step-father is recipient of services funded under the Home and Community Based Care waiver – opposed.  
Mr. Peter Ames, Director of Advocacy, American Cancer Society of NH – opposed to the amendment to SB 450.  
Ms. Sherry Hayes, Barrington; Ms. Bonnie Eames, Raymond; Rev. Theresa Bianchi, Manchester; Ms. Kim Germino, Concord; Ms. Kimberley Diamond, Marlborough; Ms. Louise Rohde, Dublin; Ms. Angela Harington, Epping; Ms. Cheryl Anderson; Rev. Robert Stiefel, Dover; Ms. Darlene Stevens, Keene; Ms. Linda Bilodeau, Manchester; Mr. Mel Pepin, Bedford and Ms. Inga Johnson, Littleton, all with personal connections to the Catastrophic Illness Program – opposed.  
Atty. Dean Eggert, Bow, opposed to court reductions.  
Mr. Dean Michener, representing NH School Board Association – opposed.  
Dr. Mark Joyce, Executive Director, NH School Administrators Association – opposed.  
Mr. John Tucker, representing the Connecticut River Joint Commission – opposed.

For a complete account of this public hearing, please refer to the attached transcript.

Respectfully submitted,



Rep. Randy Foose, Clerk

HOUSE COMMITTEE ON FINANCE

PUBLIC HEARING ON SB 450-FN

BILL TITLE: relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

DATE: 4/15/10

LOB ROOM: 210-211 Time Public Hearing Called to Order: 11:00

Time Adjourned:

(please circle if present)

Committee Members: M. Smith, Nordgren, Postey, Eaton, Baroody, Benn, Leishman, DeJorio, Bucio, Foose, Mitchell, Keans, Casey, Harris, Kurk, D. Scamman, E. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokma, Bergin, Belvin and R. Elliott. Weyer

Bill Sponsors: Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

Sgambati

Lynch + van Ostran

- 1 DeVeer
2 Oaker
3 Donnelly
4 Clarke/Lowell \* + 3 people who are here
5 Cutting
6 Corrier
7 Marston
8 White
9 Grecks
10 Plova
11 Smith A
12 Grandy Dumas
13 Demers Redden
14 DAN \*
15 Miller

- 16 Mackillop
17 McDevitt
18 7 people who did not testify
19 Broderick + Kelly King Lynn
20 Gardner
21 Teow
22 Douglass - Holmes B
23 Nixon
24 Jameson Smilie Ragusa + 6 nurses \*
25 Francis, Watkins, Mulligan \*
26 Dickanson
27 Soderquist
28 Fox, Tenney

Over

29 ~~Step~~ Virtue

30 Norman A. Brown

31 Mark Gearredo

32 Ed Hager

33 Sara Dustin

34 Jessica Vaughn-Martin

35 Michelle Dickson

36 Richard Cohen

37 Tricia Lucas

38 Tim Rowell

39 Amanda Grady

40 Greg Burdwood

41 Alane Hill

42 Dr. Gillazicott

43 John E. Labue

44 ANN SMITH

45 KATHLEEN McDERMATT

46 SARAH MATTSON (SEC. 79)

47 MELISSA LAFERRIERE

48 JULIE FINDLEY

HOUSE COMMITTEE ON FINANCE

PUBLIC HEARING ON SB 450-FN NON GERMANE AMENDMENTS

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department , and relative to the due date for the Medicaid enhancement tax.

**DATE:** April 30, 2010

**LOB ROOM:** 210-211 **Time Public Hearing Called to Order:**

**Time Adjourned:** 3:50

(please circle if present)

**Committee Members:** M. Smith, Nordgren, Foster, Eaton, Baroody, Benn, Leishman, DeJolie, Bucu, Foose, Mitchell, Keane, Casey, Harris, Kurk, D. Scamman, E. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokimo, Bergin, Belvin, R. Elliott and Weyler.

**Bill Sponsors:** Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

Amendment #2010-1484h

\* Commissioner Roger Sevigny, New Hampshire Insurance Department, spoke in opposition to the amendment.

Deputy Attorney General Bud Fitch, spoke in opposition to the amendment.

Atty. Kevin Fitzgerald, Nixon Peabody, LLP, Manchester, representing JUA policy holders, spoke in support of the amendment.

Mr. Henry Lipman, Laconia, representing LRG Healthcare, spoke in support of the amendment.

Ms. Georgia Tuttle, MD, Lebanon, representing NHMMJUA policy holders, spoke in support of the amendment.

Mr. Tom Buchanan, Londonderry, representing Derry Medical Center, P.A., spoke in support of the amendment.

Rep. James Piliod, representing Belknap 5, spoke in opposition to the amendment.



Amendment #2010-1627h

\* Rep. Steve Vaillancourt, Manchester, representing Hillsborough 15, spoke in support of the amendment.

Rep. David Hess, representing Merrimack 9 and House Republican Leadership, spoke in opposition to the amendment.

Rep. Edmond Gionet, Lincoln, representing Grafton 3, spoke in opposition to the amendment.

Amendment #2010-1593h

Rep. Neal Kurk, Weare, representing Hillsborough 7 and sponsor of the amendment, introduced it and spoke in support.

Mr. Mark Beaudoin, Hooksett, representing NH Troopers Association, spoke in opposition to the amendment.

\* Ms. Barbara Reid, representing the NH Municipal Association, submitted a pink card in support of the amendment but did not speak. She also submitted written testimony.

Mr. Dick Ingram, Executive Director, New Hampshire Retirement System, was available to speak as needed.

Ms. Laura Hainey, representing American Federation of Teachers of New Hampshire (AFT-NH), spoke in opposition to the amendment.

Amendment #2010-1679h

Rep. Neal Kurk, Weare, representing Hillsborough 7 and sponsor of the amendment, introduced it and spoke in support.

Mr. Paul Kelley, Director, NH Racing and Charitable Gaming Commission, spoke in opposition to the amendment.

Mr. Rick Newman

Rep. Steve Vaillancourt, representing Hillsborough 15, spoke in support of the amendment.

Mr. Daniel Callaghan, Concord, representing Rockingham Venture, Inc. and Yankee Greyhound Racing, Inc., spoke in opposition to the amendment.

Amendment #2010-1716h

Rep. Sandra Keans, representing Strafford 01 and sponsor of the amendment, introduced it and spoke in support.

Mr. David Scanlan, Deputy Secretary of State, spoke in opposition to the amendment.

\* Mr. Stephen Wurtz, Acting Directing, Division of Vital Records, Department of State, spoke in opposition to the amendment and submitted written testimony.

Ms. Patricia Little, Keene, representing Vital Records Improvement Fund Committee, spoke in opposition to the amendment.

Rep. Steve Vaillancout, Manchester, representing Hillsborough 15, spoke in opposition to the amendment.

Ms. Sue McKinnon, Newfields, representing NH City and Town Clerks Association, submitted a pink card in opposition to the amendment, but did not speak.

Ms. Patricia Recuch, Nashua, representing NH City and Town Clerks Association, submitted a pink card in opposition to the amendment, but did not speak.

Amendment #2010-1729h

\* Rep. Peter Leishman, Peterborough, representing Hillsborough 3, introduced the amendment on behalf of the sponsor, Rep. Ben Baroody, Manchester, Hillsborough 13. (Written testimony submitted.)

Mr. Jack Ruderman, Administrator, NH Public Utilities Commission, was in attendance and available to answer questions.

Mr. W. Michael Fitzgerald, Administrator, NH Department of Environmental Services, was in attendance and available for questions re: Renewable Energy Fund.

Mr. Kevin Moquin, Insurance Company Examiner and Mr. Mark Connolly, Director, Securities Regulation, Bureau of Securities, Secretary of State, spoke in support of the amendment.

Ms. Maura Carroll, Concord, representing NH Local Government Center (LGC), spoke in opposition to the amendment.

\* Mr. Peter Riemer, Ridgewood, NJ, representing LGC, spoke in opposition to the amendment and submitted written testimony.

Ms. Wendy Parker, Concord, representing LGC, spoke in opposition to the amendment.

Mr. Jonathan Stiener, Concord, representing LGC, spoke in opposition to the amendment.

SB 450-FN

Page 4 of 4

Mr. Dave Caron, Londonderry, representing NH LGC (Board), spoke in opposition to the amendment.

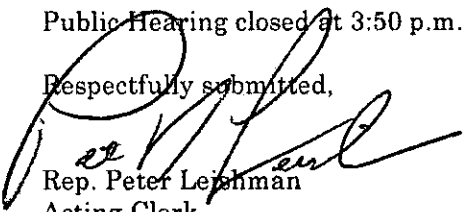
Mr. Steve Fournier, North Hampton, representing LGC, spoke in opposition to the amendment.

Mr. John Salisbury, Concord, representing himself, spoke in opposition to the amendment.

Mr. Mark McCue, LGC Board Attorney, spoke in opposition to the amendment.

Public Hearing closed at 3:50 p.m.

Respectfully submitted,



Rep. Peter Leishman  
Acting Clerk

HOUSE COMMITTEE ON FINANCE

PUBLIC HEARING ON SB 450-FN NON GERMANE AMENDMENTS

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department , and relative to the due date for the Medicaid enhancement tax.

**DATE:** April 30, 2010

**LOB ROOM:** 210-211                      **Time Public Hearing Called to Order:**

**Time Adjourned:**

(please circle if present)

**Committee Members:** M. Smith, Nordgren, Poste, Eaton, Baroody, Benn, Leishman, DeJoir, Buco, Foose, Mitchell, Keans, Casey, Harris, Kurk, D. Scamman, R. Anderson, Emerton, Rodeschin, Wendelbos, L. Ober, Dokmo, Bergis, Belvin and R. Elliott, Weyer

**Bill Sponsors:** Sen. Sgambati, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Janeway, Dist 7

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

April 30 2010

\* SB 450 2010-1484h Amendment

- 1) Roger Sevigny - NHED
- 2) Bud Fitch - AG
- 3) Kevin Fitzgerald
- 4) Henry Lipman
- 5) Georgia Tuttle
- 6) Tom Buchanan
- 7) Rep Piliod

\* Amendment 2010-1627h

- 1) Rep. Vaillancourt
- 2) Rep. Hess
- 3) Rep. Gionet

\* Amendment 2010-1593h

- 1) Rep Kunk
- 2) Mark Beaudoin
- 3) Barbara Reid (Written only)
- 4) Dick Ingram
- 5) Laura Haincy

\* Amendment 2010-1679h

- 1) Rep. Kunk
- 2) Paul Kelley
- 3) Rick Newman
- 4) Rep Steve Vaillancourt
- 5) Dan Callihan

\* Amendment 2010-1716h

- 1) Rep Keans
- 2) David Scanlan
- 3) Stephen Wurtz

SB 450 4/30/10 Amendments

4) Patricia Little - 2010-1716h

5) ~~Pat~~ Steve Vaillancourt

Amendment 2010-1726h

1) Rep. Leishman

2) Jack Ruderman

3) Michael Fitzgerald

Amendment 2010-1729h

1) Rep. Eaton

2) MARK CONNELLY KEVIN MOQUIN SEC OF STATE OFF.

3) MAURA CARROLL

4) A PETER RIEMER B W. PARKER C J. STEINER

5) DAVE CARON + S FORTIER BD. LGC HEALTH TRUST

6) JOHN SALSBURY

7) MARK McCUE - BD ATTY

CLOSED 3:50 PM.

# Testimony

# Governor John Lynch: Ensuring a Balanced Budget



# Challenge Faced Across the Nation

- Over 40 states facing FY 2010/11 revenue shortfalls *(Center on Budget and Policy Priorities, Feb. 2010)*
- New Hampshire revenue shortfall below the national average

# Challenge in New Hampshire

- Fiscal year 2010 revenues projected to be below 2006 levels
- Recession increased demand for state services, particularly Medicaid, TANF
- Inability to transfer JUA funds
- Potential shortfall: \$210 – 220M

# Three-Part Solution

- Reductions in general fund spending
- Refinancing and restructuring of debt
- Revenues (federal and state)
  
- Proposed solution = \$217M

# Solution Overview

- We are living through one of the toughest economic times in our nation's history.
- With this plan, we are making the hard decisions to cut state spending and ensure a balanced budget, protecting core services, and keeping New Hampshire's taxes among the lowest in the nation.

## Solution Overview (cont.)

- \$85 million in general fund spending cuts in this proposal for 2010-2011
- Projected general fund spending for this biennium 3% below previous biennium.
- Refinance and restructure debt to take advantage of favorable interest rates, provide relief to the general fund

## Solution Overview (cont.)

- Amend 10/11 capital budget to include \$25M for USNH deferred maintenance
- USNH makes \$25M payment to state in FY10
- Expected increase in federal funds (FMAP)
- 20-cent tobacco tax increase

# Difficult Choices, Focus on Core Priorities

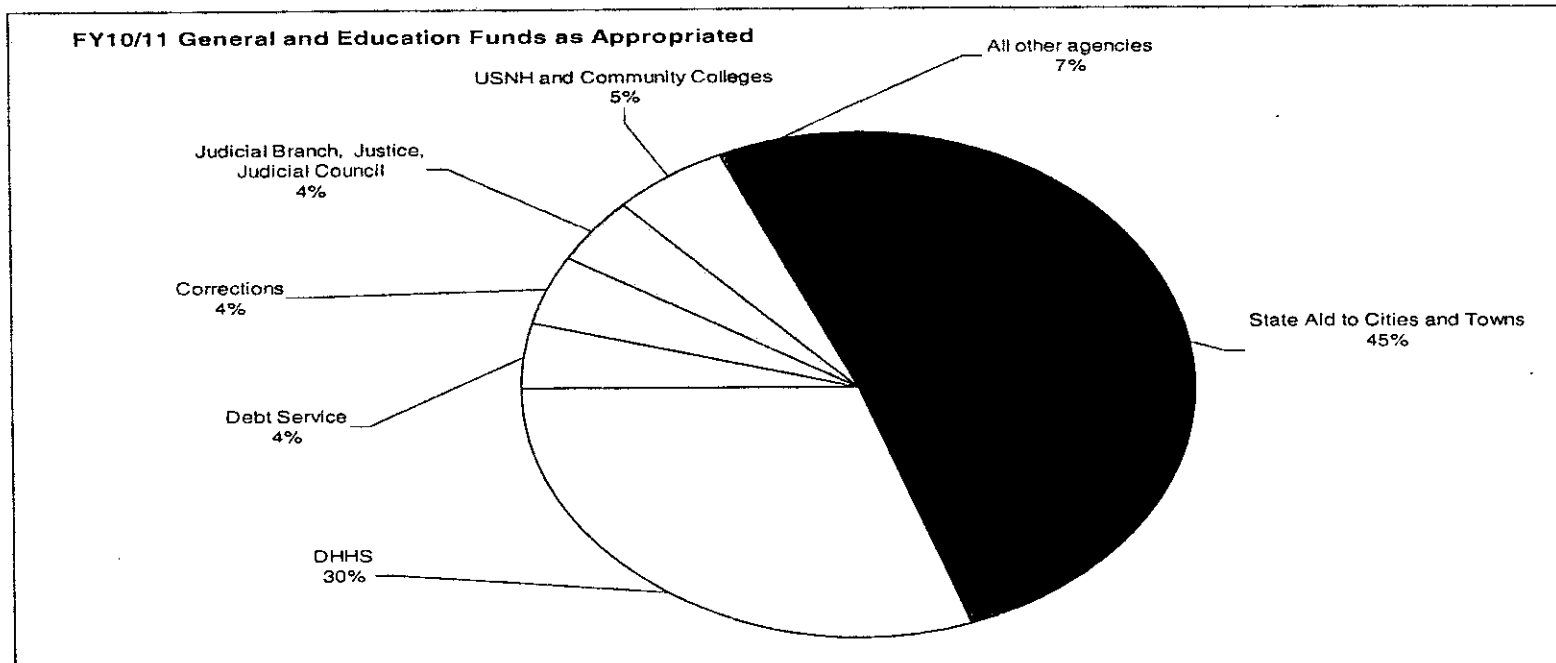
- Expedites government restructuring initiatives to provide relief to 2010-11 budget
- Defers and suspends important initiatives and programs until economy recovers
- Cuts will not be painless, and services to some citizens will be impacted

## Difficult Choices, Focus on Core Priorities (cont.)

- Includes 30-35 layoffs, majority related to restructuring/closure of programs
- Continues freezes to hiring, out-of-state travel and equipment purchases
- Statewide general fund vacancy rate is in low teens with some departments over 20%



# Difficult Choices, Focus on Core Priorities (cont.)



- Aid to communities represents nearly half of the state budget
- About one percent reduction in aid to cities and towns from retirement funding, meals and rooms payment, and other education aid programs
- Meets commitment to fund adequacy

## Difficult Choices, Focus on Core Priorities (cont.)

- Allows Health and Human Services to meet increasing demand for Medicaid, TANF
- Maintains funding for DD and ABD waitlist
- Provides \$1M in additional funding for child care

# Revenue Changes

- Pays for repeal of extension of meals and rentals to campgrounds
- Pays for repeal of the interest and dividends tax extension in FY2011
- 20 cent tobacco increase

## Revenue Changes (cont.)

- Establishes a Commission to study New Hampshire's business taxes to ensure fairness
- Directs the Lottery Commission to issue a report by November 2010 on ways to modernize its product offerings and assess the feasibility of Fantasy Sports Leagues.

# FY10 – 11 Potential Shortfall: \$216M

	FY10	FY11
Revenue	(\$80.0M)	(\$31.7M)
JUA	(\$22.5M)	(\$22.5M)
SFSF	(\$9.2M)	(\$9.2M)
DHHS internal shortfall	(\$11.0M)	(\$6.2M)
Repeal campground/I&D	(\$1.0M)	(\$17.5M)
Misc.	<u>(\$13.1M)</u>	<u>\$7.8M</u>
<b>Total shortfall</b>	<b>(\$136.8M)</b>	<b>(\$79.3M)</b>

NOTE: Misc includes timing issues for \$25M personnel reduction, unbudgeted appropriations

4/15/2010

NOTE: DHHS internal shortfall assumes all previous DHHS recommendations move forward<sup>14</sup>

# FY10 – 11 Solutions: \$217M

	FY10	FY11
Move SFSF	\$80.0M	(\$80.0M)
Reductions	\$14.3M	\$69.7M
FMAP	\$10.7M	\$33.7M
Tobacco increase	\$2M	\$10M
Ded. fund sweep	\$2M	
Nat'l health savings		\$5M
Debt Refunding/ Restructuring	\$3M	\$42M
USNH	\$25M	
<b>Total solutions</b>	<b>\$137.0M</b>	<b>\$80.4M</b>

# Solutions: Reductions/FMAP Health Care Savings

- See reduction summaries
- Federal Funds
  - Move \$80 million in education state fiscal stabilization revenues into 2010
  - \$14.4M in relief on Medicare Part D clawback payments
  - \$30.0M 6-month extension passed by House and Senate
- National Health Reform Savings:
  - \$5 million in estimated savings in the state's Retiree Health Care program in FY2011 as a result of national health care.

# FY10 – 11 Debt Restructuring/Refunding

## Restructuring and refunding

- Debt refunding takes advantage of lower rates of borrowing
- Debt restructuring maintains original maturity of bonds and changes scheduling of debt service
- Issuing \$45M of restructuring bonds would decrease debt service by \$39M in FY11
- Maintains New Hampshire's traditional strong debt-to-revenue, debt-to-personal income ratios



## FY10 – 11 USNH

- Amend capital budget for FY 10/11 to include an additional \$25 million for USNH deferred maintenance.
- On or before June 30, 2010 USNH will make a \$25 million payment to the state from operating funds set aside for addressing deferred maintenance, which the state will use to offset \$38M in general fund debt service for USNH.

# SB 450 Amendment

- FY11 reductions
- Any FY10 reductions requiring legislative action
- Transfers SFSF from FY11 to FY10
- FY10 dedicated fund sweep
- Debt restructuring authorization
- Repeals campground and I&D extension
- Increases capital budget appropriation for USNH
- Tobacco tax increase
- Allows non-lapsing funds at Retirement and Treasury to lapse in FY10

# Questions, Suggestions, Alternatives

## 2011 Budget Reductions Summary

Agency	Amount	Summary
Adjutant General	\$339,000 (8%)	Reduce current expenses, part-time salaries, maintenance  Utility savings
Administrative Services	\$2,850,436 (4%)	Surplus funds in retiree health care and utility expenses  Matching retiree prescription drug plan with active employees  Reduce in-state travel, contracts, reduce maintenance, reduce equipment and supplies
Agriculture	\$263,000 (8%)	Transfer positions to other funds  Reduce overtime  Raise price of Weekly Market Bulletin to cover costs.  Increase pet shop licensing fees to cover the costs of inspection  Integrate administration of Board of Veterinary Medicine into the Department
Boards and Commissions, Smaller Agencies <ul style="list-style-type: none"> <li>• Tax and Land Appeals</li> <li>• Joint Board</li> <li>• Human Rights</li> <li>• Christa McAuliffe Planetarium</li> <li>• Real Estate</li> <li>• PELRB</li> <li>• Accountancy</li> <li>• Executive Council</li> <li>• Real Estate Appraiser</li> <li>• Manufactured Housing</li> </ul>	\$242,637	Reductions in various class lines
Corrections	\$1,711,628 (2%)	Limit Strafford County

## 2011 Budget Reductions Summary

		<p>Contract to current census of 25 inmates</p> <p>Savings from prescription drug management; new policy on in-state travel; restructured inmate pay; utility efficiencies</p> <p>Reduce training and current expenses, defer maintenance</p>
Cultural Resources	\$275,311 (8 %)	<p>Transfer 1 position to federal funds</p> <p>Hold vacant positions exempted from hiring freeze</p>
Education	\$9,923,000 (16%)	<p>Savings from 2010 personnel reductions</p> <p>Reduce in-state travel, organizational dues, employee training, current expenses, provider training, transcription services, subscriptions, maintenance</p> <p>Reduce Catastrophic Aid (\$7.8m), Tuition and Transportation Aid (\$602k), Dropout Prevention (\$139k), Statewide Special Education (\$23k), local education improvement (\$39k), career tech student organizations (\$9k), court-ordered placements (\$119k) state testing (\$239k), school nutrition (\$16k), Adult Education (\$102k)</p> <p>Eliminate funding for Parents as Teachers (\$65k)</p>
Environmental Services	\$1,847,000 (8%)	<p>Savings in State Aid wastewater grants</p> <p>Reduce funding for in-stream flow studies and site monitoring</p> <p>Reduce funding for regional planning commissions</p> <p>Move May and June 2011 state aid payments to July 1,</p>

## 2011 Budget Reductions Summary

		2012
Executive Office	\$250,722 (6%)	Governor's Office: Savings from not giving Jan. 2009 5.5% state employee pay raise, other salary and benefits  Commission on Disability: Leave Executive Director position vacant through October 2010  Office of Energy and Planning: savings from not granting 5.5 percent state employee pay raise to non-classified employees; eliminate funding for the Connecticut Rivers Council, small reduction to Community Action Programs  Savings in benefits, federal census
Health and Human Services	\$26,686,000 (3%)	See attached
HHS Attached Boards	\$153,766 (3%)	Reductions in part-time help, current expense, consultants
Information Technology	\$2,175,000 (8 %)	Savings from 2010 personnel reductions  Reduce equipment, leases, maintenance, training, software
Judicial Branch	\$4,000,000 (6%)	Judicial Branch
Justice	\$786,634 (8%)	Personnel savings
Labor	\$108,000 (8%)	Vacancy and transfer of positions
Legislative Branch	\$1,244,000 (8%)	
Liquor	\$505,000 (1%)	Reduce part-time staff, overtime, consultants, equipment
Lottery	\$650,000 (8%)	Savings from new software contract
Postsecondary Education	\$212,001 (5%)	Personnel savings  Eliminate funding for Granite State Scholars  No new commitments in Veterinary and Medical Education
Racing and Charitable	\$56,500 (7%)	Current expenses,

## 2011 Budget Reductions Summary

Gaming		maintenance, in-state travel, personnel savings
Resources and Economic Development	\$808,900 (6%)	Savings from 2010 personnel reductions  Reduce UNH Cooperative Extension Grant  Reduce funding to the Industrial Research Center by \$100,000.  No trade missions for FY11  Reduce current expense, in-state travel, marketing and promotion expenses
Retirement System	\$9,367,000	Reduce State contribution toward municipal and school retirement costs from 25 percent to 20 percent as proposed in HB1664
Revenue Administration	\$1,024,351 (6%)	Freeze vacancies exempted or waived from Executive Order hiring freeze  Reduce in-state travel, other accounts
State	\$149,000 (8%)	
Transportation	\$91,670 (8 %)	Transfer of positions to other funds
Treasury	\$6,107,930 (10%)	\$6M reduction in meals and rooms distribution
Veterans Home	\$1,550,360 (12%)	Savings from increased federal reimbursement rates  Savings and reductions in utilities, food, maintenance and pharmacy

	B	C	E	F	G	H
1	<b>New Hampshire Department of Health and Human Services</b>					
2	<b>2011 Budget Reductions Summary</b>					
3						
4	<b>2011</b>					
5	Action	GF	TF	Description		
6						
7	<b>Restructuring/Program Closures</b>					
8	Reassign Adults on F Unit Wing	\$1,442	\$2,065	Continued savings from closing F Unit in NH Hospital and reassigning adult patients.		
9	Restructure Anna Philbrook Program.	\$654	\$954	Restructure Anna Philbrook Center Program. Moving children and adolescents into the former F unit. (Physically separated from adult patients); closing the Philbrook building; and redesigning the educational program to meet the needs of a more transient student population.		
10	Social Services-Suspend Catastrophic Illness Program	\$489	\$489	Suspend program that provides assistance to individuals who do not qualify for Medicaid.		
11	Modify Use of Sununu Youth Center to Multi-Service Facility	\$4,186	\$4,186	The Sununu Youth Center has an average a census of 60, although it was built for 140. This proposal consolidates the committed and detained populated into two architecturally secure housing units. The remaining two units will be redesigned as a staff-secure transition and stabilization unit and as a shelter bed facility, allowing the state to drop expiring contracts for other facilities.		
12	Link APTD Eligibility to SSI	\$1,000	\$1,000	Restructure APTD program to increase link between state eligibility and SSI eligibility.		
13	Reduce service limit on hospital outpatient services	\$350	\$700	Hospitals who treat patients for non-emergency illnesses would not be paid beyond six visits (reduced from the current 12.) Emergency treatment would still be authorized.		
14	Child Support Processing Fee	\$286	\$0	\$2.00 per disbursement for qualifying cases.		
15	Discontinue coverage for CPT A4927 Disposable Gloves	\$50	\$99	Discontinue coverage for disposable gloves for incontinence supply patients.		
16						
17	<b>Contract Reductions/Eliminations</b>					
18	Specialty Medical Services Contract Reduction: Family Voices	\$15	\$15	Level funded at SFY09		
19	BDS Contract Reduction: Institute on Disability	\$30	\$30	Limits funding for training		



	B	C	E	F	G	H
2	<b>2011 Budget Reductions Summary</b>					
3						
4	2011					
20	BBH Establish Daily Limit on Functional Support Services for Children & Adolescents	\$466	\$1,083	Establish a 2.5 hour day daily limit on support services (same as adults). Waivers will be available.		
21	BDS Community Support Services - Independent Living	\$288	\$577	Work with area agencies to reduce service hours to some clients.		
22	Targeted Case Management (Non-Waiver)	\$217	\$434	Reduce or eliminate targeted case management for approximately 140 clients.		
23	DD & ABD Waiver Service Coordination	\$286	\$573	Reduces funding for case mgt services		
24	Alzheimer's Disease & Related Disorders	\$6	\$6	2% reduction in general funds		
25	Family Intervention Contract	\$73	\$627	End contract for services and manage internally		
26	Funding for Aids Service Organizations	\$400	\$400	Eliminates funds to ASO's for HIV care program		
27	Reduce Courier Contract Services	\$47	\$52	Reduce funding for courier services to bring samples to the public health lab.		
28	Contract Program Services	\$1,500	\$1,500	Eliminates contract for TANF family supports. Service to be delivered by dept. staff.		
29	Suspend JARC Funding (North Country Transportation)	\$0	\$24	Suspends allocation to North Country contract to enhance transportation committee initiatives		
30						
31	<b>Grant Program Reductions/Suspensions</b>					
32	Social Services-Volunteer Activity (Sr Companion)	\$32	\$32	Suspend state funding		
33	Social Services-NH Foster Grandparents	\$54	\$54	Suspend state funding		
34	Social Services-Retired Senior Volunteer Program	\$73	\$73	Suspend state funding		
35	Social Service-Congregate Housing	\$15	\$15	2% reduction in general funds		
36	ServiceLink	\$38	\$38	6% reduction in general funds		
37	Administration on Aging (AoA)	\$85	\$200	2% reduction in general funds to grants to local communities and organizations		
38	Social Services Block Grant (SSBG)	\$217	\$217	2% reduction in general funds		
39	Dartmouth Contract for NHH, BBH, OMBP & DJJS	\$190	\$212	Continued savings from canceling budgeted 5% salary increase for Dartmouth contractors at NHH, BHH (Research & Policy) Medicaid & DJJS		
40	Governor's Commission on A&OD-Treatment	\$53	\$115	2% reduction in general funds.		
41	Governor's Commission on A&OD-Prevention	\$23	\$23			

	B	C	E	F	G	H	
2	<b>2011 Budget Reductions Summary</b>						
3							
4	<b>2011</b>						
42	Eliminate DV Marriage License fee match	\$318	\$318	Eliminates the general fund match to domestic violence programs			
43	Family Resource Centers	\$120	\$120	Reduces \$10K from each of 12 Family Resource Centers. The 12 Family Resource Centers have average budgets of \$4m each, with the lowest budget \$535k and the highest \$18.9m.			
44	Suspend Incentive Fund payments	\$1,544	\$1,544	Suspend incentive Fund Grant payments to counties.			
45							
46	<b>Rate Reductions</b>						
47	Rate Reduction-Nursing Facilities	\$2,057	\$4,114	Continued savings from 2010 rate reduction of 6%. As a result of supplemental MQUIP and ARRA rates, the average rate to cost percentage will still be above 2009 levels for nursing homes.			
48	Rate Reduction-HCBC-CFI-Home Support	\$435	\$871	Continued savings from 2010 rate reduction of 2%			
49	Rate Reduction-HCBC-CFI-Home Health	\$161	\$322	Continued savings from 2010 rate reduction of 2%			
50	Rate Reduction-HCBC-CFI-Mid-Level Care	\$71	\$141	Continued savings from 2010 rate reduction of 2%			
51	Child and Family Services	\$473	\$947	2% rate reduction			
52	Rate Reductions from 80% to 70% or 60% Medicare	\$1,962	\$3,922	Each year, NH Medicaid reviews billing codes and activates new codes at 70% or 60% of Medicare. This initiative adjusts several categories of current codes to those levels.			
53	Rate Reduction - Children's Hospital Boston	\$750	\$1,500	Continued savings from reducing from 80% of cost to 70% of cost			
54	Clarify billing codes	\$655	\$1,311	Clarify and ensure proper usage of billing codes for pre-natal and home visiting services.			
55	Beneficiary transportation mileage rate reduction from \$.41 to \$.30	\$306	\$612	Continued savings from moving mileage reimbursement from \$.41 to \$.30.			
56							
57	<b>Program Reductions</b>						
58	In Home Support Waiver Services Funding Reduction	\$100	\$200	Expected savings from staggered start to services.			
59	Brain Injury Program	\$50	\$50	Limits case mgt and pilot project on school sports concussion			
60	SMS Contract Reduction: Family Voices	\$15	\$15	Level funded at SFY09			
61	<b>Expected Surplus Funds</b>						
62	SMS Contract Reduction: Neuro Motor Clinic Consultants	\$41	\$41	Reduce unencumbered funds to pay for specialty penalty consultants not already under contract with SMS			

	B	C	E	F	G	H
2	<b>2011 Budget Reductions Summary</b>					
3						
4	<b>2011</b>					
63	SMS Reduction: Specialty Clinics	\$99	\$99	Surplus funds if caseloads stay static.		
64	Health Promotion and osteoporosis	\$24	\$24	Discontinued project left unencumbered funds		
65	Medicare Part D Budget Surplus	\$1,800	\$1,800	Projected budget surplus due to flat Rx drug price growth		
66	<b>Efficiencies</b>					
67	Salem District Office consolidation	\$121	\$200	Reduce funding in various class lines by relocating the Salem District Office to Nashua DO		
68	Relocate DCSS from Spring S. to Campus	\$50	\$150	Project in process		
69	Consolidate contracts to save administrative costs	\$1,500	\$3,000	Save 25% of indirect costs for social services & medical contracts		
70	<b>FMAP</b>					
71	FMAP for Medicare Part D	\$3,709	\$3,709			
72						
73	<b>TOTALS</b>	<b>\$28,926</b>	<b>\$40,804</b>			
74	Formerly Step 2 items already accounted for in DHHS internal budget shortfall line	\$2,240				
75						
76	<b>Total Net Savings</b>	<b>\$26,686</b>				

Ryan Donnelly  
16 Pearson Road  
Alton, NH, 03809

4/15/2010

Dear members of the House and Senate Finance Committees:

Hello, my name is Ryan Donnelly, and I have been a New Hampshire resident for all of my life. I am proud to live in the Granite State, and I am here today because as a citizen of our state, I feel an obligation to stay informed of the decisions of our elected leaders and legislators, and to let my voice be heard in these turbulent times. Again and again I have heard the news that comes with balancing the state budget. These times have brought New Hampshire face-to-face with falling revenues and growing deficits. Clearly, action must be taken, and it appears that the unfortunate reality is that cuts must be made.

Action, however, does have its consequences. The economic hardships we have faced in recent years have hurt the state, towns, businesses, and families. Though recent headlines indicate that the economy may finally be headed into an upswing, people are still hurting, and it is my belief that these proposed cuts will hurt some of the most vulnerable within our state. As has been the case in other recent cuts, it has been the Department of Health and Human Services that has had to bear the greatest burden. With these reductions and others to come, I fear that many programs that individuals depend on to live their lives will be reduced or eliminated outright.

I rely on personal care services, some of which are funded under the Home and Community Based Care (HCBC) waiver. I request that you please remove the 2% reduction in Medicaid reimbursement rates for HCBC-CFI Home Support services contained in SB450. This reduction could result in a decrease in the rate of pay for my personal care workers which may make it hard for them to continue working for me. It also will make it harder for me to replace them.

I have fought to make myself more independent and take charge of my own life. I am not asking for a hand out, but as an individual with a disability, I do need a little help along the way. I know that the decisions being made today are not easy. However, the budget should be balanced not just through cuts, but through a combination of cuts that do the least harm and new revenue. Please examine all revenue options available so that vital programs such as personal care services are not negatively impacted. It will be the citizens of the state most in need of assistance who will suffer if reimbursement rates for these services are reduced.

Thank you for the opportunity to share my concerns with you, and thank you for your service to the citizens of NH.

Sincerely,

Ryan Donnelly



www.earlylearningnh.org

Restore child care assistance and take children off the child care wait list **NOW** so parents can keep their job and New Hampshire can prosper today and into the future

Today's growing need for state child care assistance is unprecedented in New Hampshire as more working families are now eligible for assistance during the economic downturn (see Chart A and Table 1). It is also unprecedented who is receiving child care assistance and the resulting cost per child to the state (see Table 2). Each change in Table 2 reflects an increase as the costs are higher for infant and full-time care, regulated programs, and families earning below the poverty line. Because the budgeted funding was insufficient to meet the growing need, the NH Dept. of Health and Human Services instituted three policy or practice changes to eliminate the projected shortfall.

- 1) **Oct 2009 – Created a new waiting list that could reach 3,000 children by June.** A waiting list for child care assistance for working families was started for the first time in New Hampshire and is growing at a rate of two children per business hour. Today, *no child born in New Hampshire after September 2009 can get state child care assistance unless their family is on welfare or is opened for child abuse and neglect services.* All other eligible families will have to wait.
- 2) **Jan 2010 – Suspended new and long-standing program quality and family support initiatives.** Several initiatives designed to increase a low-income family's access to safe and reliable child care of good quality have been suspended, putting our state's most vulnerable children at greater risk.
- 3) **Mar 2010 – Decreased amount paid for every child on subsidy: 7,700 children.** Parents are quitting their job and children are going home alone after school.

Chart A

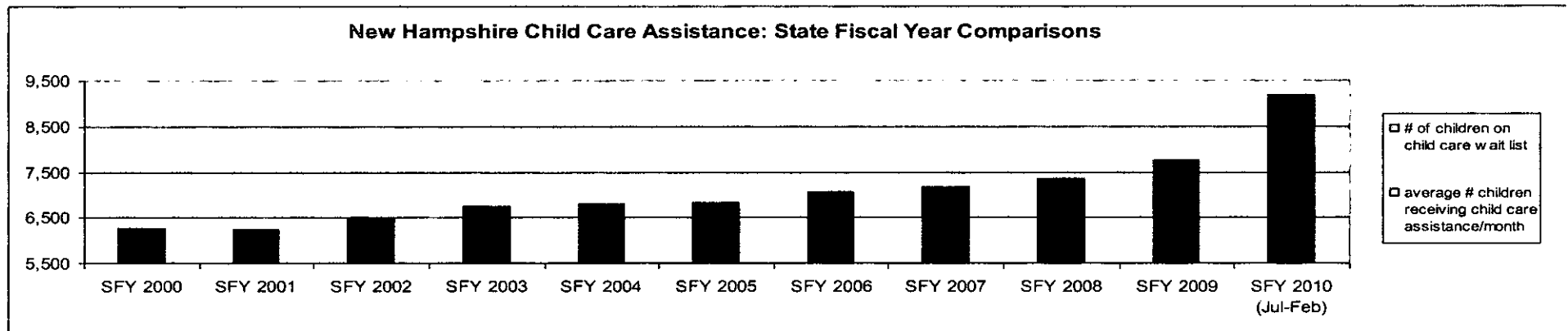


Table 1 – State Fiscal Year Comparisons

	SFY 2000	SFY 2001	SFY 2002	SFY 2003	SFY 2004	SFY 2005	SFY 2006	SFY 2007	SFY 2008	SFY 2009	SFY 2010 Jul 2009-Feb 2010
average # children receiving child care assistance per month	6,271	6,234	6,507	6,744	6,793	6,832	7,068	7,162	7,355	7,751	7,720
# of children on child care wait list	0	0	0	0	0	0	0	0	0	0	1,449
% change from previous year		-1%	4%	4%	1%	1%	3%	1%	3%	5%	18%
# change from previous year		-37	273	237	49	39	236	94	193	396	1,418

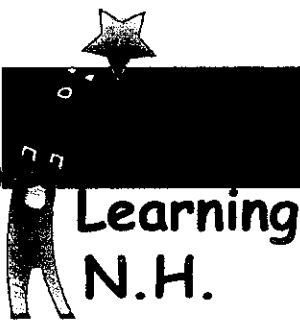
Table 2 – Reasons the cost per child for state assistance has increased (August 09 shows current usage, prior to the start of the wait list in October 09)

Of those on state child care assistance	# of babies (1-18 months)		# using licensed care		# needing full time care		# with parents earning below the Federal Poverty Level	
		%		%		%		%
March 2008	746	10%	3,696		1,758	24%	2,983	41%
August 2009	2,085	25%	4,115		2,840	34%	4,328	52%

h

**Recent Child Care Policy Changes are Not the New Hampshire Way**

February 2010



Early Learning NH believes the new child care policy changes, outlined below, undermine New Hampshire's workforce development and economic recovery efforts. These changes can cause working families to become unemployed or to return to state assistance at higher levels. We urge our state and federal leaders to allocate sufficient funding to take working families off the new wait list and restore the policies so families can move off of state assistance permanently.

Policy Changes Taken to Address SFY 2010-2011 Budget Shortfall	Impacts on Children, Families and the State	Shortfall \$ Amount
<p>Today's growing need for state child care assistance is unprecedented in New Hampshire as more working families have become eligible during the economic downturn. As the budgeted funding is insufficient to meet the growing need, DHHS instituted three, major policy or practice changes to eliminate the projected shortfall.</p> <p><b>1) Oct 2009 – Waiting List that will soon reach 3,000 children.</b> A waiting list for child care assistance for working families was started for the first time in New Hampshire and grew in only four months to over 1,200 children, a rate of about two children per business hour. The waiting list, originally projected to reach 1,000 by the end of June 2010, is now anticipated to reach 3,000 by then.</p> <p><b>2) Jan 2010 – Suspend some new and long-standing program quality and family support initiatives.</b> Several initiatives designed to increase a low-income family's access to safe and reliable child care of good quality and to offer critical, on-site family supports have been suspended. The nonprofit programs with an institutional dedication to serve low-income families have been hit hardest, putting their viability at increased risk during these tough times.</p> <p><b>3) Mar 2010 – Decrease amount paid for every child on subsidy: over 7,800 children.</b> 4,700 low-income, working families currently receiving assistance will pay more for child care than they do now. Of that total, families of 582 children will lose all state child care assistance.</p>	<p><i>Income-eligible, working families no longer able to afford safe and reliable child care of good quality face a tough choice: quit or turn down a job; seek greater levels of state assistance such as welfare or food stamps; move their preschooler to an unregulated provider of uncertain quality; keep their school-aged child home alone after school. No parent should have to choose between the job they need and the child they love.</i></p> <p><i>Due to the new waiting list, no child born in New Hampshire after September 2009 can receive state assistance for child care unless their family is on welfare or is opened for child abuse and neglect services. All other working families whose earnings qualify them for assistance will have to wait.</i></p> <p><i>Young children left in substandard care or at home alone are more likely to commit crimes, drop out of high school, and end up on state assistance as adults.</i></p> <p><i>Due to newly-decreased subsidy amounts, a parent earning below the poverty line with two children in child care will now pay an additional \$877 more per year, equivalent to an extra month's rent or mortgage payment. They simply don't have it.</i></p> <p><i>We undermine New Hampshire's economic growth and recovery when we do not ensure our state's <b>A)</b> families have the child care they need to keep working, <b>B)</b> children have what they need to grow and develop, and <b>C)</b> child care capacity remains in place for when the economy recovers.</i></p> <p><i>“Our economy is being dramatically re-shaped. Workforce development is critical to success. Ensuring a reliable stream of qualified workers is a key factor for states in attracting new business. Programs that start children on the path to successful adulthood... spur workforce development in multiple ways. In the long term, they increase school test scores, graduation rates, college attendance, job readiness and earnings; and reduce substance abuse, crime and teen pregnancy--all critical to growing a skilled workforce. In the short term, such public investments help attract new business by signaling the state's commitment to workforce development. Today, they help ensure that employees have quality services for their children, making them more productive on the job.”</i></p> <p><small>Partnership for America's Economic Success and The Pew Center on the States' Issue Brief #13, "The Costs of Disinvestment: Why States Can't Afford to Cut Smart Early Childhood Programs," January 2010.</small></p>	<p><b>\$10.3M</b></p>

N.H.

Listed in order of city/town where the family lives:

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
		16 months

My mother has had to pay my car payment so I can pay for child care. My boyfriend (not the father) has stepped in at times to pay childcare so I can keep her in childcare so I can work.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
		5, 4, 4

As told by Katie Brissette, Early Learning NH: "Todd and Hanna had a large increase to their cost share and can no longer afford to send their children to child care. Todd works full time and is completing medical training hours he needs for his job, which he is not paid for, and mom is going to have to quit her job and stay home with the kids. Todd mentioned that his kids really miss going to school and seeing their teachers and friends."

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
		8,4, and pregnant

I currently have two children on the child care assistance program with another on the way and on the wait list. I'm very scared that I'm not going to be able to find affordable safe childcare for my unborn child. I can't afford to lose my job it's the only income we have coming in. I'm so nervous I've actually put a lot of thought into aborting the baby versus losing my job. Its a little ways away so I'm hoping for a miracle to help because I really don't have any idea what I'm going to do. I can only pray that something changes. I truly rely on this program to help me and my family survive.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
	Tilton ( location of center)	

I am writing you today concerning a family we have here at The Ark, Christian Nursery & Learning Center, Inc. in the Tilton, NH. We have a client who is a single mother with two children on the NH Childcare Scholarship Program. These children have been enrolled since the middle of August 2009. Each of these children have greatly benefited from the opportunities they have each day in our preschool program. This included having bus services to the area Elementary School for the younger child's special needs. Mom is a hairdresser whom has just recently changed salons. Building her clientele has been a long process that continues to be slow in these economic times. When she had a full clientele at her previous

Handwritten initials: JCB

job she qualified for state subsidy and was on Step 4 fulltime. Now with her reduced clientele she is still Step 4 fulltime but with a reduced income and doubled cost share for each child. Her cost share has gone from a total family cost share of \$25.01 a week (as of 2/28/10), to an individual per child cost share of \$67.54 per week (as of 3/01/09). This brings her total childcare bill to \$135.08 each week. This single mother of two has gone from paying out \$25 each week for childcare to paying out \$135 each week, a \$110 difference (within a weeks time), with even less income than she had before. We would greatly appreciate any consideration the Neighbors in Need Program, Sponsored by lakes Region Child Care Support Fund, could give this family. Thank you for your time and consideration.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Allenstown</b>	<b>Concord</b>	<b>2, 4</b>

The tuition for our children has gone up by \$111.50. This is not affordable. Our children as well as us have learned so much and grown from our experience with Head Start. We would prefer that our children are able to stay in their current program. In the fall our daughter will start kindergarten and it will just be our son involved. Thank you.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Amherst</b>		<b>2</b>

I am 23 years old with a 2 and a half year old son. I served 4 years in the Marine Corps and got out in order to further my education. I do not have a job but I am in school full-time. My son's father lives in California while my son and I reside in NH. If funds were provided to help pay for daycare I would be more capable to pay for things my son and I need since I am unable to get a job because I am a single parent. This time my sons spends in daycare is the time I spend at school/doing homework.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Berlin</b>		<b>3 and 9</b>

I am on a waiting list for childcare for almost one year. I currently work full-time and used to also work a part-time job but had to let it go to childcare expenses. The money was going to childcare and not bringing anything home. I am recently divorced with a house, car and many bills, and paying \$100.00 for childcare weekly. Things are bad because I am paying out more than I am bringing in but doing my best for us. When I was receiving childcare at one time it was much easier to survive. It's a very hard decision when you're faced with your job or childcare! My boss has asked me to work extra but had to decline because I can't pay anything else for childcare. I only bring home \$270.00 weekly with \$100.00 of that going right to daycare. Please help us hard working families get some help so we can help our children get what they deserve.



City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Berlin</b>	<b>Berlin</b>	<b>10, 1.5</b>

I was receiving child care assistance for both my children. This allowed me to work and not have to pay half my paycheck to the babysitter. The state decided to double my cost share, as they did with others. Because of my cost share doubling, my cost share was higher than what the state was paying the babysitter. When your cost share exceed what the state pays, you lose your child care. They do not pay their amount anymore. Now I can not afford to pay the babysitter. This would take up more than half my paycheck. I would not be able to pay my bills if I do this. Now I need to decide what to do. Quit my job or try and find someone I don't even know well who will watch my child for less. I can't do that. I will not leave my child with just anyone. This situation is unfair to people trying to work. If I did not have a job and went on TANF, they would pay for a babysitter then! Is that what we want? People NOT working?

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Berlin</b>	<b>Berlin</b>	<b>10 months</b>

I am a single mom, who works as much as she can, while balancing bills, the cost of childcare. And then time I can work when he is in childcare.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Berlin</b>	<b>Berlin / Gorham</b>	<b>2 ½, 15 mos.</b>

As told by Jackie Cowell, Early Learning NH: "Kristin and Adam Labonte of Berlin have two children, ages 2 ½ and 15 months, in a licensed child care program. Their 2 ½ year old has had some developmental delays and is thriving and making great strides since attending the White Mountain Community College Child Care Center. Mom works as a paraprofessional at a public school, and Dad is an Iraq veteran who was unemployed. They just got back on their feet last month with the help of state child care assistance and Adam getting a job. Now, after the March decrease in what the State paid them for child care assistance, they will need to pay as much as \$900 a month more in child care. This is almost as much as Kristin earns each month. Her family is looking for a hand up, not a hand out, but she can't help but notice that her family would be better off if she quit her job or went on welfare or unemployment. Her husband was even told, when looking for extra help with his community college tuition to offset the increase in child care costs, that he'd qualify if they were divorced... Kristin took a day off work to travel down to Concord to speak to legislators about what her family is facing with the cuts to her state child care assistance – she'd never done anything like that. She told them, "I know any changes will be too late for me and my family, but I wanted to come here today so that no other families will have to go through what we did."

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Boscawen	Boscawen	6 months

I currently work 4 nights a week and have cut my hours in half. I have been offered a job at Concord Hospital but can not take it because I cannot afford child care. My sister and mother currently watch my daughter the 18-20 hours a week that I work because I cannot afford child care. My mother drives over an hour to come watch her. I want to start working towards a career at the hospital but am not sure who that is going to be possible when child care costs more a month than I would make

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Claremont	Claremont	12, 10

I am my children's grandmother and guardian since 6/06. I am so grateful that the state of NH has given us the opportunity to receive assistance. Without it, I am afraid our quality of "surviving" would be very different. With only my income we would probably lose our home. Serious choices in how to budget one paycheck to pay the mortgage, taxes, food, and clothing would impact our lives severely. My grandchildren have been emotionally traumatized by the environment their parents exposed them to. After many therapy sessions they are learning how to cope. Their only safe, caring, stable environment had been with me, where they lead a very "normal" life. If we lost the assistance for their after-school and summer care, I am afraid of what our other choices would be.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Claremont	Claremont	16 months and 1 and a half months

I am currently a mother of two. My second child is one and a half months old. I'm really worried that I am going to have to take my kids out of daycare because there is no way I'm going to be able to pay everything. My boyfriend (kids father) is unemployed and trying to find a job. I'm trying to work as much as I can to pay for day care for my kids.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Colebrook	Colebrook	4

My son is an only child. My husband and I are self-employed, so we have been able to juggle his care so far, with ourselves, family and a friend providing it. This year we've become increasingly aware of his social development and separation anxiety and the fact that he'll start kindergarten fall '10. Locally - his peers are either enrolled in preschool programs or Head Start with literally no classmates that I know of coming from an at-home background. So - since January have been sending him to preschool. He was able to get into a great preschool program and we feel that he is "right on track," but it is quite expensive for us (if there was no wait list we would receive state assistance). Is this story unique? I

don't know but it's real. I feel that NH could really improve on early education initiatives. We live close to Vermont and consequently benefit from VT state sponsored play group (weekly) and other programs that occasionally happen. NH doesn't seem to have these. Free preschool in VT also focuses on finding children with issues that can be addressed early on and NH children often are not identified early enough. (Head Start always fills up here in Colebrook, and the other children wind up in another daycare program that may or may not be high quality enough to be actively assessing – even though it can be paid for through state assistance.) I think free OPTIONAL preschool also teaches parents of the importance of the early years in terms of education that they may not focus on while their children are in daycare. I think this is key – would be for me and better for some children. Thanks for conducting this research.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Colebrook</b>	<b>Colebrook</b>	<b>3</b>

My 3 year old twin girls have been on a childcare waitlist for 5 months now. In the mean time I have a sitter who comes to our home to watch them while I am at work. I make \$7/hour and have my withholdings and taxes taken out of my check weekly. The sitter makes \$6.50/hour. How is that supposed to work? She makes more than me an hour after taxes? Should I quit my job? I am a single mother with no family assistance. When I hand my paycheck over to their caregiver I am so angry. My children have been on the waiting list, at a local preschool, for over a year now. I received a phone call two week ago from them stating there were two openings for my girls. I regrettingly had to ask the school to put my children back on the waiting list, because I can't afford to send them. It breaks my heart not being able to send my children to the preschool at this time. The girls also know that eventually they will be going to school and are excited. Every day they come up to me, when they see the school bus drive by or the children walking to school, and say, "Mom I'm huge or I can count to 15, or my ABC's can I go to school?" And my answer to them is simply, not today, you're almost big enough, not yet though. Rather than mom can't afford it right now. Thank you for listening.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Concord</b>	<b>Brentwood</b>	<b>1,4,14</b>

Let me start by saying that as of right now until June I have affordable childcare. My grandmother's friend watches her for next to nothing. So what happens in June? I have 2 children in daycare and can't afford the amount without the childcare assistance...

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Concord</b>	<b>Concord</b>	<b>6</b>

Me and my husband work part time. At present my mom is helping us to take care of our daughter. Soon they are moving to royal garden and we will be left behind and we are desperate. If we both don't work it is so hard to afford to pay the rents and bills and to meet our every need. So if the concerned authority or office would sanction our request soon how indebted we would be.



City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Concord</b>	<b>Concord</b>	<b>2 and a half</b>

Bakela Massaquoi is a 2 and a half year old child on your Early Learning program. Her day care was cancelled for some reasons. Since then, I have been trying hard to get her back into day care because she missed going to the Early Learning program. As a single mom with just a part time work, a full time ESL student and a full time job hunter, I am finding things harder to carry her around on a daily basis. Bakela day care was what getting me move around to help myself and kids, but with the cancellation I am having problem going around for full time job. I am asking you to please reconsider her day care request, so she can join her friends in the early learning program to build her skill and learn new things. You don't know how much she missed going to school with her friends. Every morning she gets up ready to go to school, but her request is still pending. That makes me feel very sad and hope I had money to pay her day care fees. I hope this message will speak volumes for your prompt respond or approval.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Concord</b>	<b>Concord</b>	<b>4 and 3 months</b>

I gave birth to my son Cameron in December (3 mo) my daughter Bella (4 yrs) was receiving the best childcare possible thanks to the childcare program. I had wanted the same got my son however, he had a year and a half wait...what am I to do for a year and a half? How will I pay rent? Better yet how am I going to pa for daycare for my other child? I used to be able to provide for myself. I was a waitress but now I work as a pizza delivery driver 2 nights a week because my spouse works daytime hours. He gets out at 8:00pm; I go in at 8:00 till 2:00 am. I will not be able to return to my full time job unless my childcare assistance is approved. My daughter will loose her place because I have had to withdraw her. I can't work, can't pay daycare, and can't pay anything. I am very grateful for my children and for my place of employment (seeing it rare to come by). I have been at my job for 3 years and they are my second family. My children have left their friends and I who have been hardworking and outgoing, am now depressed, almost lost. I even had to postpone college so I can further my career and provide for my family. I thought I could finally get ahead and not need assistance at all but now I am worse off than I started but will not give up. Please reinstate the care so I can take care of my loved ones and go back to school. Please call for anything or even any ideas to resolve my issue. The children need it as much as the adults.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Concord</b>	<b>Concord</b>	<b>22 months</b>

I took care of my baby from when he was born but it is very difficult because I am not able to a work full time job. I ask you to help me to pay child care for him. As a single mother with three children it is very hard to provide their needs with my part time job.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Danbury	Bristol	3,4,9,13,14

I have 5 children! One biological and four adopted! We fostered 2 of 8 years and they didn't want to leave they wanted us to adopt them! The other 2 were drug babies, brother and sister since birth. At a year old they took the little girl and sent her to live her aunt and uncle. She screamed for the 9 months she was gone, got no medical attention and was kicked out of numerous daycares. At 20 months old she was dropped off by the uncle, they couldn't stand her. Now I have a daughter with attachment issues. We only have one daycare in our area and she puts us with our youngest daughters temper and anger issues. I leave work for her a lot. It is hard when daycare is \$270 and you being home \$500 a week after insurance. We make too much monthly for any other assistance. For a family of 7 we make \$45,000 per year. Our mortgage is \$1200. Daycare is killing us. We used to have a savings, it is gone! Daycare assistance would help us a lot. I am looking into getting a second job to help pay the bills. I love my kids and don't want another job. I also take classes at Lakes Region Community College too. Please fix the child care assistance program. My kids need to see their mom.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Danville		4

After leaving my job, I realized I couldn't afford to keep my daughter in daycare, even working full time I could only afford 3 days a week. Attending three days as it was took 1/3 of my pay so of course I lived paycheck to paycheck. When child care increases I have to rob Peter to pay Paul, so to speak. It has to come from somewhere. If it wasn't for my mother and sister taking care of my daughter I don't know what I would do, for the other 2 days.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Derry	Londonderry/Derry	6 months and 5

My boyfriend and I both work. He works at Wendy's and I work at Cracker Barrel and Taco Bell trying to get caught up on bills. So trying to get someone to watch them is impossible. We both moved here from Florida and we know nobody here. I need a 24 hour daycare so I can support my children. I am behind a months rent. I owe a light bill and car insurance. I need something that I can afford for both my children so I can get caught up. Please help us.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Derry	Manchester	16 months

Keira is 16 months and her dad has been in and out since she was born and when I told him I was going for child support he left and moved to Florida and we don't know where he is so until we get an address, NO CHILD SUPPORT. In October we were forced to move out of my parents house and at the time when daycare was \$50/wk I could afford it, but my daycare has jumped to \$150/wk and I can no longer afford it. I had reapplied in December to get free care since I had moved out and got denied and not only got denied but they bumped it up. I can hardly afford my bills or buy Keira food or clothes. The state was supposed to help instead they screwed me saying that my gross income is too high and they don't take into consideration my bills (rent, care, etc). I'm a single 22 year old mom...I need help with funds for my daughter. Please!!

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Derry	Salem	6; 9

My wife left me on September 14, 2009 to be with another guy even though we are still married. We both share child care cost currently but I receive no child support from her. I buy all food, shelter and clothing for my boys with no other help from her. I do the school readiness for them as well as other fatherly duties.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Dover	Dover	4; 11 months

My name is Cecilia Viano, I am on the waiting list for state child care for my two children. At this moment only my older son is attending daycare because I can't afford to pay for my 11 month old baby girl, it's very tough for me to be able to pay for both, since I only work part time and what I earn is not enough to pay for day care.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Dover	Portsmouth (student)	2

I have a 4 year old son who has gone to an after school program and in 100% assuredly that closing and having to reopen my case due to an extreme error on HHS' part. I have lost that after school care. I have a 15 month old that I am seeking care for. I am due to graduate and start working but am afraid my options are limited because of this.

N.H.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Dover	Portsmouth	4 years and 17 months

(more to say in person) You really need to contact me. I have a lot to say in person. I have so much to say about how they say the economy is bad, but getting better but once Haiti or another country has a disaster then we help them before we help our families in the United States.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Farmington	Dover	9

We are finding it very hard to make ends meet with the recent economy, and everything going up. Our daycare has already had a 33% increase as of August 2009. I feel if things go up even more, we may have to find alternate childcare, that will not be as rewarding.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Farmington	Rochester	5 and 8

I am a single mom of two children aged 5 and 8. I am currently at the step 4 of the program requiring me to pay \$40 per week for my children's co-pays with this new increase I am going to have to start paying upwards of \$75 a week in co-pays and that is just too much. I am facing not being able to pay all of my bills and my children going without necessities. Child care assistance is the one thing I rely on to help me through these rough times as my income is decent, but the cost of child care is rising with the cost of everything else I can barely afford the basics for my family (like food). I don't believe the people who actually try to work and be self sufficient should be penalized while women and families collecting Welfare for long periods of time without any effort are continued to be allowed to have free daycare and access to all other programs. This is an injustice against the working class and should be not allowed to go through.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Franklin		17 months

Due to increase in co-pay, I am unable to meet child care needs. Problems being on Dssh Programs and Local welfare: If family works 1 hour over the hundred hour limit set by TANF the family will lose all help. Not enough cash or rental assistance to live with any type of security for the family. Raising the co-pay from \$2.67 per family to \$18.97 per child. NH Works Will not provide re-training if you already have any type of secondary schools. The job market needs are not even put into the planning. The hours in job searching giving by TANF to stay on program, is unsustainable week after week. 55 hours is problematic. Just not enough places to go. Plus the cost of gas, day care, and need for a vehicle. If cash is given, the problem will take it from food stamps on the other side. I am given \$320 per month in cash. I pay \$775 per month for rent. I pay

for gas, transportation cost, while only working 20 hours per week. Take home \$205 every two weeks. I am short \$120 on rent, before child care cost.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Franklin</b>	<b>Belknap</b>	<b>3, 12</b>

As told to Jackie Cowell of Early Learning NH: I can't afford my child care so many weeks. I am a single mother and my four-year old has autism and attends Head Start as well as the child care. The NHEP program keeps changing me from part-time to full-time, but I have to pay at the child care whether or not he comes. The child care provider has given me a payment plan to try to pay her in installments, but I can't make ends meet. I don't have any parents in the area to help me out. I'm trying to get ahead and want to get off welfare, but I don't know how I'm going to be able to when I can't even afford the child care. Please help.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Gilford</b>	<b>Meredith</b>	<b>4, 12</b>

I am a single dad with two children. My bills are more than my income before the change in my child care payment. I am afraid of losing my car, which would stop me from working or being able to get to work. The rate increase matches my car payment. This change is a serious downfall to my financial situation.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Gilmanston</b>	<b>Franklin</b>	<b>5</b>

I was going to school at Hesser College until a huge tragedy came up. I came home, found my stuff moved from one place to another. My childcare, rent, and light bill money was in a lock box. Also had set aside money for Christmas shopping back in November but to walk in and see it all gone from my home has put me in debt with child care then they decided to up child care assistance costs and have no help or not much money to fork out extra cash. All of these people's problems add up then the kids loose out because they are used to a routine then you pull them from daycare and they get angry. My child is ADHD with a coexisting disorder. Because she wants to go to daycare but some how I racked up a bill \$737 so I have to remove her. \$5 a day for 3 hours a day is about \$65/week and if you're short on cash how do you get help to pay for childcare when you have an overdue amount. With this economy the way it is there are not many places that are hiring and if someone is on a waiting list how are they supposed to work with no one they can trust knowing their child/children are okay. Even though us parents know they're okay it is still hard to leave them but hopefully someone can make some good changes with my input. Thanks for your time.



N.H.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Gilsum	Keene	1 to 11 years

I have been working part-time for WIC for almost 9 years now. They used to let us work from home, but now require us to work in the office. I had to get special permission to being my one year old to work with me. I work while my 3 older kids are in school – BUT this means I cannot work while my children are sick or on vacation. I worry about what to do this summer when there is no school and I can't get childcare for them.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Goffstown		2 years and 3 months

Recently my child care cost share went up. I use the money I receive from the state to pay for child care and the necessities my children need. Since the cost went up, I have to pinch every penny more than I did before. Also, I want to put my infant into daycare when I enroll in classes to help me find a job that can support us. I'm not sure I can do this if I do not have enough money or assistance to do so. Waiting to receive child support makes life hard and I have to rely on help from the state. Without having help with childcare for both of my children, I feel that I will not be able to better out future of being stable on our own.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Hillsboro	Concord	3

I am a single mom of one. I work a full time job that requires me to be at work at 3am. It is hard to find a sitter for those hours but I found one. I pay \$10 a day right now because she is trying to help me out until I can get off the wait list. I got very lucky to have found her. But even still \$10 a day is still too much. I have a car payment. Insurance, rent, and utilities to pay. I just don't make enough. I get food stamps but only \$130 a month. It just doesn't cut it. Things need to change as far as the guidelines go. I don't qualify for cash assistance because my child support puts me \$100 over the limit for a single family. They don't factor what gets taken out of your check for taxes, or all the unexpected things that come up, like oil changes, car breaking down, and then when you go for help, they deny you because you're just over the limits. The people really need the help don't get it. I've had to give up a lot of time spent with my daughter just to be negative in my accounts every month even taking all the extra house I can get. I can't a second job because I can't pay the childcare. My second job would only pay for that. Plus that's more time lost with my daughter. I really hope things will change and soon.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Keene	Keene	2 and a half and unborn (due 4/11)

I am 20 years old and about to have my second child. I work 30 plus hours a week and sell Avon to try to make the end I have to meet. I currently pay \$176 a week (\$704 a month) for my 2 and a half year old son to attend child care. When I first applied for the childcare scholarship from the state, I was sent a letter saying due to lack of funds he would be put on a six month waiting list. "Six months isn't too bad" I thought, and I managed to make it work. However at the six month mark I was informed he would be on another waiting list for up to a year! I was dumbfounded. I then began to wonder how I was going to afford childcare for two children. Am I going to have to quit my job and stay home with the kids? Probably. Is it fair to my son who loves going to "school" everyday to learn and grow to have to take him out because mommy can't afford it? No. Are there any family members or friends that could take care of them instead? No. What am I going to do? I have also put off getting my own place largely due to the fact that I pay our so much for childcare that I just can't afford it. We currently live at my grandmother's place with four other people. It's a two bedroom trailer so we sleep in the living room on a pull out couch. Next I sat down to figure out exactly how much I would need to pay to have two kids enrolled in childcare. Well \$704 a month (\$176 a week) from my son and \$784 a month (\$196 a week) for my infant equals \$1,488 a month! At this point, I cried. I love to work so how could I ever quit? How do I tell my son he can't go back to "school" anymore when he loves it so much? How can I ever afford my own place? I can't. It's as simple as that. None of the above are reasonable options to me let alone fair. Something needs to be done to get more funding for the childcare scholarship, and fast.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Laconia	Laconia	3

I am a single parent and I work a 40 hour a week job, so my daughter needs to be in child care 5 days a week. This costs me \$110.00 a week which is a significant portion of my income. I could really use some help.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Lebanon	Lebanon (Grafton County Senior Center)	twin girls 5, and my son 2

I am a mother of three doing it on my own trying to work 40 hours a week and just a month ago started getting child support. I am a person that wants to work and have child care for my kids so they can learn more. My son is 2 and was already in a great childcare place. Please help me so I can keep my care giving job (am also trying to get into nursing school).

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Loudon		2 and 8

I have been unemployed now for 7 months, while yes I am collecting unemployment checks, it does not allow me enough money to send my son to his daycare program with a cost of \$140/week. It is very difficult when I do not have a support network of friends and family that I can depend on to watch my 2 years old son when I have interviews or need to just go out and "Job Hunt," so the only option I have is to pay \$30/day every time I would like to do any of these activities. Never mind the fact that my son needs to get social interactions and learning activities that I cannot provide for him every day being at home with him. I honestly feel like being put on a one year wait list for daycare assistance is like a slap in the face, so if the state is saying "tough luck, we would rather see you stay at home, not contribute to society, and not get a job, then pay to help you get back on your feet." It is very frustrating and stressful and I am starting wonder why we vote for who we vote for if the government of NH can't work it into their budget to help needy families like me!

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Manchester		1

My son is one year old. I need help paying for childcare because I'm not working I just go to school now. I'm doing my externship for college. My son is everything for me and that wasn't what I want for him to go to daycare but I can not stay at home with him because I'm studying so that we can get a better life, and better future. Now we are living at my mom's house because we don't have a place to go to live. When I go everyday my mom stays with him until his father comes to pick up him, then when I come from my externship I pick up him. We are having a hard time because it's very difficult for me and him because he doesn't have a babysitter but now I am on the waiting list for the babysitter. My son is a very happy and friendly boy. He likes to play. The other thing that we are having a hard time with is that he doesn't sleep like he is supposed to because he wakes up at night and he doesn't sleep during the day, but we are trying to work things. He is an angel and he is one year old. I love him so much. I like to spend time with my little angel. He makes me feel happy.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Manchester		4 months

I am a single mom with no benefits working for myself paying all of the household bills and rent myself – now the economy is slow so I am not working much but I barely get by to work. Childcare is not even an option with me. I have to bring my baby to work because I cannot afford it. (Not professional to have crying baby with customer).

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Manchester</b>		<b>4, 5, 10</b>

My salary is currently not enough to comfortably pay mortgage, childcare and rest of families needs. It was a great help and relief when I was receiving scholarship funding for my day care expenses. I have had instances where I have to choose between sending my \$1600 mortgage payment or the \$1260 monthly day care expenses. I was also unaware of the yearly re-application so I have a \$1600 medical bill for the months of October then January got my kids physicals and other visits. Thank you in advance for the help and assistance.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Manchester</b>		<b>5 and 11</b>

I am unable to look for work because with my unemployment I cannot afford child care and if I do find work I won't be able to just throw him in child care I need to register and pay ahead which I cannot do. Also he would need time to adjust so without child care I cannot look for work.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Manchester</b>	<b>Bedford</b>	<b>5 and 2</b>

I am a single mother have to work full time plus a part time job and my check goes to child care and rent. I have no money to do groceries, fuel in my gas tank. I would love to work and put some money away for retirement but I can't.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Manchester</b>	<b>Concord</b>	<b>6</b>

I am a single mom of a six year old boy. Prior to this change child care assistance was the only state assistance I qualify for even though my income is below poverty level and now due to this change, I will no longer have child care assistance and 35% of my income will need to go to child care. I don't know how I will be able to make this work. It is not fair to the working class to not receive assistance while other whom just sit around doing nothing and abusing state assistance have all expenses paid. I just recently built/bought a house which I was hoping would allow me and my son to prosper and possibly get out of poverty, however, due to the recent changes with the state I now can see a possibility of foreclosure ahead. Is this how NH leaders build a strong economy and help this working class? Something needs to be done about this! Something ethical and something right.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Manchester</b>	<b>Manchester</b>	<b>3 and 10</b>

I have 2 children but just my big one, Lisbet, is on the waiting list. I am still looking for a place for the summer. She is 10 years old, and I called a few places but they are too expensive.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Manchester</b>	<b>Manchester</b>	<b>10</b>

My granddaughter has a 5 month old daughter that has to be left with various family members (myself included, because her work hours have increased and has been put on the wait list – this is very hard on her daughter because her schedule is never consistent because her mom has to work around other family members schedules in order to keep her job and know her child is safe as she can't afford quality childcare without assistance.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Manchester</b>	<b>Manchester</b>	<b>2; 4</b>

I am a full time single mother of two girls. I work full time and I am a fulltime student. I do not receive child support or any kind of cash assistance. I struggle to pay rent, bills, and now childcare. I was getting assistance for years and because my paperwork was received late I have been put on the wait list for childcare assistance. I am currently paying \$200/wk out of pocket for daycare; this is the same amount I pay for rent each month. This totals \$1600/month – which I do not even bring home each month from my income and this does not include other expenses needed in providing for my children. I do not know how long I am going to be able to pay rent and childcare together out of pocket, but I need child care in order to work and I need to work to provide for my family.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Manchester</b>	<b>Manchester</b>	<b>7; 5</b>

My children had been covered by assistance until a filing error, and then I was removed. I refilled, but have gotten no response. My husband lost his previous job (due to injury) and managed to get another job in November that unfortunately pays substantially less. My younger daughter will be starting public school in September, but both she and her sister will need Girls Inc over the summer and doing school breaks, as neither my husband nor I get any paid time off. We are both working hard to try to get off public assistance, but do need it in the meantime.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Manchester</b>	<b>Merrimack</b>	<b>2</b>

To Whom It May Concern: My name is Christina Yakuboff. I am writing you, to inform you on my child's story. It all started when I was 15 years old. I met this wonderful Texas boy named Curtis Henderson. I brought home to school when I turned 16 years old and we became very close. Over time we parted through the years. About 10 years later, I ran into him. We were so consumed with each other. We lived together and we were happy. Happy that is until I told him I was pregnant. When I told him I was pregnant, he told me to get an abortion. I could and would never be able to bring myself to do that. I told him to walk away and never look back or step up and be a father. He chose to be a father at the time. Through my pregnancy I was high risk. I have had seizures in the past and tend to pass out a lot. Curtis was not helpful at all. He was always drunk. He was violent at times and thought apologizing in the morning would make it all okay. When I had my little baby girl Chelsey, he was drunk in the hospital. Everything kept going down hill from there. Our daughter had colic and reflux. She was so miserable and I had post-pardon depression. He would come home late at night, scream, shove, break things. I knew I had to leave, when my little girl was holding herself up on the table he threw me over the couch and fell into the pack n play in front of her. I managed to get an apartment for Chelsey and I. When we left, I tired getting help through the state but they couldn't help me. I was told I needed another dependent or to quit my job. I do make a decent paycheck but after paying all of my bills, I only have \$87.00 a week. That money has to go to food, gas, clothes, co-pays, and prescriptions. It's hard but I manage. Now my expenses, does not include daycare. Curtis was giving me \$100.00 a week to pay daycare. And now...he doesn't feel that he owes his daughter anything. He would visit once in a while, but that stopped. Her father is in jail currently because he drinks and drives with no license. If you check with the Merrimack, Candia, Virginia, and Maine courts, you would see this man has many problems. After he was arrested in Merrimack and Auburn with in 2 weeks of each other, he decided to jump in his truck with no license and drive to Virginia. He moves so much that I can't get a child support order into effect. As of February 2011, that will be my last payment to Card Services of \$536.00. I only need help for about a year. Once year that is all. I do not want to quit my job and live off the state and I don't want to have another baby. I am hurt that so many people work the state that don't need help and for the ones that need the help like myself have to struggle. I know I made the right decision for my daughter and myself. Who knew you high school sweetheart could become so selfish and careless about his life and the life's he has brought into this world. Chelsey is a happy and healthy little girl. I wish that I could receive some type of help for just one year. Please let me know; know if there is anything you can do to make our things better. So this is my child's story. A happy little girl who is always smiling even though he dad is in jail and see her mom cry a lot because times are hard. Please help us. Just one year! Just one!

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Milan</b>	<b>Berlin</b>	<b>3</b>

Child care is too expensive. I have to work minimal hours because I cannot afford childcare because childcare has not been available by NH I am stuck not working to my potential.

N.H.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Milton	All over/Rochester	4 and 5

We live paycheck to paycheck and barely have enough for bills after daycare. We are on a waiting list but while both of us are working we are on the bottom of the list as assistance is given to the people who are on TANF which we make too much money for. Just another time a young middle class working family is penalized for working.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Milton	Farmington	3

I am writing in regards to child care costs in New Hampshire. I have worked as a toddler teacher in New Hampshire for almost 20 years. Almost all of that time teaching was at the Community Child Care Center (CCCC) of Portsmouth, a NAEYC accredited facility. Three years ago, I had my first child. I was working full time at CCCC while my son attended the infant room, costing me nearly \$700 a month in childcare costs. I live 32 miles away, but due to the high quality of care at the center I drove nearly 70 miles each day, even during the time when gas was nearly \$4.00 a gallon. I was offered a job teaching at Farmington Children's Center, which is four miles away from my home, which is wonderful, but the cost of child care did not go down for me as I am still paying over \$600 a month now that my son is 3. My husband lost his job this week, a job that he held for over ten years. I acquired into getting some assistance with paying for childcare, something that I have never done before. I was told that even though I have worked in childcare for almost 20 years, and have never asked for any kind of state assistance I would have to be put on a wait list that could last from six months to over a year. This is appalling to me, my husband and I have always worked and never asked for help from the state. But now in this horrible economic time we need a little help and cannot get it. My son loves daycare and has flourished there. I do not want to have to pull him out because we cannot afford to give him what he needs. The government needs to give assistance to people who have never asked for it first, people who have always worked and work hard for all they have, people who just need a little help getting by in a tough time. The President has promised to help the middle man. Now is the time. The cost of quality child care is outrageous, the salaries of the teachers are miniscule for all the work that they do. It is time for the state and government to do more to help the middle class get by and help the next generation of children succeed.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Milton	N/A at this time	2

I had to remove my son from daycare where he went two days a week because we can't afford it right now. We qualified for enough to pay for the two days but are still waiting. My son enjoyed school and missed it and makes it very hard for me to interviews without care for him.

N.H.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Nashua	Nashua	8

I had childcare then I didn't, I was out on the waiting list. I didn't know this until I went into the office. I had to reapply ( I didn't get a notice in the mail stating I had been put on the waiting list in the first place). Being a single parent of 2 girls and working part-time with the economy, it's hard to pay for the childcare without help I'm behind because they put me on the list. Now I work just to keep my daughter in the after school program with very little money left over. I'm looking for extra work but it's hard. I'm one of the lucky ones to even have a job. So all in all a lot of people need the child care help. I know I do. Please try and find a way to fix this problem.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
New Ipswich	Jaffrey	2,4,9

I work full time at the Jaffrey-Peterborough District Court. I am already having to take unpaid furlough days. Now my co-pay has gone up from \$25.00 per week to \$140.00 a week! I am going to have to quit my job that I have been working at for 3 years now. I am going to have to stay home with my 3 children, the oldest who needs pt care before/after school but for summer needs ft care. I am going to have to get welfare now. I am going to have to get food stamps now. I can not afford to pay \$1,000 per month in child care between this center and my older sons care. That is more than my rent! (\$900.00). My children are going to be devastated to not be able to go to school anymore.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Northfield	Northfield	10 and 7 months

My case worker sent me a letter telling me my child care would be shut off, because my son had not used it in months. I called right away to tell her my daughter would need it in November 2009, when I returned to work. She said she would keep my name open for child care. Two weeks before returning to work, I called to make sure, and was informed my childcare was turned off, without my knowledge. (top line was cut off) I now had to find someone to watch my daughter within two weeks, or I would not have a job. No one could what her for what I had to offer. Finally, after a week and a half of searching, my aunt called and offered to watch my daughter for \$50 a week until I could find someone else, once I receive child care from the state. My aunt is 75 years old, and although she adores my daughter, she isn't able to do the same things with my daughter that someone younger could do, such as going to the library, the park, or for walks. I was put in a rough situation trying to find child care in only 2 weeks.



City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Ossipee	Wolfeboro	20 months

A single mom with no dad or child support. I struggle to give her what she needs on a daily basis. I have medical issues but am forced to work no matter how I may feel. I do not wish to live off the state like so many others, but it would be nice to get a little help so I can afford to keep my child in day care and be able to make ends meet. Thank you.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Peterborough		1.5

I am a single mother all of the responsibility is on me to take care of my son. If I didn't have help to pay child care I wouldn't be able to pay for things my son needs. I cannot afford to pay 100%. I can't loose my job. It's important to have state assistance. I have zero help from my son's father. Bills and rent alone are hard to keep up with.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Peterborough	NH	2 and 4

I am a single mother trying to pay \$775.00/month, \$35.00/month in electric, along with diapers, wipes, clothes, food, gas, laundry, etc. I only make \$1000/month if that. I do receive food stamps, which pays for most of my food. Child support is \$66.00 week. If you add all this up and pay for everything that is needed in a month, I barely have any extra to put towards daycare. The \$20.00/wk I used to pay was hard enough. Now it is raised to \$75.00/wk. I don't even get that in child support. It is going to come to the point where I cannot work if daycare prices keep rising. I am already struggling trying to keep 2 kids fed, clothed, etc. I'm doing it yes but this will not help them out at all. I have no family around to help even if I could get a second job...I'm stuck. I don't know what to do. Please think about this. I am only one person. How many other single parents do you think are suffering?

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Peterborough	Peterborough	2

I am a single mother of a soon to be 2 year old girl. I work a part time job right now that I can bring her to. But it just does not pay enough. I need to get another job but cannot do that until she is in child care. I can't even think of sending her until I get this because it is 90 for just 2 days! I need her in there for at least 3 days a week. I would be working just to put her in child care.

N.H.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Plainfield	New London	10 months

I am a sophomore at Colby-Sawyer College in New London, NH in the RN – BSN program. While living in a campus dorm of my freshman year, 2008, I discovered I was pregnant. I don't believe in abortion so terminating the pregnancy was not an option for me. With the support of my family I stayed on campus and completed my first year of college. I was very sick during my pregnancy and it was very hard but I didn't want to quit school. At the end of the year I moved home with my parents and my son, Carter, was born in May of 2009. My parents supported me during the summer so I could stay home with my new baby. I returned to college, full time, in the fall of my sophomore year but remained living at home with my family. Both of my parents work full time as they have four children, I am the oldest. Going back to school would mean I would need to find child care for Carter in order to stay in school. After looking all over the Upper Valley we found a woman who had an opening for an infant. Her cost is \$45/day (or \$225/wk). I went to the local office in Claremont, NH and applied for assistance as my new sitter said she would work with the state to help me get aid, but we were placed on the waiting list. Since I am not working and my parents couldn't afford to bear this cost I was only able to send Carter to daycare 3 of the 5 days per week as \$135 (3 x \$45) is the amount Carter's father (we were never married) is able to afford each week. My parents continue to provide all of our meals, clothing, a vehicle to drive to and from school, and the gas, along with diapers, formula, and all the other things a baby needs. To fill out the week so I could go to school, and Carter's father could still continue to work full time, my grandmother offered to watch Carter for the other two days for as long as she could do it. This is very hard on her as she is aging and she has to spend a lot of time taking care of my grandfather who has complications due to diabetes (she is a nurse ARNP). My goal is to finish school and become an RN which is a career that I know will provide for me and my son. I hope to marry one day and have more children and eventually get my Masters Degree in midwifery. This has always been my plan but it all hinges on my ability to stay in school. I'm so lucky to have a supportive family who are willing to help me do this. However the child care issue, paying for it, is the biggest concern for all of us. It was never my intent to need state aid, but if I can stay in school and become a nurse, in two years I would not need any assistance. I've been told, however, that I should expect to remain on the waiting list for at least that long if not longer which most likely means I will not be able to stay a full time student and will need to find a job. This would be very unfortunate as statistics show that those who leave the program I'm in do not finish. I will then have student loans in the thousands of dollars with no hope of getting a job that would support me and a child and allow me to pay back these loans.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Plymouth	Plymouth	5 months

When my daughter was born I knew something had to change in my work hours. I was getting between 20-30 hours a week and knew I was not going to be able to work those hours with an infant so I spoke to my boss and she said I could work from 3pm-7pm. The only thing was finding out what to do with my daughter. Well I knew my mother got out of work by 3 most days so I asked her if she would watch my daughter for 4 hours while I worked so I could get some money to be able to buy diapers, wipes, clothes, and gas to be able to get to work. Thankfully I don't have to travel far, just 15 minutes but I still need to put gas in my car. Her father lives one hour away from me and is unemployed has been unemployed for 4 months now. He has had no luck finding a job so it has been hard trying to give him money to get by. We would love to have our own place to start being a real family but at this point we see it never happening and my daughter is going to be the one suffering from it because she'll

know we are together but never knows when she'll see her father again. If I had child care available I could work more which means I could provide my daughter with more and be a lot less stressed in life.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Raymond</b>	<b>Epping</b>	<b>7,5,2,1</b>

I currently have a steady job, but my fiancé is unable to work because he has to stay home with the children. We have 4 children and it is hard to support our family on my income alone. If we were able to both work we would be able to do things more as a family.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Rochester</b>	<b>Portsmouth</b>	<b>7 and 10</b>

I work as a school bus driver in Portsmouth and I go to school in Portsmouth Great Bay Community College. I depend on after school care for my boys. They are in after school care in Rochester while I am driving a school bus in Portsmouth. By cutting my finding I would have to quit my job because I can't be 2 places at the same time and I can't afford other daycares. I am a single parent that heavily relies on safe, stable afterschool care and responsible people.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Rochester</b>	<b>Rochester</b>	<b>15 months</b>

Parent has a job but can't continue to work if child care is not available. Can't pay full cost – family has just separated and only one income is available.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Salem</b>		<b>2</b>

I am having trouble finding a job, I don't have any schooling and I feel I don't have time to go to school. I have applied to many jobs with no response. I'm 26 years old and have to live with my parents and I feel useless because I can't provide for my son by myself. I would love to live independently and have the keys to my own place. A place I can call home. I have no help from my son's father which also makes it very difficult to get out of the rut I'm in. I would love to go to school and have a stable job or career. I had enrolled my son in a daycare in 2008 and even with the states help it was costing me \$85 a week. This got expensive because I was working making \$9/hr. I couldn't get enough hours to pay for it so I had to quit my job to stay home with him. Not it's to the point where I can't even find a part time job. I hope you can help me or I

hope this letter can help me and other that need this assistance. I appreciate your interest in my story and I thank you for what you are doing for people in the struggle.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Salem</b>	<b>Nashua</b>	<b>almost 2</b>

I am a 28 year old single mom of an almost 2 year old little boy. I work full time and go to school working towards my nursing degree. I do receive child support from my son's father every other week but by the time I pay for daycare with the money I receive, I still owe more on top of that for daycare and then I am supporting Joshua and I by myself. I live paycheck to paycheck while trying to save a little money so I can leave my parents house. Who think I should be out on my own starting my like with my son. As much as that is true, I am struggling on my own to start that life. I have been on the waiting list for section 8 but the list is 7-8 years long so I know help on that end is going to happen anytime soon. I know I probably don't have the work case there is but I am still indeed struggling with my current situation. Any kind of help would be great. Thank you for your time.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Sanbornton</b>	<b>Laconia</b>	<b>1,5,4,5</b>

As a struggling mother of three children, it would cost me more for childcare than I would bring home each week from a 40 hr. a week job. I am about to start a new position at a child care center and I am afraid I won't be able to start this new position because of my increase in childcare costs. Also, I am a part time student working toward my associate's degree in early childhood education, to obtain a position that would lead me toward not needing assistance with child care. Please let me know if you need further assistance. My co-pay for each child was \$43.10 so my payment as of January 2010 was \$129.30 per week. Now my cost share is so high that I am paying full amount for each child with a small family discount of \$20.00. So now my weekly payment is as follows. Youngest is \$155.00, middle is \$135.00, and oldest is \$130.00, equaling \$420.00, minus the family discount of \$20 is \$400.00 weekly payment. I desperately need help to continue with my employment and school schedule.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Seabrook</b>		<b>2</b>

I am currently in school and work 3 days a week. I am trying to better myself by going to school. A few months back I went down to try and get assistance with food and day care. I was qualified for \$16 in food stamps a month. I was beyond upset about that. I get no child support, working 3 days.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Tilton	Concord	18 months, 4, 9 and 12

In the tough economic times I have been reduced in hours at work. I'm on call for the company, but only work about 20-25 hours a week. Two of my children attend the Whole Child Center in Tilton, NH where the care is excellent. I fear that having to pay tuition of \$225 a week will force me to have to pull my children out. The love and attention my children receive is well above any other place I have been. I have been paying \$120 for my two youngest children to attend but with the state cut back I will only receive \$21 a week for my daughter and nothing for my son. This is extremely crippling for my family. With all my monthly expenses i.e. rent \$950, vehicle loans that exceed \$600 a month, heating oil approximately \$265 every other week, vehicle insurance, food, gas to get back and forth to work and general everyday expenses. I can't afford my child care cost to double, my children are my most important thing in life. I will do everything I can to ensure they have what they need, but working with a tight budget like I have I fear that I might have to go to an unlicensed facility with out the necessary guidelines set out by the state to ensure the safety of my children. I really need help and I don't know where to turn. I can't afford to stop working, but I can't afford to continue to pay for child care at the increase rate. If you could please help me I would be extremely grateful. Thank you for reading my story.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
Tilton	Meredith	4

My daughter, Emily, was born on 2/4/06. Jenn, Emily's mother and I were never married and I did not even know I had a daughter until she was 2 months old. Jenn told me she had been placed for adoption in CT and now wanted to get her back. I met my daughter for the first time in April of 2006. I then spent the next year fighting in the NH Courts for visitation rights. I paid my child support as required, as I wanted to provide for my little girl. In June 07 I started every other weekend visitation with my daughter. In Feb 08, Emily and her mother moved back to NH from MA and Jenn allowed weekly visitations and I was able to really start bonding with Emily. On September 18, 2008, Jenn asked and gave me temporary residential responsibility of Emily while she looked for a job and found a suitable place for her and Emily to live. Jenn last saw Emily on 10/5/2008. As I was still having child support taken out of my pay, until the court officially stopped it, I could not afford to put Emily in daycare. My father retired in July 08, and he watched Emily during the day while I worked. In Jan 09, I enrolled Emily in daycare. In Feb 09, Jenn relocated to Hawaii and have me permanent residential responsibility of Emily. Neither my parents nor I have heard from her since. She has not paid child support and has had no contact with Emily. After receiving full custody of Emily at 2 ½, she was not potty trained, still had a bottle at night to go to sleep, and was very shy (as she had only been around adults). Emily is a very bright little girl; she needs to be with other children her age. She has shown a lot of progress since being in daycare. She is learning a lot both educationally and emotionally. She loves daycare. I like my daycare provider and I want Emily to stay with them. I can go to work and know that she is being well taken care of and is happy. I don't want to take her out, but I can't afford the cut from \$52.76 to \$6.44 a week in the childcare scholarship. I need to work to support my daughter and myself. My mom is still working and my parents can't afford to help me as their costs are going up and their pay isn't. I am a single dad, raising my daughter, and I don't qualify for any other help than childcare. Emily's mother had abandoned her and I am doing the best I can to provide and take care of Emily. Please don't drop the childcare scholarship. We ere paying \$52.76 weekly. Now we will be paying \$128.56 weekly.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Tufonboro</b>	<b>Wolfeboro</b>	<b>4 and 6</b>

Both my husband and I work full-time and we own a home. Between mortgage and health insurance along with day-to-day care expenses we are still living paycheck to paycheck. We only have one car payment as well and live as frugally as possible but daycare takes half my paycheck every week and some weeks are tough to make ends meets.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Tufonboro</b>		<b>15 months</b>

I am currently without a job or child care. I'm on the child care waiting list but cannot afford child care in the meantime. Because I can't find affordable child care I am having difficulty getting a job. It has become a HUGE worry and is extremely stressful!

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Tufonboro</b>	<b>Ossipee</b>	<b>16 and 9</b>

I am a single working mother of two. Only I need daycare for after school/summertime when I'm working but due to the cut in assistance I've lost hours at work because I can't afford to pay full price for my son to attend regular daycare. I don't want my son to stay home all my himself. I need help paying childcare so my son can attend childcare and I don't want to loose hours at work.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Warner</b>	<b>Warner</b>	<b>3, 8, 15</b>

I am employed part time 26 hours. My husband, Kurt has had to miss a job interview due to no childcare. He is in the construction field and cannot be retrained because we do not have dependable child care for our 3 year old or after school care for our 8 year old. He has had to turn down a small job due to no childcare. My paycheck just covers the mortgage, bills and gas to get to work. We could use the help with childcare payments. I cannot add \$20 plus a day up front. We would lose our home.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Winchester</b>		<b>4 months</b>

My name is Julie and I am a single mother to my 4 month old son, Vinicio. I am currently working towards my Bachelor's degree in Business Administration, but unfortunately, attending college does not pay the bills. Because I have to child care, I am unable to work. Because I do not have a job, I am forced to live with my father. Neither of us enjoys the situation, and I will not be allowed to live here much longer. Because I am unemployed, I am unable to pay bills and have an apartment for my son and myself. Having child care would make a world of difference and allow me to work. I want to be able to give my son the life he deserves. I want to be independent and be able to put a roof over both of our heads. Would that be too much to ask for?

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Winchester</b>	<b>Winchester</b>	<b>8</b>

If I did not work at the after school program my child goes to, I would have lost hours, and income.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Wolfeboro</b>		<b>7</b>

I am a single mother providing for my son. Getting child care assistance helps me a lot especially over the summer when my son has to attend full day in the day care. I do not know how I would afford it if the cost goes higher. I have to provide for his clothes and his activities and really don't want to pay more for bills! I have already a full time job and if I have to get more job somewhere else because of more money to pay, how will I get time to spend with my son and have time to raise him. Thank you for understanding and helping families who need that.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Wolfeboro</b>		<b>19, 16, 15, 4</b>

I am a single mom with a 4 year old that I at Wolfeboro Children's Center while I work. I need to work because I am the sole financial support of my family. I am able to work because of the children's center and financial assistance I get because of my low income please don't let this chance occur. It will devastate my situation.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Wolfeboro</b>	<b>Ossipee</b>	<b>5.5</b>

Losing our jobs should say it all. Times are tough and hard and we need your help so our children can keep their social skills and the everyday things you teach our children, which has been a huge part of our lives. And your help has helped me keep my job and a happy home, and we thank you.

City/Town where family lives	City/Town where parent(s) work	Child(ren)'s Age
<b>Wolfeboro</b>	<b>Wolfeboro</b>	<b>3 to 15</b>

My son Devin is developmentally disabled and he is able to get the help he needs through this child care system. In less than a month Devin has already grown leaps and bounds. We need this help so Devin can continue to grow mentally and someday help us make the state a better place to be.





4/15/2010

Good Afternoon. My name is Kathleen Smith and I am from Merrimack, NH. Thank you all for allowing me the opportunity to speak with you today. I am wearing many different hats here. Whether I am speaking as an Aunt, a cancer survivor or simply a NH citizen concerned about public health, my message to you is the same. Please do not exempt tobacco from the tobacco tax. It seems pretty straight forward, level the playing field. Taxing all tobacco products at the same rate eliminates the incentives for all of our kids to initiate tobacco use. The industry has been working very hard to create new products to pull young people in. Spit less pouches and tablets that simply dissolve in your mouth are just a few of the new smokeless options. The DOH's Tobacco Data book clearly shows the youth in NH are shifting their tobacco use towards these smokeless products. . Our teenage boys are already turning to cigars over cigarettes at an alarming rate. Exempting these products from the tax increase simply causes cigarette smokers to shift to more affordable tobacco option rather than quitting.

Tobacco use is dangerous. There is no way around that. Mouth cancer, stomach cancers, lung cancer, heart disease, COPD, hypertension and so many more deadly diseases can be directly linked to tobacco use. Having cancer is hard. It doesn't just affect the patient it affects the entire family. The entire community. The revenue from equalizing the tax rate on all tobacco products can go right back into those communities by funding some of the critical community health programs that you may otherwise have to cut.

I am asking you to look out for my niece and nephew, to take the health of NH's citizens seriously and take this small step in reducing cancer fatality rates here in NH. Please don't exempt Tobacco form the Tobacco tax.

Thank you for your time.  
Respectfully,  
Kathleen Smith

# Granite State Fair Tax Coalition

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## COALITION PARTNERS

League of Women Voters  
New Hampshire

State Employees Association of  
NH/SEIU Local 1984

NEA-NH

American Friends Service  
Committee

Episcopal Diocese of  
New Hampshire

United Church of Christ, NH  
Conference, Commission for  
Witness and Action

Northern New England District--  
Unitarian-Universalist Association

April 15, 2010

Honorable Marjorie Smith, Chair  
House Finance Committee  
Honorable Lou D'Allesandro, Chair  
Senate Finance Committee

Re: SB450-FN, Amendment 2010-1311h

Dear Representative Smith, Senator D'Allesandro and Members of  
the Joint Committee:

The Granite State Fair Tax Coalition has been working for several years to foster discussion of the state's revenue structure. The Coalition advocates a more balanced tax structure for the state, one that meets the needs of its citizens—but relies less on the property tax, which overburdens those least able to pay.

Though the amendment before you centers primarily on state expenditures, you are also hearing discussion of new revenues by those who hope to prevent the cuts you must consider today. We are here to call for a re-examination of revenue sources.


The bill before you is yet another stop-gap solution to a long-term problem, a quick fix that will exact a heavier toll down the road. Or, to put it another way, here and now, we are down the road from some previous quick fix, and the human casualties in this amendment are the heavier price due today.

The long-term problem, of course, is the structural deficit--our state's perpetual inability to keep its own commitments. Year after year of political gimmicks like the Pledge force us to resort to stop-gap measures, and prevent us from ever resolving the long-term problem.

The result is that our state relies on the property tax for 60% of its revenue, with property taxes among the highest in the nation, and--in the absence of real solutions--a guarantee that they will continue to rise.

The result is that the people with the lowest income pay the highest proportion of it in taxes--8%, while those with the highest income pay the lowest proportion--2%.

The result is an upside-down revenue system that spins New Hampshire in a vicious circle: high and ever-rising property taxes make housing less affordable, creating more poverty and homelessness, guaranteeing greater need for state



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programs from A to Z, which, in the absence of real revenue solutions, can only be funded by raising property taxes.

Any cuts you make are likely to be felt the most by those who also bear the greatest tax burden.

The Granite State Fair Tax Coalition neither supports nor opposes today's amendment or SB450. Rather, in the short term, we urge the Committee to seek answers to specific questions to ensure that the budget patches *du jour* first do no harm. In the long term, we urge the Committee and your colleagues in the Legislature to move our state toward a more sustainable, adequate and fair revenue system.

To that end, we urge the Legislature to evaluate and compare all possible revenue sources with hard data and standards set by experts. The Granite State Fair Tax Coalition has compiled these standards into The Lens, a set of criteria for weighing any revenue source based upon its equity, fairness, sufficiency, stability, impact on economic vitality, economic neutrality, efficiency, simplicity, transparency and accountability. These factors, our group asserts, must be assessed to gauge the viability of any revenue source, and compared to others promising to raise like revenue.

Respectfully,

Laurel Redden, President  
Granite State Fair Tax Coalition

# Granite State Fair Tax Coalition

## The Lens: A Guide for NH Tax Policy

The State of New Hampshire continues to confront a known and quantifiable shortfall between revenue and funding essential public services. This structural deficit forces towns and the state to generate more than 60% of their revenue through the property tax. Property ownership no longer indicates true wealth nor income and certainly not an ability to pay. Although the property tax is simple to administer and enforce, the excessive reliance on an inadequate and unfairly levied tax results in a lack of public services and an unfair burden to property owners.

The Granite State Fair Tax Coalition maintains that the current revenue system for New Hampshire is unfair, unjust, and inadequate. This quickly becomes apparent when the system is exposed to public debate. We seek to sponsor and encourage such debate.

To facilitate the public discussion of tax policy in New Hampshire, the Granite State Fair Tax Coalition has developed a series of questions that should be considered for any tax policy, current or proposed. "The Lens" focuses attention on documented and well researched principles of just and equitable tax policy.

*New Hampshire must adopt a tax structure that:*

- *Accounts for an individual's or business' ability to pay.*
- *Demonstrates adequate capacity to lower property taxes for taxpayers of low or moderate means.*
- *Diversifies and balances New Hampshire's revenue portfolio, which is currently over-reliant on the property tax.*
- *Expands the tax base, so that public revenue growth keeps pace with growth in the state's population, economy and the need for essential public services.*
- *Offers simple administration and accountability.*

## *The Lens*

### 1. **Equity and fairness**

- Who primarily pays this tax?
- Is the tax related to an individual's or a business' ability to pay?
- Do taxpayers in similar circumstances pay similar tax amounts?
- Are exemptions in place to mitigate the impact on those least able to afford the tax?
- What protects the taxpayer from arbitrary increases?
- Do individuals and businesses with higher incomes pay their fair share?
- Are low- and moderate-income families fairly levied?

### 2. **Sufficiency and Stability**

- Is the tax supposed to fund a specific service, program or infrastructure project? If so, will revenue from this source keep pace with anticipated growth in service delivery?
- Is the revenue from this tax predictable enough to allow planned and responsible budgeting?
- Does the tax fund public needs of our citizens including education, public safety and health and human services?

### 3. **Economic Vitality and Harmony**

- Does the tax place businesses at a competitive disadvantage compared to other states?
- Does the tax generate revenue from robust areas of the economy that are growing and decrease dependence on declining areas?
- Are adverse impacts of the tax policy easily identifiable?

### 4. **Economic Neutrality and Efficiency**

- Does the tax encourage businesses or consumers to make decisions based upon economic advantages, rather than simply on tax savings?
- Do businesses and individuals from other states pay their fair share of state-funded services and infrastructure?
- Is there a Federal offset to this tax, cutting the effective rate paid by individual taxpayers and corporations?
- Does this tax bring revenue to the state that is now going to other states?

### 5. **Simplicity, Transparency and Accountability**

- Is it clear to taxpayers how much they pay?
- Is it easy for taxpayers to understand the rules and comply?
- Are there excessive loopholes and exceptions, and who benefits from them?
- Are the costs of collection and compliance monitoring low relative to revenue generation?

Representative Smith and Senator D'Allesandro, members of the Joint Finance Committee, my name is Paul L. Dann. I live in Hopkinton, New Hampshire and serve as the Executive Director of North American Family Institute, known as NFI North. My organization operates two of the state's three shelter programs, the Midway Shelter in Bradford and the North Country Shelter in Jefferson. Thank you for the opportunity to testify today in opposition to the Governor's proposal to close the three community based shelter care programs and move the shelter services to the Youth Development Center, or Sununu Center. To be expedient I have listed my points below.

1. **THE SHELTERS ARE LESS COSTLY AND MORE EFFICIENT:** Our average daily rate is 253 dollars per day per client. This is an all inclusive rate of which 40 percent is federally reimbursed. The Sununu Center's rate is 370 dollars per day, every dollar of which is a general fund dollar (there is no ability generate large amounts of federal reimbursement) and the rate does not include the cost of Administrative Services.
2. **THE LAW:** Federal regulations and New Hampshire statutes require that out of home placements for youth be in the least restrictive setting possible. Best practices for this care and treatment of CHINS, Delinquent and Abused and Neglected children underscore the importance of community based service delivery. Use of the Sununu Center for shelter care will be in violation of Federal and State mandates.
3. **THERE ARE NO RULES OR STANDARDS:** There are no rules, licensing or treatment standards regulating the Sununu Center. The current shelter programs have a performance based contract, must meet state licensing standards, certification for payment standards, Federal Medicaid standards, local code, health and safety requirements, Bureau of Nutrition Standards, Agency Quality Improvement standards, Division of Charitable Trust regulations, Federal Single Audit Act requirements, OSHA, DOL etc.
4. **NONPROFIT ADVANTAGE:** Because shelters are operated by nonprofit agencies they can access multiple funding sources, private donations and grants which significantly reduces the reliance on State general funds.
5. **REVERTING BACK TO INSTIUTIONALIZE CARE:** New Hampshire will be heading in the wrong direction and warehousing youth again.
6. **IF IT SOUNDS TOO GOOD TO BE TRUE IT USUALLY IS:** When you are being told you can get something for nothing – BEWARE. There is no way you can double the census at the Sununu Center and not have any impact on operating costs.
7. **COST BENEFIT ANALYSIS:** Routing children through the state institution that serves as the secure detention and incarceration facility is not good for NH. It costs more financially, it is less effective according to research about best practice flies in the face of national standards for the treatment of children and is not good for the economy of small towns across the state.

8. A SOPHIE'S CHOICE? The shelters are well run, effective at returning youth to their homes, cost efficient, licensed, certified, meet contractual performance requirements and draw down multiple funding sources saving General Fund dollars. The Sununu Center is operating at less than half their potential census, expensive, wholly reliant on General Funds, and unregulated.

Are you really prepared to destroy the community based shelter care system and move 45 children to the institution in order to save positions at the Sununu Center?

I ask for your support in ensuring our children are provided services in the most appropriate and least restrictive setting. Please reject this proposal and require that the Governor continue to contract for shelter care services.

Thank you for your support in defeating this proposal.

Respectfully submitted,

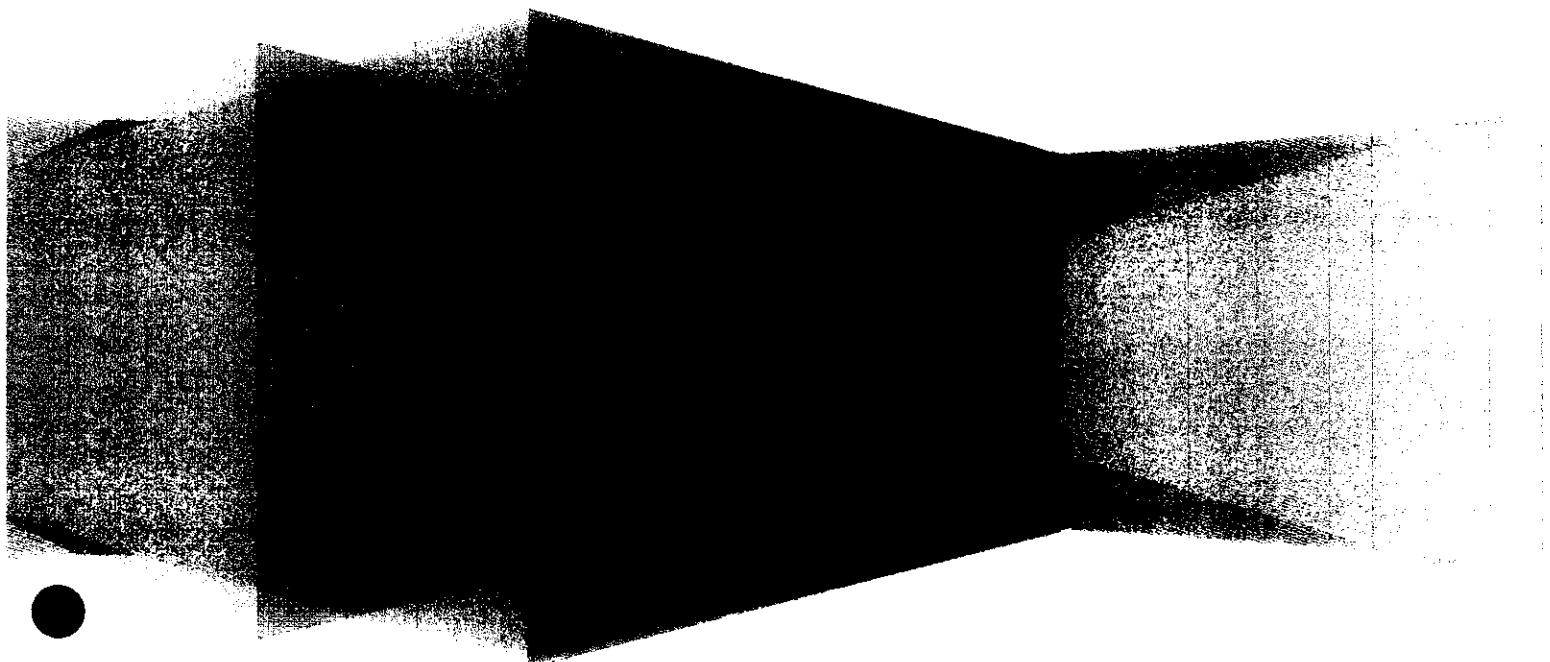


Paul L. Dann, PhD  
Executive Director  
NFI North

# **Children's Shelter Care Services**

**Impact of proposed transfer to New Hampshire  
State SYSC Institution**

**April 15, 2010**





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## Action Request

**This proposal would cost the state significantly more money to operate and even more in potential legal issues based on the Least Restrictive mandates held so dear to the Federal Government. Please reject this proposal and call for the reinstatement of Shelter Care contracts as community based services.**

### Introduction:

Last Thursday, Governor Lynch announced plans to discontinue the children's shelter care contracts and operate these services at the State institution in Manchester, NH know as the Sununu Youth Services Center (SYCS).

This proposal flies in the face of national trends and research indicating the use of community based services realizes the best outcomes for those children and youth who receive services through the juvenile justice system and as children in need of services.

Since the early 1970's states across the nation, including New Hampshire have worked hard to close or minimize our reliance on institutions that warehouse children and youth. We know that these systems can be very challenging to impact when it comes to new standards of care and treatment. The level of accountability is multifaceted and administrators have limited ability to motivate personnel to utilize best practice standards.

We ask for your support in ensuring our children are provided services in the most appropriate and least restrictive setting.

## Questions We Should Be Asking:

1. How do you know if SYSC is eligible for Medicaid?

**They fall under corrections and not a hospital so they are not eligible for the Medicaid funding that NH Hospital draws down.**

- a. Under what Medicaid program would SYSC be considered?
  - b. Has approval from Medicaid obtained yet? If so by/from whom?
  - c. What would it take and how long before you can get any money from Medicaid and how much revenue can be generated? I sit per child, per service, etc?
  - d. What percentage of total cost for this proposal would be reimbursed by Medicaid?
2. The DHHS proposal includes 4.1 M in savings with no additional costs to SYSC. How is this possible?
    - a. How many staff do you have now?
    - b. What are your current staff/youth ratios?
    - c. How many will you need to hire?
  3. How was the savings to the Department of \$4.1 M determined?
    - a. What does it entail?
    - b. Does this amount include all administrative costs, facility modification needed, ongoing maintenance, and any other cost impacts based on this proposal?
  4. What site modifications are needed and how much will they cost?
  5. Has a cost analysis been completed to determine the cost of maintaining current youth vacancies verses expanding into a fully utilized and operational institution?
    - a. How was the analysis conducted and is it available for review?
    - b. What was the finding?
  6. What will you need to do get approved for Education Services for the additional youth?
    - a. Will this proposal require additional teaching staff?
    - b. Where would the shelter youth be educated? (with other SYSC youth?)

## Shelter Care Fact Sheet

Closing the Shelter programs and moving the children they serve to the Sununu Youth Service Center (SYSC) is a very poor fiscal and policy decision.

### 1. THE SHELTERS SAVE NH MONEY:

**Shelter Daily Rate Avg.**

**\$253 per Day  
PER DIEM RATE**

**Sununu Center (SYSC) Daily Rate**

**\$370 per Day  
COST REGARDLESS OF UTILIZATION**

- SYSC rate is \$117 dollars a day more on average costing nearly 2 million more per year to operate the same 45 shelter beds.
- When the state contracts for shelter services they only pay for services used.
- When the state runs the services the state pays for 100 percent of the cost, whether the service is used or not.

**For Example: Look at one out of the three shelters and follow the breakdown of reimbursement.**

**Actual Cost FY 09 North County Shelter**  
(Representing 15 of the 45 shelter beds)

**\$927,116.00**  
(Actual census time daily rate)

**Cost if SYSC had been used**

**\$2,025,750.00**  
(Daily rate of \$370 X 15 youth times 365)

This chart reflects the actual Expenses for **one Shelter** (North County Shelter) out of the three shelter care programs versus the cost if SYSC had been used.

	<b>North Country Shelter</b>	<b>SYSC</b>
Revenue from State	\$927,116.00	\$2,025,750.00
Medicaid (PNMI)	\$455,829.00	\$0.00
Donations	\$139,084.00	\$0.00
<b>Current Savings to State:</b>	<b>\$594,913.00</b>	<b>\$0.00</b>
<b>General Funds Needed for Proposal:</b>	<b>\$471,287.00</b>	<b>\$2,025,750.00</b>

**The cost of operating shelter care out of SYSC would cost the state an additional 4 Million in General Funds over and above what is spent now.**

<b>Cost Comparison for all Three Shelter Care Beds (45)</b>		
<b>Data Set</b>	<b>Shelter Care</b> These costs include everything: capitol, admin, etc.	<b>SYSC</b> Does not include capitol, admin expenses, etc.
Avg. Daily Rate	\$254	\$370
# beds	45	45
Annualized Census	16425	16425
Annualized Cost	\$4,171,950*	\$6,077,250
Medicaid Revenue	\$2,002,536	0
<b>General Funds Needed</b>	<b>\$2,169,414</b>	<b>\$6,077,250</b>

\*This is PER DIEM – State only pays for what it uses per child. This figure reflects 100% occupancy which is NEVER realized.

<b>% of Contract Dollars Unspent</b>	<b>FY10</b>	<b>FY09</b>	<b>FY08</b>
NCS:	25%	29%	14%
Midway:	21%	18%	16%
LSS:	25%	29%	10%

2. **LOSS OF JOBS THROUGHOUT THE STATE:** Closing the 3 community based Shelter Care Programs will result in the loss of more than 80 jobs effective July 1, 2010.

<b>Community</b>	<b>Jobs lost</b>
Antrim	25-30
Bradford	25-30
Jefferson	25-30

3. **THE LAW:** New Hampshire statutes require that out of home placements be in the least restrictive setting possible. Best Practices for this care and treatment of CHINS, Delinquent and Abused and Neglected children underscore the importance of community based service delivery.
4. **NONPROFIT ADVANTAGE:** Because shelters are operated by nonprofit agencies they can access multiple funding sources which significantly reduce the reliance on State general funds.
5. **IT WILL COST MORE TO OPERATE SERVICES AT SYSC:** The cost of providing these services at the institution is \$370 per day. Multiply that figure by 45 youth at 365 days and the cost is \$6,077,250. This is more than twice the amount of the current total funds used and represents nearly three times the cost of General funds without Medicaid revenues.
6. **THERE ARE NO RULES OR STANDARDS:** There are no rules, licensing or treatment standards regulating SYSC. Private nonprofits on the other hand are required to comply with **performance based contract standards**, licensing standards,

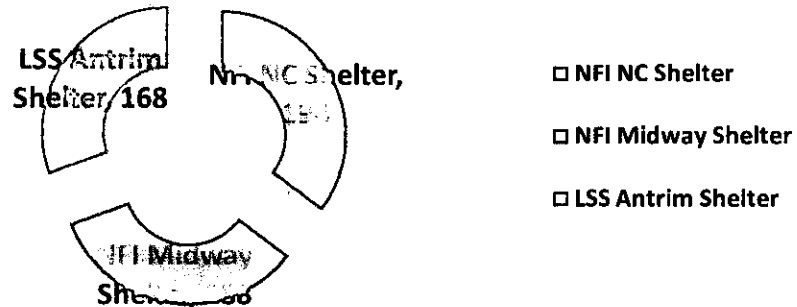
certification for payment standards, NH charitable trust regulations, Federal Medicaid standards, local and state public health and life safety requirements, Federal Bureau of Nutrition requirements, Federal E-rate requirements, the federal single audit act, and more.

7. **REVERTING BACK TO INSTIUTIONALIZE CARE:** New Hampshire will be heading in the wrong direction and warehousing youth again.
8. **YOU CAN STOP THIS PROPOSAL:** You can stop this proposal by voting against this item when it comes before you.
9. **IF IT SOUNDS TOO GOOD TO BE TRUE IT USUALLY IS:** When you are being told you can get something for nothing – BEWARE. There is no way you can double the census at SYSC and not have any cost impact. There are significant cost drivers in this system:
  - a. **Staff support** – this represents huge cost increases because DJJS has to have staff to provide “staff secure” services. The only way to avoid the need for staffing is to lock the youth up.
  - b. **Board and Care:** The youth need to eat. They have hygiene needs and basic board needs that cost money.
  - c. **Activities/Recreation Costs** - The more activity you have – the higher the utility and related living costs.
  - d. **Transportation Services** – the shelters provide the transportation services to courts, medical, clinical and other needs. This requires one to one staffing and a vehicle with related expenses.
  - e. **Treatment Services** – The Shelters serve as the only assessment centers in the State and they provide psychological testing and LADC drug assessments.
  - f. **Educational services** –currently provided to the children and youth in Shelter are a combination of general education and special education by a certified education provider. This cost is funded in large part by local education authorities, Title one funds, e-rate technology grants and several other supplemental funding opportunities available to nonprofit agencies.
10. **COST BENEFIT ANALYSIS:** Routing children through the state institution that serves as the secure detention and incarceration facility is not good for NH. It costs more financially, it is less effective according to national trend and research indicators about best practice and is not good for the economy of small towns across the state.

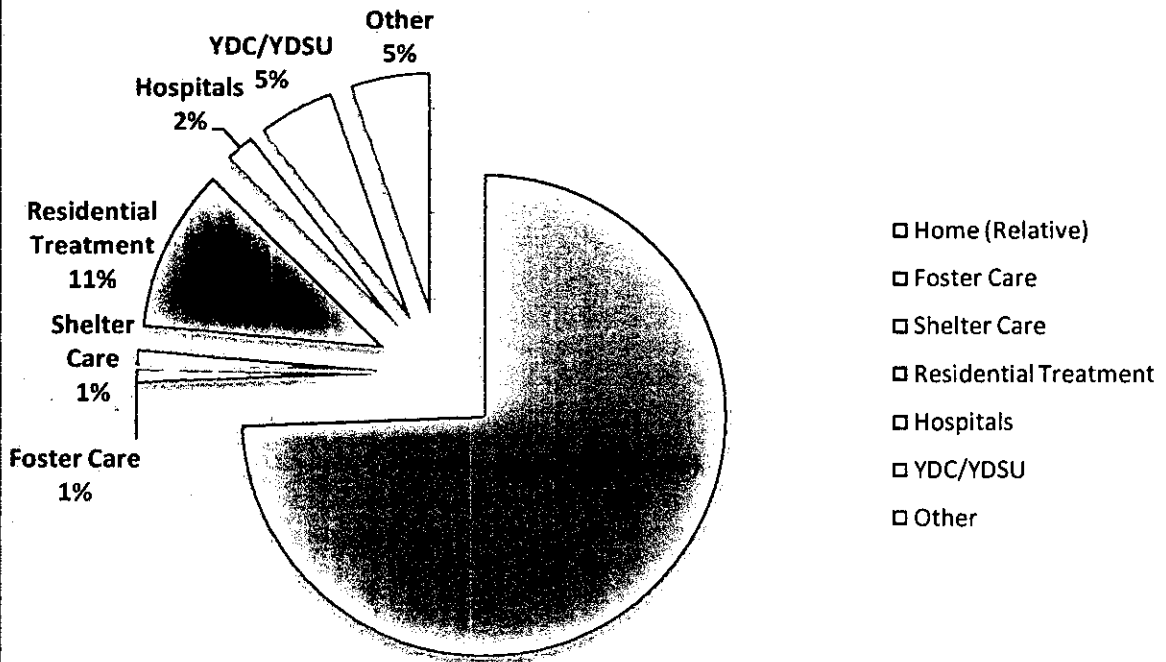
## NH Shelter Care Data

Each year the 3 shelter care programs in NH serve approximately 550 children/youth. A majority of those served come from their own homes (75%). Less than 5% of the youth at shelter care come from SYSC (detention). 95% come from the community at large. All shelters prioritize resources for local communities first and foremost. Shelters assist with transportation to court and other case related needs.

Approximately 550 of Youth are Served in Shelter Care each year



Where are youth coming from?



## About Lutheran Social Services of New England (LSSNE): - Antrim Girls Shelter



The Antrim Girls Shelter, Lutheran Social Services of New England (LSSNE) has been providing short-term shelter care for at-risk young women for over **20 years**. During that time, LSSNE has provided services to thousands of adolescent females.

We have heard through various local news outlets that the state is not renewing the contracts for shelter care, and that the Sununu Youth Services Center (SYSC) will take on this responsibility. We understand the need for some fiscal changes due to the budget shortfalls in the state. It is unclear at this time how this will actually save money. The Antrim Girls Shelter receives significant monetary donations as well as committed community volunteers that provide a multitude of services for the adolescents. This quality program would be lost. This alone will impact 25 current staff and their families as well as having an impact on community of Antrim.

Antrim is the only all-girls shelter in the state. LSS continues to feel strongly that there is a continued need for an all-girls shelter for therapeutic reasons. This population of adolescent girls often are victimized, traumatized and abused and have unique needs differing from those of adolescent boys. Research indicates that these young women are most effectively treated through gender specific programs that offer adolescent girls, "space that is physically safe, removed from those who depend on them and removed from the attention of adolescent males," (Concodora, 2009), Child Welfare League of America, Children's Voice Magazine. It is important to note that in the data kept over the last 20 years by LSSNE indicates that over 90 % of those served by the Antrim Shelter reported being sexually, physically or emotionally abused. Many have exhibited symptoms of PTSD and been unable to modulate their emotions or risky behaviors. Anecdotally, we witness the inability of our traumatized youth to regulate their mood when there is any perceived threat to their safety. We believe that the addition of boys in a co-ed setting could negatively impact perceived safety and treatment for girls who have been victimized by males.

In 2005, LSSNE engaged in a major capital fundraising campaign that targeted a renovation and expansion of the Antrim Girls Shelter. This \$1,000,000 effort provided the State of New Hampshire with a new, much larger building on the current property in Antrim, NH. This new, larger facility provided the ability to expand service capacity



from 12 to 15 girls daily while improving security, adding additional educational and recreational space and increased the comfort of the shelter's residents.

Development is a large part of what LSS depends on for raising approximately \$2 million in charitable contributions annually to assist in supporting LSS clients and programs. Established in 1994, the LSS Foundation encourages individuals, corporations, churches and other organizations to become involved and to support vital ministries of the human care and their communities throughout New England. The foundation provides for and manages fundraising and stewardship for LSS. Fundraising activities include direct mail, capital campaigns, grant writing, special events and individual assistance with planning larger gifts and endowments.

We were recently contacted to join with someone who wished to start a scholarship fund for girls leaving Antrim, including an annual benefit concert to help raise funds.

The Antrim Shelter is strongly supported in the community, through 140 local donors, church and civic organizations. During the past year, a small grant (\$5000) was awarded through New Hampshire Motor Speedway to assist in re-building the low ropes course at the shelter. Plans were underway to complete this project for use during the summer of 2010.



## NFI North's North Country Shelter and Midway Shelter

NFI North has a long and successful history of providing shelter care services in support of the respective mission of the Division for Children, Youth and Families as well as the Division for Juvenile Justice Services. Our North Country Shelter Care program has been providing essential shelter care services since April of 1991. Over the past nineteen years of service provision the program has developed a strong reputation for its ability to work effectively with referred youth, their families and their Juvenile Parole and Probation Officers. During the past two decades of service provision the North Country and Midway Shelter has become a settling place for thousands of youth who have found themselves in need of a safe, secure and caring environment that supports them as they work through significant challenges within their lives. Within this context the NFI North Shelter services go well beyond the provision of a warm house and roof over ones head by providing core services to support the youth's ability to successfully achieve permanency.



Since NFI's inception, now more than 36 years ago, the Agency has been a champion of supporting children, youth and families within the context of their home, their community and the need to realize permanency for the children we serve. Over the decades the agency has been a key architect in developing non-institutional, community based and in home services for youth and their families. In Massachusetts during the 1970s, for example, the Agency was one of the first organizations to provide family wrap around services as well as specialized foster care for girls who had been institutionalized at the training schools. During the 1980's the organization helped to provide in home alternatives to psychiatric hospitalization for youth, recognizing that children are better served within their home, with their families and in their community, rather than experiencing the challenges associated with institutional care. Our work in Vermont as well has situated us as one of the key providers of wrap around services for children being served through the mental health system there. Services within the home and within the context of the youth's family have become and remain a mainstay for our work.

The impact of this rich history and philosophical lens can be seen throughout the work that NFI's Shelter's are engaged in. Programming and service delivery, for example, have been designed to be family friendly, with a particular eye toward reducing barriers that family's experience when their child is in placement and supporting permanency. NFI's shelter care programs take care to incorporate the family into the treatment planning and service delivery process. Family groups, family days and day to day communication with families is done in a way that supports family driven services.

NFI's shelter staff receives training in working effectively with families and we are constantly examining our strengths in the area of family focused and family driven service



delivery. Participant families, for example, complete surveys that become integral to the organization's total quality improvement program and every effort is made to maintain open lines of communication between the youth and their family within the context of the respective Division's requirements and wishes. NFI's focus ultimately is not whether the child or youth completed the program successfully, but did the staff do all that we could do to support the permanency goals of that individual and their family during their placement.

For many families the work that the staff engaged in during their child's stay helped to identify concrete solutions, as well as helped family members to feel heard and supported in approaching these solutions with their child. The work that NFI's shelter does with families extends beyond the traditional family and includes adults from the youth's extended family as well as those that are identified as a significance presence in the youth's life. One grandmother, for example, became particularly involved during their grandson's placement wrote to express her appreciation for the work the staff.

"This goes out to all of you who assisted (my grandson) during his stay at your shelter. On behalf of this family, I wish to thank you for the work you do with our young ones. This work can be taxing and discouraging, but your dedication and perseverance are appreciated and do make a difference in peoples' lives. Our prayers are with you keep doing this work - It is needed - especially in these difficult of time we live in."

There are many factors at play which determine whether a youth is able to return home post residential placement. The role that the court plays, the individual circumstances surrounding the youth and their family as well as the case planning decisions made by the respective Divisions represent but a few of the variables. And while there are many factors involved the role that NFI's Midway and North Country Shelters have in supporting the reunification process and permanency planning process cannot be overlooked. Of significance is the work that the shelters do to help stabilize the referred youth as well as set the stage for realizing effective return to a relative's home. Each NFI shelter provides a safe, caring and respectful environment that builds strong relationships with the youth and their family, helping to address the immediate crisis as well as being a process of learning and discovery that allows for healing and successful transition.

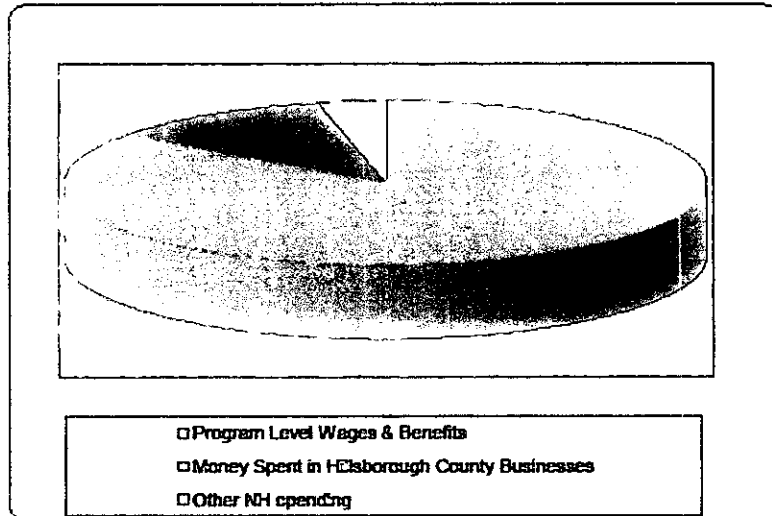
## Local Economic Impact by Agency

Each shelter program has a significant economic impact to the local area. The charts below help to identify the economic resources that are expended within the area surrounding the shelter locale.

### Lutheran Social Services

#### Lutheran Social Services – SFY2008

Program Level Wages & Benefits	753,113
Money Spent in Hillsborough County Businesses	101,776
Other NH spending	30,078



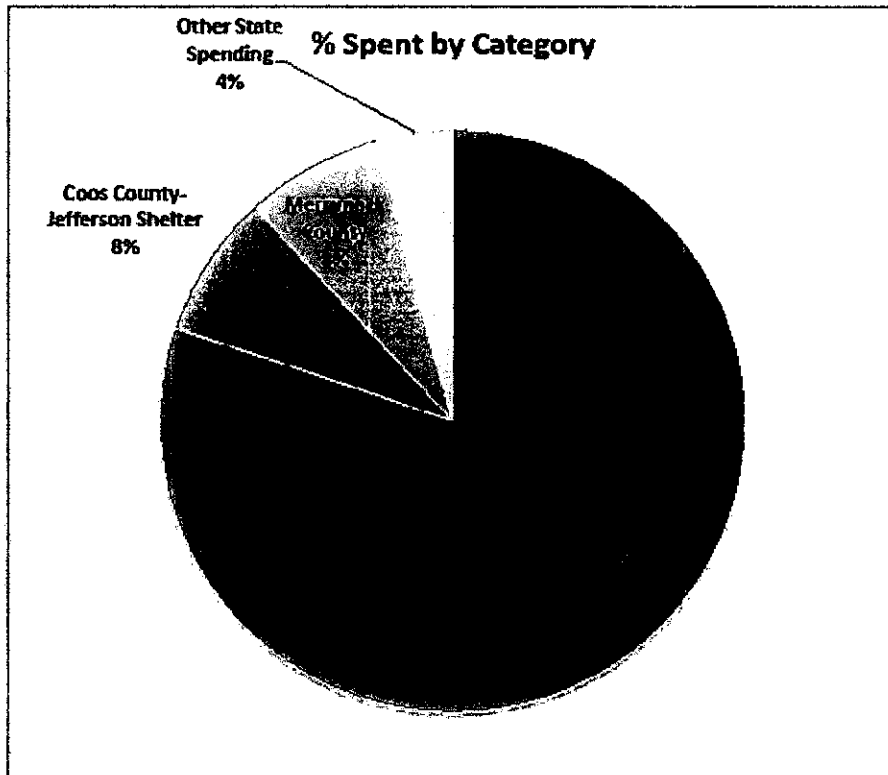
**Total: \$884,967**

**Lutheran Social Services currently pays local property taxes in the town of Antrim in the amount of \$35,851 a year.**

# NFI North

## NFI North Shelter Care LOCAL AND STATE SPENDING

Personnel (Midway & NCS)	\$1,264,751	(Jefferson and Bradford)
Coos County-Jefferson Shelter	\$126,725	
Merrimack County	\$119,452	
Other State Spending	\$67,000	



**NFI North currently pays local property taxes in the towns these programs are located:**

**Bradford Midway Taxes: \$8,652 a year**

**Jefferson Shelter Taxes (PILOT): \$4,180 a year**

## Employment Impact by Location

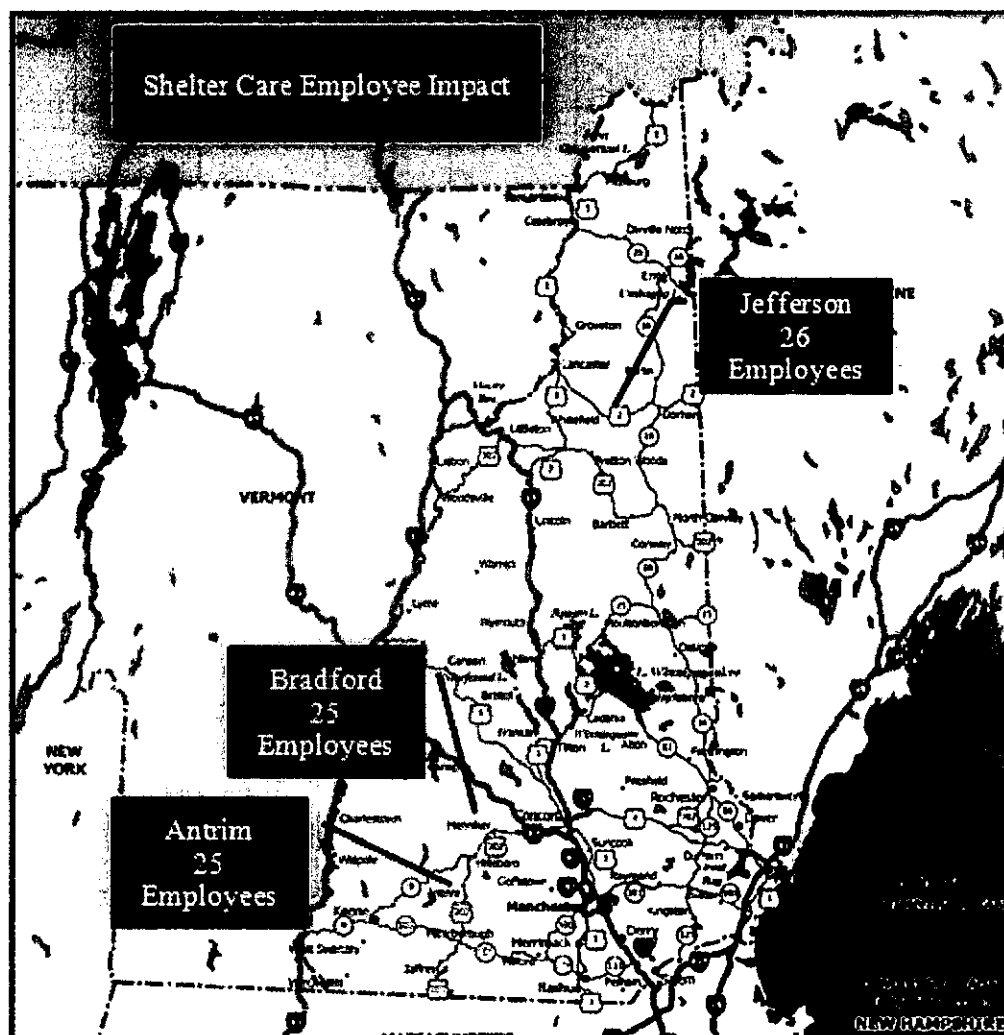
A Minimum of 75 direct positions will be eliminated, most of which are full-time and benefited.

Antrim Girls Shelter (Antrim) Employees: 25

NFI North Midway Boys Shelter (Bradford) Employees: 25

NFI North Country Coed Shelter (Jefferson) Employees: 26

- Other positions that are shared with these programs will also be in jeopardy.

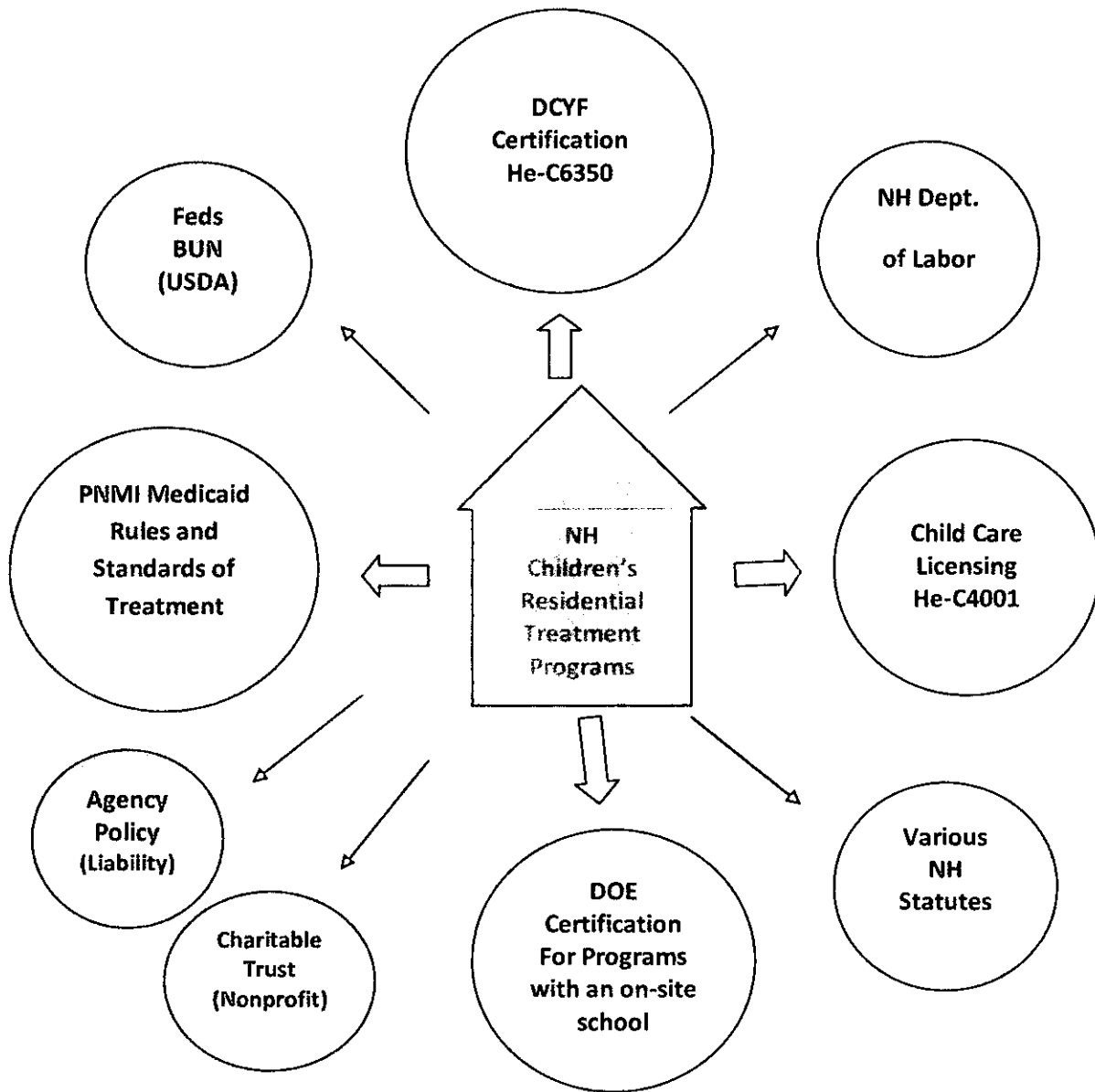


# Regulatory Oversight of Private Agencies

## Administrative Chart of Requirements and Approvals For Child Residential Treatment Programs

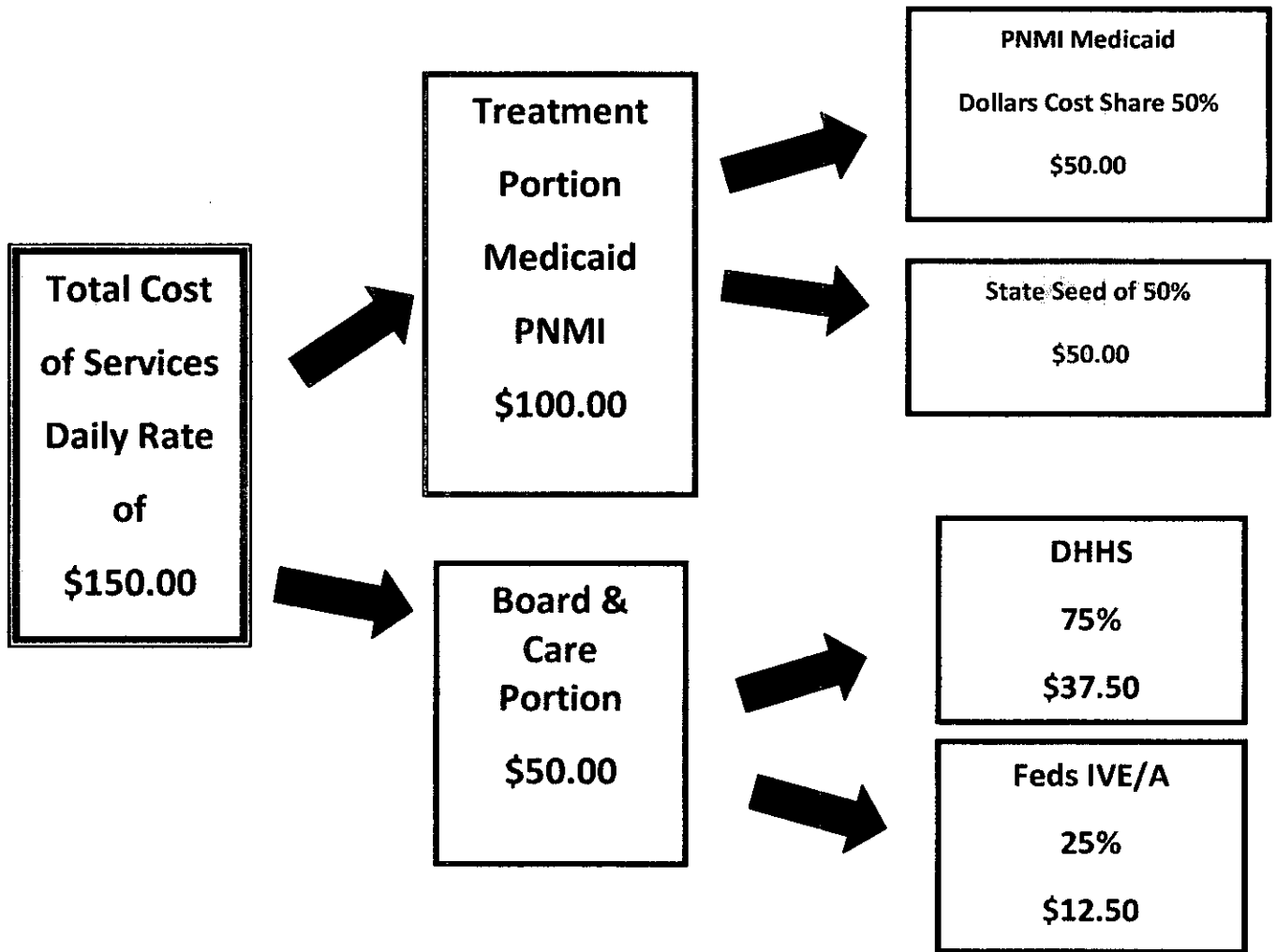
This chart illustrates the rules and requirements required for a **private agency** to operate a residential treatment program serving children ordered by the courts to receive care and treatment services in New Hampshire.

- Purple = Child Residential/Shelter Care Treatment Programs
- Yellow = State of NH Statute/Rules
- Peach = Agency Requirements (Best Practice, Protection of Liabilities and qualify for non-profit 501(c)3 status to reduce operating costs)



# Shelter Care Provider Sample Revenue Streams

## SAMPLE OF REVENUE STREAMS CHILDREN'S SHELTER CARE PROGRAMS



Daily Rate: \$150.00	<u>Actual Cost of Rate by Funder</u>
DHHS	\$75.00 (50%)
Feds: Other (IVE/A, etc)	\$25.00 (17%)
Medicaid/PNMI	\$50.00 (33%)



## **Provider Contact Information**

### **Antrim Girls Shelter – Antrim, NH**

**Ann Gratton, M. Ed., NCC**

Lutheran Social Services

261 Sheep Davis Rd

Concord, NH 03301

Phone: (603) 224-8111

Fax: (603) 224-5473

Email: agratton@lssnorth.org

### **North Country Shelter – Jefferson, NH Midway Shelter for Boys – Bradford, NH**

**Paul L Dann, PhD**

**Karen Cusano, M. Ed.**

NFI North, Inc.

PO Box 417

40 Park Lane

Contoocook, NH 03229

Phone: (603) 746-7550

Fax: (603) 746-7544

Email: pauldann@nafi.com

Email: karencusano@nafi.com



**NFI North, Inc.**  
*Creating diverse and innovative services for people*

PO Box 417  
40 Park Lane  
Contoocook, NH 03229  
Telephone: (603) 746-7550  
Fax: (603) 746-7544

Thursday, April 15, 2010

Joint Finance Committee  
Concord, NH 03301

Re: SB 450 FN

Dear Members of the Joint Finance Committee,

My name is Karen Cusano. I am the Asst. Executive Director of NFI North, Inc., (North American Family Institute). We are a private nonprofit human service agency that provides an array of residential and community based services including special education day schools, in home counseling and reunification, intensive residential treatment and shelter care services.

I am here to ask you to take a close and careful look at the many facets of this proposed legislation. There is a lot bundled up in this bill and it will take considerable attention to break it down and look at each item carefully.

I know you have a major task ahead of you and really appreciate the opportunity to share my thoughts with you. I have several concerns with pieces of this bill and worry that our current fiscal challenge can cause us to leap without looking at where we might land.

In particular I would like to call you attention to two component of this bill.

Rate Reduction for Out-of-Home Services – We are all doing our part to help keep the essential services going and receiving less reimbursement to do so. As you consider this proposal remember that 09 rates are actually 07 rates. Also, with the reduction in use of services we are operating at 60-70%. This means we have a 30-40 % cut in revenues and it is growing. Our costs continue to rise but we are holding on because we care about these services and NH's ability to meet the needs of all its citizens. We are doing our part quietly and often in the shadows. Today we are coming out to tell you that will continue to bend and give as much as possible but you must know we are at a breaking point.

Shelter Care Services – These are important services that require more than simply board and care. They require a multitude of services that have a direct cost. We know you can't get anything for free and when you hear such rhetoric you need to beware. You cannot provide such services from any environment for free. The good news is, as community based providers, we have and can continue provide those services at a fraction of this cost due to our multiple revenue sources. We draw down a varied of funds beyond the State's General Fund dollars. Moving these programs to the Sununu Youth Services Center (SYSC) will cost the state more to operate these programs and reduce the level of services currently needed and received. Long and short we will pay more and get less.

If the argument is that the institution has staff for 140 kids but only serve 60 then that in itself is the best evidence as to why this is a bad idea. As a provider we would not continue to expend dollars for staff when we don't have the need. We are able to adjust our structure and staffing to meet the need. We don't expect the government to shift the need to meet our staffing. From a fiscal perspective it is more costly to backfill an institution than to move more children to community based services and develop an alternate plan for that state for that beautiful 27 M + building. Don't fall into the trap of "if we build it they will come." We have needs beyond these youth that could be better served at utilize the staff in a meaningful way.

This proposal is backward thinking and seriously flawed. This is a really bad idea for NH and so I urge you to reject this proposal. (Information packet included).

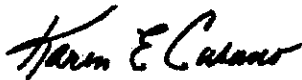
There are areas of the State budget that seem to have been overlooked when it comes to cuts and they seem to have far less of an impact on children, families and the disabled. We need to look at all Departments equally and if we need to cut, we should do so with an eye for least amount of harm to our citizens.

We also need to look seriously at our options to raise revenue. Notice I am using the word WE. I and my agency as well as the children and families we work with are making sacrifices and doing more with less. We are all trying to help do our part to cut costs and save money. We make cuts every day but they do not draw such attention so you may not be aware. We have reduced expenses, cut costs, frozen positions, laid off staff and reduced hours. But we have also increased our fundraising efforts, diversified funding and worked hard to increase our revenue options.

I am proud of our legislature. We know how to work together, between the party line, when we need to - at least that is what I have seen. I see what is happening in Washington and I am embarrassed that we have become a nation of us and them. In NH the emphasis is on WE and that is how we are able to do the right thing and do it well. Now more than ever the need for WE to be front and center in your minds. When you raise your voice to cast your vote remember that WE are counting on you to do what is right for all of us in NH and most importantly those who rely on us to grow and prosper.

Feel free to contact me should you have any questions or wish to discuss these matters and/or suggestions in greater detail.

Respectfully,



Karen E. Cusano, M. Ed.  
Assistant Executive Director

Dear Representative Kurk,

I'm writing not only as a fellow resident of Weare, NH but as a mother of six and Director of Midway Shelter. I'm a very concerned with the report I became aware of in the Concord Monitor regarding the Governor's plan to cut the shelter care contracts in order to save 4.1 million dollars from the general fund by "modify(ing) Use of SCYC to Multi-Service Facility" listed as step 3 of the cost reduction plan. Midway Shelter is one of three shelter care facilities in the state for the past 19 years. Midway Shelter is located in the small town of Bradford, NH. My agency, NFI operates the other shelter located in Jefferson, NH. The Third Shelter in run by Lutheran's in Antrim, NH.

I read in the Newspaper that this savings of 4.1 million dollars would be achieved by **not** renewing the current shelter contracts and that the Sununu Center, with minor alterations to the statute requiring shelter care services in the state, would take on the responsibility of providing shelter services at no extra costs.

I also understand that the Governor will be presenting to the finance committee on Monday and the legislature will be acting on his recommendation on Thursday April 15<sup>th</sup> and hence my email to you in the hope that I might provide you with important information about this proposal.

Our NFI Shelter Contract employs 60 individuals, some who have worked for the agency over the past 19 years, 30 of which live in the North Country, supporting families and spending their income in the surrounding area and towns. If the Governor's recommendations pass there will be a significant impact on the North Country as well as the Bradford area which employees over 30 individuals.

Because NFI is a private non for profit we qualify to draw down federal funds for these services. The federal government actually pays for 40 to 50 percent of the costs of services we provide. Moving these services to the Sununu Center can only be funded with general funds and so drawing down federal dollars will be lost, any information to the contrary is a slight of hand and does not take into consideration the requirements of the federal CMS. The actual general fund cost of the shelter services is less than half the savings indentified by the commissioner.

Our daily costs for the delivery of services is less than two thirds the cost of delivering services at the Sununu Center and we have the ability to draw down federal dollars, school district funding as appropriate, and Federal Bureau of Nutrition Funding. In addition we use our non profit standing and status within the community to do considerable fund-raising to support the children we serve, raising hundred of thousands of dollars in donations annually. It is completely unrealistic to assume that the Sununu Center will take on the delivery of services for an additional 45 youth without incurring additional costs. The costs that they will occur will be 100 percent general fund expenses.

The trend for serving youth continues to support the provision of services to children and youth within a community based, least restrictive setting, where the individual clinical, social and educational needs of the youth can be effectively met as close to their home community as possible. Our services must meet licensing standards, and meet special educational requirements. The Sununu Center is a large, **institution**, that is by design more restrictive and removed from many youth's communities and exempt from the state's own licensing requirements. Moving youth to an **institutional** center is a move against best practices as defined by many not only in this state but other states too.

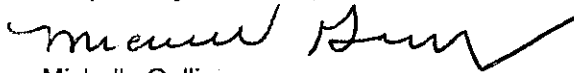
I invite you to please reconsider this drastic consideration not only for the youth but to the surrounding communities. Our location in Midway offer these youth who are placed here a beautiful, country environment with over 30 acres where they can learn and grow without the institutional atmosphere of the Sununu Center. We do a number of community based, charitable events in the town of Bradford and recognized as an employer of approximately 30 individuals.

Midway just built a beautiful 2 million dollar facility in 2009 to serve youth and provide them with a home-like environment. The Shelter in Jefferson along with the Shelter in Antrim are also located in small towns with a home-like environment.

Midway partner's with local colleges like NEC to invite interns to learn first, hand skills in the field of Human Services. Actually, Midway was just awarded and honored last week with the Presidents' Community Partner Award from Campus Compact for New Hampshire from NEC with a luncheon on April 13th. This President's Award recognizes non-profit organizations which have developed and sustained service-learning partnerships with colleges which have enhanced the quality of life in the community in meaningful and measureable ways.

Again, I plead with you to please help ensure this aspect of the Governor's plan is reversed and removed for our youth in New Hampshire. I am available to talk to you regarding this situation and plan to attend the Public hearing on April 15<sup>th</sup>. Thank you for your consideration.

Respectfully submitted,



Michelle Galligan  
Weare Citizen  
Director Midway Shelter  
[michellegalligan@nafi.com](mailto:michellegalligan@nafi.com)  
603 529-2985  
603 938-5014

THE STATE OF NEW HAMPSHIRE  
SUPREME COURT

19

JOHN T. BRODERICK, JR.  
CHIEF JUSTICE



SUPREME COURT BUILDING  
ONE CHARLES DOE DRIVE  
CONCORD, N.H. 03301  
(603) 271-3751  
FAX: (603) 513-5475  
email: jbroderick@courts.state.nh.us

April 7, 2010

His Excellency John Lynch  
Governor, State of New Hampshire  
State House  
Concord, NH 03301

Dear Governor Lynch:

I write in follow up to our meeting last Friday and your request that the Judicial Branch identify an additional \$4,000,000 in cuts to our FY 11 budget. As you know, in my letter to you of March 8<sup>th</sup>, I explained that further cuts to our budget beyond the \$3,100,000 in savings, largely as a result of furloughs throughout the Judicial Branch, would have devastating effects on our capacity to provide meaningful access to justice for New Hampshire citizens. That remains true. However, you requested that I let you know what further cuts "would look like." Hence, this letter.

Before identifying the serious consequences of further cuts, I want to underscore the unprecedented steps already taken by the Judicial Branch to assist the state in managing its budget challenges in these difficult times. On April 2<sup>nd</sup>, the same day that you and I met in your office to discuss your request for further cuts, virtually all of our judges, marital masters and staff took the first of up to 14 unpaid furlough days. This is a pay cut and it has real impact on the court staff, 20 percent of whom earn under \$30,000. But, more importantly, the citizens of our state will be denied timely access to justice. More than half the docket of our state courts involves family issues from divorce, to domestic violence, to child custody, to juvenile delinquency and guardianships among others. Never in my lifetime have the courts of New Hampshire been closed because the state could not afford to keep them open. Ironically, on the day the courts were closed the rest of state government was open. I suspect that will also be true on all future Judicial Branch furlough days. It is a disquieting place for a co-equal branch of government to find itself.

We currently have 67 staff vacancies. That amounts to almost eleven percent of our authorized staff positions. Any additional staff cuts, considering the significant number of unpaid furlough days the staff are expected to take, will not only demoralize judicial operations but would also seriously slow down the process that is already too slow. If the additional \$4,000,000 were to come from

April 7, 2010

staff layoffs, something my colleagues and I strongly oppose, we would need to create—71 additional vacancies, which would leave us with 138 fewer staff than we need to run the system. Such a total reduction would be the equivalent of almost 22 percent of our workforce. If layoffs occurred, more furlough days would be required because fewer staff would be available to meet the \$3,100,000 mandated reduction. At that point, the system would be broken.

At the beginning of this biennial budget cycle to assist the state in dealing with its anticipated budget shortfall, we proposed that court fees be increased for the FY 10-11 budget by \$4,000,000. In order to free up an additional \$2,800,000 from the general fund, the Judicial Branch proposed that its IT maintenance budget be funded by a dedicated fund, whose income would be generated through increases in certain fines and fees. In sum, by suggesting that our IT budget line be removed from the general fund and increasing court fees, we assisted the state in making additional funds available for other budget needs in state government by almost \$7,000,000. With this history in mind, and to respond to your request that we identify what an additional \$4,000,000 in cuts “would look like,” I am providing the following list, which, as you know, the Judicial Branch opposes:

- **Save \$1.48 million if you hold all 10 judicial vacancies open. We would also stop using all senior status judges and all per diem judges in the District Court and Family Division.** The result would be 30 percent fewer court sessions than the National Center for State courts says we need to handle our caseload. Judge time reductions of this magnitude will jeopardize public safety, deny timely relief to families in crisis, and disrupt business transactions. Stopping all payments to per diem judges is a layoff of those judges.
- **Reduce the budget for jury trials by half for a savings of \$400,000.** Trials for defendants incarcerated on felony charges would have priority. I am deeply concerned about our ability to meet speedy trial requirements under these circumstances which could result in dismissal of some criminal cases. All civil jury trials would stop at this level of reduction.
- **Cut security expenses by 20 percent for a savings of \$600,000.** Courts would be closed to the public, if necessary, on specified days in order to realize those savings. I will not ask members of the public, court employees, and judges to participate in contested hearings and trials without security officers present.
- **Obtain legislative authority to use projected cost savings on construction and renovation of the Hillsborough North Superior Court to cover IT expenses in FY 11 .** Contingent on that legislative action, funds equal to that savings could be transferred to the general fund from the IT dedicated fund as a temporary cost-shifting measure to help address the state’s budget crisis.

His Excellency John Lynch

Page 3

April 7, 2010

While I understand the problems state government is confronting, I believe that the Judicial Branch has assisted in every way possible to contribute its fair share of finding solutions. I respectfully urge you and the Legislature not to further undercut our capacity to deliver justice. The courts are not just a good idea or a valued service, but are essential to one of the fundamental promises of our democracy—meaningful and timely access to justice. If that promise is only viable in good economic times, all of us will lose. I urge you, therefore, even in the worst economic times not to further diminish the basic capacity of the courts to serve the citizens of New Hampshire.

I fully respect the difficult choices you and the Legislature need to make. As I have heard you say, you do not want reductions that will cause long-term damage. I believe the cuts outlined above would do that. Therefore, I know you will understand our obligation to speak out on issues of fundamental importance to the ongoing viability of a co-equal branch of government.

Very truly yours,

  
John T. Broderick, Jr.  
Chief Justice

JTB/pah

C: Speaker Terie Norelli

Senate President Sylvia Larsen

Senator Maggie Hassen, Senate Majority Leader

Hon. Mary Jane Wallner, House Majority Leader

Senator Peter Bragdon, Republican Leader

Hon. Sherman Packard, Republican Leader

Senator Lou D'Allessandro, Chairman, Senate Finance

Senator Bob Odell, Senate Finance

Hon. Marjorie Smith, Chairperson, House Finance

Hon. Peter Leishman, Chairman, Division I House Finance

Hon. Neal Kurk, House Finance

Hon. Deborah Reynolds, Senate Judiciary

Senator Sheila Roberge, Senate Judiciary

Hon. David Cote, Chairman, House Judiciary

Hon. Robert Rowe, House Judiciary

Hon. Stephen Shurtleff, Chairman, House Criminal Justice and Public Safety

Hon. David Welch, House Criminal Justice and Public Safety

Hon. Mary Gile, Chairman, House Children and Family Law

Hon. Edward Moran, House Children and Family Law

Commissioner Linda Hodgdon, Administrative Services

Jeffrey Meyers, Esq.

Ms. Kristyn Van Ostern



STATE OF NEW HAMPSHIRE  
JUDICIAL BRANCH  
FY 11 BUDGET

*Where we are now:*

\$76.3 million appropriation for FY11  
230,000 cases filed in the trial court each year

632 authorized staff positions  
-67 vacancies (59 of which are unfunded)  
575 current staff

- 14 unpaid furlough days for all judges, marital masters and staff through FY 11
- 12 per cent reduction in District and Family court sessions ( to save money)
- close to 11 percent workforce reduction

\*\*\*\*\*

***What \$4 million reduction in FY 11 could mean to the Judicial Branch:***

If the \$4 million reduction comes from layoffs, which the Judicial Branch opposes, a total of 71 employees would have to be laid off. The overall effect would be a 26 percent reduction in workforce:

71 layoffs  
+59 unfunded vacancies  
+35 equivalent layoffs reflected in 14 unpaid furlough days  
165 vacancies = **26 percent reduction in workforce**

Fewer staff means more furlough days required in FY 11 to meet earlier \$3.1 million reduction.

\*\*\*\*\*

Alternatives included in April 7 letter to Gov. Lynch, all of which the Judicial Branch opposes:

- Keep 10 judicial vacancies open; eliminate all payments to "per diem" judges in District Court and Family Division; eliminate all payments to senior status Superior Court judges. IMPACT: 30 percent across the board reduction in court sessions.
- 50 percent cut in funding for jury trials/eliminate all civil jury trials.
- \$600,000 reduction in security costs which could require closing courts to public on some days.
- Bond IT money and transfer equivalent from IT dedicated fund to general fund

**DISTRICT COURT AND FAMILY DIVISION**  
**IMPACT OF POSSIBLE \$640,000 CUT IN JUDGE TIME**

- The District Court and Family Division handle 84 percent of the trial court caseload, including divorce, juvenile delinquents, abuse and neglect cases, etc.
- If the Judicial Branch is forced to cut another \$4 million from its FY11 budget, it would include \$640,000 reduction in funds for a total of 13 “per diem” judges who sit day to day in the District Court, the Family Division, or both. In addition to earlier budget cuts, that is a 32% reduction of judge time in the Family Division and a 27 % reduction in District Court. That cut is the equivalent of 15 fulltime judges. (+2 reflects part-time salaried judges who also serve some per diem days).
- The result would be scheduling delays and slowdowns that would have the greatest impact on the families who come to our courts because they are in trouble, especially involving children in divorce cases, abuse and neglect and juvenile offenders.
- These cuts and slowdowns would also severely undermine the intent of the state legislature when it voted to expand the Family Division statewide to meet the important needs of families in crisis.

**FAMILY DIVISION**

- The Family Division, relies heavily on part time judges who are paid for each day they sit in court—they do not receive a set salary and they do not receive state benefits and they do not receive any paid vacation time. This group of “per diem” judges provides valuable service at lower cost than fulltime judges and allows scheduling flexibility so that the needs of New Hampshire families, from the busy Family Division in Manchester to the smallest family division in Colebrook can be met efficiently and economically.
- The \$640,000 reduction will mean these judges will be unavailable to sit in the Family Division. These judges hear approximately 21% of all the cases in the Family Division statewide.
- If all “per diem” payments were stopped the impact on the Family Division would be great because it relies everyday on “per diem” judges to meet the need for Family Division judges around the state. While marital masters also work in the Family Division, the law requires that a judge preside at many Family Division hearings, such as juvenile delinquency, termination of parental rights, and any parental rights and responsibilities hearings involving potential incarceration.

- **In the following family division locations, the only judge in the court will no longer be available.** This will require judges to be transferred from all over the state to provide basic coverage:

**DERRY** -- the 5<sup>th</sup> largest Family Division site in the state will be without a full time judge available (Judge Paul Moore, who now sits in that court 5 days a week on a "per diem" basis, would no longer sit)..

--**All of Strafford County** (Rochester and Dover Family Division sites). Judge Susan Ashley who now sits 5 days a week in Strafford, would no longer sit.

-- **Merrimack County:** Hooksett, Concord and Henniker Family Divisions, which account for approximately 75% of the caseload in Merrimack , based on year-end 2008 data.

- These 3 courts serve 20 communities. They address over 3000 family cases per year.

- Assuming that each case has an average of 3 family members involved – 9,000 people would be negatively impacted by the unavailability of judges at just these 3 courts.

**CONCORD:** Serves Bow, Canterbury, Chichester, Concord, Dunbarton, Epsom, Hopkinton, Loudon, Pittsfield

Approx. 1950 total cases per year

Approx. 650 must be heard by a judge

Adoptions

Termination of Parental Rights

Juvenile Delinquency (approx 400)

Child Support Show Cause (possible incarceration cases)

Assuming each case has an average of 4 hearings, without an available judge approximately 2600 hearings at this court will either not be held or will be significantly delayed.

**HENNIKER:** Serves Antrim, Bennington, Bradford, Deering, Henniker, Hillsborough, Warner and Windsor

500 total cases per year (approx)

150 must be heard by a judge (approx)

Adoptions

Termination of Parental Rights

Juvenile Delinquency (approx 100)

Child Support Show Cause (possible incarceration cases)

Assuming each case has an average of 4 hearings, without an available judge approximately 600 hearings at this court will either not be held or will be significantly delayed.

**HOOKSETT**: Serves Allenstown, Hooksett, and Pembroke

585 total cases per year (approx)

175 must be heard by a judge (approx)

Adoptions

Termination of Parental Rights

Juvenile Delinquency (approx 100)

Child Support Show Cause (possible incarceration cases)

Assuming each case has an average of 4 hearings, without a judge approximately 700 hearings at this court will either not be held or will be significantly delayed.

;

--**LEBANON, HAVERHILL AND LITTLETON** which make up 75% of the Grafton County family caseload will be without a judge available to hear those cases requiring a judge;

**All of Coos County** (Colebrook, Berlin, and Lancaster Family Division sites);

--Other sites will have to share judges from around the state on a dramatically reduced schedule

- We will seriously impair, if not lose, all of the strides we have made in scheduling family matters and assuring the children and families involved in these cases that they will receive their hearings and orders in a timely way.
- Statutory timeframes in important cases involving Juveniles, Domestic Violence and the Termination of Parental Rights will be given priority on the docket, causing other important matters without statutory timeframes such as divorces and parenting actions to fall significantly behind. By not scheduling divorces and parenting actions in a timely manner, it is anticipated that the level of acrimony and ex parte filings will increase.

## DISTRICT COURTS

- The District Courts are the community courts which are located in cities and towns throughout the state. Those courts handle misdemeanors offenses, arraignments in felony cases, landlord tenant, small claims, traffic etc.
- The District Court has part time judges who are paid by the day (*per diem*) and who sit the equivalent of 4.5 full time judges around the state. They also serve as the replacement judges that are needed to make up the court time lost as a result of the 4 vacant full time and 4 vacant part time judicial positions.
- If judge time is reduced through the proposed budget cut, the courts will schedule all criminal matters subject to constitutional speedy trial protections and those matters with timeframes imposed by statute before all others, causing significant delays in processing and scheduling those cases; other types of cases, such as landlord-tenants, traffic and small claims would necessarily be delayed while available judges handle criminal cases and other cases with deadlines.
- Judges will be re-assigned to courts around the state to cover severely limited sessions where no judge is available.

#####

04/15/10

**SUPERIOR COURT**  
**IMPACT OF POSSIBLE \$400,000 REDUCTION IN JURY TRIALS**

- Court would no longer impanel juries every month.
- All courts would empanel juries only about half as much as they do now. Large courts would empanel every other month; small courts once per quarter.
- Civil trials and medical screening panels would stop at this level of reduction.
- Trials for defendants incarcerated on felony charges would have priority. It is very likely that some unspecified number of cases will end up being dismissed on Speedy Trial grounds. Criminal defendants and the defense bar will understand that we will be unable to afford trials to all defendants who want a trial. Rather than negotiating a guilty plea, some defendants may hold out for a jury trial, hoping for delays that would ultimately cause the case against them to be dismissed on speedy trial grounds.
- Unlike the executive branch of government, the judiciary has no "programs" that it can cut. We have a passive function and are completely dependent for what we do on what cases third parties choose to bring before us. At this level of funding the State is not providing the resources the court needs to handle all the cases that are brought to us by third parties. And, importantly, by far the biggest component of those cases are the ones where it is the State itself that is the party bringing the cases before the courts (i.e., criminal cases).

**IMPACT OF MAINTAINING 4 JUDICIAL VACANCIES**

With the 4 slots for new judges remaining unfilled, the Superior Court would be operating at only about 74% percent of the amount of judge time the National Center for State Courts says we need to deal with our caseload.

They say we need 25 judges; we have been operating at 22 (with Chief Judge Lynn sitting only 2 days a week because of administrative responsibilities).

If vacancies remain open, the Superior Court would be down to 18 judges.

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**COURT SECURITY**  
**IMPACT OF POSSIBLE \$600,000 REDUCTION**

Courts would be closed to the public, if necessary, on specified days in order to realize those savings. Members of the public, judges and court staff would not be asked to sit in contested hearings and trials without security present.

**PROBATE COURT**  
**IMPACT OF OVERALL JUDICIAL BRANCH REDUCTION**

The Hillsborough County Probate Court judicial position has now been vacant since July 2008. The court is staffed by 5 different Probate Court judges, who are handling the caseload. The weighted caseload studies show a need for 10+ judge days per week to run the Hillsborough County probate court. There were 9 judge days a week in Manchester before Hillsborough North operations were temporarily relocated to Nashua; there are now approximately 8 days a week with 3 days in the Manchester District Court.

One of the largest areas of growth in the probate caseload is in guardianship of incapacitated adults, which are approaching 1,000 new cases a year, and involve elderly individuals who need someone appointed often to make important medical decisions on their behalf. Many of these cases involve petitions for expedited hearings, which must be held within 14 days. These deadlines are getting increasingly difficult to comply with.

A backlog in management of estate and trust accounts is expected in the counties with staff vacancies (Merrimack, Strafford, Hillsborough, and Cheshire) over the next several weeks. Case processing time is monitored and probate staff from other counties is "floated" when possible. Court closing, due to unpaid furlough days, however may result in longer processing time for accounts in all counties and delays in hearings, particularly in Hillsborough where we now have reduced court days.





**JUDICIAL BRANCH  
State of New Hampshire**

**BUDGET AND STAFFING FACTS**

**FY 10**---\$76.1 million

**FY 11**---\$76.3 million/ 1.3 percent of the Total State Budget

**Current Full-time Judges/Marital Masters**

- 5 Supreme Court Justices
- 22 Superior Court Judges (3 retirements by April 30, 2010; 1 retirement expected by Aug 1, 2010)
- 6 Probate Court judges (+1 vacancy)
- 22 District Court judges (+ 5 vacancies)
- 13 marital masters (+ 1 vacancy)

**Current Part-time Judicial Staff**

- 31 part-time District Judges (+ 4 vacancies)
- 3 part-time Probate Court judges

**Current Non-Judicial Staff**

- 204 fulltime non-judicial employees and 26 part-time not subject to collective bargaining
- 321 non-judicial employee members of the State Employees' Association court assistant collective bargaining unit
- 42 non-judicial employee members of the State Employees' Association Court Monitor/Assistants collective bargaining unit
- 8 fulltime and 139 part-time court security officers members of the Teamsters Local 633/Court Security Officers bargaining unit.

**COURTS**

- 1 Supreme Court**
- 11 Superior Courts (Hill N combined with Hill S until July 2011)**
- 32 District Courts**
- 10 Probate Courts**
- 24 Family Division sites**

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## JUDICIAL BRANCH COST ALLOCATION ANALYSIS FOR HIGHWAY RELATED CASES

The Judicial Branch is required annually to justify its portion of highway funds by analyzing the cost of highway related cases on the Judicial Branch:

- The total amount of state highway funds appropriated to agencies was **\$305 million** in FY 10
- In FY10, the Judicial Branch, as all recipients of highway funds are required to do every 2 years by law, analyzed its caseload and determined that **\$14 million** or 18 percent of the Judicial Branch appropriation in FY 10, could reasonably be allocated to work done by staff and judges, and facility operating costs, to resolving traffic/highway related cases in the District Court and Superior Court, from drunk driving cases to car crash injury cases.
- The Judicial Branch **received \$2 million** from the Highway Fund in FY10
- The Department of Transportation received **\$225 million**
- The Department of Safety received **\$78 million**.

April 15, 2010

Remarks to Joint Legislative Finance Committee From  
James J. Tenn, Jr., President, NH Bar Association

Madame Chair, Chairman D'Allesandro, and members of the Joint Committee, Good afternoon. My name is Jim Tenn. This year, I have the privilege of serving as the President of the New Hampshire Bar Association. Our Association represents the interests of five thousand active attorneys. I have practiced law in Manchester for almost twenty years and I am a lifelong resident of the State of New Hampshire.

On behalf of the Bar Association, I speak today to oppose the four million dollar reduction in the Judicial Branch budget. It is my hope that my remarks may provide some useful information to assist you in what I acknowledge is a difficult job in these economic times.

The issue that we face today is whether our State will adhere to the guarantee set forth in the New Hampshire Constitution - - a guarantee to provide New Hampshire citizens with access to a meaningful system of justice. Access to justice is not simply an academic concept; but, it is a fundamental cornerstone of our Constitutional system of government. Part 1, Article 14 of the New Hampshire Constitution guarantees every New Hampshire Citizen the "... right to obtain justice freely. . . promptly, and without delay." Today, this Constitutional guarantee is in jeopardy.

New Hampshire citizens, like all citizens in a democratic society, rely upon access to a judicial system to peacefully, predictably and promptly resolve disputes and to enforce the rule of law. We rely upon the Courts as a place of last resort to maintain order in our society. Courts

ensure that fundamental rights are protected: Courts protect people and families from violence and injury; Courts hold those who violate our laws accountable; and Courts provide a forum for individuals and businesses to resolve disputes.

As I know you are aware, beginning April 2, 2010 the Courts have begun closing. The Courts closed on April 2, 2010 and are expected to close 14 more days in this calendar year. Judges and Court staff are taking unpaid furlough days in an effort to meet budgetary constraints and cases are coming to a halt. Closing courthouse doors is unprecedented and alarming. These closures deprive New Hampshire citizens from obtaining justice promptly and without delay. The closures are clear evidence that our Court system is fraying.

As it now stands, our Courts are struggling to meet demand. In the present system, New Hampshire citizens are experiencing real-life difficulties and delay. The daily work required is being delayed as Court staff vacancies and judicial vacancies remain unfilled. Today hearings are not available in a timely fashion; and orders are unable to be processed promptly. This grows worse as courthouse doors close. People, parents, children, and families are suffering due to inadequate access to the Court system. Businesses are being forced to wait too long for resolution of disputes. We must be ever-vigilant and not permit a lack of resources to jeopardize the expectation that Courts can provide justice.

Former Chief Justice of the United States Supreme Court, Warren E. Burger, noted that “. . . confidence in the Courts is essential to maintain the fabric of ordered liberty for a free people. . .” Destruction of this confidence can do incalculable damage to society if people come to believe that “inefficiency and delay will drain even a just judgment of its value” and that “the law cannot fulfill its primary function to protect them and their families.”

Further cuts will irreparably harm the justice system. New Hampshire Supreme Court Chief Justice John Broderick, in his April 7, 2010 letter to the Governor, advised further cuts will require loss of judge time that will be devastating. “Judge time reductions . . . will jeopardize public safety, deny timely relief to families in crisis, and disrupt business transactions.” He has warned that without adequate funding, all civil jury trials will stop; the Courts will close more; and additional cuts will pose long-term damage to the judicial system.

The Judicial Branch is a co-equal pillar of the three branches of government. The importance of a strong Judicial Branch traces its roots back to our founding fathers. They recognized that the administration of justice is to be the “firmest pillar of government”. And, yet today, without adequate funding, that pillar is cracking. I respectfully urge you to provide adequate funding for the Court system.

Thank you for providing me the opportunity to speak to you today.

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**New Hampshire Association for Justice**  
**Statement to House and Senate Finance Committees**  
**April 15, 2010**

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**Summary Statement**

The New Hampshire Association for Justice, a statewide association of trial attorneys committed to the protection of constitutional rights, timely access to our courts and justice for all, submits this revenue proposal in support of adequate revenue for the judicial system.

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**NHAJ Revenue Proposal**

NHAJ believes additional revenues for the judicial branch can and should be collected as a part of the fees assessed by three regulatory agencies: the Department of Insurance, the Banking Commission and the Public Utility Commission.

New Hampshire state courts incur substantial costs at both the trial and appellate level pursuant to the statutory framework for regulating insurance companies, banks and public utilities. Regulatory matters represent a significant share of the more than 4,500 civil cases filed annually in state superior court, with regulatory disputes posing some of the more complex and time consuming court challenges.

Transferring funds to the courts from the three agencies need not involve any increase in regulatory fees over the biennium. The Office of Legislative Budget Assistant (LBA) has reviewed budget data and estimates an annual surplus of more than \$2 million/year over direct agency costs (\$4 million over the biennium) as follows:

- For the Department of Insurance, the LBA reports an ending balance (surplus) of over \$1 million at the end of each of the past two fiscal years (FY 08 and FY 09). LBA reports a current balance (as of March 2010) of \$2.8 million.
- For the Public Utilities Commission, the LBA reports an ending balance (surplus) of close to \$700,000 at the close of FY 08 and \$650,000 at the end of FY 2009. LBA reports a current balance (as of March 2010) of \$1 million.
- Finally, for the Banking Commission, the LBA reports an ending balance of over \$1 million at the end of FY08 and over ½ million dollars at end of FY 09. Prior positive end of year balances suggest that, while the Banking Commission does not currently have a surplus, it may well have one at the end of this fiscal year.

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**Legal Analysis**

NHAJ has reviewed case law concerning limitations upon transfer of agency funds to cover the costs of related matters. In cases involving many different fees and agencies, the Supreme Court established a three part test to distinguish between legitimate fees and taxes. The Court has upheld fees that (1) reimburse the state for special services, (2) are incidental to the implementation of a regulatory program and not primarily intended to produce additional revenues, with (3) the characterization of the underlying statute determined by both its declared purpose and its essential characteristics. See Horner v. Governor, 157 NH 400 (2008).

In *Horner*, the court approved the transfer of \$15 out of a \$17 sex offender registry fee to the state police, with \$2 transferred to the municipality where the offender registered, finding that the fee was not intended to raise revenue but solely to support a governmental regulatory activity made necessary by the actions of those required to pay the charge.

The *Horner* case relied in large part on an earlier decision in *American Automobile Association v. State*, 136 N.H. 579 (1992), in which the Court upheld an increase in a motor vehicle and certificate of title fee from \$10 to \$20. The Court focused on the amount title fees earned compared to the total cost of the State's anti-theft activities, finding that the State's total anti-theft expenditures substantially exceeded the title fees collected under the earlier fee structure.

In *D'Antoni v. Commissioner of NHDHHS*, 153 NH 655 (2006), the Court considered a challenge to the \$45 license fee set forth in RSA 459:29 and the transfer of \$38 of that fee to DHHS for allocation to a special DOVE fund pursuant to RSA 173-B:15. The Court approved the amount of the fee, finding that it was not "grossly disproportionate" to the costs involved in issuing the marriage license. In other words, "the charges bore a reasonable relationship to, and approximated the expenses of, issuing the plaintiffs' marriage licenses."

Transferring fees to the courts for reimbursement of costs has ample precedent, as seen in the current budget which includes the transfer of \$2 million/fiscal year for both FY 10 and FY 11 from Highway Funds and \$332,000/fiscal year from DHHS from Section IV-D Federal Funds.

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### **Budgetary Need**

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The reality is that our courts are not currently able to meet the needs of the people of New Hampshire. No matter how urgent the issue, regular people cannot be assured access to justice because budget cuts have meant closing our courts during regular business days. This on the heels of the suspension of jury trials last year and the present danger of further court closures to meet the legislative mandate of sustaining several district courts budgeted for consolidation.

To get a sense of the scope of cases impacted by these cuts, consider the 4,523 civil and 3,543 equity cases filed in superior court in CY 2008. Under the Governor's proposal, the courts would have to suspend all civil jury trials. Moreover, an additional 1,000 court sessions would need to be closed absent funding for court security. Consider as well the number of families looking to the court for resolution of critical issues: 19,575 cases filed in the Family Division in CY 2009; 18,835 filed in the family division and 4,069 filed in superior court in CY 2008. The AOC estimates that 21% of those cases were heard by either senior judges or per diem judges- judges whom the state could not afford to keep on the bench under the Governor's budget proposal.

Our courts simply cannot withstand any further cuts while still meeting their statutory and constitutional mandates.

NHAJ submits that accessing agency funds to reimburse the courts for the costs of services will allow the General Court to protect the independence and integrity of the third branch of government, while still saving the \$4 million general fund dollars recommended by the Office of the Governor.

Home Visiting New Hampshire  
c/o Child and Family Services  
Amendment 2010-1311H Section 78

**Home Visiting Requires Maintenance of Effort**

**Action Item**

We urge the legislature to retain the footnote 102 on House-passed page 733 and footnote 502 on House-passed page 734. (\$550,000 total per year). By doing this the state can be assured to receive funding from the Patient Protection and Affordable Care Act (Subtitle L, Sec. 2951, Maternal, Infant and Early Childhood Home Visiting Programs) which includes an important provision that provides a substantial funding stream for existing Home Visiting programs (Access to \$1.5 billion nationally over 5 years). This legislation includes a Maintenance of Effort which requires that such a program already exists. New Hampshire would give up this opportunity without Home Visiting New Hampshire.

**Program Description**

**Home Visiting New Hampshire (HVNH)** has provided prenatal nursing, education, and other support services to **approximately 1000** at risk, low income pregnant women annually. Home Visiting NH is a primary prevention program that produces measurable outcomes in the areas of:

- Child abuse and neglect
- Prevention of subsequent pregnancies
- Prevention of low birth weight babies
- Early detection of developmental concerns

**Home Visiting is Cost Effective**

- The average annual cost for a family on TANF is approximately \$6,000
  - **Last year HVNH assisted over 136 clients to work toward self- sufficiency and end their TANF assistance: a savings to the State of NH of about \$816,000.** HVNH provides support, job readiness, support for high school completion or GED and further education, and assistance to families to find quality, affordable child care.
- It costs the State of NH Medicaid Program an average of **\$400,000** each time a baby has a Neo Natal Intensive Care Unit (NICU) stay at a hospital.
  - HVNH provides smoking cessation, ensures prenatal care, proper nutrition and support. During the last fiscal year, **only 1% out of the 1000** babies we worked with State wide ended up needing the NICU. (see also American Journal of Preventive Medicine, February 2009).
- It costs the State of NH, Division for Children Youth and Families (DCYF) about **\$16,000** per year per child in foster care. That is only if specialized foster care isn't required.
  - Last year HVNH worked with over 1000 families in which **98% of the families** retained custody of their infant. HVNH provided parenting education, information on child safety, child development screenings, assistance with maternal/infant attachment, crisis management and support. If HVNH saved only 10 children from needing foster care placement, that would save the State of NH **\$160,000**. (Based on data from DCYF)
- Home Visiting New Hampshire also participates in The Fetal Alcohol Spectrum Disorder Project, a 4 year Federal Grant that works to prevent the birth of babies afflicted with this disease. We are in Year 2 of this 4 year grant.



**By providing Active Referrals to clients for:**

- Pre-natal appointments – reduces chances of premature births
- Birth control appointments – reduces chances of another pregnancy
- Well-baby check-ups – reduces chances of hospitalized babies
- Mental health appointments – reduces chances of children being abused or neglected

If HVNH prevented any of these mentioned State expenses with **only one** baby and its family, **savings would equal \$423,000!!**

Any Questions? Contact a HVNH representative listed below or contact Cherie LeBel at Child and Family Services 518-4198.

**Home Visiting New Hampshire**

**VNA @ HCS/The Family Center at  
Peterborough**

**VNA Hospice of Southern Carroll County,  
Wolfeboro**

**VNA VNH, Lebanon**

**Weeks Medical Center, Lancaster**

**NH Minority Health Coalition, Manchester  
& Nashua**

**Ammonoosuc Community Health Services,  
Littleton**

**Good Beginnings of Sullivan County,  
Claremont**

**Child and Family Services  
Manchester, Concord, Nashua, Derry, Exeter**

**Families First, Portsmouth**

**Family Resource Center @ Gorham**

**HUB Family Support Center, Dover**

**Monadnock Family Services, Keene**

**Strafford County Head Start, Rochester**

**Belknap/Merrimack CAP, Laconia**



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April 15, 2010

Members of the Senate Finance Committee  
Members of the House Finance Committee

Dear Senators and Representatives,

We, the Connecticut River Joint Commissions of New Hampshire and Vermont, respectfully request that you overturn the item in the Governor's proposed budget that would eliminate funding for New Hampshire's Connecticut River Valley Resource Commission.

Current funds for the Commission are \$57,900. RSA 227-E which established the Commission in 1987 authorized funding for the equivalent of one full-time staff person. The Commission is administratively attached to the Office of Energy and Planning, but is not subordinate to that Office. We believe the Office erred in assuming that it could help meet its budget reduction targets by eliminating all our funding. The decision was made without the benefit of information about what the State of New Hampshire will lose by zero funding the Connecticut River Commission.

The NH Commission and its twin counterpart from VT carry out their programs in partnership through the Connecticut River Joint Commissions.

Looking ahead to FY '11, the Commissions already have \$455,000 in contracts from federal agencies, and in each case a match of 10% or 20% is required before the federal funds can be made available. The annual state appropriation provides that essential match.

Without our Commission's basic support from New Hampshire, we will not be able to make a \$40,000 commitment pledged to the Town of Colebrook as part of the match for their EDA application to repair the severely eroded riverbank adjacent to the Colebrook Business Park. The North Country will lose jobs if the erosion is not halted. The riverbank is currently eroding in chunks.

Without our Commission's basic support from New Hampshire, we will be unable to provide \$10,000 to match federal funds for an interactive website for the Connecticut River Byway, a set of handbooks for communities along the Byway, and other projects that draw tourists to the valley's heritage.

Without our Commission's basic support, the Commission will not have staff and will collapse and lose the chance to build on its years of accomplishments.

The Commission had its beginnings twenty-five years ago when Councilor Raymond Burton led the effort to hold hearings along New Hampshire's "West Coast." Subsequently the Legislature

addressed the question, how could New Hampshire provide a focal point for protection and enjoyment of the great scenic, agricultural, historic, and recreational resources of the Connecticut River Valley, treasured by people who live there, and barely known east of the White Mountains?

The answer came when the Legislature created the Connecticut River Commission. John Tucker, Speaker of the House at the time, went across the River to Montpelier and testified for that legislative body to establish a Connecticut River Commission too. They did so, and responding to the wishes of people in the valley, the two commissions have worked as a team ever since.


In the intervening years, the commissions have leveraged millions of dollars in federal and state grants and foundation awards. A brief summary of Commission accomplishments includes:

- \* fostered citizen planning, with over 100 citizens engaged in developing management plans for the river, most recently on water resource managements and river recreation;
- \* earned national recognition for roadways paralleling the Connecticut River, now honored as the Connecticut River National Scenic Byway;
- \* brought science to the river, with studies of flow patterns, flood hazards and the causes of erosion;
- \* addressed erosion problems at several sites with application of bioengineering solutions;
- \* persuaded federal agencies to invest in water quality and protection of aquatic resources;
- \* published a wide array of educational newsletters, brochures, fact sheets, and two books. The most recent, *Where the Great River Rises, an Atlas of the Connecticut River Watershed in Vermont and New Hampshire* came out a year ago and has over 40 distinguished authors. The Commissions were joined by Dartmouth College in creating this authoritative reference.

The Commission expects to take its share of budget reduction. A 10% reduction would drop us from \$57,900 to \$52,110. Zero funding, however, would not only extinguish a highly productive Commission, but also jeopardize a riverbank restoration that will protect jobs in the North Country. Zero funding would abandon the Connecticut River National Scenic Byway, counted on by communities such as Claremont, Haverhill, Lancaster, and Colebrook.

Please reject the elimination of funding for the Connecticut River Valley Resource Commission.

Sincerely,

  
Sharon F. Francis  
Executive Director

cc: Governor John Lynch  
Councilor Raymond Burton  
House Speaker Terie Norelli  
Senate President Sylvia Larsen  
Joanne Morin, Director Office of Energy and Planning  
Thomas Burack, Commissioner, Department of Environmental Services  
Members, Connecticut River Valley Resource Commission



Thursday, April 15, 2010

Attn: New Hampshire House & Senators of the **Finance Budget Committee**

Testimony: Regarding budget cuts on Durable Medical Equipment (DME)

My name is : Jan Soderquist

I am here representing: Rehabilitation Equipment Associates

I am a member of NEMED, and while some of my concerns are consistent with our regional Association I am not here as a representative of our Association

I want to thank the Legislature for their hard work in this wrenching Budget process. I would also like to thank the members of the legislature that have taken time in their very busy schedules to speak with our Association, and various medical providers in the state.  
I also want to thank Governor Lynch for taking Action to "STOP SPENDING"

I am here to specifically speak on the proposed cuts in the DME sector of the proposed budget cuts.

First and foremost I respect the efforts of DHHS in trying to meet deadlines, and respond to the current budget crisis.

However, well intentioned their recommended cuts have been excessive and poorly clarified. The proposed cut to this industry from cost plus 30% to cost plus 10% represents a 66% decrease in reimbursement on effected E codes. There has been confusing clarification as to exactly which E codes this effects. In fact the responses to our questions seem to contradict each other.

**FACTS:**

- \*HOMECARE AND DME SERVICES SAVES \$
- \*WE CAN'T SAVE MEDICAID \$ IF THEY PUT US OUT OF BUSINESS WITH A 66% CUT IN REIMBURSEMENT
- \*IT IS WASTED TIME AND EXPENSIVE TO MAKE UNEDUCATED DECISIONS AND EXPECT POSITIVE RESULTS
- \*NO ONE WANTS TO STOP ENTITLEMENT PROGRAMS
- \*NO ONE WANTS TO PUT SMALL BUSINESS OUT OF BUSINESS
- \*THE MEDICAL EQUIPMENT INDUSTRY IS NOT THE ENEMY THEY ARE PART OF THE SOLUTION IN CUTTING HEALTH CARE COST
- \*THE ACTUAL TOTAL \$ CUTS TO 'DME' AS REPRESENTED ON THE EXCEL SPREADSHEET FAR EXCEED THE AMOUNT REPRESENTED. (projected savings represented for current budget year = 37,000 + )
- \*IF YOU ELIMINATE 'DME' ENTIRELY FROM THE MEDICAID BUDGET YOU WILL NOT SOLVE THE BUDGET PROBLEM OUR % OF THE TOTAL BUDGET IS SO SMALL.
- \* A 66% CUT IS NOT ABSURD IT IS OBSCENE
- \* WE ACCEPT AND RESPECT THAT WE NEED TO DO OUR SHARE IN BUDGET CUTS

**SOLUTIONS:**

- \*ASK MEDICAID TO SIT DOWN WITH OUR ASSOCIATION AND CLARIFY THEIR GOALS

\*WORK TOGETHER WITH OUR ASSOCIATION AND MEMBERS AS OTHER STATES IN NEW ENGLAND HAVE DONE

\*WORK CO-OPERATIVELY AND NOT CUT "BACK ROOM DEALS" AS WAS DONE WITH INCONTINENT SUPPLIES STATING "IF NH SUPPLIERS DO NOT ACCEPT THIS "WE HAVE ANOTHER COMPANY ALL SET UP THAT WILL". Raises the question was this an NH company, or was Medicaid shifting business out of state?

\*ASK INSURANCE COMPANIES TO STEP FORWARD AND ASSUME THEIR FAIR SHARE OF 'DURABLE MEDICAL EQUIPMENT' COST. THIS WILL REQUIRE ASSISTANCE FROM STATE LEGISLATURE

\*SIMPLIFY THE MEDICAID PRICING FORMULA PROCESS. (PRESENTLY THERE ARE TOO MANY VARIABLES WHICH FREQUENTLY REQUIRE MEDICAID TO MANUALLY PRICE WHICH IS LABOR INTENSIVE, TIME CONSUMING AND COSTLY TO THE MEDICAID DEPARTMENT.

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STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF MEDICAID BUSINESS AND POLICY

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-8166 1-800-852-3345 Ext. 8166  
Fax: 603-271-8431 TDD Access: 1-800-735-2964

Nicholas A. Toumpas  
Commissioner

Kathleen A. Dunn  
Director

April 5, 2010

Re: New Hampshire Medicaid DME Rate Adjustment

Dear Provider:

The purpose of this letter is to inform you about upcoming rate reductions for certain DME products. The procedure codes that are currently priced at cost plus 30% are being reduced to cost plus 10% effective with Dates of Service on or after April 1, 2010.

Please see the attached list of procedure codes affected by the rate change. At the same time we are also setting rates for procedure codes that are currently manually priced. By removing the manual pricing component, the return time for providers receiving payment will ultimately be expedited.

Should you have questions regarding the items contained within your remittance advice please contact your provider representative for assistance.

Sincerely,

Kathleen A. Dunn, MPH  
Medicaid Director

cc: Karyn Estrella, NEMED

*This change represents a 66% cut!*

	A	C	D	E	F	G	H	J
1	Department of Health and Human Services							
2	Cost Reduction Initiatives SFY10 & SFY11							
3	February 5, 2010							
4								
5	ESTIMATED COST REDUCTION							
6	Div	Initiative	SFY10	SFY10	SFY11	SFY11	Action	
7	Name		General	Total	General	Total	Taken	Description
8			(\$000)	(\$000)	(\$000)	(\$000)	Already	
33	DFA	Teen Pregnancy Prevention: Available Funds	\$0	\$350	\$0	\$350		Reduces funding for education programs to last year's level.
34	DFA	Delay Transportation Brokerage	\$0	\$200	\$0	\$200		Transportation brokerage initiative delayed until funding allows for implementation.
35	NHH	Reorganize specialty services & training programs			\$399	\$583		NHH exploring ways to maximize utilization of specialty staff-tbd
36	OIII	PARIS - VA Match	\$35	\$88	\$181	\$386		Identify Medicaid clients who are veterans and then assist to access federal benefits system, which generally provides more services with lower eligibility requirements to those who qualify.
37	OMBP	Pay OH Radiology on fee schedule	\$659	\$1,655	\$3,104	\$6,618		Require hospitals to use the Medicaid fee schedule for payment of radiology services as is done with other providers
38	OMBP	Review outlier payments	\$296	\$745	\$698	\$1,489		Suspend additional payments related to extraordinarily long hospital stays
39	OMBP	Rates-Reimburse lab fees 60% of Medicare	\$112	\$281	\$526	\$1,122		Reduce lab fees where Medicaid-Medicare coding may be out of line
40	OMBP	Reduce Methadone reimbursement rate	\$103	\$259	\$486	\$1,037		Reduces rate for methadone treatment to \$10.22, in line with Mass
41	OMBP	Lower professional rates to 80% of Medicare	\$100	\$250	\$400	\$1,000		Medicare has reduced some code prices, as procedures become more common and efficient to provide. This reduces codes that are priced higher than 80% Medicare.
42	OMBP	DME Reduce to Cost +10% versus 30%	\$15	\$37	\$76	\$162		Include items such as canes, walkers, commodes, bath and toilet aids, hospital beds, oxygen, respiratory equipment. <b>NOT TRUE</b>
43	OMBP	Roll back 08/09 rate increases (Excluding dental and physician)	\$11	\$27	\$26	\$55		Impacts Adult Medical Daycare, Ambulance Ground, HCBC-ECI, Personal Care, Skilled Nursing in a Home, Wheelchair Van Services
44	OMBP	Suspend Catastrophic Payments To Hospitals	\$398	\$1,000	\$1,313	\$2,800		Suspends inpatient hospital catastrophic payments generally claimed by large NH and Massachusetts hospitals
45	OMBP	Delay outpatient cost settlement payments	\$398	\$1,000	\$938	\$2,000		Postpone reimbursement of outpatient cost settlements
46	OMBP	Suspend Indirect Medical Education payments to hospitals	\$219	\$550	\$1,031	\$2,199		Eff. 4/1/10, suspends IME hospital payments
47								
48	<b>ACTIONS REQUIRING LEGISLATIVE ACTION</b>							
49								
50	DCYF	Adoption Incentive funds to pay for child care	\$224	\$224	\$224	\$224	X	Represents a larger award for FFY 2009 than anticipated
51	DFA	Food Stamp Bonus	\$480	\$0	\$0	\$0	X	Additional federal revenue related to low food stamp error rate
52	OMBP	Revenue: Contractor Reimbursement	\$508	\$0	\$981	\$0	X	ACS obligation related to delays in implementation of MMIS
53	OMBP	Revenue: Pfizer settlement	\$369	\$0	\$0	\$0	X	Department share of settlement related to misbranding of Bextra
54	OOS	Estate Recovery Unit Source of Funds	\$81	\$0	\$81	\$0	X	Budget funds from MOU with counties related to estate recoveries
55	OOS	Bill Licensing Boards Fair Share of Cost	\$25	\$0	\$102	\$0		Department funds 1.5 FTE to assist licensing boards. This charges boards for the cost of those employees

(27)



LIST OF DME CODES WITH NEW MEDICAID RATES  
EFFECTIVE 4/1/2010

These codes are currently PAC 5 and need to be changed to PAC 3 with a New Rate

PA  
575  
↓

P C	Description	Current PAC	New PAC	New Rate
A6550	DRESSING SET FOR NEGATIVE PRESSURE WOUND THERAPY ELECTRICAL PUMP	5	3	\$14.89
E0260	HOSPITAL BED, WITH SIDE RAILS, SEMI-ELECTRIC, HEAD	5	3	\$568.98
E0470	RESPIRATORY ASSIST DEVICE,BI-LEVEL PRESSURE CAPACITY WO BACKUP	5	3	\$1,163.91
E0601	CONTINUOUS AIRWAY PRESSURE DEVICE, PURCHASE	5	3	\$340.00
E0784	EXTERNAL AMBULATORY INFUSION PUMP, INSULIN	5	3	\$4,042.45
E0950	TRAY FOR WHEELCHAIR	5	3	\$123.21
E0955	WHEELCHAIR ACCESSORY,HEADREST,CUSHIONED,PREFABRICATED	5	3	\$136.55
E0956	WHEELCHAIR ACCESSORIES LATERAL TRUCK OR HIP SUPPORT	5	3	\$125.00
E0957	WHEELCHAIR ACCESSORY,MEDIAL THIGH SUPPORT,PREFABRICATED INCLUDING	5	3	\$122.41
E0960	WHEELCHAIR ACCESSORY,SHOULDER HARNESS/STRAPS OR CHEST STRAP INCLU	5	3	\$125.00
E1002	WHEELCHAIR ACCESSORY,POWER SEATING SYSTEM,TILT ONLY	5	3	\$3,600.35
E1028	WHEELCHAIR ACCESSORY,MANUAL SWINGAWAY,RETRACTABLE OR REMOVABLE MO	5	3	\$250.00
E2311	POWER WHEELCHAIR ACCESSORY, ELECTRONIC CONNECTION BETWEEN WHEELCH	5	3	\$1,266.82
E2313	POWER WHEELCHAIR ACCESSORY, HARNESS FOR UPGRADE TO EXPANDABLE CON	5	3	\$242.59
E2377	POWER WHEELCHAIR ACCESSORY EXPANDABLE CONTROLLER INCLUDING ALL	5	3	\$457.99
E8000	GAIT TRAINER, PEDIATRIC SIZE POSTERIOR SUPPORT INC ALL ACCESSORIE	5	3	\$967.24

These codes are all PAC 3 and we are only changing the Rates

PA  
2  
27552572

PC	Description	Current Max Allowed Rate	New Rate
A4595	TENS SUPPLIES, 2 LEAD, PER MONTH	\$17.50	\$14.88
A8000	HELMET, PROT, SOFT, PREFAB, INCL ALL COMP AND ACCESSORIES	\$153.35	\$125.40
E0148	WALKER HEAVY DUTY W/O WHEELS	\$127.05	\$107.99
E0149	WALKER HEAVY DUTY WHEELED	\$223.20	\$189.72
E0185	GEL PRESSURE PAD FOR MATTRESS	\$255.89	\$217.51
E0271	MATTRESS INNERSPRING PURCHASE	\$204.84	\$174.11
E0303	HOSPITAL BED,HEAVY DUTY,EXTRA WIDE,WT CAPACITY>350 BUT <EQUAL 60	\$2,403.61	\$2,043.07
E0482	COUGH STIMULATING DEVICE ALTENATING + & - AIRWAY PRESSURE	\$4,085.21	\$3,472.43
E0483	HIGH FREQUENCY CHEST WALL OSCILLATION AIR-PULSE GENERATOR SYSTEM,	\$11,500.00	\$9,775.00

LIST OF DME CODES WITH NEW MEDICAID RATES  
EFFECTIVE 4/1/2010

These codes are all PAC 3's and we are only changing the Rates - (Cont.)

PA  
 3  
 2  
 1  
 2  
 3  
 4  
 5  
 6  
 7  
 8  
 9  
 10  
 11  
 12

PC	Description	Current Max Allowed Rate	New Rate
E0562	HUMIDIFIER, HEATED, USED WITH POSITIVE AIRWAY PRESSURE DEVICE	\$301.22	\$125.00
E0621	SLING OR SEAT PATIENT LIFT CANVAS OR NYLON	\$95.99	\$81.59
E0651	PNEUMATIC COMPRESSOR, SEGMENTAL HOME MODEL (LYMPHE	\$780.60	\$663.51
E0691	ULTRAVIOLET LIGHT THERAPY SYSTEM 2SQ FT PANEL	\$763.80	\$649.23
E0705	TRANSFER BOARD OR DEVICE, ANY TYPE, EACH	\$55.12	\$46.85
E0730	TENS, FOUR LEAD, LARGER AREA/MULTIPLE NERVE STIMUL	\$370.56	\$314.98
E0747	OSTEOGENESIS STIMULATOR (NON-INVASIVE)	\$3,061.09	\$2,601.93
E0748	OSTEOGENESIS STIMULATOR, NONINVASIVE, SPINAL APPLICATIONS	\$3,577.94	\$3,041.25
E0776	IV POLE PURCHASE	\$121.69	\$103.44
E0973	ADJUSTABLE HEIGHT DETACHABLE ARMS, DESK OR FULL LE	\$128.35	\$109.10
E2361	POWER WHEELCHAIR ACCESSORY, 22NF SEALED LEAD ACID BATTERY, EACH	\$139.47	\$118.55
E2363	POWER WHEELCHAIR ACCESSORY, GROUP 24 SEALED LEAD ACID BATTERY, EACH	\$186.00	\$158.10
E2365	POWER WHEELCHAIR ACCESSORY, U-1 SEALED LEAD ACID BATTERY, EACH	\$112.17	\$95.34
E2366	POWER WHEELCHAIR ACCESSORY, BATTERY CHARGER, SINGLE MODE, FOR USE W	\$236.62	\$201.13

PAC5 = MP  
 PAC3 = Net Price

\* Please Note most of these codes require a PRIOR APPROVAL (PA) which suggests they are subject to COST + 10% reimbursement Rule.

Please take a look at the attached list of codes and pricing and let me know if there are any problems. Please send me a list of any codes that you will not be able to provide based on the new rate.

Also send any questions that need further clarification. NEMED will compile member questions and send them to DHHS the middle of next week.

Thank you all for your continued support and feedback. Have a great weekend  
- Happy Easter!

Regards,  
  
Karyn

-----Original Message-----

From: MNihan@dhhs.state.nh.us [mailto:MNihan@dhhs.state.nh.us]  
Sent: Friday, April 02, 2010 4:14 PM  
To: Karyn Estrella (NEMED)  
Cc: Kathleen Dunn; Nicholas A. Toumpas; Steven DeYoung; Tamme Dustin; Katja\_Fox.DHHS@dhhs.state.nh.us  
Subject: Re: [Revised] Clarification requested for April 1st cuts (please delete previous email)

Karen, This is an initial reply to your email. The EDS provider portal went off line Tuesday evening due to flooding in Rhode Island. We have been engaged in disaster recovery efforts since that time, and have just this morning returned to regular business. This event caused a delay in implementing the DME rate changes.

Attached is a worksheet with the new pricing. This worksheet along with provider notification will be posted early next week. In addition to repricing automatic pricing codes, we have taken the time to assign pricing to some codes that were previously manually priced. The rate changes are effective with an April 1, date of service as indicated in public notice.

Manual pricing for the remaining E codes will now be calculated at cost plus 10% rather than cost plus 30%. These changes do not affect reimbursement for incontinence supply products.

PA's that have been issued prior to April 1 for codes that are manually priced will continue to be paid the PA price. Claims that are coded to price automatically will be paid at the price posted in the system. *\* There are very few of these*

Regarding your feedback that some providers are having difficulty submitting claims for 3 month supply of inconvenience products. I have not been made aware of that issue before now. I am willing to look into the issue. It would help me to receive more information about which providers this affects and who they have troubleshooted with at EDS.

(See attached file: DME Attachment to CM & Prov. Letter.xls) Marilee Nihan, M.B.A.  
Medicaid Finance Director  
Office of Medicaid Business and Policy  
NH Department of Health and Human Services  
603-271-5933

"Karyn Estrella  
\(NEMED\  
<karyn@nemed.org>

04/02/2010 03:37 PM

To "Marilee Nihan" <MNihan@dhhs.state.nh.us>

cc "Nicholas A. Toumpas" <ntoumpas@dhhs.state.nh.us>, "Kathleen  
Dunn" <KDunn@dhhs.state.nh.us>, "Tamme Dustin"  
<tdustin@herronandsmith.com>, "Steven  
DeYoung" <SDeYoung1@Elliot-HS.org>

Subject [Revised] Clarification requested for April 1st cuts (please  
delete previous  
email)

QUESTIONS Presented by our ASSOCIATION  
4/02/10

Dear Marilee,

We would appreciate your response to the following questions so that we can update our members. It is our understanding that the proposed cuts went into effect yesterday (April 1st) yet HME providers have not received any notification. Of great concern is not knowing how orders that they are filling and delivering today will be reimbursed.

1. We are hearing that DHHS is at least 3 weeks away from implementation. Is this correct?
2. When will providers be notified?
3. Please provide an exact list of codes that will be affected.
4. Will the cuts be retroactive to April 1st if there is a delay in implementation?
5. Will PA's that have already been issued (prior to April 1st) be affected by the new pricing if they are subject to any of the codes being cut?
6. The incontinence program went into effect on December 1st yet some HME providers who are dispensing the allowed three-months supply are having problems with certain products being processed through HP for date spans, therefore holding up reimbursement. Will HP be fully prepared for these reimbursement changes to avoid further affect cash flow for the providers?
7. Currently, when billing the allowed codes electronically, invoices are not required to assess the "best price". Providers are using the cost plus formula currently in place. Will the new codes be handled in the same manner or will they all need to be manually priced? We are concerned about possible cash flow problems.
8. Now that reimbursement will be decreased to acquisition cost plus 10% will providers be allowed to incorporate the freight fees assumed from manufacturers to offset the loss?
9. If HCPC codes affected require certified personnel of any type for that product, will providers now be able to bill the time with client under the skilled tech labor code?
10. For products and services provided April 1st and after, should providers submit claims based on current reimbursement until they receive notification from DHHS?

We appreciate your prompt response to our questions so we can inform our members. Thank you.

**Jan Soderquist**

**From:** Karyn Estrella (NEMED) [karyn@nemed.org]  
**Sent:** Wednesday, April 14, 2010 11:37 AM  
**To:** 'NEMED New Hampshire members'  
**Cc:** David A. Ball; Matt Ellis; Wayne Grau  
**Subject:** DHHS responds to NEMED questions - request to schedule conference call this Friday

Dear NEMED New Hampshire members,

Marilee Nihan of DHHS has responded to the questions that NEMED collected from our members. In a conversation I had with her last Friday, she said that they would respond in writing but would consider a conference call if we have more questions. At a minimum, they have promised to meet with us after they have evaluated the responses to the RFI.

Please review their responses and send me any follow up questions you have. Tamme Dustin would like to schedule a call this Friday (April 16) to discuss NEMED's follow up response. **Please click here and indicate all times that would work for you on Friday.**

1. Will PA's that have already been issued (prior to April 1st) be affected by the new pricing if they are subject to any of the codes being cut? NO
2. Currently, E codes, which include wheelchair parts, are currently reimbursed at MSRP less 10%. Are we to understand that all E codes will now be reimbursed at cost plus 10%? Does this include seating systems as well? NO, ON ALL THREE QUESTIONS. SEATING SYSTEMS ARE CURRENTLY AND WILL REMAIN A PART OF WHEELCHAIRS WHICH ARE PRICED AT MSRP-16%, EXCEPT FOR THOSE CODES FOR WHICH A FEE SCHEDULE EXISTS.
3. Are the new rates the new maximum allowable that Medicaid will pay? i.e. Medicaid will pay up to the allowable but if the provider's "cost plus 10%" is lower, that is the price they will be expected to bill. Is our understanding accurate? YES. THE PRICES ASSOCIATED WITH THE NEWLY PRICED CODES ARE BASED ON AN AVERAGE OF RECENT CLAIMS VOLUME. REASONABLY, WE ASSUME PROVIDERS WILL CONTINUE TO SERVE THE SAME CUSTOMER BASE, AND MAY GAIN ON CERTAIN CLAIMS, LOSE ON OTHERS, BUT IN THE AGGREGATE BE PAID A SIMILAR AMOUNT HAD THE CLAIMS BEEN PROCESSED MANUALLY. IN ACCORDANCE WITH THE FEE SCHEDULE AND STATE LAW RSA 126 A:3 III, THE CLAIM WILL PAY THE LESSER OF CHARGE OR FEE SCHEDULE.
4. The incontinence program went into effect on December 1st yet some HME providers who are dispensing the allowed three-months supply are having problems with certain products being processed through HP for date spans, therefore holding up reimbursement. Will HP be fully prepared for these reimbursement changes to avoid further affect cash flow for the providers? THIS ISSUE IS ACTIVELY BEING ADDRESSED AND WILL BE RESOLVED THROUGH THE EDS/HP PROVIDER RELATIONS UNIT.
5. Currently, when billing the allowed codes electronically, invoices are not required to assess the "best price". Providers are using the cost plus formula currently in place. Will the new codes be handled in the same manner or will they all need to be manually priced? We are concerned about possible cash flow problems. IF YOU ARE REFERRING TO THE CODES THAT ARE NOW AUTO-PAID, THE AMOUNT OF PAYMENT WILL BE

These responses:  
CONTRADICT EACH OTHER

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BASED ON THE POSTED FEE.

6. Now that reimbursement will be decreased to acquisition cost plus 10% will providers be allowed to incorporate the freight fees assumed from manufacturers to offset the loss? NO
7. If HCPC codes affected require certified personnel of any type for that product, will providers now be able to bill the time with client under the skilled tech labor code? THERE ARE NO CHANGES IN BILLING FOR SKILLED TECH LABOR AS A PART OF THIS INITIATIVE.
8. The new pricing methodology will undoubtedly create hardships for providers and beneficiaries alike. If the cost plus 10% does not supersede current allowable pricing as indicated in Question 6, can a provider pick and chose which products they will supply to NH Medicaid clients? YES. WE WILL ASSIST OUR BENEFICIARIES IN FINDING A PROVIDER THAT WILL MEET THEIR NEEDS.
9. Since reimbursement based on the product acquisition cost plus 10% does not cover the provider's true cost (including accreditation, employee wages and benefits, rent, utilities, insurance, etc.), is DHHS considering an "al a carte" fee schedule addendum that will cover services such as delivery, set-up, patient education, clinical visits, emergency on-call service, etc.? AT THE MOMENT, DHHS IS CONSIDERING ALL ITS OPTIONS. WE ARE RELYING ON FEEDBACK FROM THE RFI PROCESS. IF THIS QUESTION IS A SUGGESTION, IT SHOULD BE SUBMITTED THROUGH THAT PROCESS.
10. Will custom items (code K0108) still be priced at 84% of MSRP?  
YES

Karyn

KARYN ESTRELLA, CAE, executive director  
New England Medical Equipment Dealers Association (NEMED)  
515 Kempton Street, New Bedford, Massachusetts 02740  
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*New England's United Voice for HME Services since 1988*

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4/14/2010

4/15/10

Senate Finance Committee  
Legislative Office Building  
Concord, NH 03301

Mr. Chairman and Members of the Finance Committee,

My name is Randa Tenney and I am an employee of Lutheran Social Services and The Program Manager of The Antrim Girls Shelter. We are the only all girls shelter in the state! This summer we celebrated our 20<sup>th</sup> anniversary of providing services to girls and families in need! I am proud and privileged to have been part of this important safety net for hundreds of at risk girls!

Thank you for allowing me the opportunity to advocate for all of these girls who too often have no voice in what happens to them. I want to tell you a story of just one of the many girls the shelter saved from the road her mother traveled. I will change her name for the purposes of confidentiality. In dollars and cents, we saved the state from the cost of a life sentence in the state prison. You see, Jane's mother murdered her father after suffering many years of domestic abuse. Jane and her younger sister came upon the scene shortly after the crime was committed at the ripe ages of 8 and 10. Their alcoholic grandmother tried to provide for them, but her age and alcoholism interfered with her good intentions. Soon, both girls were running the streets of NH's largest city, using drugs, alcohol, skipping school, and becoming involved with street gangs and violence. When we first met Jane, everything about her screamed: stay away from me. She had numerous piercings, tattoos, street gang attire, all in black, and her hair hung over her face shielding her from all. Her defenses were all that she had, and she did not trust any of us. She yelled, cheated, swore at us, threatened us, refused to follow the rules, and protested that somehow we were the enemy! I won't tell you that we somehow transformed her in a magical 30 day stay. No, she returned here on 4 different occasions, and after much patience, utilizing all the therapeutic behavioral techniques the staff were trained in, art therapy, music, counseling, therapeutic riding, individualized education program, and yet more patience and consistency by the staff, something began to shift within Jane. She held her head higher, and combed her hair away from her eyes. She went to an authentic beauty all day conference with 3 other girls and myself. The day was a gift from one of our local churches. One of the staff took her to an art studio, we bought her supplies, and helped her make a portfolio of her art. The staff helped her look into art classes, and eventually helped her transition to a foster home. She regularly calls us, and visits the staff, and is doing well, getting A's and B's in school.

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This is the letter she wrote to the staff.

Dear AGS,

My past months here I have really learned a lot about myself. But I couldn't have done it without you guys. You are all very hard working staff and you deserve a lot of credit. Although I don't believe I will be coming back here, I want you to know that I will always be thinking of this place and how much it changed me. I strongly believe that things happen for a reason. And I am so grateful that I have come here. This isn't exactly the place everyone wants to be, and it certainly isn't "Camp Fun." But to me, everyone should be grateful for this place, and the fact that they got out of a bad situation and into a better one. Thank you for putting up with me for 3 months. I love you guys with all my heart. Without you I wouldn't be the person I am.

Thank you for saving my life.

Jane

Thank you for listening!





# The Antrim Girls Shelter



*Compassion, learning...  
and safety for  
adolescent girls*



A program of Lutheran Social Services of Northern New England

## Courage to grow...

Girls come to the Antrim Girls Shelter from all corners of New Hampshire to experience compassion and encouragement, to learn and grow...and also to find safety. Many come here through the juvenile court system because of behavioral problems or abusive and fractured family situations. Some are dealing with substance abuse issues and eating disorders. Some come here because they have nowhere else to go.

## and find a new beginning.

The Antrim Girls Shelter provides a highly structured, short-term, challenging, and supportive environment where "at risk" adolescent girls can discover themselves and make a new beginning. Girls come here to regain hope, to acquire new trust in themselves and for others, regain self respect, learn new skills, and continue their education.



**T**he girls who come to the Antrim Girls Shelter do not fall into a simple category. They are girls you know, girls that your children know. They are your daughters and granddaughters, cousins and nieces, and the relatives of your friends. They are your neighbors. They are girls struggling with a host of experiences and issues that demand the help and attention of a caring community.

### a girl in trouble...

"I came to the Antrim Girls Shelter after getting arrested. While I was angry when it happened, getting arrested eventually brought me here... and for that I am now grateful. I've been sexually and physically abused since as long as I can remember. I didn't know that what was happening to me was wrong. It was just my life. But now I see that what happened to me impacted a lot of other choices I made. In elementary school I was a good student and had lots of friends. Then everything changed. The people at the Antrim Girls Shelter helped me see that the abuse I've experienced wasn't my fault, but they also helped me understand that now I have to take responsibility for myself to have a good life." — *Pamela, 15*

### a girl with dreams...

"Until I was 12, my life was kind of normal, I guess. Everything changed when my parents got divorced. I lived with my Mom and we moved a lot. My Mom couldn't hold down a job, and was in the hospital a lot because she drank too much. I started getting high when I was 13, and began stealing stuff to buy drugs. I only went to school when I felt like it, and sometimes lived with a much older friend who had a place and dope. No one cared what I was doing, until one night when I passed out in the middle of the street and was taken to the hospital. Then they sent me here. I'm almost finished, and will be moving in with a foster family in a few weeks. My time here has been like waking up from a bad dream. When I was 10 I used to dream about being a ballerina. While I don't have that dream anymore, the people here helped me start dreaming about my life again, about what my life can be. It feels good." — *Brittany, 16*

### a girl who isn't a lost cause.

"I have been arrested for shoplifting (more than once) and also for burglarizing a home in my neighborhood. I was eventually placed in the Antrim Girls Shelter by a judge who thought I wasn't a totally lost cause!

"At Antrim I've learned a lot and done a lot in just a few weeks. I've kept up with my schoolwork, and I really hope I can apply for college when I get my act together.

"It's weird, but when I look out my window and day-dream, and remember that my counselors and teachers here love me and see something good in me, I can go to a new place within myself. I somehow know now that I'm not a lost cause... at least not anymore." — *Amy, 16*

**T**he Antrim Girls Shelter was established in 1988, with the purchase of the historic George Duncan house in the village of Antrim. Since that time, we have become one of the most respected and successful resources in New Hampshire for social workers, public guardians, school administrators, parents, and legal professionals who want to provide an adolescent girl with a chance to make a new beginning. Our residents are welcomed, as space allows, from throughout New Hampshire.

“Shelter care” is a term developed by the state to describe an important aspect of our work, but we are so much more than what these words might imply. Our unique program and strong educational emphasis makes us more akin to a school, where girls with special needs and challenges come to learn new skills for living.

### a safe haven.

Perhaps more than anything else, the Antrim Girls Shelter provides adolescent (age 11–17) girls with a safe, caring, and compassionately challenging environment where they can gain confidence, and learn skills to become productive citizens.

### a program...

The Antrim Girls Shelter is a short-term (30- to 60-day), intense, and comprehensive program that embraces the mind, body, and spirit. We are the only program in New Hampshire that addresses the unique needs of “at risk” adolescent girls, and each year we help approximately 180 girls embark on a new road to a better life.

The daily routine includes a point system of rewards and privileges that provides an objective measure of behavior. Each resident has responsibilities for daily and weekly chores and has quiet study and reflection time each day. Residents learn that responsiveness to realistic expectations, cooperation with others, and participation in community activities will allow them to build a more positive relationship with themselves and others.

Nursing staff is available daily to address the medical needs of residents. Daily group and individual counseling is also provided along with daily recreational activities and community service work. Weekly 12-step program sessions are held, and residents have access to religious study, religious services, and clergy visits.

For more detailed information about our program, please call us.

### a school...

The Antrim Girls Shelter follows the statewide Curriculum Frameworks established by the New Hampshire Department of Education ([www.ed.state.nh.us](http://www.ed.state.nh.us)). The girls who enter our program follow a daily academic schedule that enables them to not only progress in their education, but also pursue new learning horizons. The academic focus is always

on rekindling the excitement of learning by matching instruction, style, and content to the needs and interests of each student.

We are certified by the New Hampshire Department of Education in special education, and provide individualized educational programs and services to all students.

## a professional and caring staff...

Each person on our staff, no matter what their role, has been carefully selected to not only have relevant experience and credentials, but also to care deeply about our program and its goals. Our counseling, nursing, and academic staff work together as a team to help our residents heal...and grow.

## a place where miracles happen.

The Antrim Girls Shelter is about miracles—both large and small. There is nothing more miraculous than a young girl taking charge of her life, and finding a new, more positive path to follow.

The success rate of our program is extremely high. Approximately 98 percent of those who come to the Antrim Girls Shelter complete the program, and move on to safe, long-term placements—either at home, in foster care, or at less structured residential facilities.

Please call us to learn more about our alumni, and learn from our “graduates” about the role that the Antrim Girls Shelter has played in their life.



**Y**ou are a person that cares deeply about your loved ones, and those more vulnerable than you. You are a person or organization concerned about the children in your community, because you understand that our children are the future.

At a time when we need more than ever to make this world a better and safer place, The Antrim Girls Shelter offers you a clear and wonderful starting place.

### a part of our future...

The Antrim Girls Shelter provides doorways to a world of discovery, hope, and opportunity for girls between the ages of 11 and 18 who are in trouble. Our vision includes the ongoing expansion of our program to meet the ever-increasing demand, which has grown each year since our founding.

Providing adolescent girls with a safe place to develop and grow is an ongoing project, and we can't do it alone! The Antrim Girls Shelter exists, and is successful, because people like you make it possible.

### making a difference.

There are many ways to support the Antrim Girls Shelter and bring hope to a new generation of girls who have lost their way, and need a chance to begin anew.

**Cash:** Gifts of cash are the simplest forms of contribution. All your donations are tax deductible to the full extent permitted by law.

**Stocks and Bonds:** Depending on your circumstances, it may be advantageous to make your donation in the form of appreciated securities. In most cases, this type of donation brings the same tax-deductibility as cash gifts, as well as eliminating capital gains taxes.

**Real Estate and Other Appreciated Property:** Gifts of real estate and other properties can offer advantages similar to contributions of stocks and bonds. Be sure to call us to discuss any potential gifts of property.

**Bequests:** You can remember the Antrim Girls Shelter in your will either by a specific dollar amount or percentage, or as the residual beneficiary of your estate. A bequest can serve as an enduring memorial to a person in your family or community, in your name, or in the name of someone you wish to honor.

**Life Insurance:** You can name the Antrim Girls Shelter owner an irrevocable beneficiary of a life insurance policy—a way of making a contribution, as well as receiving a generous tax deduction.

**Memory/Honor Gifts:** In recent years, we have worked with a number of individuals and families who have generously named the Antrim Girls Shelter as the recipient of memorial gifts, or have made one-time gifts to

honor someone on a birthday or other anniversary. These gifts help us address the overall needs of our program, as well as help us provide some of our residents with basic personal items (i.e. shoes and clothes, toiletries, etc.).

**Other Ways of Giving:** There are several other ways to make a gift to the Antrim Girls Shelter, and also receive income from the gift through your lifetime, experience considerable tax advantages, and also meet your philanthropic goals. We can meet with you and/or your financial advisor at your convenience to discuss these "life income" options.

Also, the Antrim Girls Shelter operates on a tight budget, and we have a long "wish list" of items that you may be able to donate that would help us in our work. We also welcome community volunteers—particularly to augment our music, art, and recreational programs. We would be happy to meet with you if you (or your organization) are interested in volunteering.

## How to begin...

**Call us.** If you are interested in becoming a donor, or have any questions about the Antrim Girls Shelter, please let us know.

**Talk with your attorney, accountant, or trust officer.** Your financial advisor can work with you, and with us, to help you understand the tax and estate planning advantages of making a gift to the Antrim Girls Shelter. Your financial advisor can also advise you about life income plans, and the full range of charitable giving tools available to you.

**Business owners.** If you are a business owner, we invite you to talk with us about promoting the community spirit of your organization by making a major contribution to support the Antrim Girls Shelter. Corporate gifts can provide your business with a high level of positive community visibility and impact.

### Administrative Offices:

The Antrim Girls Shelter  
Lutheran Social Services of Northern New England  
261 Sheep Davis Road, Suite A-1  
Concord, NH 03301  
Phone: 603-224-8111



Our Mission: *"In Response to Christ's Love, Lutheran Social Services of New England Serves and Cares for People in Need."*



Our programs serve people in need regardless of background or belief, and we invite all people of good will to join us.

### **Lutheran Social Services of Northern New England**

is an affiliate of Lutheran Social Services of New England (LSSNE). LSS North administers programs in Maine, New Hampshire, and Vermont.

LSS North and its parent organization, LSSNE, are members of Lutheran Services in America, a national network of Lutheran service organizations that together comprise one of the largest charitable organizations in the United States.

Lutheran Social Services of New England is part of the broad spectrum of faith-based and secular nonprofit organizations that are increasingly called upon to share the human service responsibilities of society with local, state, and federal governments. We are guided by the belief that by serving the most vulnerable members of our communities, we serve the whole community and create a more positive future for everyone.



## **The Antrim Girls Shelter**

### **A program of Lutheran Social Services of Northern New England**

261 Sheep Davis Road, Suite A-1 • Concord, NH 03301

Phone: 603-224-8111 or 800-244-8119 • Fax: 603-224-5473

E-Mail: [info@lssnorth.org](mailto:info@lssnorth.org) • [www.lssnorth.org](http://www.lssnorth.org)





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April 15, 2010

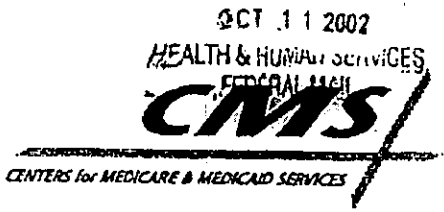
RE: SB 450, Section 15

Attachments for the testimony of Carolyn A. Virtue

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291-02-168

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
JFK Federal Building, Government Center  
Room 2275  
Boston, Massachusetts 02203



Division of Medicaid and State Operations / Region I

October 7, 2002

Kathleen G. Sgambati, Acting Commissioner  
Department of Health and Human Services  
129 Pleasant Street  
Concord, New Hampshire 03301-3857

Dear Ms. Sgambati:

We wish to address a matter that requires your immediate attention. Recently, we learned that under your three approved home and community-based services (HCBS) waivers, medically needy individuals with a spend-down are being treated incorrectly with regard to both the eligibility and post-eligibility processes.

The issue concerns your HCBS waivers for the elderly and chronically ill (0060.90.R2), individuals with mental retardation and developmental disabilities (0053E.90.R1), and individuals with acquired brain disorders (40177.90.R1). Under these waivers, you have chosen to cover medically needy individuals with and without a spend-down, as well as individuals described in 42 CFR 435.217.

The regulation at 42 CFR 435.217 provides that the State may cover groups of individuals in the community who would be eligible for Medicaid if institutionalized; who, in the absence of HCBS waiver services, would require the level of care furnished in an institution; and who receive the waiver services. Once you choose this option, you are required to apply income above the State established community needs allowance to the individual's cost of waiver services (See 42 CFR 435.735). We have learned that your Department is using the same process to determine Medicaid waiver eligibility for medically needy individuals with a spend-down that it uses for individuals described in 42 CFR 435.217. Such a policy and practice is inconsistent with Federal requirements.

Medically needy individuals with a spend-down applying for a HCBS waiver should be treated like medically needy individuals living in the community; that is, they must meet their spend-down obligation before they are determined to be eligible for Medicaid. Once they have met their spend-down, Federal rules require that they be allowed to keep all their income.

DHHS  
EXHIBIT

A

10/14/02

Page 2 – Kathleen G. Sgambati, Acting Commissioner

The process your Department currently uses eliminates the requisite spend-down for medically needy individuals applying for HCBS waivers. In addition, your Department is subjecting these medically needy individuals to post-eligibility application of income to cost of care for waiver services. As described above, the only individuals who are subject to post-eligibility application of income toward waiver cost of care are individuals described in 42 CFR 435.217.

Please advise us within 30 days of the actions you will take to bring your policy and practice into compliance with Federal requirements. As usual, staff from this office stand ready to assist your staff in this matter. Please contact Nancy Grano at (617) 565-1695, if you have any questions.


Sincerely yours,



Ronald Preston  
Associate Regional Administrator

cc:

Matthew Ertas, NH DDS  
Doug McNutt, NH DEAS



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## **U.S. Court In New Jersey Allows Claims That State's Failure To Make Exception To Medicaid Income Cap May Violate ADA**

A disabled individual's claim that the state's refusal to make an exception to its Medicaid categorically needy income cap violated the Americans With Disabilities Act (ADA) may go forward, the U.S. District Court for the District of New Jersey held February 8 in an unpublished opinion.

In denying the state's motion to dismiss, the court found that plaintiff's claim satisfied the Third Circuit's three-prong test for finding a violation of the ADA's integration mandate.

Plaintiff Jerome Duffy is a disabled individual with benefits under New Jersey's Medicaid program.

Under the program, individuals with up to \$2022 in monthly income are eligible for benefits at the "categorically needy" level, while individuals whose income is higher than \$2022 may be eligible for benefits at the "medically needy" level.

In November 2007, plaintiff moved into Buttonwood Hospital in Burlington County. About the same time, he was placed on a waiting list for a bed at Brandywine Estates Assisted Living Facility.

Although he had been receiving benefits under the medically needy level, in January 2009, Brandywine contacted plaintiff's son to inform him that they would accept plaintiff under the Global Options program, a program available at the "categorically needy" level.

Six months after moving into Brandywine, plaintiff's son was contacted by the Burlington County Board of Social Services (BCBOSS) which told him that plaintiff's income of \$2032.22 was in excess of the categorically needy income cap of \$2022 by \$10 per month. Thus, plaintiff was transferred to a different facility.

Plaintiff sued BCBOSS, arguing that its decision not to make an exception to the income cap constitutes a failure to make a reasonable accommodation for a disabled individual, in violation of the ADA.

Defendants moved to dismiss. The court noted that the ADA prohibits public entities from excluding a disabled individual from any services, programs, or activities by reason of his or her disability. 42 U.S.C. § 12132.

Regulations promulgated under the ADA require public entities to “administer services, programs, and activities in the most integrated setting appropriate to the needs of qualified individuals with disabilities,” a requirement that is known as the “integration mandate,” the court explained. 28 C.F.R. § 35.130(d).

This mandate requires public entities to make “reasonable modifications” to existing practices if necessary in order to avoid discriminating against disabled persons unless “the public entity can demonstrate that making the modifications would fundamentally alter the nature of the service, program, or activity,” according to the court.

**Under the Third Circuit’s three-part test for finding a violation of the integration mandate, a plaintiff must show: (1) the state’s treatment professionals have determined that community placement is appropriate, (2) the individual does not oppose transfer to the community setting, and (3) the placement can be reasonably accommodated, taking into account both the resources available to the state and the needs of others with disabilities.**

Noting that only the third prong is at issue here, the court explained that in order to show that he has a plausible claim for relief, plaintiff need only allege facts showing that an accommodation could be made that would allow plaintiff to obtain the medical care to which he is entitled in a less restrictive setting.

The complaint’s assertion that plaintiff’s son requested that BCBOSS make an exception to the categorically needy income cap so that plaintiff could enjoy living in a community-based setting, qualifies as an accommodation, the court held.

Accordingly, the court denied defendants’ motion to dismiss.

*Duffy v. Valez*, No. 09-5539 (D.N.J. Feb. 8, 2010).

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STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATIVE APPEALS UNIT

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APPEAL OF [REDACTED]

DOCKET NO: 2009-550

[REDACTED]  
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CENTER, OSSISPEE, NH 03814

FINAL DECISION

I. BACKGROUND

[REDACTED] (Appellant) was approved for Home and Community Based Care-- Elderly and Chronically Ill (HCBC-ECI)<sup>2</sup> waiver benefits on or about August 17, 2006. On June 4, 2009, the Department of Health and Human Services (Department) issued a Notice of Decision (the Notice), which informed Appellant that her benefits were closing effective June 7, 2009, because she was over the income limit. Appellant's daughter and representative, [REDACTED] (the Daughter), completed a Request for a Fair Hearing, which the Administrative Appeals Unit (AAU) received on June 9, 2009.

The AAU held a hearing in this matter at 10:00 a.m. on Tuesday, November 10, 2009, at the Department's Conway District Office, 73 Hobbs Street, Conway, NH. At the hearing, the Daughter represented Appellant with assistance from Carolyn Virtue, Heritage Case Management; Mickie Grimes represented the Department; and Christine A. Tebbets, Esq., presided.

The hearing was held under the authority granted by New Hampshire RSA 126-A:5, VIII, and in accordance with RSA 541-A:31 through 36, and Department of Health and Human Services Rules, He-C 200. The parties and all witnesses were given the opportunity to provide testimony. The testimony was taken under oath, evidence was presented, and the hearing was recorded verbatim in accordance with RSA 541-A:31, VII.

<sup>2</sup> The Department is in the process of changing the name of this waiver program to Home and Community Based Care - Choices for Independence (HCBC-CFI). For purposes of this decision, the term HCBC-ECI will be used.

1 II. DISCUSSION

2 A. Burden of Proof. The Department is terminating Appellant's benefits under the  
3 HCBC-ECI waiver. Therefore, the Department has the burden to prove, by a preponderance of  
4 the evidence, that Appellant is no longer eligible for the waiver benefits. (Department Rule  
5 No-C 203.14 (f) (1))

6  
7 B. Facts: Appellant was approved for HCBC-ECI waiver benefits on or about  
8 August 17, 2006. The New Hampshire statute governing eligibility for waiver services states:

9  
10 151-E:3 Eligibility.

11 *E. A person is medicaid eligible for nursing facility services if the*  
12 *person is:*

13 *(a) Clinically eligible for nursing facility care because the person*  
14 *requires 24-hour care for one or more of the following*  
15 *purposes, as determined by registered nurses appropriately*  
16 *trained to use an assessment tool and employed by the*  
17 *department, or a designee acting on behalf of the department:*

18 *(1) Medical monitoring and nursing care when the skills of a*  
19 *licensed medical professional are needed to provide safe*  
20 *and effective services;*

21 *(2) Restorative nursing or rehabilitative care with patient-*  
22 *specific goals;*

23 *(3) Medication administration by oral, topical, intravenous,*  
24 *intramuscular, or subcutaneous injection, or intravenous*  
25 *feeding for treatment of recent or unstable conditions*  
26 *requiring medical or nursing intervention; or*

27 *(4) Assistance with 2 or more activities of daily living*  
28 *involving eating, toileting, transferring, bathing,*  
29 *dressing, and continence; and*

*(b) Financially eligible as either:*

*(1) Categorically needy, as calculated pursuant to rules*  
*adopted by the department under RSA 541-A; or*

(2) *Medically needy, as calculated pursuant to rules adopted by the department under RSA 541-A.*

29

11. *A person is eligible for services under the Medicaid waiver if the person has been determined eligible under RSA 151-E:3, I. [Emphasis added.]*
12. *The department shall not use a new assessment tool to determine clinical eligibility for nursing facility care until the tool has been reviewed by the county-state finance commission and has been approved by the oversight committee on health and human services established pursuant to RSA 126-A:13.*
13. *If the registered nurse is unable to determine that an applicant is eligible following the clinical assessment pursuant to subparagraph I(a), the registered nurse shall obtain and give substantial weight to clinical information provided by the applicant's physician or nurse practitioner, including, but not limited to diagnosis, prognosis, and plan of care recommendations, and consider information from other licensed practitioners including occupational or physical therapists, if available. All clinical information obtained shall also be used in the preparation of the initial support plan.*

At the time of Appellant's application for HCBC-ECI waiver services, the Department rules stated:

He-W 638.05 Eligibility for Adult Category Medical Assistance Nursing Care

- (a) *The nursing facility cap shall be \$1250.*
- (b) *If the client's monthly gross income is less than or equal to the cap and his or her net income is less than the monthly Medicaid nursing facility rate for the facility, he or she shall be income eligible for nursing care as categorically needy.*
- (c) *If the client's monthly gross income exceeds the cap, but his or her net income is less than the monthly nursing facility rate, he or she shall be income eligible for nursing facility care as medically needy.*

He-W 638.06 Eligibility for Adult Category Medical Assistance for Home and Community-Based Care for the Elderly and Chronically Ill (HCBC-ECI)



1 (a) If the individual's monthly gross income, as defined in He-W 601.83,  
2 is less than or equal to the nursing facility cap specified in He-W  
3 658.05(a), he or she shall meet the income eligibility for HCBC-ECI  
4 services as categorically needy.

5 (b) If the individual's monthly gross income exceeds the nursing facility  
6 cap, but his or her net income, as defined in He-W 601.109, is equal  
7 to or less than the monthly medicaid rate of the nursing facility  
8 pursuant to RSA 151-E:3, he or she shall meet the income eligibility  
9 for HCBC-ECI services as medically needy.

10 (c) For the purposes of (b) above, the monthly medicaid rate of the  
11 nursing facility shall be the average maximum weekly cost for  
12 HCBC-ECI services, defined under the medicaid waiver for the  
13 elderly and chronically ill as authorized under Section 1915 (c) of  
14 the Social Security Act, multiplied by 4.33.

15 When Appellant applied for HCBC-ECI services, her income exceeded the nursing  
16 facility cap of \$1,250. However, her income was found by the Department to be below the  
17 monthly Medicaid rate for New Hampshire. Therefore, Appellant was considered eligible for  
18 HCBC-ECI services as a medically needy individual.<sup>2</sup>

19 Department Rule He-W 658.06 expired on September 29, 2008, and was replaced on  
20 October 3, 2008, with the following rule<sup>3</sup>:

21 He-W 658.06 Eligibility for Adult Category Medical Assistance for  
22 Choices For Independence (CFI), Home and Community-Based Care for  
23 the Developmentally Disabled (HCBC-DD), Home and Community-Based  
24 Care for Individuals with an Acquired Brain Disorder (HCBC-ABD), and  
25 Home and Community-Based Care for In-Home Supports (HCBC-IHS)

26 <sup>2</sup> The Department maintains a policy manual entitled Adult Assistance Manual, which includes Table B, Income  
27 Limits For HCBC Individuals. At the time of Appellant's application for HCBC-ECI services, Table B stated that  
28 the HCBC-ECI waiver program had a net monthly income limit for medically needy individuals of \$2,451. (Refer to  
29 SR 06-01, dated 01/06). This net income limit could not be found in any statute or administrative rule, and appears  
to exist only in Department policy. As a general rule, Department policy is enforceable or binding on persons  
outside the Department only after it is formally adopted as an administrative rule pursuant to RSA 541-A. (See also  
Bel Air v. N.H. Dep't. of Health and Human Services, 154 N.H. 228 (2006))

<sup>3</sup> According to the Department, this revision was needed in order to maintain the State's eligibility for federal  
financial participation (FFP) for the Medicaid program. (See New Hampshire Rulemaking Register, p. 21, dated  
07/25/08). The Department did not contend that RSA 151-E:3, II conflicted with a federal mandate.

- (a) The individual shall be income eligible for CFL, HCBC-DD, HCBC-ABD, or HCBC-HIS services as medically needy when:
  - (1) The individual's monthly gross income, as defined in He-W 601.83, exceeds the nursing facility cap specified in He-W 658.05(a); and
  - (2) The individual's net income, as defined in He-W 601.109, is equal to or less than the PIL, as specified in He-W 658.04(b).
- (b) If the individual's net income in (a)(2) above exceeds the PIL, medically needy income eligibility shall be determined in accordance with He-W 678.01.
- (c) When determining resource eligibility for individuals described in 42 CFR 435.217(a) at the categorically needy level, \$1000 of the individual's resources shall be disregarded.

The revised rule employs a monthly gross income limit based on the nursing facility cap of 300% of the Supplemental Security Income (SSI) value, or \$1,911.00. (See Department Rule He-W 658.05 (a), effective on 10/3/08) When the revised He-W 658.06 rule was adopted, Appellant's monthly gross income was considered by the Department to be \$1,353.00<sup>4</sup>, which did not exceed the nursing facility cap. On that basis, Appellant was classified as categorically needy for HCBC-ECI waiver services and she continued to receive HCBC-ECI services.<sup>5</sup>

In January 2009, Appellant received a cost of living allowance (COLA) in her Social Security benefit, increasing her total monthly income to \$2,571.00. This amount exceeded the nursing facility cap even though the nursing home cap also increased to \$2,022.00 because of the COLA. Appellant's new income level also exceeded the \$2451 income level for

<sup>4</sup> For clarity of the record, at the time Appellant was originally approved for HCBC on August 17, 2006, the Department calculated her income as \$1,353/month which was the income figure being used for her, when the revised version of He-W 658.06 was adopted. During a redetermination on June 4, 2009, the Department discovered that it had not included a monthly pension allotment from Mutual of Omaha in the amount of \$1,140/month, giving her a total income of \$2,493/month. (Testimony of Mickie Grimes)

<sup>5</sup> The Department policy manual, AAM, was revised to reflect the change to Department Rule He-W 658.06. (See AAM Table B, SR 09-01, dated 01/09)

1 individuals "grandfathered" by the Department's AAM section 605 disregard.<sup>6</sup> Because  
2 Appellant's income was now too high for the disregard to apply, the Department placed  
3 Appellant on the In and Out Program under Department Rule He-W 678, with a spend down of  
4 \$1,967.40 per month.<sup>7</sup>

5 C. Analysis: There are at least two ways to approach this case. The first is the  
6 method used by the Department in which it relied on the HCBC-ECI eligibility criteria set forth  
7 in Department Rule He-W 658.06, as that rule was revised in October 2008.<sup>8</sup> Under this  
8 analysis, Appellant's income after the COLA increase in January 2009, exceeded the nursing  
9 facility cap of \$2,022.00 or, as applied to Appellant, the pre-October 2008 cap of \$2,451.00.  
10 However, once Appellant exceeded that grandfathered amount, the Department asserted it  
11 could no longer apply the previously allowed disregard. Therefore, the Department compared  
12 Appellant's income to the PIL (\$591.00) and, pursuant to He-W 658.06 (b), determined her  
13 eligibility for Medicaid under the In and Out program (He-W 678). The result is that Appellant  
14 must spend down \$1,967.40 each month (or \$11,804.40 every six months) in order to be  
15 eligible for Medicaid.

16 The second approach is to determine Appellant's eligibility for the HCBC-ECI program  
17 in accordance with RSA 151-E:3, II. Here, Appellant is eligible for HCBC-ECI services if she  
18 meets the medical and financial eligibility criteria established for nursing facility level of care.  
19 Based on the testimony received at the hearing, there is no dispute that Appellant is medically  
20 eligible for the nursing facility level of care. Under the statute, Appellant's financial eligibility  
21

22 <sup>6</sup> The disregard, created by the Department to grandfather existing recipients cannot be found in any statute or rule,  
23 but is described in Department policy in the AAM, section 605.

24 <sup>7</sup> Specifically, the Department's representative testified that Appellant's income would have continued to be  
25 "grandfathered" for so long as her monthly income remained at the pre-October 2008 limit of \$2,451. Once  
26 Appellant's income exceeded that cap, the Department would no longer consider her "grandfathered", and thus no  
27 disregard could be applied. (Testimony of Mickie Grimes)

28 <sup>8</sup> If this decision was based on He-W 658.06 as it existed prior to October 2008, or on He-W 658.07, which was  
29 adopted as an emergency rule on June 30, 2009, Appellant would be found eligible for HCBC-ECI waiver services.  
At the hearing the Department's representative asserted that Appellant would have lost her HCBC-ECI eligibility in  
January 2009, with or without the changes made to He-W 658.06 in October 2008, because Appellant's gross  
monthly income now exceeds the \$2,451.00 limit found in the AAM Table B. Again, \$2,451.00 is a net income limit  
that appears only in Department policy, and its enforceability under New Hampshire law is questionable. (See  
footnote #2)

for a nursing facility level of care is determined in accordance with rules adopted by the Department, (RSA 151-E:3, I(b)) The applicable rule, He-W 658.05, which was amended in October 2008, states:

He-W 658.05 Eligibility for Adult Category Medical Assistance Nursing Care.

- (a) The nursing facility cap shall be 300% of the maximum SSI benefit for an eligible individual as determined in accordance with 20 CFR 416.410, adjusted by cost-of-living increases pursuant to 20 CFR 416.405.
- (b) The individual shall be income eligible for nursing facility care as categorically needy when the individual's monthly gross income, as defined in He-W 601.83, is less than or equal to the nursing facility cap specified in (a) above.
- (c) The individual shall be income eligible for nursing facility care as medically needy when:
  - (1) The individual's monthly gross income, as defined in He-W 601.83, exceeds the nursing facility cap specified in (a) above; and
  - (2) The individual's net income, as defined in He-W 601.109, is less than or equal to the monthly medicaid nursing facility rate, as defined in He-E 806.01(a).
- (d) When determining resource eligibility for nursing facility care as categorically needy, \$1000 of the individual's resources shall be disregarded.

As noted earlier, Appellant's gross income exceeds the nursing facility cap. However, her net income is below the monthly Medicaid nursing facility rate for all of the nursing facilities in New Hampshire, based on the rates published on the Department's website.<sup>9</sup> Under this analysis, Appellant is found eligible for HCBC-ECI waiver services as a medically needy individual under He-W 658.05 (c).

Because a different result is reached depending on whether the rule (He-W 658.06) or the statute (RSA 151-E:3, II) is used as a basis for determining Appellant's HCBC-ECI eligibility;

<sup>9</sup> <http://www.dhhs.state.nh.us/DHHS/DEAS/LIBRARY/Policy-Guideline/nursing-facility-rates.html>

1 one must analyze the interplay between rules and statutes. The New Hampshire Supreme Court  
2 has stated:

3 *It is well settled in this State that the legislature may delegate to*  
4 *administrative agencies the power to promulgate rules necessary for the*  
5 *proper execution of the laws. Ferretti v. Jackson, 88 N.H. at 298, 188 A. at*  
6 *476; Smith Insurance, Inc. v. Grievance Committee, 120 N.H. 856, 861,*  
7 *424 A.2d 816, 819 (1980); Petition of Boston & Maine Corp., 109 N.H.*  
8 *324, 326; 251 A.2d 332, 335 (1969). But the legislature may not, of*  
9 *course, delegate unlimited rulemaking authority to administrative*  
10 *agencies. Smith Insurance, Inc. v. Grievance Committee supra at 861,*  
11 *424 A.2d at 819. Rather, the legislature must declare a general policy, and*  
12 *prescribe standards for administrative action. Ferretti v. Jackson, 88 N.H.*  
13 *at 303, 188 A. at 479.*

14 *Accordingly, the rulemaking authority which may be delegated by the*  
15 *legislature is limited. The administrative agency's authority allows it*  
16 *to "fill in details to effectuate the purpose of the statute," Kimball v. N.H.*  
17 *Bd. of Accountancy, 118 N.H. 567, 568, 391 A.2d 888, 889 (1978); Reno v.*  
18 *Hopkinton, 115 N.H. 706, 707, 349 A.2d 585, 586 (1975), and*  
19 *administrative rules which go beyond the filling in of details are invalid.*  
20 *Kimball v. N.H. Bd. of Accountancy, supra at 568, 391 A.2d at 889; see*  
21 *Reno v. Hopkinton, supra at 708, 349 A.2d at 586. "Rules adopted by State*  
22 *bonds and agencies may not add to, detract from, or in any way modify*  
23 *statutory law." Kimball v. N.H. Bd. of Accountancy, supra at 568, 391*  
24 *A.2d at 889. Traditionally it has been the responsibility of this court to*  
25 *insure that the administrative agency does not substitute its will for that of*  
26 *the legislature. Id. at 569, 391 A.2d at 889.*

27 (Opinion of the Justices, 121 N.H. 552, 557 (1981))<sup>10</sup>

28 The foregoing makes it clear that administrative rules take a subordinate role to statutes.  
29 No State statute could be found that authorizes the Department to use financial eligibility  
30 criteria for the HCBC-ECI waiver program that is different from the criteria used for nursing  
31 facility care. Based upon these reasons, Appellant's financial eligibility for HCBC-ECI  
32 services must be determined using RSA 151-E:3, II, and He-W 658.05.

33 There remains one other issue that warrants discussion. RSA 541-A:22, II, states:

34 <sup>10</sup> See also, Exetermouth Country Club v. Town of Greenland, 152 N.H. 617, 621 (2005); State v. Elements Chem  
35 152 N.H. 794, 803 (2005); and Appral of N.H. Dep't of Transportation, 152 N.H. 563, 573 (2005).

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*Rules shall be valid and binding on persons they affect, and shall have the force of law unless amended or revised or unless a court of competent jurisdiction determines otherwise. Except as provided by RSA 541-A:13, VI, rules shall be prima facie evidence of the proper interpretation of the matter that they refer to.*

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There is no evidence in the record that He-W 658.06 has been found invalid by any court, and the AAU does not have the authority to make such a finding. Admittedly, He-W 658.06, on its face, appears to apply in this case. However, in RSA 151-E:3, the State legislature directs that eligibility for HCBC-ECI services be based on the eligibility criteria for nursing facility care. Hence, Department Rule He-W 658.05 controls the outcome of this case, not He-W 658.06. Therefore, while He-W 658.06 remains a valid rule, its applicability to the present case was not established. In simple terms, the Department failed to prove that He-W 658.06 was the controlling law in determining whether Appellant's HCBC-ECI eligibility could be terminated.

### III. FINDINGS AND CONCLUSIONS

#### A. Findings of Fact

1. Appellant is a 69 year-old resident of New Hampshire. (Appellant's Exhibit 1)
2. Appellant is eligible for nursing facility care under RSA 151-E:3, I. (Testimony of Mickie Grimes)
3. The Department considered Appellant's gross monthly income in October 2008, to be \$1353.00. (Testimony of Ms. Grimes)
4. Appellant's gross monthly income exceeds, as of the date of the hearing in this matter, the nursing facility cap set forth in Department Rule He-W 658.05 effective on 10/3/08. (Testimony of Ms. Grimes)
5. Appellant's income, net or gross, is less than the monthly Medicaid nursing facility rate for any of New Hampshire's nursing homes. (Testimony of Ms. Grimes; <http://www.dhhs.state.nh.us/DHHS/BEAS/LIBRARY/Policy-Guideline/nursing-facility-rates.htm>)

1           **B. Conclusions of Law**

- 2           1. In determining a person's medical and financial eligibility for the HCBC-ECI  
3           waiver program, RSA 151-E:3, II, requires the application of nursing facility  
4           eligibility criteria in RSA 151-E:1.  
5           2. Department Rule He-W 658.05 sets forth the financial eligibility criteria for  
6           nursing facility care under RSA 151-E:1.  
7           3. Pursuant to Department Rule He-W 658.05 (c), Appellant is financially  
8           eligible for nursing facility care.  
9           4. Because Appellant is eligible, medically and financially, for nursing facility  
10          care, she is eligible to receive HCBC-ECI services; in accordance with RSA  
11          151-E:3, II.  
12          5. The Department failed to prove, by a preponderance of evidence, that  
13          Appellant is no longer eligible for HCBC-ECI waiver services.  
14

15           **IV. DECISION**

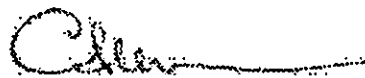
16           The Department's decision to terminate Appellant's HCBC-ECI services is reversed.  
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18           **V. RECONSIDERATION**

19           If you are dissatisfied with this decision, you may file a motion for reconsideration with  
20           the Department's Administrative Appeals Unit, in accordance with He-C 204, not later  
21           than 30 days from the date of this decision. The motion must specifically state the  
22           grounds for reconsideration. If you do not file a motion for reconsideration within the 30-  
23           day period described above, this decision shall be final.  
24

25           **SO ORDERED**

26           December 29, 2009.

27           

28           Christine A. Tebbetts, Esquire  
29           Presiding Officer

29

1 Cc: File

2 Mickie Grimes, DEA

3 Jennifer Jones, Esq., DFA

4 Nora Paquette, DFA Supervisor, Conway D.O.

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APPENDIX I

I. SUMMARY OF EVIDENCE

A. Exhibits were submitted by the Department, numbered as follows:

1. Notice of Decision, dated August 14, 2009;
2. Notice of Decision, dated June 4, 2009;
3. Letter(s), dated October 7, 2002 and December 7, 2007;
4. Department Rule He-W 658.06, *Eligibility for Adult Category of Medical Assistance for Choices of Independence*;
5. SR 08-18, *Changes in Choices for Independence Income limit*; and
6. Adult Assistance Manual (AAM), Table A (SR 09-01)

B. Exhibits were submitted by Appellant, numbered as follows:

1. State of New Hampshire, Inter-Department Communication, Re: HCBC Changes, Effective date October 1, 2008;
2. Rulemaking Notice Form, Rule Number He-E 801.06, dated September 15, 2008;
3. Proposed Amendment to Department Rule He-E 801.06 [Initial Proposal August 27, 2008];
4. State of New Hampshire, Inter-Department Communication, Re: Revision of HCBC Cost of Care Determination Process; Effective date December 8, 2008;
5. Department Rule He-E 801.06, *Past-Eligibility Computation of Cost of Care for HCBC-ECI Services*;
6. Email from Susan Rydberg, RN, dated 01/07/09;
7. Email from Ms. Rydberg, dated 11/05/08;
8. Administrative Rules Summary, Re: He-W 638.05(a) & (c), and 658.06(a), dated August 22, 2008;
9. Email from Donna Mombourquette, dated 02/08/08;
10. BEAS procedure for Cost Share, dated 02/01/08;

11. BEAS\* policy for Revisions to the Cost of Care Determination Process for Home and Community Based Care (HCBC) and Choices for Independence (CFI), dated 12/05/08;
12. HCBC/CFI Patient Liability Letter;
13. Final Decision, Appeal of \_\_\_\_\_, Administrative Appeals Unit, Docket No. 09-0097, dated August 13, 2009.

C. Testimony was received from:

1. Mickie Grimes, DFA
2. \_\_\_\_\_, Appellant's Daughter and Representative

Norman A. Brown  
BS CJA, M. Ed  
Jefferson, NH

Selectman Town of Jefferson  
Retired Superintendent of the Coos County Department of Corrections

Committee Chair, members of the Honorable Court

Eliminating the Contracts with 3 geographically located Juvenile Shelters in NH is UNACCEPTABLE and does not pass the Common Sense Test.

Has anyone considered the long term impact on the youth that the Shelters serve?

This short term fix will have a devastating long term impact. I have seen the transition from youth without appropriate services into the adult system first hand.

The youth served are Children that have been involved in Abuse or Neglect cases, Delinquent Children and Children in Need of Services. Where will they go and who will provide those services.

No one will believe that those services are best provided at the Sununu Center especially at no additional cost. A budget concept better known as "Smoke and Mirrors".

If services are not provided, historical data will tell even the blind eye that those youth will end up in the adult system, a less than user friendly system that is difficult to remove yourself from.

The continued shifting of costs to Local and County Governments needs to stop. Transportation to Manchester will be provided by whom? County Sheriff's, do they know this? These are tax dollars.

Once the Sununu Center is full, how will law enforcement manage these youth and difficult situations? Especially those with only one officer on duty per shift. You are tying their hands by taking away a valuable tool that helps maintain stability within a family, community and society.

How will youth be screened to enter this semi-detention shelter in Manchester? Once full will those that are more in need be sent in and someone kicked out?

The impact on local economies will also be devastating to many families. Regarding the North Country Shelter in Jefferson, approximately 25 benefited paying jobs would be lost. In a county with the highest unemployment rate in NH. How will towns realize tax revenue from those who have lost their jobs under this proposal? We always talk about out youth moving out of state to get jobs after college due to limited jobs, what about families that lose their jobs are we saying you need to move out too??

To say that not renewing contracts with the 3 NH Shelters will save 4.1 million dollars is just not the truth. Many of the services are provided through federal funding reimbursement, why would NH leave millions of dollars on the table in this economy?

Of all the budget cuts proposed by the Governor, Not renewing the contracts with the 3 NH Shelters is the most detrimental to our youth, society and our NH way of life. WE as a State have never cast our YOUTH ASIDE as we have always believed; They are our Future and WE NEED NOT START NOW.

Please consider these points as you look for alternative ways to provide services to those that are most vulnerable. I know the work you continue to do is tough but have confidence that you will do what is right not just what is cost effective at the moment.

**FAMILY INTERVENTION CONTRACT**  
**Estimated Cost SFY 2010: \$500.000**

*At the 3/11/10 US House hearing on TANF's Role in Providing Assistance to Struggling Families the Child Welfare League of America recommended*

*that all families seeking TANF assistance should participate in an initial screening by a trained caseworker to identify and screen for barriers to work... that include substance abuse, physical and behavioral health, and domestic violence, and risk to child safety... Family assessment [should be completed by trained workers,] enabling them to assess the needs, strengths, and resources of families as a tool for developing a plan that will lead to successful work and promote a safe environment for the children... Failure to help families with such challenges and barriers may later show up in a state's child welfare system [where a Children's Rights study found] that the most common allegations and concerns identified when children entered foster care included inadequate supervision (57 percent), parental drug and alcohol misuses (54 percent), parental mental illness (27 percent), and inadequate food/clothing/shelter (25 percent).*

The Family Intervention Program, a collaborative effort of Child and Family Services and four Family Resource Centers, is currently providing the Family Assessment and Intervention Services in the state. It is important to understand that our concern is not retaining the contract, which would be up for bid for SFY 2011, but the loss of a vital service that addresses barriers to employment and self-sufficiency for the neediest TANF (FANF) recipients.

FIP workers provide home-based family assessments that foster openness, facilitating the identification of barriers and personal resources, and leading to concrete plans to address the challenges faced: the effects of domestic violence (one of the most significant barriers for at least 17% of our clients), medical problems, learning problems, child behavior problems, relationship conflict, household management, parenting, homelessness, anxiety, depression, family members with disabilities, and legal issues.

Brief, intensive case management is provided with frequent meetings or check-ins to determine progress and to help our clients prioritize and accomplish needed tasks. This includes research into support services, coaching and preparation for connecting with needed services and self-advocacy, assistance with applications and in intake meetings, and collaboration to insure effective and timely mental health and family support services. The service goes way beyond giving clients numbers to call and has included:

- Coordinating a meeting with a client and her landlord to negotiate a lower rent payment and avoid eviction
- Helping a client in crisis overcome resistance to mental health treatment and make an appointment with a counselor for the next day
- Coaching a client through a phone call to seek help from a parenting program
- Accompanying a client to a meeting with a domestic violence advocate to facilitate that longer-term, specialized service
- Arranging a meeting among parents, school staff and other providers to plan for the most effective program for a child who keeps getting sent home from school
- Developing a working relationship that feels safe enough for a client to admit to substance abuse and accept referrals for treatment

Clients consistently report being able to get appointments with agencies faster, to understand and meet NHEP program requirements more easily, and that the success they have experienced in working with FIP gives them the confidence to move forward to address other barriers to self-sufficiency on their own.

**In just the first quarter (January-March) of 2010, the Family Intervention Program has provided 1,151 direct service hours to 186 NHEP participants, facilitating over 300 successful referrals to community resources, affecting the well-being of at least 360 children.**

*Submitted by:* Sandra Beaudry, Program Director of Family Intervention, beaudrys@cfsnh.org  
 Jessica Vaughn-Martin, Program Supervisor, vaughnmartinj@cfsnh.org



National  
Multiple Sclerosis  
Society  
Central  
New England  
Chapter

**This testimony is submitted to the Joint House & Senate Finance Committee on April 15<sup>th</sup>, 2010 in opposition to SB540 which would defund the Catastrophic Illness Fund Program**

Our organization represents 3,000+ individuals with multiple sclerosis in the Granite State. We are representing hundreds of individuals with MS who have or will potentially benefit from the program, most too ill to testify today.

Multiple sclerosis is a chronic, often disabling disease that interrupts the flow of information from the brain to the body and can stop people from moving forward in their lives. Symptoms may be mild such as numbness in the limbs or severe with paralysis or loss of vision. Most people with MS are diagnosed between the ages of 20 and 50, and more than twice as many women as men have the disease.

Serious illness can strike at any time in any family. The Catastrophic Illness Fund Program created in 1981 has benefitted low-income, qualified individuals with certain devastating and terminal diseases. A diagnosis of MS was added to the eligibility criteria in 1995. Since this time hundreds of the most financially strapped and seriously ill individuals have received assistance in paying certain out of pocket medical expenses. It is not only a model program but has served as the state's safety net, a "fund of last resort" for those who are very poor and can not afford care to help them stay in the community. The current economic crisis is clearly severe but does not warrant removing this vital program from state statute. In these challenging economic times, this fund is needed all the more.

According to a recent study on medical bankruptcy (see attached), illness and medical bills were linked to at least 62.1% of all personal bankruptcies in 2007. Out-of-pocket medical costs since the onset of illness averaged \$17,943.

- ❖ For the privately-insured, out-of-pocket costs averaged \$17,749.
- ❖ For the uninsured, out-of-pocket costs averaged \$26,971.
- ❖ Patients with neurologic disorders such as multiple sclerosis faced the highest costs, and average of \$34,167, followed by diabetics at \$26,971.

Last year the legislature sent a clear and strong message to the administration that this fund needs to be preserved and fully funded (see attached op-ed). Most recently SB 519 which would have removed this program from statute was defeated. The state must be willing to explore a range of revenue options or other cuts so this and other vital health programs can be preserved. In an ideal world every citizen would have comprehensive health coverage, especially those with catastrophic illness. This is not yet the reality and so the need for this type of program persists for those without any other options.

Thank you in advance for your consideration of sparing FY'11 funding for the NH Catastrophic Illness Fund program.

Michelle Dickson  
Advocacy Manager/Public Policy  
Michelle.dickson@mam.nmss.org

## Catastrophic illness aid shouldn't be cut

### Recipients desperately need state's help

By **NANCY KANE**  
and **KENNETH A. JONES**  
For the Monitor

One of the difficult decisions facing the New Hampshire Legislature is whether to suspend the state-funded Catastrophic Illness Program. Having seen the benefit the program has provided to the residents of New Hampshire, we believe its elimination would have a devastating impact on the lives of some of the state's most vulnerable residents.

Since 1981, this program has provided financial assistance to low-income adults struggling to pay for the medical therapy and support services necessary to treat life-threatening or debilitating diseases such as cancer and multiple sclerosis. "Catastrophic" is an accurate description of what the people who qualify for aid experience in terms of emotional, financial and medical hardships that result from their illness.

Limited access to care and

services can be physically, emotionally and financially devastating for those fighting the seven dramatic diseases covered. The Catastrophic Illness Program serves as a crucial financial safety net, assuring that low-income residents who are either uninsured or underinsured receive the essential, life-saving care and services they need. At a time when unemployment is rising and employer-sponsored health insurance is shrinking, more patients are having difficulties purchasing coverage for themselves. As a result, more New Hampshire residents will be eligible for and in need of critical public health programs. It is essential that we protect access to health care for those who need it most.

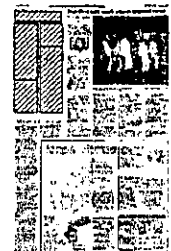
We see the benefits of this program in the look of relief on the faces of the 75-year-old man suffering from colorectal cancer and his wife when they learn that they can now afford the prescription medications that are not covered by Medicare. Or the sense of calm experienced by the single mother suffering from lung cancer when she learns that she can now afford the cost of her regular

treatments and still put food on the table for her three children. We see the gratitude of people with multiple sclerosis who receive money to pay for a personal care assistant who will bathe them, feed them and dress them. We see dignity return to people with MS when the program pays for a wheelchair or scooter that enables them to continue being productive members of society.

These and hundreds of similar stories confirm that this vital program helps New Hampshire residents get the care that can save their lives.

Chances are you know someone who has benefited, or could benefit, from this critical public health initiative. Call your state representatives as soon as possible and urge them to continue funding this program. Tell your family and friends to do the same. Our voices need to be heard. Our loved ones, neighbors and family members depend on it.

(Nancy Kane of Concord is vice chairwoman of the American Cancer Society, New England Division, and program director of the Payson Center for Cancer Care at Concord Hospital. Kenneth A. Jones of Amherst is a chapter trustee of the National Multiple Sclerosis Society, Central New England chapter.)



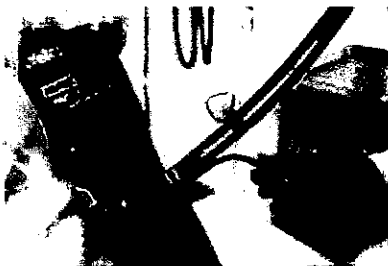
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# Medical bills underlie 60 percent of U.S. bankruptcies: study

Thu Jun 4, 2009 7:07am EDT

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1 of 1 [Full Size](#)

By **[Maggie Fox](#)**, **[Health and Science Editor](#)**

WASHINGTON (Reuters) - Medical bills are involved in more than 60 percent of U.S. personal bankruptcies, an increase of 50 percent in just six years, U.S. researchers reported on Thursday.

More than 75 percent of these bankrupt families had health insurance but still were overwhelmed by their medical debts, the team at Harvard Law School, Harvard Medical School and Ohio University reported in the American Journal of Medicine.

"Using a conservative definition, 62.1 percent of all bankruptcies in 2007 were medical; 92 percent of these medical debtors had medical debts over \$5,000, or 10 percent of pretax family income," the researchers wrote.

"Most medical debtors were well-educated, owned homes and had middle-class occupations."

The researchers, whose work was paid for by the Robert Wood Johnson Foundation, said the share of bankruptcies that could be blamed on medical problems rose by 50 percent from 2001 to 2007.

"Unless you're Warren Buffett, your family is just one serious illness away from bankruptcy," Harvard's Dr. David Himmelstein, an advocate for a single-payer health insurance program for the United States, said in a statement.

"For middle-class Americans, health insurance offers little protection," he added.

The United States is embarking on an overhaul of its healthcare system, which is now a patchwork of public programs such as Medicare and employer-sponsored health insurance that leaves 15 percent of the population -- 46 million people -- with no coverage.



35

About 170 million people get health insurance through an employer but President Barack Obama says soaring healthcare costs are hurting the economy and forcing businesses to drop medical insurance for their workers.

#### CANCELED COVERAGE

"Nationally, a quarter of firms cancel coverage immediately when an employee suffers a disabling illness; another quarter do so within a year," the report reads.

Obama told Congress on Wednesday he was open to making mandatory health insurance part of the overhaul but only with exemptions for the poor and for small businesses.

Neither Congress nor Obama are considering the kind of single-payer plan advocated by Himmelstein and his colleague Dr. Steffie Woolhandler.

"We need to rethink health reform," Woolhandler said. "Covering the uninsured isn't enough.

"Only single-payer national health insurance can make universal, comprehensive coverage affordable by saving the hundreds of billions we now waste on insurance overhead and bureaucracy."

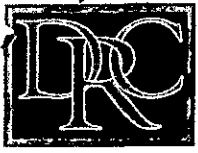
The researchers surveyed 2,134 random families who filed for bankruptcy between January and April in 2007, before the current recession began.

They used public bankruptcy court records and survey 1,032 respondents by telephone.

While only 29 percent directly blamed medical bills for their bankruptcy, 62 percent had medical bills that totaled more than 10 percent of family income, said an illness was responsible, had lost income due to illness or some other medical factor.

"Among common diagnoses, nonstroke neurologic illnesses such as multiple sclerosis were associated with the highest out-of-pocket expenditures (mean \$34,167), followed by diabetes (\$26,971), injuries (\$25,096), stroke (\$23,380), mental illnesses (\$23,178), and heart disease (\$21,955)," the researchers wrote.

(Editing by Bill Trott)



# DISABILITIES RIGHTS CENTER, Inc.

18 Low Avenue, Concord, NH 03301-4971 • advocacy@drcnh.org • www.drcnh.org  
(603) 228-0432 • (800) 834-1721 voice or TTY • FAX: (603) 225-2077

## TESTIMONY RELATIVE TO SB 450

Richard A. Cohen, Esq., Executive Director

**I would like to speak to the proposals in SB 450 or more specifically the DHHS plan regarding the Philbrook Center, the Sununu Center, cuts in functional supports to children with mental illness and several cuts to services to persons with developmental disabilities and acquired brain injuries.**

With regard to the transfer of new groups of children to the Sununu Center and placement of young children with older adolescents at the adult psychiatric facility (and closing Philbrook), the decision making that the Governor has had to rely on is completely flawed. The proposals are not only wrong, but are going precisely in the opposite direction that DHHS and others have been advancing and supporting for years, which is a more community based approach to services for children with emotional difficulties, to children who have been victims of abuse or trauma, or who are in the juvenile justice system or some combination of the three. It is unfortunate what budget pressures can do to undermine ones own best instincts, knowledge base, pilot programs and the like.

The less institutional and more community based approach that NH has espoused is part of a national trend that is fully supported by scientific research and experience. Attached to my testimony is a summary of a January 2010 study which confirms other studies showing that community based supervision of youth who commit serious offenses is as effective in decreasing anti social behavior as confinement and in some cases more so.

Despite these facts, **the HHS plan calls for placing even more children at the Sununu Center**, perhaps doubling the population. These are children who do not need an institutional environment under any standard and will likely be worse off for it.

*Provide description of three groups going.*

If anything, we should be designing proposals to reduce the census at the Sununu Center, perhaps to a point where the Center could have an alternative use. That approach would not only better meet children's needs and be in line with research and experience, but result in real cost savings. Currently NH is spending about or over \$200,000 annually for each child at the Center. And we want to more than double the number of children there? Even if there were to be short term savings, by eliminating or reducing private provider contracts (a point I will come back to in a moment), in the long run costs will surely be higher. Privatized community services have always been less expensive on average than a state institutional model of service.

From a treatment, family, community and liberty perspective, it does not make sense to have these children at the Sununu Center.

First, for many of these children who require shelter or transition, they will be further away from their communities, families and friends.

Second, measured against the very purpose for which these units are being established, the Sununu Center is exactly the wrong place for these kids. Based on our own investigations, consultation with experts, and research, we have found that the culture and skill sets needed for these children is lacking at the Sununu Center. Some of it is a by-product of the institutional model and some of it relates to years of a punitive and non therapeutic approach and culture at this facility, a point candidly acknowledged by prior and current DJJS officials. Even the best staff at the best institutions do not have the skill sets, orientation or knowledge base to ready residents for the community as well as good community based workers.

It is for these reasons, among others, why best practice and legal standards (not to mention common sense) require that children in need of services be placed in least restrictive environments consistent with their needs. This requirement is embedded in our CHINS statute, (RSA 169-D:17(I)). It is rare that the types of children under this proposal need to be at a facility such as the Sununu Center in Manchester. While the plans call for a staff secure vs. locked units and even re-naming some aspect of this program, QUEST, an institution, particularly this one, is an institution and therefore highly restrictive, stigmatizing, and blatantly punitive. I believe a combination of these and other factors, including the restrictive nature of the facility, could create exposure for the state legally. Either way, it is bad idea.

What does make sense, is considering an entirely different direction--substantially reducing the number of children who need a locked facility, exploring an alternative use for the Center and thereby really saving money and better meeting the needs of clients and the community. I know there has been some discussion about converting the Center to a women's correction facility to replace the Goffstown facility. I do not profess any expertise in women's correction. I do know that conditions at that facility need to be addressed.

And finally, this proposal comes with some other costs, costs which the Governor and the Legislature are trying to prevent. Closing down or reducing the community based programs where these children are currently housed will result in considerable job loss, creating hardship for the folks involved and possibly increasing client caseloads in other parts of HHS. It will also have a negative impact on economic recovery at least in the geographic areas affected. If the proposal had merit, that would be one thing, but this proposal does not in the short or long run.

**Similarly questionable, and highly so, is the proposal regarding children at Philbrook.** Under this proposal young children with mental illness, often no more than 5, 6 or 7 years old will be placed at the adult psychiatric facility with older adolescents. Few details have been publically disclosed. However the placement of adolescents several years ago in the adult facility was highly questionable. This is even more so. The unit proposed and the building is highly restrictive and age inappropriate. Philbrook was at least designed for children.

The proposal not only lacks merit but raises questions about the competency, compassion, or common sense of the persons recommending it to the Governor. Once again we should be

(2, 10)

moving in a more community based not institutional direction. If we no longer need Philbrook because of a reduced census, let's look to replacing it with smaller more community based alternatives that can provide equally good or better services in a secure environment, not moving little kids to an adult institution. Even children at the horrible place Laconia State School were separated in their own building from adults and more aggressive older children.

Mixing young children with older children with mental illness particularly at the state mental hospital, is bad from treatment viewpoint, modeling viewpoint, and safety view point. Architecturally and from an age appropriateness standpoint, this makes no sense.

An indirect or really direct by-product of this move is also to reduce the capacity of NHH to serve adults at a time when the community mental health clinical and residential capacity has been severely eroded by other government cutbacks. This is another case where Government says one thing in grandiose mental health plans about the dire need to increase community capacity, but in reality continues to cut it back; and then to add insult to injury, puts more of a burden on community systems by shrinking the capacity at the state hospital. We all know what the costs of inadequate mental health care are in terms of increased suicide, incarceration, emergency room use, family disintegration, homelessness, abuse and neglect and chemical restraint.

I would also note adding further insult to injury is that another part of SB 450 calls for reducing functional supports to children with mental illness in the community by 2.5 hours each week. That is another false savings as it will put more pressure to use institutional and therefore expensive solutions. Expect child abuse and neglect also to rise.

I would just like to briefly touch upon **the proposed reductions to services to individuals with developmental disabilities and acquired brain injuries**. The proposals call for reduced hours of services to adults in the DD system who live more independently as well as reducing and eliminating case management to them. Frankly what we see is the need to often increase both types of services to this population in order for them to access the community, receive appropriate nutrition and food, have friendships, and obtain jobs. I very much doubt if there is as much unnecessary service as reflected in these budget cuts.

In any case this is putting the cart before the horse. There has not been any real needs assessment or individual service planning upon which to base any figures. If there were any honest planning, I think it is just as likely that an increase in services would be warranted. Moreover, any reduction that is proposed by a service planning team, may be challenged by the client. Until and unless these processes play out, to project any savings is purely guess work. Either the savings will not be realized or many clients, easily influenced, will be forced to endure cuts contrary to their real needs.

Finally there are over half million dollars planned for reduction in service coordination for clients in the DD and ABD systems who are more dependent and are on the Medicaid Waivers. As I have often said the service coordinator is the bricks and mortar of the community. My understanding is that caseloads could rise to 1 to 40 or more due to these cuts. There will be less monitoring, poorer service plans, and likely more reliance on more traditional modes of service delivery rather than creative use of generic resources which generally are more community based and less expensive. This may be another example of penny wise and pound foolish.

4/15/10



# National Juvenile Justice Network

## New Research Shows Community-Based Alternatives as <sup>(3le)</sup> Effective as Institutional Placements for Curbing Re-arrest in Youth with Serious Offenses

**Findings from a longitudinal study on serious youth offenders offer guidance for state policymakers concerned with over-reliance on expensive youth incarceration.**

### **Community-Based Supervision Is as Effective as Incarceration for Youth with Serious Offenses.<sup>2</sup>**

- Comparisons of similar youth who were either placed in institutions or under community supervision show that institutional placement provided no benefit in terms of rates of antisocial activity.<sup>3</sup>

### **Most Youth Who Commit Serious Felony Offenses Will Stop Offending, Regardless of the Intervention.<sup>4</sup>**

- 91.5 percent of the youth in the study reported limited or decreased illegal activity within three years following their court involvement.
- The study identified three groups of youth with initial low levels of offending and two groups of youth with initial high levels of offending. Youth in all five groups received a variety of interventions from institutional placement to community-based supervision.

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<sup>1</sup> The "Pathways to Desistance" study is a large, multi-site, collaborative project following 1,354 juvenile offenders ages 14-18 for seven years after their conviction. The research incorporates monthly data collection of significant life events and extensive interviews with the youth, family members and friends at specific time points. The youth are serious offenders many with multiple prior court cases and all with convictions for serious felonies including murder, robbery, aggravated assault, sex offenses, and kidnapping. Nearly 20 percent were tried as adults. The research is funded by the John D. and Catherine T. MacArthur Foundation, the U.S. Office of Juvenile Justice and Delinquency Prevention, the National Institute of Justice, the Robert Wood Johnson Foundation, the William T. Grant Foundation, the Pennsylvania Commission on Crime and Delinquency, the Arizona Juvenile Justice Commission, and the National Institute on Drug Abuse. For more information go to <http://www.modelsforchange.net> and click on Research on Pathways to Desistance.

<sup>2</sup> Loughran, T., et al. (2009). "Estimating a Dose-Response Relationship Between Length of Stay and Future Recidivism in Serious Juvenile Offenders." *Criminology*, 47, 699-740.

<sup>3</sup> Recidivism is measured both by re-arrest and by self-reported offending.

<sup>4</sup> *Ibid.*

- Only one high-offending group of youth (about nine percent of the sample) continued at a high rate of offending over three years.

### **Longer Stays in Juvenile Institutions Do not Decrease Recidivism.<sup>5</sup>**

- The research indicates no decrease in recidivism from longer institutional stays for lengths of stay from three to 13 months.

### **Institutional Placement Can Actually Raise the Level of Offending for Some Youth.<sup>6</sup>**

- According to the study, placement in institutions raised the level of self-reported offending by a small, but statistically significant, amount by the group of youth who had the lowest level of offending.<sup>7</sup>

### **Substance Abuse Treatment Can Decrease Recidivism.**

- Substance use goes hand-in-hand with illegal activity for serious youth offenders. When there is more substance use, there is more criminal offending.<sup>8</sup>
- Drug treatment significantly reduces substance use for approximately six months.<sup>9</sup>
- Drug treatment that included family involvement also produced reductions in non-drug, criminal offending.<sup>10</sup>

### **Aftercare Services Do Make a Difference.<sup>11</sup>**

- In the six months post-release, youth who received community supervision and were involved in community-based services were more likely to attend school, go to work and avoid further offending.
- Increased duration of community supervision decreased further system involvement and increased engagement with school and work.
- Involvement in community-based services reduced the likelihood of further system involvement during the six month aftercare period.

Published by NJJN January 2010

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<sup>5</sup> Loughran, T., et al. (2009).

<sup>6</sup> *Ibid.*

<sup>7</sup> Mulvey, E.P., et al. (in press). "Longitudinal Offending Trajectories Among Serious Adolescent Offenders." *Development & Psychopathology*.

<sup>8</sup> Mulvey, E.P., Schubert, C.A., Chassin, L. (in press). "Substance Use and Offending in Serious Adolescent Offenders." Washington, D.C.: United States Department of Justice, Office of Juvenile Justice and Delinquency Prevention.

<sup>9</sup> Chassin, L., et al. (2009). "Substance Use Treatment Outcomes in a Sample of Male Serious Juvenile Offenders." *Journal of Substance Abuse Treatment*, 36(2), 183-194.

<sup>10</sup> *Ibid.*

<sup>11</sup> Chung, H.L., Schubert, C.A., Mulvey, E.P. (2007). "An Empirical Portrait of Community Reentry Among Serious Juvenile Offenders in Two Metropolitan Cities." *Criminal Justice and Behavior*, 34 (11), 1402-1426.

# NEW FUTURES

Working together  
to reduce alcohol, tobacco and other drug problems in New Hampshire

April 15, 2010

The Honorable Marjorie K. Smith  
Chair, House Finance Committee  
The Honorable Lou D'Allesandro  
Chair, Senate Finance Committee  
Room 210/211  
Legislative Office Building  
Concord, NH 03301

Re: New Futures' opposition to Sections 70 – 72 of Amendment 2010 – 1311h to SB 450 regarding fundamental policy changes to the responsibilities and operations of the Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention, and Treatment

Dear Representative Smith, Senator D'Allesandro, and Honorable Members of the House and Senate Finance Committees,

On behalf of New Futures, a non partisan nonprofit advocacy organization working to reduce underage alcohol problems and increase access to substance use disorder treatment and recovery services, I write to express our strong opposition to Sections 70 – 72 of Amendment 2010 – 1311h to SB 450 and respectfully request that these sections be removed from the bill. Sections 70 – 72 make fundamental changes to the duties and responsibilities of the Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention, and Treatment ("Governor's Commission" or "Commission") that will negatively affect its ability to fulfill its mission to promote the delivery of effective and integrated alcohol and drug abuse prevention, intervention and treatment services across the state.

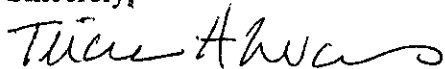
By way of background, the creation of the Governor's Commission in 2000 (RSA 12 – J) reflected the General Court's understanding that problems resulting from alcohol and other drug use involve and effect the work of numerous state agencies and entities (including the departments of health and human services, justice, safety, education, the judicial branch, the liquor commission and the university system) and its conviction that an integrated approach to solving these problems was crucial. To this end, the Commission was created with members from all of the above – named entities and also includes members of the General Court, the public and the provider community. To promote the coordination of alcohol and other drug services across the state the Commission is charged with the development and implementation of a statewide plan for the effective prevention of alcohol and drug abuse and a comprehensive system of intervention and treatment. As part of its responsibilities, the Commission is authorized to disburse the moneys from the Alcohol Abuse Prevention and Treatment Fund ("Alcohol Fund") which was created in 2000 as a nonlapsing and continuously appropriated fund for the purpose of funding alcohol abuse prevention and treatment programs. RSA 176 – A: 1. The Commission meets regularly, has created the task forces mandated by RSA 12 – J:2 and the development of a comprehensive plan for the state, and has responsibly distributed monies from the Alcohol Fund to community – based prevention, intervention, and treatment programs across the state in support of the Commission's comprehensive plan.

Sections 70 – 72 of Amendment 2010 – 1311 to SB 450 would, for all practical purposes, place the operations of the Commission and authority over the moneys from the Alcohol Fund within the sole control of the Department of Health and Human Services. New Futures strongly opposes the changes proposed in Sections 70 – 72 for the following reasons:

- Sections 70 – 72 are fundamentally inconsistent with the understanding that direct interdepartmental collaboration and cooperation is critical to the solution of the problems of alcohol and drug abuse because such problems affect numerous state and community entities.
- The General Court has repeatedly expressed its opinion that DHHS should not exercise control over the moneys from the Alcohol Fund. In 2006, in reaction to the decision by DHHS to use Alcohol Fund moneys to meet its “back of the budget” targets, the General Court placed a protective footnote in the Alcohol Fund appropriation that states, in relevant part that the appropriation “shall not lapse or be used for any other purpose or be considered for budget reductions required of the department of health and human services.”
- Sections 70 – 72 make major policy changes that are not related to any budget savings in SFY 2011 and are completely inappropriate for inclusion in a budget bill. As was demonstrated by Executive Order 2010 – 2 issued on April 12, 2010, the Governor has the authority to reduce the appropriation to the Alcohol Fund to manage the overall state budget.
- Sections 70 – 72 were apparently included in Amendment 2010 – 1311h at the request of DHHS and were inserted without any notice to or consultation with the Commission. These sections are, from their express language, simply a way for DHHS to take control of the funds from the Alcohol Fund for its own purposes, including directing such funds to pay for its administrative costs.

For the reasons stated above, New Futures respectfully requests that, as part of its deliberations on SB 450, the House Finance Committee remove Sections 70 – 72 from Amendment 2010 – 1311h and any subsequent amendments. Thank you for your consideration of this request. Please do not hesitate to contact me if I can provide additional information or assistance.

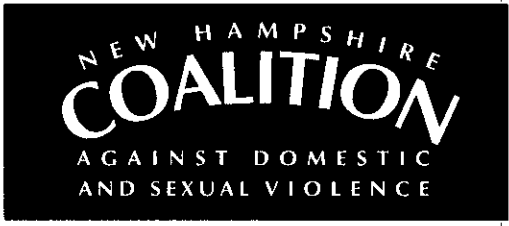
Sincerely,



Tricia H. Lucas, Esq.  
Policy Director



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Statewide Toll Free Hotlines  
Domestic Violence:  
1-866-644-3574  
Sexual Assault:  
1-800-277-5570

April 15, 2010  
SB450-FN

MEMBERS:

*RESPONSE to Sexual & Domestic Violence*  
Berlin  
Colebrook  
Lancaster

*Turning Points Network*  
Claremont  
Newport

*Rape and Domestic Violence Crisis Center*  
Concord

*Starting Point*  
Conway  
Ossipee

*Sexual Harassment and Rape Prevention Program (SHARPP)*  
University of New Hampshire  
Durham

*Monadnock Center for Violence Prevention*  
Keene  
Jaffrey  
Peterborough

*New Beginnings:*  
Laconia

*WISE*  
Lebanon

*The Support Center at Burch House*  
Littleton

*YWCA Crisis Service*  
Manchester  
Derry

*Bridges: Domestic & Sexual Violence Support*  
Nashua  
Milford

*Voices Against Violence*  
Plymouth

*A Safe Place*  
Portsmouth  
Rochester  
Salem

*Sexual Assault Support Services*  
Portsmouth  
Rochester

Good morning members of the Joint Finance Committee,

For the record my name is Pamela English and I am here today to represent the New Hampshire Coalition Against Domestic and Sexual Violence (Coalition) and our fourteen (14) member programs that provide direct services to victims of domestic violence, stalking and sexual abuse. I have served as the Administrative Director of the Coalition for 16 years, and in this capacity I manage the federal and state grants for our crisis centers. I will be brief in my remarks relative to the proposed amendment to SB 450.

The Domestic Violence Prevention Program (DVPP) was created by the NH Legislature in 1981, establishing a fund to support direct services to victims of domestic violence. The Coalition has contracted with the Department of Health and Human Services to manage the DVPP since that time.

The marriage license fee was used as the sole source of support for the DVPP until 1994, when a general fund appropriation, to match the revenue generated by marriage license fees, was included in the State Budget. The general fund appropriation has been maintained in every State Budget since, at about \$318,000. The only exception to this level of general funds being allocated to the DVPP was in 2008, when Governor Lynch reduced the general fund by \$119,000 by Executive Order. However, the \$119,000 was replaced in the current \$671,000 contract by excess marriage license fee revenues that had accumulated over the years so that there was no reduction in the total level of support. There is no longer any excess in the marriage license fee

revenues, and thus any reduction in FY11 State Budget would reduce the total state funding to support direct services to victims of domestic violence.

A reduction of \$318,000 in the general fund appropriation for the DVPP would equal an almost 50% cut in DVPP funding and a 9% cut in total state and federal funding to support direct services to victims in FY 2011. This funding reduction would come on top of existing cuts in other funding crisis centers that already represent a 20% reduction in direct services funding. The Victims of Crime Act, Family Violence Prevention and Services Act and Violence Against Women Act Rural Grant are three federal funding programs that have already been cut. In addition to these federal funding cuts, domestic violence crisis centers across the state have seen a drastic reduction in the private funds they receive. These funding reductions are already having a devastating impact on the provision of direct services to victims and their families.

Domestic violence crisis centers across the state have laid off direct service advocates, reduced direct service advocate hours, and are contemplating closing satellite offices. The timing could not be worse, as the current economic climate is causing more victims than ever to seek support from local domestic violence programs. These programs are busier than ever with a 36% increase in bed nights in emergency shelters in the last year, and an 86% increase over the past four years. The Coalition's member programs are already doing more work than ever, with 20% less funding.

DVPP funds support core services, such as emergency shelter, work with children who have been exposed to violence, support for victims in the courts, and help for victims seeking assistance that will allow them to leave violent homes. The 12 domestic violence programs funded by DVPP would have to further cut direct service hours if the general fund appropriation for the DVPP is reduced. Each direct service advocate serves upwards of 300 victims per year. **A \$318,000 reduction in DVPP funds would mean that 6 victim advocate positions would be eliminated and an estimated 1,800 victims a year would not be assisted.** Being available to assist every victim who reaches out for help is critical, given the serious safety issues involved in domestic violence. Three quarters of the homicide victims in New Hampshire every year are due to domestic violence. Maintaining the network of domestic violence service centers across the state could literally save lives.

As devastating as the reduction in services to victims, and the actual number of victims able to get assistance, is the loss of state funding that is used to match federal funding. The majority of the direct service funds that the Coalition passes through to member programs come from federal programs that require a local or state match. The loss of \$318,000 in state funds will equal at least \$318,000 in lost federal funds that will not have sufficient match. The total effect of a \$318,000 cut in state funds could translate into more than \$636,000 of lost funding.

The Coalition certainly understands the current financial crisis that we are facing in our state. We also know that you will not vote to support cuts to critical services without much deliberation and agony, but we are asking that you will consider the very real additional costs that will result in a cut to DVPP funding, such as increased crime rates, prosecution, court time, and potentially life threatening injuries to victims and their children.

Thank you for your time and attention.

Pamela English  
Administrative Director  
(603) 224-8893 x308

**4/15/10 Testimony to Joint House-Senate Finance Committee, Re SB 450, which eliminates the Foster Grandparent Program from the budget, along with all Senior Corps programs in New Hampshire. Submitted by Alane Hill, Program Director, Friends Foster Grandparent Program, 249 Pleasant St. Concord 03301. 603-228-1193.**

- 1.) Most of you already know what the Foster Grandparent Program is. You should know what eliminating the program entirely from the state budget will do.
  - A.) **For every \$1 of state funding received, New Hampshire people get \$~~1.00~~<sup>1.19</sup> in Federal and other local funding.**
  - B.) It has been PROVEN over and over again that a dollar spent for PREVENTION will save 100 times that later on that have to be spent on fixing a more serious problem.
  - C.) Three Senior Corps volunteer programs -- Foster Grandparent Program, Senior Companion Program and RSVP -- bring in millions of federal money and hundreds of thousands more are leveraged from private funds.
  - D.) VALUE: High School dropouts cost the state multi-millions in services and supports through their lifetimes. The Foster Grandparent Program is part of a solution for that, which SAVES MONEY.
  - E.) VALUE: Seniors who have nothing to do and feel unneeded and unvalued by society deteriorate physically faster than those who are engaged, active and happy. They require more services, earlier. This program prevents that and SAVES MONEY.
  
- 2.) Eliminating every dollar of state funding from the Foster Grandparent Program:
  - A.) **Will result in the program NOT MEETING the required Federal 10% match – the program needs \$28,000 to do that.**
  - B.) The 10% match is the bare minimum required to run the program, which is run with a minimum of overhead.
  - C.) 80% of the federal money must be spent directly on Foster Grandparents in stipends, mileage reimbursements, meals, annual physicals, recognition and insurance.
  - D.) An independent study just done by a Southern New Hampshire University faculty member found The Friends Foster Grandparent Program is efficient, has low overhead, high impact, and is well planned and implemented.

E.) There is no fat in the overhead of our program. The Foster Grandparent Program has been in New Hampshire since 1975 when it began by serving the State Schools, homes for developmentally disabled children.

F.) This New Hampshire institution should not be zeroed out of the state budget. Not because of sentimental value or because it would "feel good" because it is a CHEAP way of getting things done!

G.) In the next 20 years, the senior population of New Hampshire will **double**.

i. We have two options:

1. Don't engage seniors in meaningful volunteer opportunities – And then pay out millions more down the road for seniors and children. And at the same time WASTE an enormous economic, social and educational resource called **retiring baby boomers**.

2. Or, engage seniors in meaningful volunteer opportunities -- which requires what we provide: outreach, structure, training, ongoing education, and liaison functions between schools and volunteers.

3. 99% of seniors will not walk into a school and offer to volunteer on their own. Schools are too different and intimidating for them to do that alone. And, schools do not insist they put in the extensive hours or that they work directly with children like this program does – thus, not getting the results we do.

a. These are critical to **produce long-term, high quality, high-retention services** – for the price of a few coordinators. And help keep the seniors healthier longer; help children succeed in school; and save a bundle of money for the state.

3. Foster Grandparents are moderate income seniors who put in an average of 20 hours every week working with struggling children, often for 5, 10 and 15 years. This steady, regular, intensive intervention produces big gains for the children. They often work with the same children for several years. It also produces big mental and physical benefits for the seniors.

H.) The word INVESTMENT is not an overstatement. Right now we are all paying much more than we could be for social services. That's because 20, 30, 40 years ago we refused to invest in prevention. Education, mentoring, parenting education, mental health treatment, and many other investments in people, if made up front would have been paying dividends now in fewer costs and safer, healthier,

wealthier communities right now. If you don't believe me, look up the research. We're all going to keep paying higher costs if we remain short-sighted and penny wise and pound foolish.

- I.) Every single one of our Foster Grandparents worked all their lives.
- J.) And one reason they love this program so much is because they know they **earn every single cent** of the \$2.65 an hour stipend they receive. They have pride in what they do and in their ability to earn their keep. Ask the principals and teachers if you don't believe me.
- K.) How many people do you know who work until they are 80 or 90+ years old like these folks?
- L.) New Hampshire's per capita income is 8<sup>th</sup> in the United States, the wealthiest country in the world. Let's set up systems that make long term financial sense and meet the obligations government is charged with.

Thank you.

SENATE AND HOUSE FINANCE COMMITTEES  
PUBLIC HEARING ON SB 450 FN  
APRIL 15, 2010  
TESTIMONY BY MELISSA LAFERRIERE

Good afternoon. My name is Melissa Laferriere and I come here today not only as a citizen of NH, but as an employee of it. I am a courtroom clerk in the Manchester District Court. I stand before you, taking time away from an office in which no employee feels they can take time away from anymore, and I respectfully request that in regards to the amendment to SB 450 you consider the testimony you have already heard from Chief Justice Broderick as well as the following.

Today I represent hundreds of Judicial Branch workers who give their all to their jobs and quite honestly are scared. We have recently agreed, through collective bargaining, to more furlough days than most of us can afford. With that agreement we have received participation in furlough days from non-unionized staff, management, Judges and Chief Justice Broderick himself. We worked together to give Governor Lynch what he requested of us in regards to a 3.1 million dollar budget cut for the Judicial Branch and we are all suffering together because of it. We did this to protect the public, each other and ourselves from the devastation that layoffs are sure to bring. We have worked with minimal staff, a rapidly increasing number of cases and fewer hours in a month than we have ever had before to insure that the citizens of NH still have the access to justice that the constitution affords them and to make sure that we retained our jobs.

We acknowledge the challenges, pushed ourselves farther and harder every day and have persevered, barely, because that is who we are. We are dedicated, committed, hard-working, long-term, career minded and respectable employees. We are, though, much more than just your employees. We are single parents trying to figure out how to feed our children on less pay than we have ever made before, caretakers for our parents and we are trying to figure out how to pay our bills and theirs with less income than we had, and volunteers who have had to cut the hours that we give back to our community so that we can obtain second jobs just to get by. We survive paycheck to paycheck and we are all hurting immensely right now. We are grateful that we have a job, but along with that gratitude comes frustration because we do not just show up to work every day, we go to work every day knowing that we are providing a valuable service to our community and we take tremendous pride in that.

The destruction of further budget cuts to the Judicial Branch will hurt every single one of its employees, from the top to the bottom, but even in our current state of fear we see that there is a much bigger picture here. I ask you to see that this amendment to SB 450 would devastate not only us, but the great State of New Hampshire and every one of its citizens.

By closing courts due to furlough days and reducing staff to skeletal crews due to layoffs we are aiding in the decline of a state that we have all come to take great pride in. When people are denied access to justice it is the people who are responsible for making it accessible that have committed the real crime.

When an innocent person sits in jail, losing months of their life that should be filled with family and friends, awaiting trial that has been delayed because of court closings and layoffs, when a single parent is illegally evicted from their apartment and has nowhere to go but to the shelter until court resumes because we are furloughing, when defendants guilty of motor vehicle violations or heinous crimes go free because their speedy trial rights have not been met and when state employees start coming to work because they have to and are embarrassed to stand in front of the public they serve, instead of coming into work because they want to and being able to feel proud of the job they are doing, injustice occurs. These examples are bound to become reality with the passing of the amendment to SB 450 and they will affect us all. Our community suffers as a whole when a system that is supposed to represent fairness, justice and truth, cannot!

I understand that this State is facing unprecedented economic hardship, but to cause deterioration to the Judicial Branch or really any other department in this State, damage that will be felt for years to come, damage that gives the citizen's of our great State a reason to question whether their rights are being infringed upon, is not the solution.

So, in closing, I invite each of you to come work a day in our places. Come see what little we are working with already and the vast amount of adversity we face on a daily basis. Then decide for yourselves if it would be achievable with any less – I am quite certain that you will find it is not.



(B)



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April 15, 2010

Via Hand Delivery

Rep. Marjorie Smith  
Attn: House Finance Committee  
NH House of Representatives  
107 North Main Street  
Concord, NH 03301

**Re: Judicial Branch Budget Cuts**

Dear Representative Smith:

I am writing, as Chair of the Family Law Section of the New Hampshire Bar Association, to object to the proposed judicial branch budget cuts. It is not exaggeration or overstatement to say that cutting the funding of the courts as proposed will certainly result in harm to the citizens of New Hampshire and particularly New Hampshire families.

At present, the family division operates with eight percent (8%) of its positions vacant. The family division aspires to issue orders within thirty (30) days, and makes valiant efforts to do this (including tracking the status of orders over thirty (30) days in each court, shuffling employees from one court to another to clear backlogs, asking higher level family division employees to assist with the backlog when necessary) but there are often orders on critical issues that take much longer. In some instances, orders on issues that are of dire importance to the affected family take months to be issued. Hearings that should be scheduled within a certain period of time are scheduled much later. To a parent who does not know when or if he/she will be able to see his/her child or if he/she will be able to pay the bills, this delay is incredibly stressful. The delays associated with issuing orders and scheduling hearings will be rendered dramatically worse if the courts are crippled by the proposed cuts.

Family division cases involve matters that are critical to the litigants. For example, the family division courts issue orders relating to whether a parent should see a child and how often, whether a child can relocate with a parent, whether a child can see a particular health care provider or take certain medication, whether support will be paid and how much, who will pay which bills, which party will reside in the parties' residence or if a party can retrieve important

items of personal property. If the courts' budget is reduced by twenty percent (20%), these orders will be exponentially more delayed. The delay will prolong the cases, resulting in increased acrimony and costs in these already emotionally charged cases. Parents and children who are dependent upon the court to issue an order will be forced to wait longer than thirty (30) days to know when they will see each other, support and bills will be unpaid – potentially leading to bad credit and even repossession or foreclosure in some instances, parties will be deprived of access to their homes and necessary property such as clothing, cars, business records, computers, and there will be many other similar problems. In addition, parties who are waiting for the court to issue an order as to who will remain in the home may be forced to continue living under the same roof, which may lead to domestic violence and will be detrimental to the children involved. It is also my understanding that multi-day final hearings will be difficult to schedule and significantly delayed if the budget is further reduced. Multi-day hearings and final hearings are necessary for cases of moderate and substantial complexity. A great number of cases fall within this category. While these parties wait for their final hearing, the acrimony between them will likely escalate as they experience conflict over unsettled issues, resulting in higher legal fees and more trauma for the children of such divorces. This result is in direct conflict with the recent efforts of the family division to remove families from the court system, reduce conflict and reduce the impact of divorce on children.

The family courts are in a particularly difficult situation because in many cases, the legislature has mandated that hearings shall be held in a certain number of days, generally thirty (30) days or less, but the courts (even at present) lack the resources to comply with these mandates while providing acceptable service to the public. Moreover, when legislation (SB 88, 2009) was proposed to allow marital masters to issue orders in uncontested cases, nondispositive matters, or matters where the parties agreed to this procedure, in an effort to expedite the resolution of disputes for New Hampshire families, the legislation was passed by the House and Senate, but then vetoed by the Governor. Consequently, marital masters cannot issue orders without the approval of judges. This means that two judicial figures must review every order before it is issued. Especially in the context of uncontested matters and cases where the parties agree otherwise, this is needless.

The proposed budget cuts would require the elimination of per diem judges (and retired judges). Per diem judges are the backbone of the family division court system, allowing the approval of orders, as mentioned above, and saving the family division system money by allowing it to not pay benefits to these part time judges (health insurance, retirement, paid days off), as the family division would if they were full time. I must also note that, even at present, some family division courts have a judicial officer present only *one day per week*. That allocation of time simply cannot be reduced. At present, the family division courts receive a \$640,000 allocation of funds for per diem judges. While this may seem significant, it is important to also consider that approximately eighty-four percent (84%) of the judicial caseload is handled in family division and district court where these judges sit. *More than twenty percent* (20%) of the judicial officer time in the family division is per diem judge time. Per diem judges are not a luxury or an efficiency measure, they are essential to an already overloaded and barely functioning system. The elimination of these judges, who are a cost-effective part-time

component of the family division, would be to reduce the possible court services by twenty percent (20%). Three (3) of the busiest family division locations - Rochester, Dover and Concord - are currently staffed with per diem judges and would be without any judge in the aftermath of the budget cuts. Consequently, all orders in these courts would be delayed waiting for counter-signature and the number of potential hearings would be greatly reduced. The court system that handles the rights most critical to people, their rights to their family, their home and their assets, will be one-fifth (1/5) slower if we reduced twenty percent (20%) of its judicial workforce. This is only one impact of the budget cuts.

As mentioned above, in the context of family law cases, the legislature has mandated that the court system hear certain matters within a prescribed timeframe. To provide a few examples of such matters, the following matters are required by statute to be heard in a specified time period:

- Hearings on *ex parte* orders in a divorce, under UCCJA or relating to parenting matters shall be held within five (5) days (RSA 458:16(II)(c); RSA 458-A:5-a; RSA 461-a:9).
- Requested hearings for restraining orders on property shall be held no later than five days after request is received by the clerk (RSA 458:16-b).
- After entry of initial domestic violence order, if the accused party requests a hearing, it shall be held within three (3) to five (5) business days from date of request (RSA 173-B:4) or the order will be dismissed.
- Final domestic violence hearings must be held within ten (10) days of service thirty (30) days of filing, whichever is later (RSA 173-B:4) or the order will be dismissed.

It should be noted that there are numerous child abuse and neglect, delinquency, guardianship, juvenile and other matters that have deadlines of the nature above that are not listed herein, but that also fall under the jurisdiction of the family division. The list above is a very small example of the matters required to be heard within a statutorily prescribed period of time. Furthermore, there will certainly be cases in which undeserving and potentially dangerous parties capitalize upon the crippled judicial branch and are released from pending charges. To cite a few examples of laws providing such opportunities:

- RSA 135-E:7(I)(9)(2): Establishing dates for probable cause hearing and trial, failing which sexual violent predators will be released.
- RSA 173-B:4: Time limits for final hearings or requested hearings by accused domestic violence perpetrators must be met or the temporary order will be dismissed.
- Criminals are guaranteed the right to a speedy trial or their cases will be dismissed.

This is unacceptable when programs that do not directly jeopardize the safety of our citizens will be funded. I am particularly mindful of the outrage surrounding the Fournier case, wherein the allegedly dangerous sex offender was released because the deadline for the hearing to determine his continued dangerousness lapsed. The public has already declared their refusal to accept this

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type of consequence. It is too high a price to pay, including a risk to public safety, while programs that are discretionary and not constitutionally guaranteed are funded.

An argument that litigants will or should settle out of court more frequently than they do at present is not appropriate or realistic. We do not have a private justice system. We have a public justice system that should be accessible to everyone, regardless of income. Moreover, family division courts schedule mediation in all parenting cases and mediation has been heavily advocated in the family division courts for several years. It has long been the case that attorneys settle many cases between themselves and many others with the assistance of mediators, both court-appointed and private mediators. However, the list of certified marital mediators (those who can be appointed by the court) is short, they charge for their time, each session is typically limited to two (2) hours, and mediation only works if both parties participate in good faith. Each of these reasons presents an obstacle for use of the certified marital mediator program as a remedy to the backlogged court system or further budget cuts. For an impoverished party or a party who falls just above the indigency line, multiple sessions of mediation and/or payment of even a court-appointed mediator's fee may not be an option. The court appointed mediators are permitted to charge a rate of sixty dollars (\$60) per hour on court-appointed cases, which poses a disincentive for experienced family law attorneys to fill that role. Furthermore, because the list of certified mediators is short and demand will increase as courts begin to close, those mediators will likely become overloaded and backlogged. It is highly likely that the certified marital mediators will then take more private-pay cases in light of the demand and higher rate of pay, leaving the indigent and lower-middle income parties with grossly reduced access to mediation and resolution options. Parties who cannot resolve their differences have a right to be heard by the court so that a judge or master can decide their case. Our court system should not be rendered a system that caters only to the wealthy - where only those who can afford a very experienced and capable mediator (charging accordingly) to settle a complex or difficult case can escape the otherwise multi-year wait that would be caused by the proposed budget cuts. The budget cuts will create a system of justice where only the wealthy can resolve their disputes by hiring a private arbitrator or mediator to intervene, in the absence of a functioning court.

Both the United States and the State of New Hampshire have three branches of government: executive, legislative and judicial. Each is an equal branch. No branch has the right to handicap, impede or terminate the services of the other. The judicial branch, the smallest branch of government in New Hampshire, has been asked to bear a disproportionate amount of burdens and budget cuts in recent years. As a result of executive branch decisions, the judicial branch recently handled two death penalty cases and trials, rather than the virtually cost-free resolution of a life-in-prison plea bargain. The judicial branch also accepted and implemented an initial round of budget cuts that has already adversely impacted its ability to serve the public and closed all of the courts on certain days. There is simply nothing more to be taken. The proposed cuts would reduce the judicial branch budget by a total of one-third this year, eliminating such constitutional guarantees and basic assumptions of civil justice as regular public access to courts, jury trials, open courts and security in court. Court information technology, security, monitors and infrastructure are already woefully behind. The new cuts are stunning in their disregard for this equal branch of government and demonstrate the view that the judicial branch is not equal to

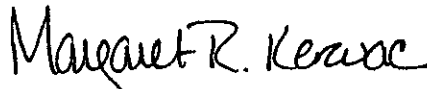
(B)

the executive branch or legislative branch, but instead below even luxury, discretionary and/or entertainment departments and programs. This is constitutionally unacceptable and will likely result in various forms of harm to the citizens of New Hampshire.

I recognize, as do the other attorneys here today, that this is a very difficult process and no budget cut will be easy. However, the rights that are constitutionally guaranteed to the citizens of New Hampshire and the basic necessities to preserve and ensure the safety and welfare of our citizens must be a high priority. Even in economically crippled countries where democracy is in its infancy, for example Iraq, court systems are a priority. This is because courts are essential to government, business, the resolution of civil disputes and (specific to this letter) families. Divorces and family law disputes are terrible for the parties involved. These budget cuts will make them much worse. This is a matter that will directly and dramatically impact families of every income level, county and other demographic across the State of New Hampshire. It is unlikely that could be said of any other proposed cut before you today.

Thank you for your consideration.

Very truly yours,



Margaret R. Kerouac

MRK/nv

cc: House Finance Committee  
New Hampshire Bar Association Family Law Section

TESTIMONY OF CATHY J. GREEN  
Green & Utter, P. A., Manchester, N.H.

I am a criminal defense lawyer and have practiced law in NH since 1977 when I started as a public defender. I have a strong sense of the history of the criminal justice system during my career, and understand the effect that the proposed budget cuts will have on the criminal cases, defendants, and victims in this state.

When I started, there were an average of 66 people in the Hillsborough County Jail and House of Correction. There was a white board with the count as you walked in the door of the jail- and it usually was around 33 each in the pretrial and sentenced population. I called today, and the count is 199 sentenced inmates and 388 pretrial.

When I started, the average time between arrest and disposition in a felony case was about 2 ½ to three years. This was just accepted as the way that it was. Most defendants weren't in jail pretrial, and delay usually works in the favor of an unincarcerated defendant. There were some defendants who remained in jail for years waiting for their trials. In the early 80's, the courts were forced to start dismissing cases for lack of speedy trial, and the backlog- which was numbered in the dozens not hundreds of cases, was cleared up in

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the course of several years. In order to clear the backlog, lots of cases were dismissed, or plea bargained favorably and cases got on track , down to under a year, often much faster than that. That is where we have been in recent years.

When I started, there were four or five judges in the Hillsborough Superior Court. Until the last year, there were regularly seven or eight- but it will soon be five with the upcoming retirements.

The backlog of criminal cases has started to creep up- and with the large number of pending cases, and incarcerated defendants, the pressure on the court system is rising to process these cases. If the Court has to implement the cuts in staffing and jury trials that will be required if the budget is cut as proposed, the backlog will very quickly grow. It will not take long with the numbers in our system to reach those delays of the late 70's and early 80's.

The result will be this:

defendants will sit longer in jail waiting for trial

their speedy trial rights under the NH and federal constitution will be violated

defendants will bring motions to dismiss their cases

the courts will not be able to provide trials in a speedy fashion

(D)

prosecutors will be pressured by imminent dismissals to offer more lenient sentences.

Innocent defendants will be pressured to plead guilty because if they will have served so much time pretrial and the only way out of jail will be to plead

cases will be dismissed

victims and society will suffer as a result

The system is not yet broken- it is just starting to get off the track. In the 80's, with those 33 jailed people waiting for trial, it took us several years to clear up the backlog. We can only imagine what will happen with the hundreds that we have now.

I urge you to reject this proposed cut to the court system, for the sake of the defendants, their families, the victims, and the people of our state.





THE  
NH PROVIDER  
ASSOCIATION

Representing  
Alcohol & Other Drug Service Providers  
in New Hampshire

April 15, 2010

## Position Statement

### *Statement for the Joint Finance Committee*

The New Hampshire Provider's Association Board of Directors does not support moving the administration and control of the alcohol fund from the Governor's Commission to the Division of Health and Human Services.

1. The Governor's Commission was established as a collaborative body encompassing corrections, education, prevention, and treatment. It is important that the oversight of the alcohol fund remain in this collaborative body rather than in a Health and Human Services silo.
2. The Provider's Association is concerned about the funding cuts for a number of reasons;
  - a. Agencies will lose matching funds from federal sources;
  - b. According to the Substance Abuse and Mental Health Services Administration, for every \$1.00 on treatment there is a \$7.00 savings;
  - c. Without this savings, this will cost communities millions of dollars annually, such as but not limited to, emergency room visits community corrections, juvenile detention, health and human services interventions, etc.

Respectfully Submitted,

Jackie Valley, President, NH Provider's Association Board of Directors

969-9147      jackie@communitydiversions.org



**New Hampshire  
Municipal Association**

## Testimony on SB 450

House Finance Committee

*April 20, 2010*

My name is Judy Silva and I am Acting Director of Legal Services and Government Affairs for the New Hampshire Municipal Association at the Local Government Center. I am submitting this testimony and the attached information to urge the members of this Committee to **REJECT** the further cuts in state aid to municipalities suggested by the Governor and contained in the proposed amendment to SB 450. We urge the Committee to **make no further cuts** to state aid to municipalities for FY2011 beyond the significant cuts already made last year in HB 1 and HB 2.

The pie chart on page 10 of the promotional materials issued by the Governor's office in support of his budget balancing plan shows "state aid to cities and towns" as equaling 45% of the FY10/11 general and education fund appropriations. Suggesting that "aid to communities represents nearly half of the state budget," the plan recommends a "one percent reduction in aid to cities and towns from retirement funding, meals and rooms payment, and other education aid programs."

**Almost 80% of what is being called state aid, however, is adequate education aid—the amount needed to fund the State's constitutionally mandated obligation to pay for an adequate education.** That's \$1.9 billion for state adequacy costs out of the roughly \$2.4 billion labeled as state aid to cities and towns.

As the attached diagram makes clear, using numbers directly from the LBAO chart of state aid to cities, towns, and school districts, state aid to cities, towns, and schools is 9% of FY10/11 general and education fund appropriations. State education adequacy funding is 36%.

Excluding the \$1.9 billion for the state's education adequacy obligation, the remaining amount of state aid to cities, towns, and school districts is actually \$496.3 million over the biennium, not \$2.4 billion. With the elimination of revenue sharing (\$54.4 million), reduction in the state's retirement contribution (\$27 million), and suspension of the catch-up provision in the meals and rooms distribution (\$5 million), last year's budget resulted in a 9% decrease in state revenues to cities, towns, and schools for the biennium.

The additional \$25.6 million of cuts proposed by the Governor (\$6.1 million from the meals and rooms distribution, over \$9.3 million in further state retirement reductions, and \$10 million in education program reductions), DECREASES state aid to municipalities and school districts by 14% compared to the previous biennium. **That's an additional 5% cut, not a 1% cut.**

New Hampshire's municipalities understand the State's difficult financial situation—cities, towns, schools, counties are experiencing the same difficult economic climate. We are all suffering from losses in investment income and from drops in other sources of revenue. We are all laying off employees and dipping into reserves and cutting back on services. But we all need to be clear on the facts.

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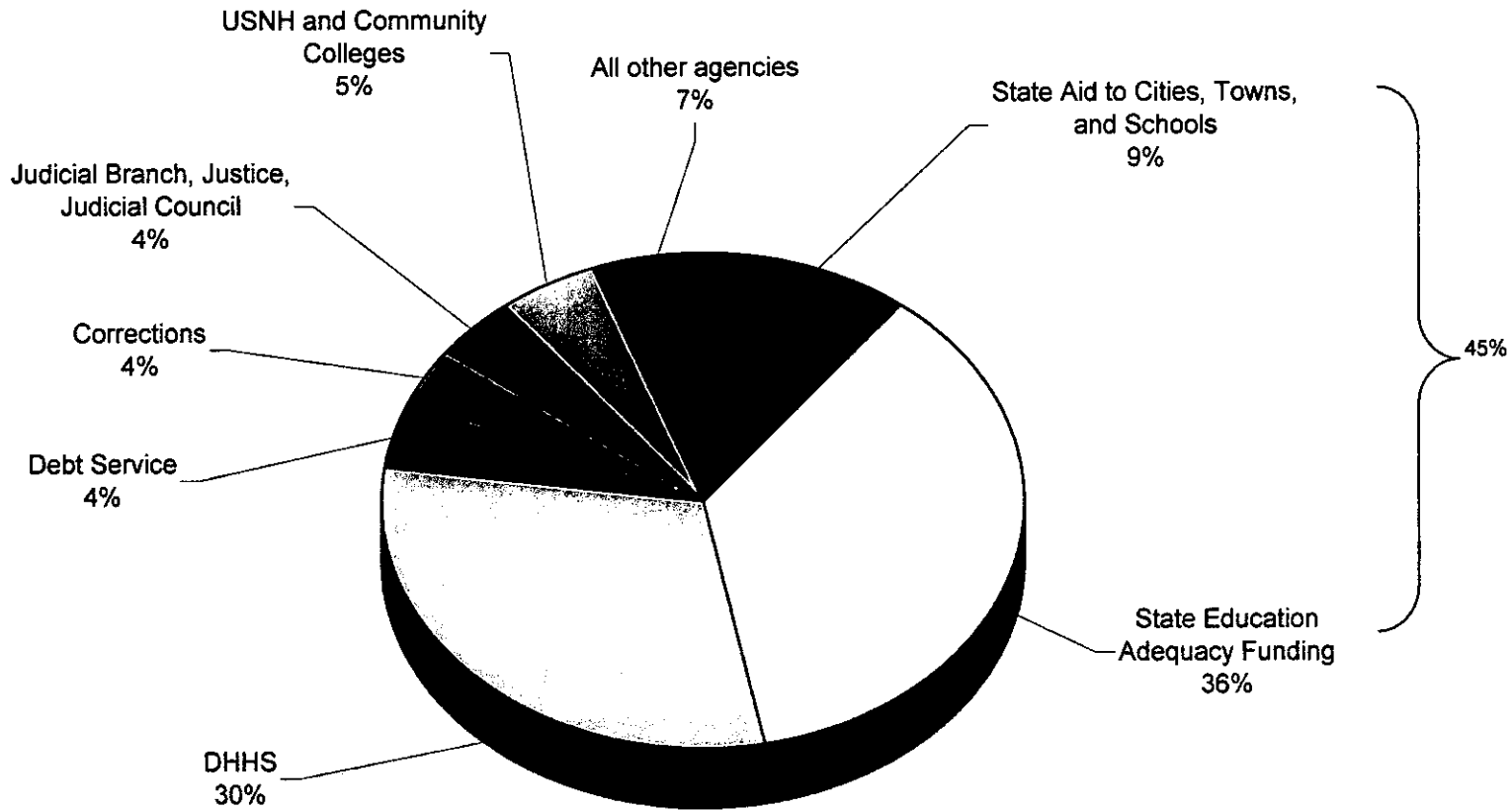
We **OPPOSE** any additional cut to the meals and rooms distribution. The additional \$6.1 million suggested by the Governor is a 10% reduction and drops the share received by municipalities to around 23%, moving further away from the 40% share provided for by statute.

We **OPPOSE** any further reduction in the state share of the employer retirement contribution for teachers, police, and firefighters. If such a reduction in the state share is to take place, we urge the legislature to hold the local government contributions steady and to offset the state reduction by increasing the amounts employees contribute for their own retirement. We have consulted with the NHRS and believe that this can be accomplished with rate increases of less than 2%. See the attached FY 2011 Retirement Rates chart.

Our members are doing what they can to grapple with local budget situations and most municipalities have already held their town meetings and approved their appropriations for the coming year. Decreases in state aid WILL increase local property tax rates, as the tax rate is based on the appropriations approved and the appropriations were made without accounting for any additional state cuts. **We urge you not to make further cuts in state aid to cities, towns, and school districts.**

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### Adequacy Funding vs. State Aid to Cities, Towns, and School Districts FY10/11 General Fund and Education Funds as Appropriated



G

# FY 2011 Retirement Rates

	State @ 25%	State @ 20% with Employee Offset
<b>Teachers</b>		
Employer	8.02%	8.02%
State	2.68%	2.14%
<b>Total</b>	<b>10.70%</b>	
<b>Employee Offset</b>		<b>0.54%</b>
<b>Total</b>		<b>10.70%</b>
<b>Police</b>		
Employer	14.63%	14.63%
State	4.88%	3.90%
<b>Total</b>	<b>19.51%</b>	
<b>Employee Offset</b>		<b>0.98%</b>
<b>Total</b>		<b>19.51%</b>
<b>Fire</b>		
Employer	18.52%	18.52%
State	6.17%	4.94%
<b>Total</b>	<b>24.69%</b>	
<b>Employee Offset</b>		<b>1.23%</b>
<b>Total</b>		<b>24.69%</b>

Per GRS, every \$100 in additional member contributions reduces employer contributions by approximately \$89 due to refunds. So the offsetting employee rates need to be increased by 12.35% (i.e. 100/89) in order to adequately compensate for the state reduction as follows:

	Offset	Current Rates	Total
Teachers	0.54%	12.35%	5.61%
Police	0.98%	12.35%	10.40%
Fire	1.23%	12.35%	10.68%

Christina J. Shaffer  
131 Talent Road  
Litchfield, NH 03052  
(603) 881-7120

April 15, 2010

*(Amended)*  
**Testimony Against SB450 – Budget Cuts – *Amended Bill***

My name is Crissy Shaffer and I live in Litchfield, NH. My husband and I are parents of 2 young children – Wesley, 8 years old and Meghan, 6 years old - both are very energetic and loving children. They love attending school, playing with their peers and participating in social activities. One of them requires significant supports in order to participate in activities with their peers. If you look at a picture of them you would likely find it difficult to discern which one has multiple disabilities.

Wesley has a list of disabilities which include, but are not limited to, a rare chromosome deletion, optic nerve hypoplasia, visual field loss, low vision, sensory processing disorder, global developmental delays and autistic spectrum disorder. He can not be left alone for even 5 minutes. He has little to no safety awareness and can become quite destructive when left alone. We are one family out of many that require supports and services from the HHS department.

Our roller coaster ride began on a beautiful Sunday morning in July 2001. I had a boringly normal pregnancy with a spontaneous labor and birth – just the way things are supposed to happen. Nothing since that moment has been as expected. I got to hold my son for only a minute or two before he was whisked away for hours. When they did not bring him back right away we knew something was not as it should be. Wesley took a ride to the Boston Children's NICU for an overnight stay and a battery of tests, including a septic work-up. He spent 8 days in a local hospital being treated for an infection that they could not explicitly identify. Once home, he had a very difficult time eating and was not growing as expected. He did not hold his head up until he was about 5 months old. During his first year he had 2 more rounds of hospital stays due to respiratory infections that nearly killed him and many visits with a number of different specialists trying to figure out what was going on. The first year of his life we were in a doctor's office on average twice per week. We had no idea what was wrong until he was about 10 months old. Thankfully we had a family physician that knew from the beginning something was wrong but could not put his finger on it – he was persistent and got us where we needed to be in order to start identifying Wesley's issues. At 1 year old he was less than 20 lbs and was just beginning to try to sit-up.

At around 10 months old, Wesley began to receive PT and OT through ESS. He finally started to make some progress albeit slow. He received PT and OT once or twice a week until he turned 3 years old. After the age of 3 years Wesley began receiving his PT, OT and ST services at the local elementary school. He also still qualified for services through the Area Agency of Greater Nashua, which has since changed its name to Gateways Community Services. We began as a Family Support family. We were able to use the respite program to give us needed break once a month. We were also able to work with the staff at the Area Agency to try and find groups and services that would be beneficial to helping Wesley's development. We received assistance in applying for Medicaid as well as applying for the IHS Waiver. We are now a Consumer Directed

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Services family. Wesley has the IHS Waiver which gets used to provide additional activities to help with his development, allows us to have care providers in the home, buys equipment that he needs and helps us pay for consultants and doctor's appointments that are not covered by his insurance.

Having a child with a disability affects everyone in the family, including other typically developing children. Gateways Community Services offers a Sibling Program for typically developing children that have a sibling with a disability. This program has helped our daughter understand what it means to have a sibling with a disability. It also helps by allowing her to meet other kids that are dealing with similar issues and build friendships. It also helps her work through some of her feelings towards her brother that are difficult for her to work through at home. Gateways also offers other activities to get families together during the year, such as the summer picnic. They also offer activities such as Mother/Daughter Spa Day, Parents Day, and Father/Son Night out. These activities give families a needed break and help foster connections that may otherwise get lost in the hustle and bustle of taking care of our loved ones with special needs.

None of us asked to have a family member with a disability. It is something that is handed to us and we have to deal with it, no matter how difficult it becomes. For most kids, including my typically developing daughter, things get easier as they grow. For my son, each year he grows life gets exponentially more difficult for all of us. The services we require now are only going to intensify as time goes on. The need for funding is never going to vanish – in actuality it is only going to increase.

New Hampshire's annual expenditures for services are the lowest in New England. The amount spent on DD services versus New Hampshire's overall wealth is in the bottom third of the country.

The State of New Hampshire has always had insufficient revenue to fund all the needs of the state. None of us like the idea of broad based taxes or gambling – myself included; however perhaps it is time that we start seriously considering these types of revenue instead of damaging people that are in some of our most vulnerable communities.

Families support their loved ones that have disabilities the best they can because they love them. They can't do it all alone and they certainly can't do it forever. Please keep in mind that it will cost the State of NH more money if families decide that they can no longer take care of their loved ones with disabilities. Let me ask you a question - Have you ever had the thought that it would be better if you out-lived your child? It is an awful thought to have and there are many parents that have had this thought because they fear for the lack of available funding, services and qualified providers for their children. Families and individuals need assistance – assistance in the form of funding for services such as the IHS Waivers, the Area Agency System, and ESS. It is important that we are able to provide these services to our family members in the communities where they live. The State of New Hampshire can not afford to make these budget cuts. We are all human and not one of us is less deserving than another. Remember –People Can't Wait.



Brain Injury Association of New Hampshire  
109 North State Street, Suite 2, Concord, NH 03301 • (603)  
225-8400 • Fax: (603) 228-6749  
Help line 1-800-773-8400 • e-mail: mail@bianh.org •  
www.bianh.org

April 15, 2010

Madame Chair Smith  
Joint House & Senate Finance Committee  
Legislative Office Building  
Concord, New Hampshire 03301

RE: SB 450, AN ACT relative to costs and expenditures at the Department of Health and Human Services

Dear Madame Chair & Committee Members,

As a parent of a child with a brain injury and on behalf of all families in the Brain Injury Association of New Hampshire, we urge that you oppose the amendment to SB 450 regarding cuts for the Family Support Brain Injury Program.

The Family Support Brain Injury Program is one of the smallest and most poorly funded within the Developmental Services budget. This despite the fact that survivors of brain injury are among the fastest growing disability populations in the state and at the time when our service men and woman who have suffered traumatic brain injury and PTSD from the war in Iraq and Afghanistan are now starting to return home in record numbers. In fact, according to the Department of Defense, traumatic brain injury is the signature injury and leading cause of disability of the war.

As we read the proposed amendment to SB 540, it cuts \$50,000 of funding for family support services for people with brain injury. This will have an adverse impact on the support that we provide to individuals with brain injury.

Brain injury services represent a tiny share of the Developmental Services budget – about 300K out of a \$100 million plus budget. As a result, when cuts occur, we do not have the flexibility that the larger programs have to assign reductions to different lines in the budget in order to minimize the impact on services. All cuts to the brain injury line directly eliminate family support services.



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Once again, we are the only disability population facing a cut in family support services. On behalf of all our brain injury families, we ask if you would please consider reinstating one half, or \$25,000, of the \$50,000 cut to family support services for people with brain injury.

Sincerely,

Ellen Edgerly  
On behalf of parents of brain injured children



HOUSE AND SENATE FINANCE COMMITTEES

APRIL 15, 2010

SB 450 - Amendment #2010-1311h

**Relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, relative to the due date for the Medicaid enhancement tax, and making certain general fund reductions and revenue changes**

**Testimony**

Good morning, Mr. Chairman and members of the Committee. My name is Leslie Melby, and I am the Vice President for State Government Relations at the New Hampshire Hospital Association, representing the state's 32 acute care community and specialty hospitals.

I am here to testify in opposition specifically to Sections 75, 76 and 77 of Amendment 2010-1311h to SB 450. We understand the significant budget challenges facing the State of New Hampshire, but further cuts such as these will only contribute to the underfunding of Medicaid covered hospital services. When the budget was passed in June, we said that it did not adequately fund the demand for Medicaid services as a result of the economic downturn and more people qualifying for Medicaid, which in fact, has been the case. These cuts will not only impact the women, men and children served by the Medicaid program, but will impact hospitals and their ability to serve all patients.

Sections 75, 76 and 77 amend the hospital line items of the Medicaid Provider Payments section of FY 2010 and FY 2011 appropriations as follows:

**Sections 75 and 76: Medicaid Direct and Indirect Graduate Medical Education:**

The suspension of graduate medical education payments disproportionately impacts three New Hampshire hospitals that have federally approved graduate medical education programs for physicians-in-training. These physicians treat Medicaid patients at Dartmouth-Hitchcock Medical Center in Lebanon and DHMC clinics throughout the state, as well as at Concord Hospital in Concord and Southern NH Medical Center in Nashua. Providing graduate medical education payments has been a long-standing Medicare and Medicaid policy that is intended to recognize the increased patient care costs of teaching hospitals as compared to non-teaching hospitals. The amount of these payments is dependent on each hospital's teaching intensity. The proposed suspension of these vital

payments to three hospitals places additional burdens on these hospitals to meet their mission of maintaining high level residency and training programs for future physicians, many of whom remain in New Hampshire to practice medicine..

We ask that Medicaid direct and graduate medical education payments *not* be suspended for the remainder of the biennium.

**Section 77: Medicaid Catastrophic Aid Program:** Amendment 2010-1311h suspends all catastrophic aid payments to hospitals effective April 1, 2010 through June 30, 2011 – that's \$1 million in FY 2010 and \$2.8 million in FY 2011 to pay for the most severely ill Medicaid patients in hospitals.

The catastrophic program has been completely revamped since the previous budget cycle. The program now has set criteria by which catastrophic claim payments are based on higher case mix indices, longer lengths of stay and higher acuity. As stated by DHHS in its budget analyses, the funds are to be used to provide for additional inpatient payments outside of the DRG system where the payment is *below* 25 percent of hospital charges. Based on these criteria, these claims represent extraordinarily complex and expensive care provided to New Hampshire Medicaid patients. Although we contend that the fund is woefully under-budgeted, it still remains an important component to the overall Medicaid hospital reimbursement system.

We ask that catastrophic payments *not* be suspended for the remainder of the biennium.

The total reduction for the payments described above is another \$4 million over and above the \$63 million plus cuts in Medicaid hospital payments over the last two years. This amendment reduces payments for specialized care for the sickest patients, and it reduces payments for the services of doctors in training who treat the state's low income patients. This is significant and unreasonable.

Medicaid reimbursement fails to cover the cost of the care hospitals provide. In balancing the budget on the backs of hospitals, the state continues to ask hospitals to do more with less. We urge the Committees to reject the proposed reduction in these vital payments to hospitals.

Thank you.

April 15, 2010

House Finance Committee  
Senate Finance Committee  
State House  
Concord, NH 03301

Dear Members of the Committees,

I am writing to you regarding the Governor's proposed budget cuts for FY 2011, specifically those which relate to a reduction in aid to towns and which require an increase in contribution to the NH Retirement System. I write both as a citizen and as a member of the Board of Selectmen of the Town of Greenland. Should these actions be approved, they will require local governing bodies to make a choice between increasing the local property tax rate to be set later in 2010 or directing a reduction of services delivered to our citizens in 2010.

Because your actions occur after the majority of town meetings have been held, our appropriations for the 2010 year have been set. Those appropriations were based upon assumptions that the State of New Hampshire would provide revenue from the Meals and Rental Tax receipts, and would not ask for further increases in the local contributions to the Retirement System. You have the authority to reduce aid, and increase retirement costs, but we do not have the authority to reduce the appropriations approved by our voters. Those appropriations will be used to set our property tax rate later in 2010.

As governing bodies, we have few options available to react to your proposed changes. If we maintain services, your cuts in revenue and increase in costs will be immediately passed on to the local property tax payer. In the Town of Greenland, we estimate this will be in the range of a 4 cent increase in the local tax rate. If we choose to cut services, departments will be required to lapse funds in order to increase the amount of unreserved funds balance available for immediate tax relief. For this town, such a lapse would mean a choice between losing one half of a full time equivalent police officer position, or deferring 20 per cent of our planned summer highway maintenance program, or imposing significant increases in fees for disposal of solid waste, or suffering some other loss which we have yet to examine.

As elected officials, all of us have had to make hard choices in reaction to this severe recession, and we will continue to react as problems present themselves. This particular problem and these impacts could have been managed far more easily had you faced the issue earlier in the year and allowed appropriations to be set upon what have now become false assumptions. When the voters ask us why they are asked to pay more, or receive reduced services, we will clearly tell them that it was the unavoidable impact of decisions made by their representatives in Concord.

Sincerely,



Paul G. Sanderson  
Selectman, Town of Greenland

My name is Stacy Carroll, and I have an 11 month old son. I have been working with Child and Family Services for about a year and a half now. I believe that if I had never made the decision to pick up the phone and call this program, I would be lost by now. Being a parent for the first time can make almost anyone a little nervous, but being a first-time, single mother, with no family support whatsoever, and living in a home with an uncle who already doesn't want you there is scarier than anything. I honestly feel that the Child and Family Services program was the best thing to ever happen to me and my son. This program taught me so many skills to being a good mother to my son. I've learned so much from this program that I never would have known. Doctors and pediatricians are very busy, and they do not always have the time to address every single one of your questions, or think to tell you a good-teething tool is a wet wash

Clain, twisted up, and put in the freezer. Without this program, I would have missed a lot of very important appointments for me and for my son due to no transportation. These people did everything they could to get us there and on-time. On top of all the important and extremely useful things that I have learned from being apart of this program, it also feels great to be able to have someone to talk to who not only understands, but actually cares. I have called almost every "community resource" program and places who claim to offer some type of assistance to those in need, and I haven't gotten any help what-so-ever. More than half of the people I have spoken with are rude, ignorant, unconsiderate people who don't care less about you. They don't know you, and as long as they get their pay checks every week, and have a place to go home to at night, it doesn't matter. The Child and Family Services workers care about us. They care about

our broken families, the unemployed  
single parents who can't work because  
day care costs are too high, and  
the individuals that society may look down  
upon. These people aren't just here for  
a pay check, they're here because they  
care, and to someone like me, and many  
others with hardly any other support,  
that means the world. I am so  
thankful for my case worker Erin, and  
the entire Child and Family Services program  
for helping me grow as a person, and  
for giving me the skills I needed to be  
the best mother I can be to my son.  
My only complaint about the program  
is that it stops after your child turns  
one. If I had it my way, it  
would continue until the child turned  
20! Thank you for your time.

Amy Carl

Jennifer Decker  
75 Longmeadow Lane #23  
Portsmouth NH, 03801

April 15, 2010

Dear Members of the House and Senate Finance Committees:

My name is Jennifer Decker and I have lived in Portsmouth, NH for the past four years. As someone who lives with Cerebral Palsy and uses a wheelchair for mobility, I rely on personal care services, some of which are funded under the Home and Community Based Care (HCBC) waiver. I request that you please remove the 2% reduction in Medicaid reimbursement rates for HCBC-CFI Home Support services contained in SB450.

Without personal care attendants, I would be incapable of living on my own and would be forced to live either with family or in an institutional setting. Given my lifestyle, neither of these options could be considered viable options. If I were to return home, my family members would potentially have to leave their jobs in order to provide the care that I need. This takes away from not only my ability to be a productive member of society, but it decreases the productivity of those who would be providing my care, uncompensated.

I am currently enrolled in a graduate level social work course and recently began working. I am unable to drive due to my disability and would not be able to get to and from school or work without the assistance of my personal care staff. Any reduction in the reimbursement rate for these crucial services would leave many New Hampshire citizens with disabilities in a position of dependence. One of the key tenets of the Independent Living philosophy is to allow those with disabilities to live as independently as they can. This basic right would be impossible without personal care services.

I recognize that the state is in a very difficult financial position as it attempts to balance the budget. I understand the need for balanced budget, but I encourage doing so through the least harmful budget cuts possible and new revenue. Please explore all revenue options available so that vital programs, including personal care services, are not negatively impacted. If reimbursement rates for these services are reduced as proposed by SB 450, it will be the citizens of New Hampshire most in need of assistance who will suffer the most.

Thank you for the opportunity to share my concerns with you and thank you for your service to the citizens of the Hampshire.

Sincerely,

Jennifer Decker





SB450 with Amendment  
Testimony of Peter Ames  
American Cancer Society  
471-4110

Senate Bill 450 with Amendment  
New Hampshire House and Senate Finance Committees  
April 15, 2010

Madame Chairman, members of the committee, my name is Peter Ames and I am the Director of Advocacy at your American Cancer Society here in New Hampshire. Thank you for the opportunity to present testimony in opposition to the amendment to SB450 as presented. This amendment would remove funding for the Catastrophic Illness Program as well as incentivizes tobacco products other than cigarettes.

The Catastrophic Illness Program has been in existence for over 25 years and it is needed more than ever as it is a lifeline for citizens dealing with major illnesses. The vast majority of beneficiaries under the Catastrophic Illness Program are cancer patients and these funds help cover many costs, but are most often used for medications, including oral chemotherapy. State published reports on the Catastrophic Illness Program have shown that this is a vital safety net that plays an important role in addressing the needs of some of our most vulnerable citizens. Eliminating this program would mean that citizens would go without the care they need, or costs would be shifted on to medical providers and other citizens. As we face a very difficult year in the New Hampshire and national economy, funds provided to this program are a wise investment in our citizens struggling to make ends meet as a result of an illness. This is the time when citizens need it more than ever, and I urge you to restore this critical resource for cancer patients.

Additionally, we are very concerned about the tobacco tax proposal. While we encourage efforts to increase the cigarette tax, those increases must be at a level that provide a public health benefit. Research has shown that a 10% increase in price must be achieved before a health benefit can be assured. The \$.20 increase would not meet this threshold and so we ask that you consider raising the cigarette tax to a level that would help deter smoking for kids and adults. However, regardless of what level you ultimately increase the cigarette tax, the tax on other tobacco products should also be increased. Other tobacco products include cigars, smokeless tobacco, spitless pouches and Snus, dissolvable tablets, pipe tobacco, and roll your own. Currently, the tax on other tobacco products is proportionately lower than the relative tax on cigarettes. This uneven tax policy creates a marketplace that incentivizes youth initiation of the other tobacco products. The tax on these products is currently 48.59% of the wholesale price



(WSP) and would need to be increase to approximately 80% WSP to be equal to the new cigarette tax rate as proposed. We ask that you amend the legislation to equalize the tax rate and avoid a furthering of the tax burdens that would encourage youth tobacco use.

The American Cancer Society is here as a resource and willing partner as you weigh this important issue. Honorable Chair, Members of the Committees, thank you for you time. If you have any questions, I would be happy to answer them.

To: Honorable Marjorie Smith, Chairman and Members of the House Finance Committee

Date: April 14, 2010

Re: SB 450

Dear Members of the House Finance Committee:

I am writing in regard to Section 15 of Senate Bill 450 and the direct impact it will have on my family, specifically my step-father. My step-father has been nursing home level of care and choosing to receive services under the home and community based care waiver since October of 2006. He lives in a modest apartment in Derry and in addition to the care I provide for him, he receives approximately \$1,500.00 of care per month which is essential to his ability to remain in the community. The nursing home bed he will surely be admitted to without the home and community based care services is well in excess of \$3,000 per month.

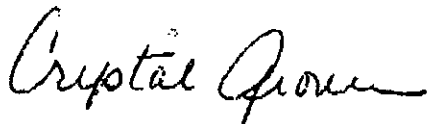
In December of 2008, the Department of Health and Human Services issued a decision which terminated his home and community based care benefits, leaving a nursing facility as the only option. The decision was made because he received a cost of living increase to his pension, which put him pennies over the limit. We appealed the decision and it was overturned on the basis that his care was less costly than the facility, I attach that for your reference. The legislation before you removes the grounds we prevailed on and will again result in the only option for my step-father being nursing facility placement. He will move to Hillsborough County Nursing Home.

In the current environment of the state's funding, I cannot understand how this makes sense. The nursing facility is far more costly than the home and community based care my stepfather receives. Although he will be denied access to the community based care, he will be granted access to the facility placement. This is a net cost to the state for this one individual. Multiply the result program wide and there is a significant impact. It would surely be a mistake to assume these individuals can remain in the community without care and that savings will be realized there, that is simply not the reality of these real life situations. I am an only child, full time working, single mother and I provide primary care to another family member. I have no capacity what so ever to replace the services this legislation removes.

In addition to the funding issue, there is a quality of life issue here. This language removes any choice of placement as to where care will be received. Although he cannot get out much, my step father enjoys his life in the community. He should be able to choose where he receives care; nursing facility placement should be an option, not a mandate.

Thank you for your consideration of my comments.

Sincerely,



Crystal Grover  
1 Cramer Hill Road  
Merrimack, NH 03054  
(603) 264-1878

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STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATIVE APPEALS UNIT

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APPEAL OF [REDACTED]

DOCKET No: 09-0097

FINAL DECISION

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I. BACKGROUND

[REDACTED] (Appellant) was approved for Home and Community Based Care – Elderly and Chronically Ill (HCBC-ECI)<sup>1</sup> waiver benefits on or about October 24, 2006. On December 30, 2008, the Department of Health and Human Services (Department) issued a Notice of Decision which informed Appellant that his benefits were closing effective January 9, 2009, because he was over the income limit. Appellant's representative, [REDACTED] completed a Request for a Fair Hearing, which the Administrative Appeals Unit (AAU) received on January 9, 2009.

The AAU held a hearing in this matter at 11:30 a.m. on Tuesday, April 21, 2009, in the Department's Salem District Office, 154 Main Street, Salem, NH. At the hearing, [REDACTED] represented Appellant with assistance from Carolyn Virtue; Mickie Grimes represented the Department; and Paul L. Bernard, Esq., presided. As ordered by the presiding officer, the hearing was reconvened at 9:00 a.m., on Friday, July 10, 2009, in the same location. At the reconvened hearing, [REDACTED] represented Appellant with assistance from Carolyn Virtue; Jennifer Jones, Esq., represented the Division of Family Assistance (DFA); Susan Lombard represented the Bureau of Elderly and Adult Services (BEAS); and Paul L. Bernard, Esq., presided.

<sup>1</sup> The Department is in the process of changing the name of this waiver program to Home and Community Based Care – Choices for Independence (HCBC-CFI). For purposes of this decision, the term HCBC-ECI will be used.

1 The hearings were held under the authority granted by New Hampshire RSA 126-A:5,  
2 VIII, and in accordance with RSA 541-A:31 through 36, and Department of Health and Human  
3 Services Rules, He-C 200. The parties and all witnesses were given the opportunity to provide  
4 testimony. The testimony was taken under oath, evidence was presented, and the hearing was  
5 recorded verbatim in accordance with RSA 541-A:31, VII.

6  
7 **II. DISCUSSION**

8 **A. Burden of Proof:** The Department is terminating Appellant's benefits under the  
9 HCBC-ECI waiver. Therefore, the Department has the burden to prove, by a preponderance of  
10 the evidence, that Appellant is no longer eligible for the waiver benefits. (Department Rule  
11 He-C 203.14 (f) (1))

12 **B. Facts:** Appellant was approved for HCBC-ECI waiver benefits on or about  
13 October 24, 2006. The New Hampshire statute governing eligibility for waiver services states:

14  
15 **151-E:3 Eligibility.**

16 **I. A person is medicaid eligible for nursing facility services if the**  
17 **person is:**

18 **(a) Clinically eligible for nursing facility care because the person**  
19 **requires 24-hour care for one or more of the following**  
20 **purposes, as determined by registered nurses appropriately**  
21 **trained to use an assessment tool and employed by the**  
22 **department, or a designee acting on behalf of the department:**

23 **(1) Medical monitoring and nursing care when the skills of a**  
24 **licensed medical professional are needed to provide safe**  
25 **and effective services;**

26 **(2) Restorative nursing or rehabilitative care with patient-**  
27 **specific goals;**

28 **(3) Medication administration by oral, topical, intravenous,**  
29 **intramuscular, or subcutaneous injection, or intravenous**  
**feeding for treatment of recent or unstable conditions**  
**requiring medical or nursing intervention; or**

1 (4). Assistance with 2 or more activities of daily living  
2 involving eating, toileting, transferring, bathing, dressing,  
3 and continence; and

4 (b) Financially eligible as either:

5 (1) Categorically needy, as calculated pursuant to rules  
6 adopted by the department under RSA 541-A; or

7 (2) Medically needy, as calculated pursuant to rules adopted  
8 by the department under RSA 541-A.

9 II. A person is eligible for services under the Medicaid waiver if the  
10 person has been determined eligible under RSA 151-E:3, I.  
11 [Emphasis added.]

12 III. The department shall not use a new assessment tool to determine  
13 clinical eligibility for nursing facility care until the tool has been  
14 reviewed by the county-state finance commission and has been  
15 approved by the oversight committee on health and human services  
16 established pursuant to RSA 126-A:13.

17 IV. If the registered nurse is unable to determine that an applicant is  
18 eligible following the clinical assessment pursuant to subparagraph  
19 I(a), the registered nurse shall obtain and give substantial weight to  
20 clinical information provided by the applicant's physician or nurse  
21 practitioner, including, but not limited to diagnosis, prognosis, and  
22 plan of care recommendations, and consider information from other  
23 licensed practitioners, including occupational or physical therapists,  
24 if available. All clinical information obtained shall also be used in  
25 the preparation of the initial support plan.

26 At the time of Appellant's application for HCBC-ECI waiver services, the Department's  
27 rules stated:

28 He-W 658.05 Eligibility for Adult Category Medical Assistance Nursing  
29 Care.

(a) The nursing facility cap shall be \$1250.

(b) If the client's monthly gross income is less than or equal to the cap and  
his or her net income is less than the monthly medicaid nursing facility  
rate for the facility, he or she shall be income eligible for nursing care as  
categorically needy.

1 (c) If the client's monthly gross income exceeds the cap, but his or her net  
2 income is less than the monthly nursing facility rate, he or she shall be  
income eligible for nursing facility care as medically needy.

3 He-W 658.06 Eligibility for Adult Category Medical Assistance for Home  
4 and Community-Based Care for the Elderly and Chronically Ill (HCBC-  
5 ECI).

6 (a) If the individual's monthly gross income, as defined in He-W  
7 601.83, is less than or equal to the nursing facility cap specified in  
8 He-W 658.05(a), he or she shall meet the income eligibility for  
HCBC-ECI services as categorically needy.

9 (b) If the individual's monthly gross income exceeds the nursing facility  
10 cap, but his or her net income, as defined in He-W 601.109, is equal  
11 to or less than the monthly medicaid rate of the nursing facility  
12 pursuant to RSA 151-E:3, he or she shall meet the income eligibility  
for HCBC-ECI services as medically needy.

13 (c) For the purposes of (b) above, the monthly medicaid rate of the  
14 nursing facility shall be the average maximum weekly cost for  
15 HCBC-ECI services, defined under the medicaid waiver for the  
elderly and chronically ill as authorized under Section 1915 (c) of the  
Social Security Act, multiplied by 4.33.

16  
17 When Appellant applied for HCBC-ECI services, his income exceeded the nursing  
18 facility cap of \$1,250. However, his income was found by the Department to be below the  
19 monthly Medicaid rate for New Hampshire. Therefore, Appellant was considered eligible for  
20 HCBC-ECI services as a medically needy individual.<sup>2</sup>

21 Department Rule He-W 658.06 expired on September 20, 2008, and was replaced on  
22 October 3, 2008, with the following rule<sup>3</sup>:

23  
24 <sup>2</sup> The Department maintains a policy manual entitled Adult Assistance Manual, which includes Table B, Income  
25 Limits For HCBC Individuals. At the time of Appellant's application for HCBC-ECI services, Table B stated that  
26 the HCBC-ECI waiver program had a net monthly income limit for medically needy individuals of \$2,451. (Refer to  
27 SR 06-01, dated 01/06). This net income limit could not be found in any statute or administrative rule, and appears  
to exist only in Department policy. As a general rule, Department policy is enforceable or binding on persons  
outside the Department only after it is formally adopted as an administrative rule pursuant to RSA 541-A. (See also  
Rel Air v. N.H. Dep't of Health and Human Services, 154 N.H. 228 (2006))

28 <sup>3</sup> According to the Department, the revision to He-W 658.06 in October 2008 was based on guidance from CMS,  
29 and the revision was needed in order to maintain the State's eligibility for federal financial participation (FFP) for  
the Medicaid program. (See also New Hampshire Rulemaking Register, p. 21, dated 07/25/08) The Department did  
not contend that RSA 15-E:3, II conflicted with a federal mandate.

1 He-W 658.06 Eligibility for Adult Category Medical Assistance for  
2 Choices For Independence (CFI), Home and Community-Based Care for  
3 the Developmentally Disabled (HCBC-DD), Home and Community-Based  
4 Care for Individuals with an Acquired Brain Disorder (HCBC-ABD), and  
5 Home and Community-Based Care for In-Home Supports (HCBC-IHS).

- 6 (a) The individual shall be income eligible for CFI, HCBC-DD, HCBC-  
7 ABD, or HCBC-IHS services as medically needy when:  
8 (1) The individual's monthly gross income, as defined in He-W  
9 601.83, exceeds the nursing facility cap specified in He-W  
10 658.05(a); and  
11 (2) The individual's net income, as defined in He-W 601.109, is  
12 equal to or less than the PIL, as specified in He-W 658.04(b).  
13 (b) If the individual's net income in (a)(2) above exceeds the PIL,  
14 medically needy income eligibility shall be determined in accordance  
15 with He-W 678.01.  
16 (c) When determining resource eligibility for individuals described in 42  
17 CFR 435.217(a) at the categorically needy level, \$1000 of the  
18 individual's resources shall be disregarded.

19 The revised rule employs a monthly gross income limit based on the nursing facility cap  
20 of 300% of the Supplemental Security Income (SSI) value, or \$1,911.00. (See Department  
21 Rule He-W 658.05 (a)) When the revised He-W 658.06 rule was adopted, Appellant's monthly  
22 gross income was \$2,436.53, which clearly exceeded the nursing facility cap. His net monthly  
23 income also exceeded the protected income level (PIL) of \$591.00. In order to "grandfather"  
24 Appellant and other similarly situated recipients, the Department created a disregard in the  
25 amount of \$540.00, which effectively reduced Appellant's gross monthly income to below the  
26 nursing facility cap.<sup>4</sup> Thereby, Appellant was classified as categorically needy for HCBC-ECI  
27 waiver services and he continued to receive HCBC-ECI services.<sup>5</sup>

28 <sup>4</sup> The \$540.00 disregard, created by the Department to grandfather Appellant cannot be found in any statute or rule,  
29 but is described in Department policy in the AAM, section 605.

<sup>5</sup> The Department policy manual, AAM, was revised to reflect the change to Department Rule He-W 658.06. (See  
AAM Table B, SR 09-01; dated 01/09)



1 In January 2009, Appellant received a cost of living allowance (COLA) in his Social  
2 Security benefit, increasing his monthly income to \$2,530.53. The nursing home cap also  
3 increased to \$2,022.00 because of the COLA. At the same time, the disregard created by the  
4 Department decreased to \$429.00.<sup>6</sup> Consequently, the disregard no longer lowered Appellant's  
5 gross income to below the nursing facility cap, and his net income was compared to the PIL of  
6 \$591.00. (Department Rule He-W 658.06 (b)) The Department then placed Appellant on the  
7 In and Out Program under Department Rule He-W 678, with a spend down of \$1,926.53 per  
8 month.

9 Subsequent to the initial hearing, but before the hearing was reconvened on July 10, 2009,  
10 the Department repealed Department Rule He-W 658.06, readopted the rule that existed prior  
11 to October 1, 2008, and renumbered the new rule as He-W 658.07. The Department took this  
12 action based on its understanding that the October 3, 2008 version of He-W 658.06 might result  
13 in the loss of additional funding from the federal government under section 5001(f)(1)(A) of  
14 the American Recovery and Reinvestment Act (ARRA).

15 C. Analysis: There are at least two ways to approach this case. The first is the  
16 method used by the Department in which it relied on the HCBC-ECI eligibility criteria set forth  
17 in Department Rule He-W 658.06, as that rule was revised in October 2008.<sup>7</sup> Under this  
18 analysis, Appellant's income after the COLA increase in January 2009, exceeded the nursing  
19 facility cap of \$2,022.00, and application of the disregard found only in the Adult Assistance  
20 Manual (AAM) section 605, failed to reduce Appellant's gross income to below the nursing  
21 facility cap. Therefore, the Department compared Appellant's income to the PIL (\$591.00)  
22 and, pursuant to He-W 658.06 (b), determined his eligibility for Medicaid under the In and Out  
23

24 <sup>6</sup> Although it is unclear why, it appears that the Department wanted to preserve the income limit of \$2,451 found in  
25 Table B of the AAM prior to October 2008. However, instead of being a net income limit the \$2,451 figure is used  
26 now to calculate a disregard to reduce a person's gross income; i.e.,  $(\$2,451) - (\text{Nursing Home Cap}) = \text{Disregard}$ .  
(See AAM section 605)

27 <sup>7</sup> If this decision was based on He-W 658.06 as it existed prior to October 2008, or on He-W 658.07, which was  
28 adopted as an emergency rule on June 30, 2009, Appellant would be found eligible for HCBC-ECI waiver services.  
29 At the hearing the DFA representative and legal counsel both asserted that Appellant would have lost his HCBC-ECI  
eligibility in January 2009, with or without the changes made to He-W 658.06 in October 2008, because Appellant's  
gross monthly income now exceeds the \$2,451.00 limit found in the AAM Table B. Again, \$2,451.00 is a net  
income limit that appears only in Department policy, and its enforceability under New Hampshire law is  
questionable. (See footnote #2)

1 program (He-W 678). The result is that Appellant must spend down \$1,926.53 each month (or  
2 \$11,559.18 every six months) in order to be eligible for Medicaid.

3 The second approach is to determine Appellant's eligibility for the HCBC-ECI program  
4 in accordance with RSA 151-E:3, II. Here, Appellant is eligible for HCBC-ECI services if he  
5 meets the medical and financial eligibility criteria established for nursing facility level of care.  
6 Based on the testimony received at the hearing, there is no dispute that Appellant is medically  
7 eligible for the nursing facility level of care. Under the statute, Appellant's financial eligibility  
8 for a nursing facility level of care is determined in accordance with rules adopted by the  
9 Department. (RSA 151-E:3, I (b)) The applicable rule, He-W 658.05, which was amended in  
10 October 2008, states:

11 He-W 658.05 Eligibility for Adult Category Medical Assistance Nursing  
12 Care.

- 13 (a) The nursing facility cap shall be 300% of the maximum SSI benefit  
14 for an eligible individual as determined in accordance with 20 CFR  
15 416.410, adjusted by cost-of-living increases pursuant to 20 CFR  
16 416.405.
- 17 (b) The individual shall be income eligible for nursing facility care as  
18 categorically needy when the individual's monthly gross income, as  
19 defined in He-W 601.83, is less than or equal to the nursing facility  
20 cap specified in (a) above.
- 21 (c) The individual shall be income eligible for nursing facility care as  
22 medically needy when:
- 23 (1) The individual's monthly gross income, as defined in He-W  
24 601.83, exceeds the nursing facility cap specified in (a) above;  
25 and
- 26 (2) The individual's net income, as defined in He-W 601.109, is  
27 less than or equal to the monthly medicaid nursing facility rate,  
28 as defined in He-E 806.01(aa).
- 29 (d) When determining resource eligibility for nursing facility care as  
categorically needy, \$1000 of the individual's resources shall be  
disregarded.

As noted earlier, Appellant's gross income exceeds the nursing facility cap. However, his  
net income is below the monthly Medicaid nursing facility rate for all of the nursing facilities

1 in New Hampshire, based on the rates published on the Department's website.<sup>8</sup> Under this  
2 analysis, Appellant is found eligible for HCBC-ECI waiver services as a medically needy  
3 individual under He-W 658.05 (c).

4 Because a different result is reached depending on whether the rule (He-W 658.06) or the  
5 statute (RSA 151-E:3, II) is used as a basis for determining Appellant's HCBC-ECI eligibility,  
6 one must analyze the interplay between rules and statutes. The New Hampshire Supreme Court  
7 has stated:

8 It is well settled in this State that the legislature may delegate to  
9 administrative agencies the power to promulgate rules necessary for the  
10 proper execution of the laws. Ferretti v. Jackson, 88 N.H. at 298, 188 A. at  
11 476; Smith Insurance, Inc. v. Grievance Committee, 120 N.H. 856, 861,  
12 424 A.2d 816, 819 (1980); Petition of Boston & Maine Corp., 109 N.H.  
13 324, 326, 251 A.2d 332, 335 (1969). But the legislature may not, of  
14 course, delegate unlimited rulemaking authority to administrative  
15 agencies. Smith Insurance, Inc. v. Grievance Committee, supra at 861, 424  
16 A.2d at 819. Rather, the legislature must declare a general policy and  
17 prescribe standards for administrative action. Ferretti v. Jackson, 88 N.H.  
18 at 303, 188 A. at 479.

19 Accordingly, the rulemaking authority which may be delegated by the  
20 legislature is limited. The administrative agency's authority allows it  
21 to "fill in details to effectuate the purpose of the statute," Kimball v. N.H.  
22 Bd. of Accountancy, 118 N.H. 567, 568, 391 A.2d 888, 889 (1978); Reno  
23 v. Hopkinton, 115 N.H. 706, 707, 349 A.2d 585, 586 (1975), and  
24 administrative rules which go beyond the filling in of details are invalid.  
25 Kimball v. N.H. Bd. of Accountancy, supra at 568, 391 A.2d at 889; see  
26 Reno v. Hopkinton, supra at 708, 349 A.2d at 586. "Rules adopted by  
27 State boards and agencies may not add to, detract from, or in any way  
28 modify statutory law." Kimball v. N.H. Bd. of Accountancy, supra at 568,  
29 391 A.2d at 889. Traditionally it has been the responsibility of this court to  
insure that the administrative agency does not substitute its will for that of  
the legislature. Id. at 569, 391 A.2d at 889.

(Opinion of the Justices, 121 N.H. 552, 557 (1981))<sup>9</sup>

<sup>8</sup> <http://www.dhhs.state.nh.us/DHHS/BEAS/LIBRARY/Policy-Guideline/nursing-facility-rates.htm>

<sup>9</sup> See also, Portsmouth County Club v. Town of Greenland, 152 N.H. 617, 621 (2005); State v. Elementis Chem., 152 N.H. 794, 803 (2005); and Appeal of N.H. Dep't of Transportation, 152 N.H. 565, 571 (2005).

1 The foregoing makes it clear that administrative rules take a subordinate role to statutes.  
2 Additionally, the language found in RSA 151-E:3 is consistent with the HCBC-ECI waiver  
3 approved by the Centers for Medicare and Medicaid Services (CMS) on June 14, 2007. In that  
4 document, the Department requested a waiver of §1902 (a) (10) (C) (i) (III) of the Social  
5 Security Act "in order to use institutional income and resource rules for the medically needy."  
6 (Section 4. Waiver(s) Requested at p. 4 of the waiver)<sup>10</sup>. This implies that the income and  
7 resource rules applicable to the long term care program, i.e., nursing facility care, also apply to  
8 the HCBC-ECI waiver program. This is exactly what RSA 151-E:3 requires. Also, no State  
9 statute could be found that authorizes the Department to use financial eligibility criteria for the  
10 HCBC-ECI waiver that is different from the criteria used for nursing facility care. Based upon  
11 these reasons, Appellant's financial eligibility for HCBC-ECI services must be determined  
12 using RSA 151-E:3, II, and He-W 658.05.

13 There remains one other issue that warrants discussion. RSA 541-A:22, II, states:

14 Rules shall be valid and binding on persons they affect, and shall have the  
15 force of law unless amended or revised or unless a court of competent  
16 jurisdiction determines otherwise. Except as provided by RSA 541-A:13,  
17 VI, rules shall be prima facie evidence of the proper interpretation of the  
18 matter that they refer to.

19 There is no evidence in the record that He-W 658.06 has been found invalid by any court,  
20 and the AAU does not have the authority to make such a finding. Admittedly, He-W 658.06,  
21 on its face, appears to apply in this case. However, in RSA 151-E:3, the State legislature  
22 directs that eligibility for HCBC-ECI services be based on the eligibility criteria for nursing  
23 facility care. Hence, Department Rule He-W 658.05 controls the outcome of this case, not He-  
24 W 658.06. Therefore, while He-W 658.06 remains a valid rule, its applicability to the present  
25 case was not established. In simple terms, the Department failed to prove that He-W 658.06  
26 was the controlling law in determining whether Appellant's HCBC-ECI eligibility could be  
27 terminated.

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29 <sup>10</sup> The Department submitted an amendment to the HCBC-ECI waiver in June 2009 which, among other things,  
changes the nursing home cap from \$1,250 to 300% of SSI. The amendment, as presented at the hearing, does not  
alter the request to use institutional income and resource rules for the medically needy.

1 **III. FINDINGS AND CONCLUSIONS**

2 **A. Findings of Fact**

- 3 1. Appellant is a 73 year-old resident of New Hampshire. (Appellant's Exhibits  
4 15 and 16)
- 5 2. Appellant is eligible for nursing facility care under RSA 151-E:3, I.  
6 (Testimony of Mickie Grimes)
- 7 3. Appellant's gross monthly income in October 2008, was \$2,463.53.  
8 (Testimony of Ms. Grimes)
- 9 4. Appellant's gross monthly income exceeds the nursing facility cap set forth in  
10 Department Rule He-W 658.05. (Testimony of Ms. Grimes)
- 11 5. Appellant's income, net or gross, is less than the monthly Medicaid nursing  
12 facility rate for any of New Hampshire's nursing homes. (Testimony of Ms.  
13 Grimes; [http://www.dhhs.state.nh.us/DHHS/BEAS/LIBRARY/Policy-  
14 Guideline/nursing-facility-rates.htm](http://www.dhhs.state.nh.us/DHHS/BEAS/LIBRARY/Policy-Guideline/nursing-facility-rates.htm))

15

16 **B. Conclusions of Law**

- 17 1. In determining a person's medical and financial eligibility for the HCBC-ECI  
18 waiver program, RSA 151-E:3, II, requires the application of nursing facility  
19 eligibility criteria in RSA 151-E:1.
- 20 2. Department Rule He-W 658.05 sets forth the financial eligibility criteria for  
21 nursing facility care under RSA 151-E:1.
- 22 3. Pursuant to Department Rule He-W 658.05 (c), Appellant is financially  
23 eligible for nursing facility care.
- 24 4. Because Appellant is eligible, medically and financially, for nursing facility  
25 care, he is eligible to receive HCBC-ECI services, in accordance with RSA  
26 151-E:3, II. | \*
- 27 5. The Department failed to prove, by a preponderance of evidence, that  
28 Appellant is no longer eligible for HCBC-ECI waiver services.  
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**IV. DECISION**


The Department's decision to terminate Appellant's HCBC-ECI services is reversed.

**V. RECONSIDERATION**

If you are dissatisfied with this decision, you may file a motion for reconsideration with the Department's Administrative Appeals Unit, in accordance with He-C 204, not later than 30 days from the date of this decision. The motion must specifically state the grounds for reconsideration. If you do not file a motion for reconsideration within the 30-day period described above, this decision shall be final.

**SO ORDERED**

August 13, 2009

  
\_\_\_\_\_  
Paul L. Bernard, Esq., Presiding Officer

Cc: File  
Mickie Grimes, DFA  
Jennifer Jones, Esq., DFA  
Donna Mombourquette, BEAS  
Kathleen Larney, Esq., BEAS

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3 **APPENDIX I**

4 **I. SUMMARY OF EVIDENCE**

5 A. Exhibits were submitted by the Department, numbered as follows:

- 6 1. Notice of Decision, dated 12/30/08;  
7 2. Inter-Department [sic] Communication regarding SR 08-18;  
8 3. Table A: Income Limits SR 08-18, 10/08 (AAM-A);  
9 4. Table A: Income Limits SR 09-01, 01/09 (AAM);  
10 5. Inter-Department [sic] Communication regarding SR 09-01;  
11 6. Department Rule He-W 658.05, effective 10/03/08;  
12 7. Department Rule He-W 658.06, effective 10/03/08; and  
13 8. Department's Written Submission introduced at the reconvened hearing on  
14 07/10/09.

15 B. Exhibits were submitted by Appellant, renumbered by the presiding officer as  
16 follows:<sup>11</sup>

- 17 1. HCBC-ECI Financial Date Sheet;  
18 2. Consent to Level of Care Determination/Support Plan, dated 02/06/09;  
19 3. Administrative Rules Summary, dated 08/22/08;  
20 4. Email from Susan Rydberg, RN, dated 01/07/09;  
21 5. Email from Ms. Rydberg, dated 11/05/08;  
22 6. Email from Donna Mombourquette, dated 02/08/08;  
23 7. Rulemaking Notice Form, for He-E 801.06;  
24 8. Inter-Department [sic] Communication regarding SR 08-18;  
25 9. Inter-Department [sic] Communication regarding SR 08-31;  
26 10. Department Rule He-E 801.06, effective 11/21/08;  
27 11. Initial Proposal for He-E 801.06 revision;  
28 12. BEAS procedure for Cost Share, dated 02/01/08;

29 <sup>11</sup> Appellant submitted her exhibits labeled A, B, C, etc. The presiding officer relabeled the exhibits in accordance with Department Rule He-C 203.08 (c) (3).

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13. BEAS' policy for Revisions to the Cost of Care Determination Process for Home and Community Based Care (HCBC) and Choices for Independence (CFI), dated 12/05/08;
14. HCBC/CFI Patient Liability Letter;
15. Medical records from Nashua Medical Group; and
16. Medical records from Southern New Hampshire Medical Center.

C. Testimony was received from:

1. Mickie Grimes, DFA
2. [REDACTED] Appellant's representative
3. Carolyn Virtue, Appellant's Case Manager
4. Susan Lombard, BEAS



Dear Finance Committee,

When I was diagnosed at 37 with Colon, rectal and anal cancer stage 3, I was uninsured. My choices were receive treatment or pay my mortgage. The Catastrophic Illness Program helped me to keep a roof over my families heads. Cutting funding for this program would be unconscionable!

Sherry Hayes  
119 Canaan back Rd.  
Barrington NH 03825

Dear Finance Committee,

My name is Bonnie Eames I now live in Raymond NH. We had been referred to the catastrophic program when my husband was diagnosed with colon cancer. We owned our own business, and with him out of work we could not afford the cobra payments. This program means life and death to many people. Would like you or your family member have to make that choice?

Unless you have been through this personally knowing there is some place to help is everything

Sincerely,  
Bonnie Eames  
[hmschl@comcast.net](mailto:hmschl@comcast.net)

April 15, 2010

Finance Committee  
New Hampshire House of Representatives  
Legislative Office Building  
33 North State Street  
Concord, NH 03301

Chairman Smith and Members of the Finance Committees, my name is the Reverend Theresa A. Bianchi from Manchester, NH, and I would like to voice my support for the Catastrophic Illness Program.

Individuals undergoing cancer treatment are faced with drastic medical costs, even when they are covered by public or private insurance. When low income individuals find themselves in a situation where medical bills become overwhelming, the Catastrophic Illness Program has been there for over 20 years to assist these people in their moment of need. Taking away this life line would prove devastating for many New Hampshire citizens.

In my work as a chaplain with cancer patients, many have shared with me their anxiety about how they are going to provide for themselves. Recently, I met a single mom who had figured out her budget for the time she was going to need to be out of work while undergoing treatment. She had insurance and disability. But at the end of treatment she was told that she needed to undergo further treatment for another six weeks. She was very concerned about how she was going to financially care for herself and her child. She is a New Hampshire resident and would benefit greatly from having this fall back to help her survive. And it would greatly ease her anxiety which is already burdened by the seriousness of her cancer diagnosis.

Again, I urge you to please include level funding for the Catastrophic Illness Program and assist some of our most vulnerable citizens who are going through one of the most difficult periods of their life.

Thank you for your consideration of this issue and your service to our state.

Sincerely,

Rev. Theresa A. Bianchi  
196 Currier Drive  
Manchester, NH 03104

I am greatly concerned about the cutting the Catastrophic Illness Program - this is unacceptable to me. I am a tax payer in Concord NH and this is one area that should not be cut. The Governor needs to work harder and figure out a way to balance his budget and it should not be done on the backs of Cancer Patients and all patients that need our help. This is totally unacceptable and a disgrace that the Governor would even consider cuts to this program. I voted for Governor Lynch and I expect more from him and his team.

Kim Germino  
Carter Hill Rd  
Concord, NH 03301

April 12, 2010

Re: Catastrophic Illness Program

Dear Committee Members:

Times are definitely difficult for the state budget, but as a State we have more options and resources available to us than an individual or family. Times are even more difficult for families battling cancer or other potentially debilitating or terminal illnesses. The Catastrophic Illness Program provides critical funding to patients who have no other option available. These funds help support the cost of treatment and care and if they are cut, these families will have no where else to turn. The Catastrophic Illness Program is an option of last resort and I hope you will preserve this funding.

Substantially raising the tobacco tax and/or allowing gaming in NH, which I know can be a difficult concession, could increase state revenues so that important programs such as this are not forced to be considered for discontinuation. As a lifetime NH citizen, I would much rather support tax increases (on non essentials), and allow gaming, than to support the discontinuance of the Catastrophic Illness Program, or any other type of funding that is meant to support the wonderful, hard-working individuals and families of New Hampshire.

As they say, desperate times call for desperate measures - but not at the expense of hard-working, loyal NH citizens. We need to be there for each other especially in times of medical crisis which can be so emotionally, physically and financially draining on the individual, their family, friends and caregivers alike.

Thank you for your consideration in this matter.

Sincerely,

Kimberley R. Diemond  
Marlborough, NH

Dear Finance Committee Members,

I am surprised and disappointed in your desire to make cuts in the Catastrophic Illness program. Not only is it unjust, it is really amoral to cut life saving measures from this group of disempowered citizens. I thought you would be willing to support the justice of this group's needs. Please DO raise the cigarette tax. Smoking is costing the taxpayers money and anyone who chooses to endanger his future and that of those around him should be heavily taxed due to the added burden to society. Please do the humane, just things and support our unfortunate citizens who need your help.

Yours sincerely,

Louise Rohde  
Dublin NH 03444

Dear Members of Finance,

As someone who has been affected by several family members' illness and/or succumbing to cancer (leukemia, lung, and colon), I can not stand by the Governor's budget cuts. It makes no sense and one question comes to mind and has to be asked "Who decides which patients with a catastrophic illness do not get the care they need?"

Additionally, a \$0.20 increase in tax is no where near enough considering the health ramifications caused by first-, second-, and the newly debatable "third-hand" smoking effects. As someone with allergies (including allergies from cigarette smoke/residue) and a recent diagnosis of allergy induced asthma, I'm frustrated that smoking is still legal considering the effects and the ingredients. (Yes I get it... the big tobacco companies have to be raking in tons and tons of money and putting it to use in some programs that help some of the people to remain in business - granted that's just my view). And why aren't parents/guardians being charged with endangering a child when they smoke around their children, especially when they can't get away (i.e. the car)? They are setting that child up to be a future smoker and/or a future cancer patient which rolls us back around to the Catastrophic Illness Program.

If the Governor wants to make budget cuts to save money, that's fine, but the people who need it the most shouldn't have to suffer anymore than they already do. Additionally, if the proposed cuts go through then the Governor and his cabinet should be the ones to personally go to the individuals and their families who won't have the care they need and tell them face-to-face why they can't get treatment (like that would ever happen).

Angela Harrington  
603-679-8793  
74 Cote Drive, Epping, New Hampshire 03042

I find it unfathomable to cut 700 cancer patients from a program that has existed for over 25 years. Why and how could you force a cut of so many Catastrophic Illness Programs at the same time proposing such a measly increase in the cigarette tax? Cigarettes are a known carcinogen seems like simple cause and effect to me. Of course cigarettes and cigars are not the only causes of cancer, I would not be against a fast food tax or poor life style choice tax. It should cost more to do unhealthy things than healthy things because the end result of unhealthy life style choices is a state of being unhealthy which cost more to manage with pills and doctors visits and surgeries. So if the unhealthy behavior cost more to subsidize treatment I do not have a problem with that.

Dover, NH, constituent



Dear Members of Finance,

My name is Cheryl Anderson and I am a 52 yr old female that just last September went back to college. In 1989 I lived cancer with my 55 year old mother. I stayed through every chemo session which there were many and slept beside her in her bed. We lost her on St Patricks day in 1989. What I witnessed caused me to suffer with PTSD and this is why it took me until now to go back to school. We cannot allow this program to be cut. We must look outside the box and look at how many lives will be affected by watching a loved one die that kind of death. Why take from those with cancer?

I wonder what those who chose this cut knows what it would feel like if they had to sit knowing they lost all hope for survival? This is a fight that must be fought. Now this is death panels!!! This needs to be broadcasted on major news stations, radio, and internet. We need to put a face on this horrific tragedy. I have nothing...but take from me , not them.

Why not tax alcohol? My father died at 49 from alcoholism, my mom at 55, my brother was found almost frozen on the streets of boston and after 3 days of laying and watching him die from alcoholism, I lost him when he was 32. My best friend dropped dead in front of me when she was 40. Does Govenor Lynch know what will happen to the family members and loved ones of those who will be cut off? I have so much to say to society, and that is why I went back to school. One day you will hear me speak, and read my books. I've been there. This program must survive.

The pain and heartache that this will cause is devastating. Please, we need to stop this.

Cheryl M. Anderson, NH

I am appalled at the willingness of Governor Lynch to sacrifice human lives in order to achieve budget cuts. We need clear answers to the questions: why is it that among the first programs to be diminished or cut are most often those serving children, the elderly, the sick and the poor? Has he visited any of the citizens whose support systems he wishes to withdraw or reduce? Does he know them personally? Is the Governor offering to give up his own and his family's health insurance benefits to live as one of many of his fellow citizens - and save the State some money? Has he offered a decrease in his own salary since 2008?

As for raising taxes: the citizens of the United States pay proportionally less in taxes than citizens of any other modern nation. The price we pay is inferior health care, increased infant mortality, decreased life expectancy, a deteriorating educational system, an antiquated transportation system, more work for less pay and fewer benefits for all but the very wealthy - the facts are all easily verified. Perhaps the Governor and others need to learn how to use the search engines on the Internet. Or listen to the CBC, the BBC, Deutsche Welle, Netherlands Radio, Radio France, etc, etc.

So: why so low a tax on cigarettes, as we know that smoking kills? Why no tax on cigars, when we know that smoking cigars causes cancer - and can kill? Why no tax on smokeless tobacco, when we know that nicotine is among the most addictive substances in use by the citizenry?

Is there no longer a concept of the Common Good or Public Welfare? Just what programs benefit from removal of social support systems? Who benefits from refusal to tax harmful substances?

Governor Lynch and any legislators who will vote at any level on the Governor's proposal need to provide convincing replies to such questions. Will they do so? The questions must be asked. Having been a teacher, adviser and pastor for some forty years, I seriously doubt that we will receive comprehensive or rational answers from our elected officials. I am still willing to be convinced otherwise ...

Sincerely,

Robert E. Stiefel

--

(The Reverend) Robert E. Stiefel, Ph.D.,  
54 Silver Street, Dover, NH 03820-3950  
Tel: (603) 742-3203 [renstiefel@gmail.com](mailto:renstiefel@gmail.com)

For Governor Lynch to even consider cutting this program is ludicrous. What are the people in need of this program going to do? Can he address this? Does he not care what happens to the people that elected him to this position? There are other programs that could be cut or minimized but this should not be one of them. I am a Cancer survivor who was lucky to have great insurance coverage unlike many of my friends and neighbors.

Darlene Stevens  
35 Hastings Ave.  
Keene, NH 03431

Dear Finance Committee,

I am strongly opposed to the cuts in funding to the Catastrophic Illness Program. I also feel a larger increase to the cigarette tax is essential. I favor applying the increase uniformly to the smokeless/cigar tax as well. Smokeless /cigar set a bad precedent to our youth and cigars also contribute to air pollution creating second-hand smoke issues for others.

Linda Bilodeau  
172 Maynard Ave.  
Manchester, NH 03103

April 15, 2010

Dear Finance Committee

I know our state is struggling in this recession and there are numerous budget pressures on all state services, however, I am writing to ask you to protect one program that is critical to many very vulnerable citizens. The catastrophic illness program is an essential pool of assistance for many of the patients I work with and is often the only resource they have to assist in getting their medications during chemotherapy and radiation treatments. I'm asking that you please maintain funding for this program.

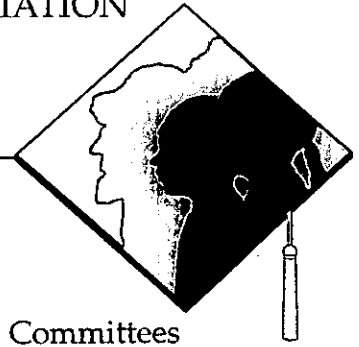
Part of my job at my cancer treatment center is assisting cancer patients with financial matters. Many patients have lost their insurance after losing a job and the CIP program helps cover the cost of medications, including oral chemotherapy drugs. Others are on medicare and cannot afford the cost of Part D and thus have no prescription coverage. Again, CIP is there to help out. At our cancer center we do our best to find other means to assist patients (help apply for Medicaid, seek out medication assistance programs from drug companies or private foundations) but often patients don't qualify for these programs for a variety of reasons. In these instances, having CIP as another resource has been lifesaving.

PLEASE do not cut the Catastrophic Illness Program funding. It is needed now more than ever for the citizens of New Hampshire. I know that the decisions you have to make are not easy, but please focus funding to those who need it most. Thank you for your consideration of this issue, and for your service to our state.

Mel Pepin  
Patient Navigator  
11 Saratoga Court  
Bedford, NH 03110  
603.488.9365

# NEW HAMPSHIRE SCHOOL ADMINISTRATORS ASSOCIATION

CHAMPIONS FOR CHILDREN



Testimony to: Members of the NH Senate and House Finance Committees  
From: Dr. Mark V. Joyce, Executive Director of NH School Administrators Association  
Re: Written testimony in opposition to the amendment to "SB 450-FN - AS AMENDED BY THE SENATE"  
Date: April 15, 2010

Good morning, my name is Dr. Mark V. Joyce and I am the Executive Director of the New Hampshire School Administrators Association. I am here today to testify to our Association's strong opposition to the proposed amendments to SB 450. Our association represents NH's school system leaders, including school superintendents, assistants, business administrators, special education and curriculum directors. NHSAA's opposition is based on several major reasons. In brief, we believe that the bill is poor public policy, and downshifts costs to local taxpayers.

It is our understanding that the proposed amendment to SB 450, in the FY 11 budget year, will require the NH Department of Education to reduce about 9.9 million dollars from its current budget authorization for next year.

Included in those reductions is a cut of 7.8 million in Catastrophic Special Education Aid (projecting a proration of the low 60% range), and 602,000 in Tuition and Transportation for vocational students attendance at regional programs. Both of these reductions will directly shift costs to the local taxpayers. As you know these revenues reimburse local taxpayers for expenses that they have incurred implementing state laws, rules and initiatives.

In addition, reductions would be mandated in the amounts of \$139,000 in drop out prevention, \$23,000 in special education, \$39,000 in local improvement, \$9,000 in career technical student organizations, \$239,000 in state testing, \$16,000 in school nutrition, \$102,000 in adult education and \$65,000 for the Parents as Teachers program. Each of these cuts reduces or eliminates resources that support new state requirements or initiatives. At the same time this bill does not reduce the state's requirements for local school districts.

The amendment also reduces \$119,000 in court ordered placements, which is required by state laws and it reduces the state's retirement contribution for teachers, police and fire from 25 to 20%. This cut alone is a 9 million dollar downshift to local communities, about 5 million dollars of which is a downshift for schools alone.

The members of our association are also very concerned about the administrative reductions in FY 10 and prior years, including the elimination of positions within the

Department of Education and the transferring of personnel costs to federal funding programs. These changes have and will cause a severe limitation on technical support that the state is able to provide to schools at a time of increasing complexity, regulation and accountability. While the state has reduced its capacity to provide assistance it has not reduced the requirements for schools and taxpayers.

If approved these quite significant reductions will no doubt severely impact the delivery of services to students and result in downshifts of costs to local tax rates and pressures for further reductions locally. It is important to note that virtually all school districts have already completed their budget authorization meetings for the FY 11 fiscal year. As a result these reductions by the state will adversely impact the operations of virtually all school districts.

In summary, I would respectfully encourage your strong opposition to the budget amendment proposed to SB 450 and request that you find the amendment Inexpedient to Legislate. If you have any further questions please feel free to contact me any time.

Thank you for your consideration.

Respectfully submitted

Dr. Mark V. Joyce  
Executive Director  
(mark@nhsaa.org)

*From:* Carol Tucker  
*Date:* 4/14/2010 11:53:03 AM  
*To:* [terie.norell@leg.state.nh.us](mailto:terie.norell@leg.state.nh.us)  
*Cc:* [catsnotehook@aol.com](mailto:catsnotehook@aol.com)  
*Subject:* Re:Connecticut River Joint Commission

Speaker of the House Terie Norelli  
State House  
Concord, NH

Dear Madam Speaker:

Your assistance is urgently needed to correct a significant policy change prompted by an agency's response to the Governor's request for budget reductions. The budget involved is the Connecticut River Resource Commission which has been totally unfunded and thus essentially eliminated. The River Commission is administratively attached to the Office of Energy and Planning but is not one of its operating departments.

While the River Commission recognizes its role in sharing a 10% budget reduction along with the rest of state government, it must not be inappropriately eliminated by this recent proposal. I seek your valuable initiative in avoiding this unacceptable consequence of such an inadvisable proposal.

The Connecticut Resource Commission was a total legislative initiative started some twenty-five years ago. It initially took many forms including a state park format, an Authority approach and finally its current statutory form as a Commission. This configuration was arrived at by the legislature after hearings conducted throughout the Connecticut River Valley, all of them initially conducted by Councilor Raymond Burton and then subsequently by the legislature itself. This Commission was not imposed by some bureaucracy, but enacted by the people through their elected representatives.

Since its inception over twenty years ago the Commission and legislature working together have accomplished much. First and foremost, New Hampshire legislators worked with their counterparts in Vermont to pass similar enabling legislation in our sister state. Their success led to the formation of an interstate compact known as the Connecticut River Joint Commission (CRJC). This led to the federal government joining in partnership on many initiatives because of this unique interstate common border relationship.



As a result of the special partnership created between New Hampshire and Vermont, the CRJC has been able to leverage millions of dollars in private grants, foundation awards, and federal programs. These programs have impacted everything from school children to conservation groups, from agriculture to tourism groups, from historic preservation to environmental rescue efforts and countless other varied benefits too numerous to list here but which can be provided in detail.

The CRJC took the initiative to successfully establish the very first and only Federal Highway Agency interstate national scenic by-way, "The National Connecticut River Scenic By-Way." We are currently completing the establishment of some ten or more Visitor Centers and the extensive visitor By-Way signage requirements. This is but one of the countless economic development efforts the CRJC has been making. We've worked cooperatively to help establish the Silvio Conte National Wildlife Refuge which runs the length of our border with Vermont. We just published with mammoth effort The Connecticut River Atlas in collaboration with Dartmouth College. This, too, was a CRJC project with profound impact on current and future generations. Currently nearly one million dollars is under contract for a similar work on behalf of New Hampshire and Vermont.

To lose all of this would be tragic and is not necessary. Without the very modest state funding the CRJC would cease to exist because the New Hampshire Commission will cease to function. At the very least we have a moral obligation to our sister state to continue in existence and most importantly we should meet the legislated request of our citizens to protect, preserve, and promote our great natural resource, the Connecticut River Valley.

Thank you for your kind consideration and invaluable assistance. If you deem it appropriate, please share this communication with other legislators.

Sincerely,

John B. Tucker

# **New Hampshire Loves Families**



*Find the  
Family Support  
Center  
near you*

## *FSNH Members*

### **Child and Family Services of NH Parenting Plus**

464 Chestnut St., PO Box 448, Manchester, NH 03105  
(Serving: Grafton, Coos, Merrimack, Hillsborough Counties)  
603-518-4000 or 1-800-640-6486 [www.cfsnh.org](http://www.cfsnh.org)

### **The Children's Place & Parent Education Center**

PO Box 576, 27 Burns Ave. Concord, NH 03302  
(Serving: Merrimack County)  
603-224-9920 [www.tcpnh.org](http://www.tcpnh.org)

### **Children Unlimited, Inc**

182 West Main St., PO Box 986, Conway, NH 03818  
(Serving: Carroll County)  
603-447-6356 [www.childrenunlimitedinc.org](http://www.childrenunlimitedinc.org)

### **Concord Heights Neighborhood Family Center**

Dame School, 14 Canterbury Rd, Concord, NH 03301  
(Serving: Merrimack County)  
603/225-0830 [www.concord.k12.nh.us/comm/dam/dame.html](http://www.concord.k12.nh.us/comm/dam/dame.html)

### **Diana Love Center for Children & Families**

169 Main St., Claremont, NH 03743  
(Serving: Sullivan & Lower Grafton Counties)  
603-542-1848 [www.dianalovecenter.org](http://www.dianalovecenter.org)

### **Families First Health and Support Center**

100 Campus Drive, Suite 12, Portsmouth, NH 03801  
(Serving: Rockingham, Strafford, & York Maine)  
603-422-8208 [www.familiesfirstseacoast.org](http://www.familiesfirstseacoast.org)

### **The River Center:**

#### **a Family and Community Resource Center**

46 Concord St., Peterborough, NH 03458  
(Serving: Eastern Hillsborough County)  
603-924-6306 [www.rivercenter.us](http://www.rivercenter.us)

### **Family Connections Center**

#### **NH Department of Corrections**

Located in Concord & Berlin Prisons  
P.O. Box 14, Concord, NH 03301

## *FSNH Members*

### **Family Education Collaborative at the YWCA**

72 Concord St., Manchester, NH 03101  
(Serving: all of NH)  
603-625-5785 [www.ywcanh.org](http://www.ywcanh.org)

#### **Partners:**

YWCA New Hampshire - [www.ywcanh.org](http://www.ywcanh.org)

UNH Cooperative Extension - [www.extension.unh.edu/family](http://www.extension.unh.edu/family)

Child and Family Services - [www.cfsnh.org](http://www.cfsnh.org)

UNH-Manchester - [www.unhm.unh.edu](http://www.unhm.unh.edu)

### **Family Resource Center of Central NH**

#### **Lakes Region Community Services**

635 Main St., Laconia, NH 03246  
(Serving: Belknap & Lower Grafton Counties)  
603-524-1741 [www.lrcs.org](http://www.lrcs.org)

### **Family Resource -Coos County**

123 Main St., Gorham, NH 03581 (Serving: Coos County)  
603-466-5190 [www.frcberlin-gorham.org](http://www.frcberlin-gorham.org)

### **Family Resource Center of Greater Nashua**

#### **at Boys & Girls Club of Greater Nashua**

A Community Collaborative-fiscal sponsor Child & Family  
Services  
47 Grand Ave., Nashua, NH 03060  
(Serving: Hillsborough County)  
603-883-0523 [www.bgcn.org](http://www.bgcn.org)

### **Franklin Family Resource Center,**

#### **Casey Family Services**

200 Sanborn Rd., Franklin, NH 03235  
(Serving: Merrimack County)  
603-934-3170 or 800-417-7375 [www.caseyfamilyservices.org](http://www.caseyfamilyservices.org)



## *FSNH Members*

### **Good Beginnings of the Upper Valley**

PO Box 5054 West Lebanon, NH 03784  
(Serving: Lower Grafton & Upper Sullivan Counties)  
603-298-9524 [www.goodbeginnings.net/uppervalley](http://www.goodbeginnings.net/uppervalley)

### **The Grapevine Family & Community Resource Center**

PO Box 637, 4 Aiken St., Antrim, NH 03440  
(Serving: Antrim, Hancock, Bennington, Frankestown and  
nearby towns in the Monadnock Region)  
603-588-2620 [www.antrimnh.org](http://www.antrimnh.org)

### **HUB Family Resource Center**

23 Atkinson St., Dover, NH 03820  
(Serving: Strafford, Eastern Rockingham Counties)  
603-749-8800 [www.hubfamilies.org](http://www.hubfamilies.org)

### **Riverbed Parent-Child Centers**

PO Box 2032, 105 Loudon Rd., Concord, NH 03302  
(Serving Merrimack & Hillsborough Counties)  
603-228-0547 ex. 4009 [www.riverbendcmhc.org](http://www.riverbendcmhc.org)

### **The Upper Room- A Family Resource Center**

36 Tsienneto Rd., PO Box 1017, Derry, NH 03038  
(Serving: Rockingham County)  
603-437-8477 [www.urteachers.org](http://www.urteachers.org)

### **VNA Community Services Inc.**

#### **VNA Child Care & Family Resource Center**

#### **VNA Parent Baby Adventure**

435 South Main St., Manchester, NH 03102  
(Serving: Hillsborough County)  
603-666-5982 [www.manchestervna.org](http://www.manchestervna.org)

### **White Birch Community Center**

51 Hall Ave., PO Box 2035, Henniker, NH 03242  
(Serving: Merrimack & Hillsborough Counties)  
603-428-7860 [www.whitebirchcommunitycenter.org](http://www.whitebirchcommunitycenter.org)

### **Whole Village Family Resource Center**

258 Highland St. Plymouth, NH 03264  
(Serving: Lower Grafton County)  
603-536-3720 [www.wholevillage.net](http://www.wholevillage.net)

## FSNH Members

### Supporting and Affiliated Members

**Dr. Robert Chamberlin** Honorary Member Emeritus

**NH Child Advocacy Network**  
603-225-2264 [www.childrennh.org/NHCAN.php](http://www.childrennh.org/NHCAN.php)

**NH Children's Trust Fund  
Prevent Child Abuse NH**  
10 Ferry St., Suite 315  
Concord, NH 03301 (Serving: All of NH)  
603-224-1279 [www.nhctf.org](http://www.nhctf.org)

**NH Developmental Disabilities Council**  
21 South Fruit St., Suite 22  
Concord, NH 03301-2451 (Serving: All of NH)  
603-271-7039 [www.nhddc.org](http://www.nhddc.org)

**Parent to Parent of NH/  
Special Needs Support Center**  
12 Flynn Street  
Lebanon, NH 03766  
(Serving: Upper Valley/All of NH)  
603-448-6311 or 1-800-698-5465  
[www.usvg.org](http://www.usvg.org) or  
[www.P2PNH.org](http://www.P2PNH.org)



## Mission

FSNH acts to bring together the diverse leadership from existing and newly forming family resource centers and family support programs within

New Hampshire under the common vision of establishing a statewide network of family support practice within New Hampshire.

## Focus Areas

### Visibility

Increase the public knowledge and use of family support centers and programs.

### Advocacy

Educate and empower professionals, funding sources, and public officials so that centers and programs have the resources they need to support families. Educate and empower families so that parents have the resources they need to raise their children.

### Technical Assistance

Provide support through monthly membership meetings and informative emails. Provide training and assistance to new and existing centers and programs.

### Professionalism

Maintain relationships with national policy makers; adhere to Best Practices including the Family Support America Principles of Family Support; and employ the best staff at fair wages.

## Family Support New Hampshire

FSNH is a 501(c)(3) non-profit, statewide coalition of community-based family resource centers and family support programs dedicated to improving the lives of New Hampshire families.



PO Box 64, Concord, NH 03302-2032  
[www.FSNH.org](http://www.FSNH.org) [info@FSNH.org](mailto:info@FSNH.org)

Printed August 2009

In response to your request for background information on the language that was removed from HB 1526 and is now found in Section 15 of SB 450, please find the following:

The language in question (amend RSA 151-E:3 to read "A person is eligible for services under the Medicaid waiver if the person has been determined **clinically** eligible under RSA 151-E:3,1, **a, and financially eligible pursuant to rules adopted by the department under RSA 541-A**") was brought forward by the Department as a "housekeeping" item to be added to HB 1526. However, rather than being a "housekeeping" item, this language makes a significant change to eligibility requirements for access to waiver services for current and future recipients.

HB 1526 is legislation in response to the LBA's audit of the Bureau of Elderly and Adult Services' long term care programs. Specifically, HB 1526 is designed to provide the guidelines by which BEAS will determine which HCBC service recipients fall into the high cost category. The audit found no consistent methodology used by BEAS to make these determinations.

Given the purpose of HB 1526, the subcommittee found the Department's language to be non-germane. With no discussion as to the merits of the Department's language, the subcommittee moved to strike that language and the Department concurred.

Subsequently, the Department placed the above-referenced language in SB 450. John Williams and Jennifer Jones state that this bill is a "more appropriate" vehicle than HB 1526. Moreover, the Department states it is critical to have this language adopted to bring them into compliance with a CMS directive which is dated 10/7/02. In that letter, CMS found BEAS out of compliance with its application of spend-down guidelines for medically needy individuals under the HCBC waiver.

In October of 2008, the Department adopted rules regarding HCBC eligibility in order to come into compliance with CMS's directive (Rule He-W 658.06). That rule states that individuals shall become income eligible as medically needy for waiver services when the monthly gross income is greater than the nursing facility cap and the individual's net income is equal to or less than the Protected Income Level of \$591 per month.

Subsequent appeals of this rule have been upheld by the DHHS Administrative Appeals Unit. On May 15, 2009, the AAU stated that that "No statute could be found that authorizes the Department to use financial eligibility for the HCBC-ECI waiver that differs from the criteria used for nursing facility care; yet the Department's rules do just that." The AAU continued that "after reviewing the waiver (HCBC) and RSA 151:E-3 and RSA 151:E-4, Department Rule He-W 658.06 appears inconsistent with the program requirements. Further, the Department's rulemaking authority under RSA 151:E-12 would not permit adoption of a rule that is contrary to RSA 151:E-3."

The Department argues that it must amend RSA 151:E-3 with the language currently in SB 450, Section 15, in order to allow Rule He-W 658.06 to withstand current challenges, as well as to bring the state into compliance with the CMS directive of '02. However, numerous questions remain:

#1) There has been no hearing on the policy change represented by amending RSA 151. The Department has not had the opportunity to describe why HCBC financial eligibility should be different from nursing facility eligibility nor why federal law allows such a difference.

#2) There is incomplete evidence that this change would, in fact, suffice to comply with CMS's request. At the very least, a written inquiry should be made to CMS to insure that Federal matching funds would not be put at risk.

#3) Further, since the passage of HB 1526, federal health reform legislation has been signed into law. Section 2001 of that law requires that states maintain existing income eligibility levels for all Medicaid populations or risk losing federal matching funding. While the Department refers to correspondence raising a similar question about ARRA funding, that question has not been answered in this context. Under the new federal law, maintenance of effort agreements are to remain in place until 2014, or until the health care exchanges are in place.

#4) Additionally, the new federal health reform law provides numerous incentives to remove barriers to providing HCBC including giving states the option to provide more types of HCBC through a state plan amendment for individuals with a higher level of need rather than through a waiver. It does not seem that this is the time to alter NH's income eligibility standards for HCBC.

In the 2009 legislative session, HB 64 also sought to bring New Hampshire practice into compliance with federal law, relative to Aid to the Needy Blind (ANB) program. At that time, as stated on the Senate floor by Senator Sgambati, CMS advised that the state retain *status quo* for all eligibility issues or else risk the loss of the federal match. At that time, CMS provided that the proposed change to the ANB program would be considered a cut in eligibility and advised against it. It is not clear why CMS would treat the HCBC eligibility circumstance different than the ANB.

#5) The number of people affected by this change in RSA 151 will only climb. Since there was no COLA this year for Social Security recipients, fewer individuals had changes in their incomes which would bump up against the nursing facility cap. As the economy improves, it can be assumed that COLAs will be reinstated, thus increasing the likelihood of more individuals exceeding the cap.

Finally, let me offer this additional information. Michelle Winchester, from Franklin Pierce, has been an extremely helpful resource on this issue. She intends to attend Tuesday's work session and has offered her assistance in clarifying any points that may arise.

**PART I, ARTICLE 14 OF THE STATE CONSTITUTION'S BILL  
OF RIGHTS FROM 1784 PROVIDES:**

“EVERY SUBJECT OF THIS STATE IS ENTITLED TO A CERTAIN REMEDY, BY HAVING RECOURSE TO THE LAWS, FOR ALL INJURIES HE MAY RECEIVE IN HIS PERSON, PROPERTY, OR CHARACTER; TO OBTAIN RIGHT AND JUSTICE FREELY, WITHOUT BEING OBLIGED TO PURCHASE IT; COMPLETELY, AND WITHOUT ANY DENIAL; PROMPTLY, AND WITHOUT DELAY; COMFORABLY TO THE LAWS”

“THE PURPOSE OF THIS PROVISION IS ‘TO MAKE CIVIL REMEDIES READILY AVAILABLE, AND TO GUARD AGAINST ARBITRARY AND DISCRIMINATORY INFRINGEMENT ON ACCESS TO THE COURTS.’ ESTATE OF CARGILL v. CITY OF ROCHESTER, 119 N.H. 661, 665 (1979).

THIS ARTICLE ‘IS BASICALLY AN EQUAL PROTECTION CLAUSE IN THAT IT IMPLIES THAT ALL LITIGANTS SIMILARLY SITUATED MAY APPEAL TO THE COURTS BOTH FOR RELIEF AND FOR DEFENSE UNDER LIKE CONDITIONS AND WITH LIKE PROTECTION AND WITHOUT

DISCRIMINATION.” OPINION OF THE JUSTICES, 137 N.H. 260, 265 (1993) QUOTING STATE V. BASINOW, 117 N.H. 176, 177 (1977).

“OUR CONSTITUTION PROVIDES THAT ALL CITIZENS HAVE A RIGHT TO THE REDRESS OF THEIR ACTIONABLE INJURIES.... THESE PRINCIPLES REQUIRE THAT THE SUBSTANTIVE RIGHTS OF PLAINTIFFS TO MAINTAIN ACTIONS IN TORT BE ACCORDED SOLICITOUS PROTECTION.” GOULD V. CONCORD HOSPITAL, 126 N.H. 405, 409 (1985).

THAT IS WHY “STATUTORY CLASSIFICATIONS RESTRICTING A RIGHT TO RECOVER FOR AN INJURY, THEREFORE, ‘MUST BE REASONABLE, NOT ARBITRARY, AND MUST REST UPON SOME GROUND OF DIFFERENCE HAVING A FAIR AND SUBSTANTIAL RELATION TO THE OBJECT OF THE LEGISLATION.’” OPINION OF THE JUSTICES, 137 N.H. 260, 266 (1993), OR RUN AFOUL OF EQUAL PROTECTION OF THE LAWS.

“THE RIGHT TO RECOVER FOR ONE’S INJURIES IS AN ‘IMPORTANT SUBSTANTIVE RIGHT’ UNDER THE NEW HAMPSHIRE CONSTITUTION. CARSON V. MAURER, 120 N.H.



925, 931-32 (1980). THE COMPLETE ABOLITION OF THE RIGHTS OF A CLASS OF PERSONS TO RECOVER DAMAGES FOR THEIR INJURIES WOULD CONTRAVENE THE PLAIN LANGUAGE OF PART I, ARTICLE 14 OF THE NEW HAMPSHIRE CONSTITUTION, 'IN THE ABSENCE OF PROVISION OF A SATISFACTORY SUBSTITUTE.'” PETITION OF ABBOTT, 139 N.H. 412, 416 (1995).

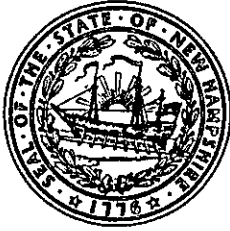
BECAUSE THERE IS NO OTHER SYSTEM TO RECOVER FOR CIVIL DAMAGES FOR THE INJURIES COVERED BY OUR TORT SYSTEM THE DENIAL OF CIVIL JURY TRIALS FOR ALMOST A YEAR WOULD BE UNCONSTITUTIONAL.

OUR FOUNDERS ALSO SOUGHT TO PRESERVE TRIALS BY ORDINARY CITIZENS, NOT JUST BY LAWYER JUDGES. THUS OUR BILL OF RIGHTS SAYS THAT CIVIL JURY TRIALS “SHALL BE HELD SACRED.” PART I, ARTICLE 20. SACRED IS A MUCH STRONGER WORD THAN ALMOST ANY OTHER RIGHT. IT THUS CANNOT BE DENIED TO OUR CITIZENS.

COURT FILINGS 2008

Supreme Court	948
Superior Court	
civil	4,523
equity	3,543
criminal	15,319
District Court	
civil	8,002
small claims	17,880
landlord/tenant	9,646
criminal	143,301
Family Division	16,733
Probate Court	10,274
<b>TOTAL</b>	<b>230,169</b>

Misc. testimony  
received.



## GOVERNOR'S COMMISSION ON ALCOHOL & DRUG ABUSE PREVENTION, INTERVENTION, AND TREATMENT

BUREAU OF DRUG & ALCOHOL SERVICES  
105 Pleasant Street, Concord NH 03301  
603-271-6100 TDD ACCESS: 1-800-735-2964

Governor John H. Lynch

Timothy R. Rourke  
*Chairman*

Joseph P. Harding  
*Executive Director*

Betsy Abrahams

Commissioner John J. Barthelmes

Major General William N. Reddel III

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Chairman Mark Bodi

Representative Ricia McMahon

Timothy Rourke

Stephanie Sevard

Commissioner Nick Toumpas

Kathleen Taylor

Commissioner Virginia Barry

Commissioner William L. Wrenn

The Honorable Marjorie K Smith  
Chair, House Finance Committee  
Room 210/211  
Legislative Office Building  
Concord, NH 03301

Re: Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention, and Treatment Opposition to Sections 70-72 of Amendment 2010-1311h to SB 450 regarding changes to the responsibilities and operations of the Governors Commission on Alcohol and Other Drug Abuse Prevention, Intervention and Treatment

Dear Representative Smith and Honorable Members of the House Finance Committee,

On behalf of the Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention, and Treatment ("Governor's Commission" or "Commission"), I write to convey the Commission's strong opposition to Sections 70-72 of Amendment 2010-1311h of SB 450 and respectfully request these sections be removed from the bill.

The Governor's Commission was created in 2000 (RSA 12-J) to ensure the delivery of effective and coordinated alcohol and drug abuse prevention, intervention, and treatment services throughout the state. Given that substance use disorders impact efforts across state agencies and institutions, the Commission was established with system-wide representation, including Health and Human Services, Department of Corrections, Department of Justice, Department of Safety, Department of Education, National Guard, and the Judicial Branch. Members of the General Court and 6 members of the public also serve on the Commission. The Commission engages in its work through the development and oversight of a statewide strategic plan ("Plan for the State on Alcohol and Other Drugs", 2007), and through disbursement of the Alcohol Abuse Prevention and Treatment Fund ("Alcohol Fund") created by the General Court in 2000 through RSA 176-A:1.

Sections 70-72 of Amendment 2010-1311 to SB 450 would strip the Commission of its oversight of the Alcohol Fund, placing the fund's control under the Department of Health and Human Services. In addition, it reduces the role of the Commission to that of an advisory board and partner to the Department of Health and Human Services.

On Friday, September 16<sup>th</sup> 2010 the Commission voted (with 3 abstentions\* and all others in favor) to voice strong opposition to the Amendment. The General Court has routinely expressed opinions that the Alcohol Fund should remain a fund independent of the Department of Health and Human Services, including a proactive footnote to the Alcohol Fund placed in 2006 that prevents DHHS from use of the fund for means of budget reductions or other such activities not pursuant to the fund intent.

In addition, directing the focus of the Commission's efforts (and the Alcohol Fund) to DHHS compromises the Commission's ability to effectively ensure the critical cross-agency leadership and collaboration required to successfully implement a statewide approach to reducing the harm caused by alcohol and other drug abuse.

The Commission feels that the changes proposed in the Amendment will weaken the Commission's ability to effectively do its work as defined in Chapter 12-J. Adding that there are no budgetary savings related to these proposed changes, the Commission requests that, as part of its deliberations on SB 450, the House Finance Committee remove Sections 70-72 from Amendment 2010-1311h and any subsequent amendments.

Thank you for your consideration of this request. Please do not hesitate to contact me if I can provide further information or be of assistance during your deliberations.

Kind Regards,

*Timothy R. Lourke*  
Timothy R Rourke, Chair *TR*

Governors Commission on Alcohol and Drug Abuse Prevention, Intervention and Treatment

\* *Abstentions: Commissioner Nick Toumpas, Joe Harding, Timothy R Rourke*

Dear Finance Committee Members,

I'm writing in support of Commissioner Toumpas' proposal to relocate shelter care and transitional housing services to the Sununu Youth Services Center (SYSC). I am a twenty-year State employee, with most of my career being spent within the Department of Health and Human Services (DHHS). As an employee, I must advocate for whatever position the Department requires of me. However today, I am writing as a taxpayer to advocate for what works best for the residents served and remaining taxpayers.

It is not surprising that the current shelter care providers are lobbying hard for you to set aside the Commissioner's proposal. They have been the same providers, despite a lack of competitive bidding, for nearly twenty years. Although they are private contractors, they should not be considered anything other than state employees and state executives running state facilities and using state resources, all without your watchful eye.

As legislators, you do not get to decide whether all of their positions should be funded or whether you wish to invest in their capital building expenses; similarly, you are far more than an arm's length from actual oversight and determining whether raises should be granted. Should you choose to support the Commissioner's proposal, you will gain the ability to more directly manage these costs and essential services; something I believe is extremely important to do now.

Much has been said about putting abused or neglected children in a "state institution." The truth of the matter is that the majority of these children are youth on the cusp of needing either more or less intensive therapeutic treatment. A majority are delinquent, fully co-mingled with abused or neglected youth in these facilities. Regardless of their status, they all require a staff secure facility.

Their stay in one of these private facilities is usually short term, on average just under one month. Even though they are there only a short time, the law requires that they be provided on-site school facilities, dining areas, living areas, medical and clinical treatment, physical education. Basically much of what you'd expect to be provided at a higher education facility except that we have to provide it three times over!

Right now you are hearing many attempts to stigmatize SYSC as a "State institution", rather than committing to the general intent of the Sununu Youth Services Center. It is a good distraction but hardly helpful in weighing the potential benefits of Commissioner Toumpas' proposal.

It is important to provide quality services – there is no doubt to that – but it is equally important to provide them in the most cost efficient manner possible. Maintaining one facility instead of three separate facilities is a very good idea. Maintaining the status quo, however, just continues one of dozens of complicated networks that we can no longer afford to maintain. The same holds true for transitional housing.

For those of you interested in more details, please read on:

These facilities incur a variety of expenses to maintain their credentials in Health and Human Services, the Department of Education and Medicaid. Each location has to secure -- typically through a consultant relationship -- physician, nursing and licensed clinical services. Additionally, each location must staff its own Special Education certified school, its own dining area, its own general living area. Each must strictly adhere to a strong staff to juvenile ratio, and they must do this around the clock, every day of the year. Each member of their direct care staff (everyone but administrative support staff) must meet certain training requirements (in addition to any educational minimum requirements) -- much of which is provided by the Department at little or no cost to the provider other than paying staff salaries and travel costs. The list of what these providers have to incur for expenses goes on and on: criminal background checks, offender registry checks, unemployment and workers compensation coverage, transportation vans to take youth to/from different therapeutic facilities, to/from doctor's appointments, etc. For most of

their full time workers, the providers offer health insurance, 401K plans, annual employee raises, and compensation for their agency executive staff superior to that which the State provides.

On top of these expenses, these three facilities add administrative overhead charges of 14 to 15% -- every dollar we spend on their programs cost us \$1.14 or more. The Department also incurs the expense of re-procuring these services every four to six years, extending the contracts every one to two years in between bidding years, inspecting the three facilities, auditing record compliance, conducting time studies, providing electronic billing services for the providers to bill on each youth's daily costs, providing case specific information system access, managing a daily census (to tell us which facility has an empty bed when we're looking to place a youth), keeping each facility updated on DHHS staffing and programmatic changes, and of course -- performance monitoring.

To say the Commissioner's proposal provides a great opportunity to gain efficiencies is an understatement. All of the background checks and training costs for shelter care staff are already incurred by the Department for our own staff...without the 14 to 15% mark up. The State is self-insured and that saves money for unemployment and workers compensation coverage, and of course, without the 14 to 15% mark up. The State's health plan costs have seen lower rates of increase than the vast majority of private sector employers as well -- again, without the 14 to 15% mark up (side note: state employee health care costs are not that incongruent with large private sector employers, the 14-15% mark up HHS avoids could certainly close that gap). We already have a facility that is funded through the capital budget at a highly favorable rate; I'm sure far more desirable than the funding our shelter care providers obtained.

The bottom line is that we could and should provide one school, one medical and clinical counseling staff, one dining area, one living area, etc. -- all without the 14-15% mark up and all in a facility that taxpayers are already paying for.

SYSC staff already have to be trained on our case management system, and we are already pay DOIT for the information technology support (we don't consult out this work like our provider community does). The Department would save additional costs through elimination of the oversight responsibilities it now incurs for the three facilities (let alone the transitional beds across the state that we have to monitor). It is important to note that nowhere does the cost of shelter care and transitional beds include the Department's additional costs to maintain multiple facilities and providers; but they are real and should not be overlooked in your consideration.

There are literally too many things to point out as efficiencies for me to write to you. Commissioner Toumpas' proposal is brave and innovative; I hope you will support this significant opportunity to gain efficiencies.

Thank you for your time and service to our citizens.

Diana Lacey, 233 Union Road, Belmont, NH 03220

[dianalnh@metrocast.net](mailto:dianalnh@metrocast.net), 603.520.0817



## INDEPENDENT INSURANCE AGENTS & BROKERS OF NEW HAMPSHIRE



INSURANCE AGENTS' SERVICES, INC.  
A TRUSTED CHOICE AGENCY

125 Airport Road ❖ Concord, NH 03301 ❖ Tel: (603) 224-3965 ❖ In State: 1-800-559-3373 ❖ Fax: (603) 224-0550

Dear Madam Chair and Members of the House Ways and Means Committee...

Dear Madam Chair and Members of the House Finance Committee...

The Independent Insurance Agents and Brokers of New Hampshire (IIABNH), the state wide trade association representing 180 corporate insurance agencies in 278 New Hampshire locations, employing approximately 2000 New Hampshire residents, wish **to record in opposition** to any amendments to **SB 450** that would increase, or freeze, the current premium tax imposed on insurance carriers in New Hampshire or eliminate any of the credits applicable to the tax.

Not only do we think this is ill-advised economic policy, but we would be remiss if we did not go on the record as being disillusioned once again that a major tax is being proposed and discussed without the benefit of a public hearing. 2009 saw two taxes enacted in this manner and both are now being considered for repeal. In addition, an increase in the premium tax was considered by the legislature in the first year of this session and gained no momentum for passage.

The premium tax is a complicated mechanism meant to equalize tax burdens on multi state insurance carriers, and prevent double or excessive taxation by any state. The tax has a direct effect on the NH BET/BPT, and due to the intra-connection of all three taxes in conjunction with what is known as "retaliatory taxes", imposed by all states, is a tax that is difficult to understand!

We have attached an explanation of how the retaliatory taxes work, and an explanation of how the connection of all three taxes work, so Committee members can better understand the nature of this tax! Due to "retaliatory taxes" enacted throughout the country, raising the premium tax rate in New Hampshire would have the same effect as raising premium taxes throughout the country for insurers who have chosen to domicile in New Hampshire!

According to Department of Insurance figures, (DOI) handed out to the House Ways and Means Committee on April 27th, a tax increase to 2% shows approximately \$8 million dollars the first year, and not much more than \$9 million the second year. This is nowhere near the revenue the committee anticipates, and certainly not a major contributing factor in reducing the projected deficit. Tinkering with ideas such as eliminating BPT credits and taxing the same stream of revenue twice, have proven unconstitutional on many occasions, and this proposed action will result in the same conclusion!

We can assure you that any action to eliminate these credits will be challenged and invalidated immediately.

**Most importantly**, the tax increase must be weighed against the impression of a "**betrayal of trust**" not only to the insurance industry, but to the insurance buying public who will experience premium increases due to this action! Our customers are enjoying a very cost effective market at the moment



due to current economic conditions. Premiums are down substantially, and we anticipate this trend to continue through 2011 and into 2012.

This is not the time to raise a tax that will affect thousands of NH residents who buy property and casualty insurance.

Insurance companies make hundreds of thousands of dollars worth of decisions when determining future expansion plans based on legislative action and policy. The sole fact that we are discussing changing tax policy in the middle of a phased in reduction will cause insurance carriers to take pause about future plans, not only about re-domesticating, but about any expansion or hiring at all!

Nine insurance carriers have re-domesticated to date, and some jobs have come with these decisions. Other jobs have been saved with carriers deciding to remain. We are hopeful, that with the continued premium tax reduction to 1% as promised in 2006, the momentum will continue, and the insurance industry will provide more well paying jobs in the future. This was a long term economic decision, and should not be expected to produce more than what was promised or anticipated when the legislation was passed!

The long term economic decision was understood by all parties at the time of passage. There was even a \$41 million up front payment in 2006, so the revenue stream generated to date has been positive, not negative as some have indicated!!

Our members are also enduring the hardships that accompany a recessionary economy and excessive government spending. We think increasing taxes on one of the largest industries/professions in New Hampshire will only perpetuate the problem, do little to close the deficit, contribute to higher insurance premiums, and in the long run weaken a strong, competitive industry!

We urge you to take any increase, or freeze in the premium tax off the table!!

Thank you for your consideration.

*Bob*

Robert L. Nash, President  
Independent Insurance Agents & Brokers of NH  
125 Airport Road  
Concord, NH 03301  
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## EXPLANATION OF RETALIATORY TAX SYSTEM

- What it is: The retaliatory tax system results from the application of state-by-state premium tax laws that require each state to apply a rate based on the rate of the state in which the insurer is chartered (domesticated).
- How it works: For insurers chartered (domesticated) in New Hampshire, the premium tax rate it pays in another state is the greater of the New Hampshire rate and the rate of that state.
- Stated differently, New Hampshire's premium tax rate is the minimum rate that insurers chartered (domesticated) in New Hampshire must pay throughout the country, even in states with lower premium tax rates.
- Why it matters to insurers: If New Hampshire's premium tax rate is high relative to the rates throughout the country, insurers chartered (domesticated) in New Hampshire will pay premium taxes at higher rates throughout the country than insurers chartered (domesticated) in states with relatively low rates.
- Conversely, if New Hampshire's premium tax rate is low relative to the rates throughout the country, insurers chartered (domesticated) in New Hampshire will pay premium taxes at lower rates throughout the country than insurers chartered (domesticated) in states with relatively high rates.
- Why it matters to New Hampshire: The retaliatory tax system provides economic incentives for insurers to be chartered (domesticated) in states with low premium tax rates.

# Retaliatory Taxes

## What:

- A non-domestic insurer must pay the greater of:
  1. The tax burden of the state in which it writes premium, or
  2. The tax burden that is imposed by its state of domicile on similar premium
- The difference between (2) and (1) is called “retaliatory tax”

## Why:

- To level the tax burden between states
- Deters states from imposing excessive taxes and fees on foreign insurers
- Though additional revenue is a by-product of retaliation, courts have held that retaliatory taxes cannot be revenue raisers for states

# Retaliatory Tax Example

## Situation:

- State of Domicile: NH (Premium Tax Rate 2.0%)
- Tax State: OH (Premium Tax Rate 1.4%)
- Taxable Premium: \$1M

## Initial State Tax Calculations:

- NH Premium Tax "what if" calculation:  $\$1M \times 2.0\% = \$20,000$
- OH Premium Tax Return:  $\$1M \times 1.4\% = \$14,000$

## Ohio Retaliatory Tax Calculation:

OH Premium Tax	\$14,000
Retaliatory Tax Calc (NH less OH)	<u>\$ 6,000</u>
Total Tax Due OH:	\$20,000

# Retaliatory Tax Example

	<u>NH</u>	<u>Ohio</u>
Premium Tax	\$20,000	\$14,000
Fees:		
Department of Insurance	<u>\$ 145</u>	<u>\$ 1,000</u>
Total Tax Return Liability	<u>\$20,145</u>	<u>\$15,000</u>
Retaliatory Tax to OH		\$ 5,145

# Retaliatory Tax Example

	<u>NH</u>	<u>Ohio</u>
Premium Tax	\$20,000	\$14,000
Other Taxes:		
NH Business Profits Tax	\$10,000	\$ 0
Fees:		
Department of Insurance	<u>\$ 145</u>	<u>\$ 1,000</u>
Total Tax Return Liability	<u>\$30,145</u>	<u>\$15,000</u>
Retaliatory Tax to OH		\$15,145

Credits among  
Premium Taxes, Business Enterprise Tax  
and Business Profits Tax

General Rule: By the application of credits, insurance companies pay the premium tax, the BPT and the BET, whichever is highest. The credit system is set up so that the aggregate tax liability of an insurer does not exceed the highest tax.

- Business Enterprise Tax (RSA 77-E)
  - $\frac{3}{4}$  of 1% of New Hampshire compensation, interest and dividends
  - (RSA 77-E:2)
  
- Premium Tax (RSA 400-A:32)
  - BET taxes are permitted as a credit against premium taxes
  - (RSA 400-A:34-A)
  - If the BET credit exceeds the premium tax liability, the total BET liability is applied as BPT credit.
  
- Business Profits Tax
  - The greater of the BET or the premium tax is applied as a credit against the BPT. (RSA 77-A:5)



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**Ellen Destefano, RN**  
*Nurse Educator  
Healthy Families*



Honorable  
Robert Foose

Home Visiting New Hampshire  
c/o Child and Family Services  
Amendment 2010-1311H Section 78

## Home Visiting Requires Maintenance of Effort

### Action Item

We urge the legislature to retain the footnote 102 on House-passed page 733 and footnote 502 on House-passed page 734. (\$550,000 total per year). By doing this the state can be assured to receive funding from the Patient Protection and Affordable Care Act (Subtitle L, Sec. 2951, Maternal, Infant and Early Childhood Home Visiting Programs) which includes an important provision that provides a substantial funding stream for existing Home Visiting programs (Access to \$1.5 billion nationally over 5 years). This legislation includes a Maintenance of Effort which requires that such a program already exists. New Hampshire would give up this opportunity without Home Visiting New Hampshire.

### Program Description

Home Visiting New Hampshire (HVNH) has provided prenatal nursing, education, and other support services to approximately 1000 at risk, low income pregnant women annually. Home Visiting NH is a primary prevention program that produces measurable outcomes in the areas of:

- Child abuse and neglect
- Prevention of subsequent pregnancies
- Prevention of low birth weight babies
- Early detection of developmental concerns

### Home Visiting is Cost Effective

- The average annual cost for a family on TANF is approximately \$6,000
  - Last year HVNH assisted over 136 clients to work toward self- sufficiency and end their TANF assistance: a savings to the State of NH of about \$816,000. HVNH provides support, job readiness, support for high school completion or GED and further education, and assistance to families to find quality, affordable child care.
- It costs the State of NH Medicaid Program an average of \$400,000 each time a baby has a Neo Natal Intensive Care Unit (NICU) stay at a hospital.
  - HVNH provides smoking cessation, ensures prenatal care, proper nutrition and support. During the last fiscal year, only 1% out of the 1000 babies we worked with State wide ended up needing the NICU. (see also American Journal of Preventive Medicine, February 2009).
- It costs the State of NH, Division for Children Youth and Families (DCYF) about \$16,000 per year per child in foster care. That is only if specialized foster care isn't required.
  - Last year HVNH worked with over 1000 families in which 98% of the families retained custody of their infant. HVNH provided parenting education, information on child safety, child development screenings, assistance with maternal/infant attachment, crisis management and support. If HVNH saved only 10 children from needing foster care placement, that would save the State of NH \$160,000. (Based on data from DCYF)
- Home Visiting New Hampshire also participates in The Fetal Alcohol Spectrum Disorder Project, a 4 year Federal Grant that works to prevent the birth of babies afflicted with this disease. We are in Year 2 of this 4 year grant.

**By providing Active Referrals to clients for:**

- Pre-natal appointments – reduces chances of premature births
- Birth control appointments – reduces chances of another pregnancy
- Well-baby check-ups – reduces chances of hospitalized babies
- Mental health appointments – reduces chances of children being abused or neglected

If HVNH prevented any of these mentioned State expenses with **only one** baby and its family, **savings would equal \$423,000!!**

Any Questions? Contact a HVNH representative listed below or contact Cherie LeBel at Child and Family Services 518-4198.

**Home Visiting New Hampshire**

**VNA @ HCS/The Family Center at  
Peterborough**

**VNA Hospice of Southern Carroll County,  
Wolfeboro**

**VNA VNH, Lebanon**

**Weeks Medical Center, Lancaster**

**NH Minority Health Coalition, Manchester  
& Nashua**

**Ammonoosuc Community Health Services,  
Littleton**

**Good Beginnings of Sullivan County,  
Claremont**

**Child and Family Services  
Manchester, Concord, Nashua, Derry, Exeter**

**Families First, Portsmouth**

**Family Resource Center @ Gorham**

**HUB Family Support Center, Dover**

**Monadnock Family Services, Keene**

**Strafford County Head Start, Rochester**

**Belknap/Merrimack CAP, Laconia**

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C

Supreme Court of New Hampshire.  
Appeal of the ASSOCIATION OF NEW HAMPSHIRE UTILITIES.  
Appeal of GAS SERVICE, INC. (New Hampshire Public Utilities Commission).  
Nos. 81-481, 82-001 and 82-006.

Sept. 3, 1982.

Public utilities appealed assessment by the Public Utilities Commission of allowable expenses of governor's council on energy. The Supreme Court, Douglas, J., held that assessment imposed on public utilities for expenses of governor's council on energy was improper.

Reversed and remanded.

West Headnotes

[1] Public Utilities 317A ↩194

317A Public Utilities  
317AIII Public Service Commissions or Boards  
317AIII(C) Judicial Review or Intervention  
317Ak188 Appeal from Orders of Commission  
317Ak194 k. Review and Determination in General. Most Cited Cases  
Supreme Court will not set aside Public Utilities Commission order, except for errors of law, unless plaintiffs demonstrate by clear preponderance of evidence that such order is unjust, unreasonable, or reflects abuse of Commission's discretion.

[2] Public Utilities 317A ↩111

317A Public Utilities  
317AII Regulation  
317Ak111 k. In General. Most Cited Cases  
Amendment to statute providing for expenses of Public Utilities Commission to be assessed against certain utilities that specifically provided that fund-

ing for administrative expenses of council on energy should be charged against utility's assessment fund did not alter statute so drastically as to change its nature and purpose; therefore, assessment was in nature of license fee and not tax. RSA 363-A:1.

[3] Public Utilities 317A ↩113

317A Public Utilities  
317AII Regulation  
317Ak113 k. Certificates, Permits, and Franchises. Most Cited Cases  
Public utility is not type of private enterprise which represents social problem properly coming under exercise and jurisdiction of police power of state and which requires strict regulation and supervision; therefore, license fee imposed upon public utilities could not be justified as imposition of cost of regulating that type of private enterprise.

[4] Public Utilities 317A ↩103

317A Public Utilities  
317AI In General  
317Ak103 k. Public Utilities in General. Most Cited Cases  
Public utilities did not necessitate services of governor's council on energy, but rather, that agency was established to use management, scientific, and technological talents in both private and public sectors of state to develop energy proposals and programs to advise governor on those programs and their implementations; therefore, imposition of special cost assessment or license fee on public utility was not justified on grounds that public utilities required special services or took special advantages of service provided by governor's council on energy.

[5] Public Utilities 317A ↩103

317A Public Utilities  
317AI In General  
317Ak103 k. Public Utilities in General. Most Cited Cases

[3][4] Whether the "license fee" imposed on public utilities for GCOE expenses is permissible depends upon the type of license fee which is involved. This court has allowed license fees to be imposed in three different situations. First, such a fee may be imposed as the cost of regulating the type of private enterprise "which presents a social problem properly coming under the exercise and jurisdiction of the police power of the State and which requires strict regulation and supervision." See *Opinion of the Justices*, 116 N.H. 351, 355, 358 A.2d 667, 670 (1976) (legalized gambling). Public utilities do not fit into this category. This court has also sanctioned imposition of a "special cost assessment" on an entity which requires special services or which takes advantage of such services. *Opinion of the Justices*, 117 N.H. 382, 384, 373 A.2d 640, 641 (1977). Public utilities have not "necessitated the services" of the GCOE. Rather, that body was established "to use the management, scientific, and technological talents in both private and public sectors of the state to develop energy proposals and programs," to advise the Governor on these programs, and on their implementation. EXEC. ORDER NO. 73-12 (1972).

[5] The third category of license fee is that imposed for inspection and regulation of the business licensed. "To be valid charges made \*773 as license fees must bear a relation to and approximate the expense of issuing the licenses and of inspecting and regulating the business licensed ... such fees ... must be incidental to regulation and not primarily for the purpose of producing revenue." *Laconia v. Gordon*, 107 N.H. 209, 211, 219 A.2d 701, 703 (1966) (emphasis added and citation omitted); see *Opinion of the Justices*, 98 N.H. 527, 529, 96 A.2d 733, 734 (1953). In the parties' October 5, 1981, stipulation of facts, the GCOE agreed that it "has no state statutory authority to directly regulate public utilities." The parties, however, stated that they "disagree as to the effect, if any, of the activities of the GCOE on the performance of the \*\*167 regulatory functions of the PUC," and that they disagree "as to the relevance of the GCOE's actual participa-

tion in or contribution to the regulatory functions of the PUC." The plaintiffs contend that the GCOE lacks regulatory authority and that any charges assessed against them are improper. The PUC, on the other hand, argues that the GCOE's functions are regulatory.

The executive order establishing the GCOE indicates that the agency's function is to advise the Governor about the development and implementation of energy proposals and programs. The list of GCOE activities included in the parties' October 5, 1981, stipulation of facts illustrates most of the GCOE's efforts have been directed towards the conservation of natural resources and the development of alternative sources of energy such as wood, hydroelectric, and solar. After examining the theoretical purposes and actual functions of the GCOE, we conclude that the agency's impact on public utilities is too indirect to constitute "regulation." In contrast, the PUC's broad, yet well-defined, supervisory powers over public utilities rise to the level of "regulation" of a business. See *Cloutier v. State Milk Control Board*, 92 N.H. 199, 205-06, 28 A.2d 554, 558-59 (1942). Because the GCOE does not license or regulate public utilities, the assessment imposed upon the utilities was improper.

*Reversed and remanded.*

All concurred.  
N.H., 1982.

Appeal of Association of New Hampshire Utilities  
122 N.H. 770, 451 A.2d 164

END OF DOCUMENT

# TITLE XXXIV PUBLIC UTILITIES

## CHAPTER 363-A EXPENSES OF PUBLIC UTILITIES COMMISSION AGAINST CERTAIN UTILITIES

**363-A:1 Ascertainment of Expenses.** – The public utilities commission shall annually, after the close of the fiscal year, ascertain the total of its expenses during such year incurred in the performance of its duties relating to public utilities as defined in RSA 362:2 and relating to the office of the consumer advocate and the allowable expenses for the council on energy. In the determination of such expenses there shall be excluded the expenses which have been or may be charged and recovered under the provisions of RSA 365:37 and RSA 365:38.

Source. 1955, 203:1 par. 1. 1959, 242:1. 1971, 557:62. 1981, 568:118. 1987, 136:4, eff. May 7, 1987.

**363-A:2 Assessment.** – The expenses thus ascertained shall be assessed against the public utilities described in RSA 363-A:1 in the manner provided in this chapter. The assessment shall be calculated by using the gross utility revenue of all public utilities and 33 percent of the gross utility revenue of rural electric cooperatives for which a certificate of deregulation is on file with the commission and allocating the expenses of the commission to each utility in direct proportion as the revenues relate to the total utility revenues as a whole. Each such expense allocation shall be assessed against each public utility and rural electric cooperative with a certificate of deregulation on file with the commission in an amount equal to its proportionate share. The minimum fee shall be assessed to utilities having minimal revenues in such proportion as the public utility commission shall determine to be fair and equitable.

Source. 1955, 203:1, par. 2. 1959, 242:2. 1963, 322:1. 1971, 557:62. 1987, 136:5. 1997, 229:7, eff. Aug. 17, 1998.

**363-A:3 Certification of Assessment.** – It shall be the duty of the public utilities commission to calculate the amount to be assessed against each such public utility in accordance with RSA 363-A:1 and RSA 363-A:2. At the beginning of each fiscal year, the public utilities commission shall estimate its total expenses for the fiscal year, and then, based on such estimate, shall calculate the amount to be assessed quarterly on August 10, October 15, January 15, and April 15 of that fiscal year, against each such public utility in accordance with RSA 363-A:1 and RSA 363-A:2. The public utilities commission shall then make a list showing the amount due on August 10, October 15, January 15, and April 15 of that fiscal year from each of the several public utilities assessed under the provisions hereof, and, together with a statement of the full name and mailing address of each such public utility, shall certify the same. After the close of each fiscal year, the public utilities commission shall ascertain its actual total expenses in accordance with RSA 363-A:1 and RSA 363-A:2, and then shall adjust the assessment for the first quarterly payment of the new fiscal year for each such public utility for any underpayment or overpayment by each such public utility for the prior fiscal year.

Source. 1955, 203:1, par. 3. 1971, 557:62. 1995, 29:1. 1997, 208:14, eff. July 1, 1997. [emphasis added above]

Phone calls received in opposition to SB 450-FN

Norma Jean Smith, Epsom, SEA member – ITL

Nancy Jefferson, Concord – ITL

Doranda Carpenter, Laconia, SEA member – ITL

Seth, Northwood, SEA member – ITL

Jimmy, Sandown, SEA member – ITL

Bill Jenison, SEA member, DOT, group 1 - ITL

Dear Member of the Finance Committee,

I have been a medical social worker for 25 years and have had a number of clients who have benefited greatly from the support of the Catastrophic Illness Program. When a young working person is stricken with cancer, they often lose their job or cannot afford to make the COBRA payments to maintain health insurance coverage, to cover vital treatments for cancer or other life-threatening illnesses. The Catastrophic Illness Program has helped some of these individuals by paying the COBRA premiums on a short term basis until the individual is able to return to work, or eligible for some other assistance program. Many working individuals do not qualify for APTD when first diagnosed with their illness, nor are they immediately eligible for SSI or SSD disability. Without this form of emergency catastrophic aid, individuals may be unable to access needed medications for treatment and symptom management. The overwhelming burden of a life-threatening illness is compounded by financial crisis. This is a very important program of last resort for individuals who otherwise are ineligible for assistance.

Inga Johnson, Medical Social Worker

North Country Home Health and Hospice Program

536 Cottage Street

Littleton NH 03561



# WADLEIGH, STARR & PETERS, P.L.L.C.

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JOSEPH G. MATTSON

April 15, 2010

Representative Majorie Smith  
Finance Committee Chair  
House of Representatives  
107 North Main Street  
Concord, NH 03304

Senator Lou D'Allesandro  
Senate Finance Committee Chair  
New Hampshire Senate  
107 North Main Street  
Room 302  
Concord, NH 03304

Re: Testimony in Opposition to Judicial Branch Budget Cuts

Dear Honorable Representative Smith, Senator D'Allesandro and Committee Members:

My name is Dean Eggert and I live in Bow, New Hampshire. For the past 25 years I have practiced law with the firm of Wadleigh, Starr & Peters, PLLC in Manchester, New Hampshire. I respectfully appear before you today to register my strong opposition to the second round of proposed budgetary cuts affecting our state's Judicial Branch. It is my understanding that the legislature is now considering a proposal to cut over \$4,000,000 from the court system's proposed FY 2001 budget. There are four fundamental reasons why these cuts are unwise and irresponsible. They are as follows:

- 1. The proposed cuts breach the duty of the Legislative and Executive Branch to support criminal and civil justice in our state.**

It is axiomatic that the state's justice system is a co-equal to the executive branch and the legislature. This fact of governance is clearly articulated in Part I, Article 35 and Part I, Article 37 of our New Hampshire Constitution. As indicated in Article 37, "In the government of this

April 15, 2010

Page 2.

state, the three essential powers thereof, to wit, the legislative, executive and judicial, ought to be kept as separate from, and independent of, each other, as the nature of a free government will admit, or as is consistent with that chain of connection that binds the whole fabric of the constitution in one indissoluble bond of unity and amity." NH Court, Part I, Article 37. These cuts are so severe that they fall short of our duty to preserve, nurture and honor justice in the State of New Hampshire. A well known former statesman by the name of Daniel Webster put it this way, "Justice, sir, is the great interest of man on earth. It is the ligament which holds civilized beings and civilized nations together." I respectfully request that the legislature not tear those ligaments.

**2. The proposed budgetary cuts threaten our citizens' right to civil jury trials.**

Part I, Article 20 of our New Hampshire Constitution provides that all persons have a right to a trial by jury in civil matters. The same constitutional provision indicates that, "This method of procedure shall be held sacred..." See NH Const. Part I, Article 20. Even more sacred than the right to a civil jury trial however, is the right to a jury trial in criminal cases. This right is guaranteed by Part I, Article 15 and 16 of our New Hampshire Constitution. It is clear from the testimony of our Chief Justice that the cuts contemplated by the executive and legislative branch are so severe that will deny access of civil litigants to timely jury trials. As the British Statesman and Prime Minister William Gladstone put it, "Justice delayed is justice denied."

**3. The budgetary cuts threaten the citizens' constitutional right to free, complete and prompt justice.**

Part I, Article 14 of our Constitution states that, "Every subject of this state is entitled to a certain remedy, by having recourse to the laws, for all injuries he may receive in his person, property, or character; to obtain right and justice freely, without being obliged to purchase it; completely, and without any denial; promptly, and without delay; conformably to the laws." NH Court, Part I, Article 14. It is apparent from the testimony of our Chief Justice that these budgetary cuts may jeopardize that constitutional entitlement. If the intent of the legislature is to force our judicial system to become a fee based system, this effort is ill-advised in that it will force citizens to become obliged to purchase their justice. The forced furloughs and further diminution in court business hours have begun to adversely affect the ability of citizens seeking justice to obtain prompt justice without delay. I respectfully submit that these proposed cuts threaten this constitutional principle.

**4. These cuts are penny-wise and pound foolish.**

There are numerous other pragmatic reasons why these cuts are ill-advised. As we enter the 21<sup>st</sup> century, we should seriously consider the tone we will set for justice over the next

April 15, 2010

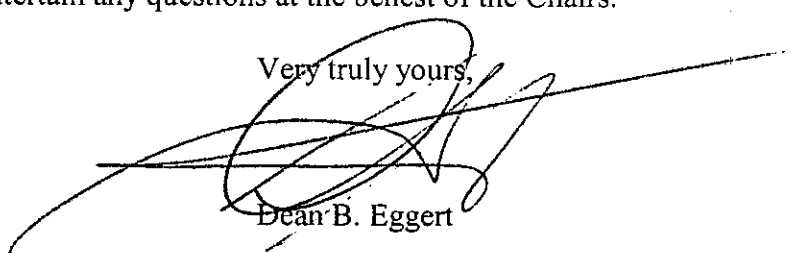
Page 3.

decade. While our federal system has made great strides in technology and automation, these budgetary cuts represent a step backwards in the efforts to make our court system more accessible to citizens and attorneys through technology.

Over the course of the past 15 years, our firm has been able to manage personnel costs and overhead through the implementation of technology. The visionary pathway to good fiscal management does not include budget cuts which threaten the ability of the judicial system to implement automation and technology. Today at Wadleigh, Starr, the majority of our attorneys receive their litigation support based on a ratio of one administrative assistant to three attorneys. That efficiency was only obtained through the implementation of current technology. For example, electronic filing and other late 20<sup>th</sup> century tools need to be included within the judicial branches' budget. These are not part of a wish list, but represent a necessity for prudent planning.

Recently, our firm opened its 50,000<sup>th</sup> case file. The firm has had a numbering system in place since the early 1980's. Over the years, we have been proud to be part of a judicial system that has provided our clients, both large and small, with fair and equitable justice. We respectfully request that the legislature consider each of its constituents who found themselves in the position of needing justice. The very fabric of our state government depends on a robust, effective and honored justice system. I thank you for your consideration of these thoughts. I certainly would be glad to entertain any questions at the behest of the Chairs.

Very truly yours,



Dean B. Eggert

/ajm

cc: Honorable Chief Justice John Broderick  
Honorable Justice Robert Lynn  
James J. Tenn, Jr., President, NH Bar Association



April 15, 2010

To: House and Senate Finance Committees  
 From: Dean Michener, NHSBA  
 Subject: SB 450 and Proposed reductions to state education aid

Phone: (603) 228-2061  
 or (800) 272-0653  
 Fax: (603) 228-2351

<http://www.nhsba.org>

The proposed amendment to SB 450 you are now considering contains almost \$10 million in reductions to state aid for school districts next year, FY 2011. These proposed cuts are summarized as follows:

**Board of Directors**

Kevin Barry  
 President, Deerfield

Cindy Couture  
 1st Vice-President, Litchfield

Ross Deachman  
 2nd Vice-President, Pemi-Baker

Clinton Hanson  
 Immediate Past President, Pembroke

State Aid	FY 11 Appropriation	Reduction	%	Adjusted Appropriation
Catastrophic Aid	\$ 31,430,117	\$ 7,800,000	24.8	\$ 23,630,117
Tuition & Transp	7,555,689	602,000	7.97	7,230,018
Dropout Prevention	1,750,000	139,000	7.94	1,611,000
Statewide Spec Education	300,000	23,000	7.67	277,000
Local Ed Improvement	500,000	39,000	7.8	461,000
Court ordered placements	1,500,000	119,000	7.93	1,381,000

Additional cuts in career tech student organizations (\$9,000), state testing (\$239,000), school nutrition (\$16,000) and adult education (\$102,000) are also included, as well as eliminating funds for Parents as Teachers (\$65,000).

In addition to these reductions in state aid, there is also a proposed downshift of costs from the state to the local level of \$9,367,000 representing the state contribution for local government retirement costs (pension and medical subsidy). This downshift reduces the FY 2011 appropriation from \$46,837,853 to \$37, 470,853 and corresponds to a further reduction in the state share of teacher, police and fire retirement contributions from 25% down to 20%. Approximately \$5 million of this new additional burden is shifted down to school district budgets, and approximately \$4 million is shifted onto municipal budgets. This unfunded mandate is being proposed despite clear language since 1977 in RSA 100-A:16, stating, "35 percent thereof shall be paid by the state."

Executive Director  
 Dr. Theodore E. Comstock  
[sklesq@aol.com](mailto:sklesq@aol.com)  
 NH School Boards Association  
 25 Triangle Park Drive, Suite 101  
 Concord, NH 03301

As you deliberate these cuts to local school districts, it is important to remember that most school district budgets and appropriations for fiscal year 2010-2011 have already been adopted during the recent March annual meeting process. The proposed adjustments contained in SB 450 were not known or available for those local budget deliberations and votes.

In addition, Catastrophic Special Education Aid receives the most significant cut. This state aid is a reimbursement program: school districts are reimbursed for special education expenditures made in the prior fiscal year.

For fiscal year 2010 aid reimbursement, eighty percent (80%) of FY '09 per pupil special education costs in excess of \$41,061 are entitled to reimbursement; per pupil costs in excess of \$117,316 are entitled to 100% reimbursement. Prior to Monday's Fiscal Committee action, school districts anticipated reimbursement of 87.79% of those eligible costs. However, the FY 2010 appropriation was reduced by \$670,000, and for the current year districts will likely receive approximately 85% of their entitled reimbursements based on their expenditures *last year*.

The fiscal year 2011 appropriation was \$31,430,117 to reimburse expenditures made this year. Per pupil special education costs this year in excess of \$42,505 are entitled to 80% reimbursement; per pupil costs in excess of \$121,444 are entitled to 100% reimbursement. Reducing next year's appropriation by \$7.8 million lowers it to \$23,630,117. Even assuming no increase to this year's entitlement of \$34,817,489, school districts would only receive 68% of their eligible aid next year, based on expenditures that will have already been made *this year*. These expenditures for special education cannot be modified or reduced: they are based on required programs that meet the educational needs of these students. Since districts were not aware of these lower estimates of aid during the budget development and adoption process, such a cut will have far-reaching impact on other areas of their budgets as well as local property tax rates to be set next fall.

**SB 450****Non-Germene Amendments**

<b>Document #</b>	<b>Sponsor</b>	<b>Brief Description</b>
1484h	Wendelboe	New Hampshire Medical Malpractice Joint Underwriting Association; Resolution of Matters
1593h	Kurk	Establishing new retirement system requirements for members who began service on or after July 1, 2010
1627h	Vaillancourt	Gaming Oversight Authority and Video Lottery
<del>1655h*</del>	<del>Vachon, Walsh</del>	<del>Business Enterprise Tax; Filing Threshold</del>
<del>1676h*</del>	<del>Kurk</del>	<del>Special Assessments; Banking; Insurance; Utilities</del>
1679h	Kurk	Racing and Charitable Gaming Commission Abolished
<del>1701h*</del>	<del>Vachon, Walsh</del>	<del>Insurance Premium Tax</del>
1716h	Keans	Documentation of Marriages; Marriage License Fee. Fees for Copies, Verification, and Amendments to Vital Records
1726h	Baroody	Renewable Energy Fund
1729h	Eaton	Pooled Risk Management Programs; Authority of Secretary of State
* Withdrawn at sponsors request.		

April 30, 2010

148yh

**Commissioner Sevigny  
Working Group Session on SB 450-FN  
House Finance Committee  
April 30, 2010**

**Introduction:**

- Thank you for inviting me to provide my views today on Representative Wendelboe's amendment to SB 450-FN. I strongly oppose this amendment or any action at this time that would affect the status of JUA funds.
- I have a few prepared remarks. I am certainly willing to entertain your questions, but please understand in advance that there are a number of questions that I will simply not be in a position to answer, either because we do not yet know the answer or because they relate to an ongoing confidential examination process.
- As the Insurance Commissioner, I am responsible for ensuring the financial soundness of the JUA and protecting its ability to fulfill its public purpose. Its purpose is to promote access to health care for all New Hampshire citizens by ensuring that all health care providers in the state have access to adequate medical malpractice coverage. My duty is to fulfill that public purpose.

**Three basic financial points:**

- Since its creation in 1976, the JUA has been exempt from federal taxation based on a statement from the IRS confirming that the JUA is an "integral part of the state." In the *Tuttle* case, the Plaintiffs took the position that the JUA is not an integral part of the state, and the lower court agreed with this view, although the Supreme Court pointedly refrained from ruling on this question. The Plaintiffs' argument and the lower court's concurrence that the JUA is not an integral part of the state has put in question the federal tax status of the JUA. As a result there is the potential for a very substantial federal tax liability for the JUA. This liability makes it uncertain whether there is any excess surplus available to be paid out at all.
- I have ordered an examination of the JUA which will provide information necessary for our expert tax counsel and the Attorney General to determine what options are available to the State which preserve the longstanding tax-exempt status of the JUA.

- It is imprudent to take action regarding JUA funds until we are able to fully understand the potential tax implications of the various options that may be available.

### **Current Status of Department's Efforts**

- The Insurance Department commenced an examination immediately upon the conclusion of the *Tuttle* case. The primary focus is on examining the potential federal tax liability that arose from the plaintiff's arguments. The Department's goals are: (i) to quantify the tax exposure; (ii) to determine steps the State can take which preserve the JUA's tax exempt status; (iii) to resolve the remaining outstanding issues. This examination is continuing.
- We are also working with our tax counsel and the Attorney General's office to evaluate what changes to the regulations governing the JUA are warranted in order to preserve the tax exempt status of the JUA and to properly reflect the Supreme Court's decision in this matter.
- As I noted at the beginning and as I hope you gather from the content of my remarks, we are at a critical and sensitive time in addressing these issues. As a result, I may not be in a position to answer many of your questions at this time.
- Thank you for your time.





April 30, 2010

Representative Marjorie Smith  
Chair, House Finance Committee  
Legislative Office Building, Room 210  
Concord, New Hampshire 03301

*RE: Amendment 2010-1484h, SB 450, relative to costs and expenditures at the Department of Health and Human Services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax*

Dear Representative Smith and Members of the Finance Committee:

I am writing on behalf of New Hampshire's 32 acute care and specialty hospitals in support of Amendment 2010-1484h dated April 20, 2010, which would add a new section 103 to SB 450 that proposes to resolve matters pertaining to the transfer of surplus funds from the NH Medical Malpractice Joint Underwriting Association (NHMMJUA).

We support the specified use of up to \$25 million to be transferred to the General Fund "...for the purpose of supporting programs that promote access to needed health care for underserved persons." These funds should be used to restore funding for the state's health programs that have been de-funded since February of this year.

As you know, New Hampshire's hospitals have had their Medicaid payment rates repeatedly cut over the last few years and yet again in February and April of this year. These rate reductions were put in place to compensate for the marked increase in Medicaid beneficiaries and their use of health care services.

HHS Commissioner Nick Toumpas has reported an unprecedented increase over the last year in the number of Medicaid beneficiaries. Therefore, this year's hospital rate reductions simply mean hospitals get paid less for serving more patients. In fact, Medicaid pays hospitals only 54 cents for every dollar it costs them to provide care to Medicaid patients. Repeated and persistent Medicaid rate cuts further exacerbate the so-called "cost shift" problem whereby uncompensated costs are shifted to private insurers,

April 30, 2010  
Page two

14841

which last year resulted in a \$500 million cost shift. So, while the state is cutting general fund spending, it is also contributing to the increasing cost of health care on the private side.

Cuts to Medicaid hospital payments also reduce projected federal Medicaid DSH payments to the State because of reduced hospital revenues in the aggregate. And finally, by not restoring Medicaid hospital payments, New Hampshire is leaving federal funds on the table that amount to approximately \$4 million in FY 2010 and \$11 million in FY 2011.

We therefore urge you to dedicate a portion of these transferred funds to restore hospital rates to the level they were at when the Legislature passed the FY 2010/2011 budget.

Thank you.

Sincerely,



Leslie K Melby  
Vice President  
State Government Relations  
New Hampshire Hospital Association

ATTORNEY GENERAL  
DEPARTMENT OF JUSTICE

1484a

33 CAPITOL STREET  
CONCORD, NEW HAMPSHIRE 03301-6397

MICHAEL A. DELANEY  
ATTORNEY GENERAL



ORVILLE B. "BUD" FITCH II  
DEPUTY ATTORNEY GENERAL

April 28, 2010

Via E-mail and First Class Mail

Kevin M. Fitzgerald, Esq.  
Nixon Peabody, LLP  
900 Elm Street  
Manchester, NH 03101-2021

RE: NHMMJUA - Your April 20, 2010 Letter to Michael F. Aylward, Esq.

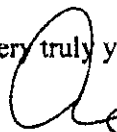
Dear Kevin:

In your April 20, 2010 letter to attorney Michael Aylward, you demand, on behalf of your clients, that the JUA Board meet to: (1) decide how it will engage the IRS with regard to "its tax exempt status"; (2) determine "the amount of excess surplus funds" held by the JUA "irrespective of any portion of such funds implicated by [the tax exemption issue]" and "declare [the excess] to be 'earnings' ...subject to distribution to all Policyholders in proportion to the respective premiums paid upon resolution of any tax issues"; or (3) in the alternative, determine "the amount of excess surplus funds" held by the JUA "that shall be distributed to all Policyholders pursuant to Ins 1703.07(d) in proportion to the respective premiums paid upon resolution of any tax issues." We are responding on behalf of our clients, Commissioner Sevigny and the JUA Board.

As you are aware, on February 22, 2010, Commissioner Sevigny ordered a financial examination of the JUA. The examination is "determining the solvency of the New Hampshire Medical Malpractice Joint Underwriting Association and the ability of the New Hampshire Medical Malpractice Joint Underwriting Association to pay claims in light of the recent court decisions in Tuttle v. New Hampshire Medical Malpractice Joint Underwriting Association." This examination is ongoing. Until the examination is complete, no final determination of the status of funds held by the JUA can be made. Therefore, it is impossible for the JUA Board to take action or respond further at this time with regard to your demands.

I will be out of the office until May 3, 2010. If you have any questions, please contact me at your convenience.

Very truly yours,



Anne M. Edwards  
Associate Attorney General  
Civil Bureau

cc: JUA Board of Directors (individually)  
James M. Vaccarino, Hays Companies  
Roger A. Sevigny  
Michael F. Aylward, Esq.

466041

**STATE OF NEW HAMPSHIRE**

BELKNAP COUNTY

SUPERIOR COURT

GEORGIA TUTTLE, M.D., ET AL

v.

NEW HAMPSHIRE MEDICAL MALPRACTICE JOINT UNDERWRITING  
ASSOCIATION, ET AL

Docket No.: 09-E-148

**ORDER ON PETITIONERS' MOTION TO DISQUALIFY (ATTORNEY  
GENERAL FROM REPRESENTING JOINT UNDERWRITING  
ASSOCIATION, ASSISTANT ATTORNEY GENERAL PERLOW  
FROM REPRESENTING ANY PARTY)**

Citing New Hampshire Rules of Professional Conduct 1.7 and 3.7,

Petitioners move to disqualify the Attorney General's Office from representing respondent New Hampshire Medical Malpractice Joint Underwriting Association ("JUA") or its board members and to disqualify Assistant Attorney General Glenn Perlow from representing any party in this matter. Petitioners have submitted proposed findings of fact and rulings of law, all of which the Court has granted and makes part of this order for the purpose of deciding the disqualification issues only. For the reasons contained in the rulings on the petitioners' requests and the narrative of this order, Petitioners' motion to disqualify the office of the Attorney General from representing the JUA is GRANTED and the motion to disqualify Assistant Attorney General Perlow is DENIED.

Petitioners, Georgia Tuttle, M.D., LRGHealthcare, and Derry Medical Center, in their own right and on behalf of those similarly situated as current or

past policyholders in the New Hampshire Medical Malpractice Joint Underwriting Association (the "JUA") move to disqualify the office of the Attorney General from representing the JUA or its board members "because such representation is necessarily in conflict with related representation and advice provided to the Department of Insurance." Petitioners cite New Hampshire Rule of Professional Conduct 1.7(a), which provides that "a lawyer shall not represent a client if the representation involves a concurrent conflict of interest." A concurrent conflict of interest occurs where "(1) the representation of one client will be directly adverse to another client; or (2) there is a significant risk that the representation of one or more clients will be materially limited by the lawyer's responsibilities to another client...." N.H. Rules of Professional Conduct 1.7(a).

Petitioners argue that the JUA has contractual, regulatory, and fiduciary duties to its policyholders which obviously conflict with the commissioner's position that he will not approve a distribution of excess surplus to JUA policyholders and the Insurance Department's concurrence with House Bill 2, which would transfer the excess \$110 million at issue in this case from the JUA to the general fund for State use.

The Attorney General's office objects, arguing that "the JUA is not an entity legally separate and distinct from New Hampshire State government, but rather part of the government, created at the discretion of and supervised by the Insurance Commissioner pursuant to the authority vested in him by statute (RSA chapter 402-C). The JUA board members and the board administrator are therefore officials of the State of New Hampshire Insurance Department." The

Court disagrees with the Attorney General's characterization of the JUA and its board members and finds that the petitioners have met their burden of proof by clear and convincing evidence that a conflict exists between the Department of Insurance and the JUA preventing both of them from being represented by the Attorney General's office.

The JUA is a quasi-public/private entity established in 1975 pursuant to RSA chapter 404-C to provide access to professional liability insurance coverage to medical providers in this state. It is a "mandatory risk sharing plan" established by the commissioner upon a finding, after hearing, that medical malpractice insurance was "not readily available in the voluntary market." RSA 404-C:1. The commissioner promulgated rules to govern the JUA. Id. Currently, the JUA insures approximately 30 percent of medical care providers in this state and competes with two private medical malpractice insurers which provide coverage to the majority of medical care givers. (Representation by Attorney General's office at June 23, 2009 hearing.)

The rules governing the JUA set forth the duties and obligations both of the commissioner and the JUA board, its members and chairman. The board has full authority over the operation of the JUA as follows:

- a. "The commissioner shall grant the board the authority to exercise all reasonable or necessary powers relating to the operation of the association," Ins 1703.04 (l);

- b. "The board shall retain such staff and appoint such committees as are reasonable and appropriate to carry out the operations of the association," Ins 1703.04(o);
- c. The establishment of a bank account for use by the servicing carrier to pay claims and related expenses, Ins 1703.05(e);
- d. The levying of assessments on association members, Ins 1703.07(a);
- e. The repayment to members of premiums written on association business collected in excess of the amounts necessary to pay losses and expenses, Ins 1703.07(c);
- f. The management of a stabilization reserve fund, Ins 1703.09(a), including the retention of staff "reasonable and appropriate" to carry out the operations of the trust, Ins 1703.09(g);
- g. The determination of coverage and forms, Ins 1703.11(a); and
- h. Responsibility for financial management, budgets and reporting to the association management, Ins 1703.12.

Additionally, the chairman of the JUA signs Part I, Terms and Conditions of each medical malpractice policy. Part II, Endorsements, is co-signed by an authorized representative of the JUA. (Verified Emergency Petition for Extraordinary Writ of Mandamus and Writ of Prohibition, Exhibit 1.) The commissioner takes no part in negotiating or executing these individual liability contracts.

Given the quasi-private/public and voluntary nature of the JUA; the lack of any State funding to implement or support the JUA; the fact that the Department



does not guarantee coverage to policyholders if the JUA were unable to do so; and the broad powers and responsibilities of the JUA board, the Court concludes that the JUA is a separate entity from the Insurance Department and is not part of the executive branch of State government. Rather, it is akin to the New Hampshire Retirement System which the New Hampshire Supreme Court has held is "an independent entity rather than an executive department or agency." State Retirement System v Sununu, 126 N.H. 104, 108 (1985). Although the statute establishing the State retirement system, RSA chapter 100-A, is silent as to the status of the retirement system, the Supreme Court cited three reasons for concluding that it was an independent entity: (1) the "full power" given by statute to the retirement system's board of trustees; (2) the fiduciary obligations that the trustees owe the system's members and beneficiaries; and (3) the long-standing practice by the retirement system of autonomy in its contractual dealing.

The Attorney General's office attempts to distinguish State Retirement System mainly on the basis that the retirement system was created by statute whereas the JUA was established by rules promulgated by the commissioner and approved by the legislature. This is a distinction without a difference. The commissioner's power to create the JUA was given by statute. The resultant entity is similar to the retirement system as discussed above. Moreover, that RSA chapter 100-A specifically states that the trustees of the retirement system have a fiduciary duty to members and beneficiaries, while the rules establishing the JUA do not, is of no practical import. The JUA has contractual and regulatory obligations, which have the same effect. See, e.g., Ins. 1703.7(c) (JUA is

authorized to "repay ( ) to members ... premiums written on association business collected in excess of the amounts necessary to pay losses and expenses.").

That the JUA is an entity apart from the government is also supported by the fact that the JUA has been represented by private counsel, not the Attorney General's office, in cases where it has been a party or filed an amicus brief in the New Hampshire Supreme Court. See Concord Hospital v New Hampshire Medical Malpractice Joint Underwriting Association, 142 N.H. 59 (1997), Concord Hospital v New Hampshire Medical Malpractice Joint Underwriting Association, 137 N.H. 680 (1993), and New Hampshire Insurance Guaranty Association v Elliot Hospital, 154 N.H. 571 (2006).

For these reasons, the Court finds that the Attorney General's simultaneous representation of both the JUA and the Insurance Department creates a conflict under New Hampshire Rule of Professional Conduct 1.7(a).

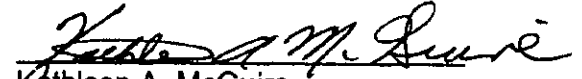
Petitioners also seek to disqualify Attorney Perlow because, as the author of the legal memorandum upon which the commissioner relied in supporting House Bill 2, Perlow may be called as a witness. For the reasons stated in the Attorney General's objection, the Court does not find that Attorney Perlow must or should be disqualified. Moreover, the Court assumes that the reasoning contained in the Perlow memo may well be the foundation upon which the respondents will rely in opposing the petitioners. How Attorney Perlow arrived at his conclusions will not be relevant to the Court in analyzing the correctness of that position.

For the above reasons, Petitioners' motion to disqualify the Attorney General's office from representing the JUA is GRANTED and the motion to disqualify Attorney Perlow is DENIED.

**SO ORDERED.**

Date

6/25/09

  
Kathleen A. McGuire  
Presiding Justice

Amendment to SB 402-FN

1 Amend the bill by replacing all after the enacting clause with the following:

2

3 1 New Subdivisions; Disposal of State-Owned Vehicles Based on Nonbusiness Use; Fleet  
4 Efficiency and Redistribution. Amend RSA 21-I by inserting after section 19-g the following new  
5 subdivisions:

6

Disposal of State-Owned Vehicles Based on Nonbusiness Use

7

21-I:19-h Disposal of State-Owned Vehicles Based on Nonbusiness Use.

8 I. Each agency, as defined in RSA 21-G:5, III, shall report quarterly to the department of  
9 administrative services the total miles and total nonbusiness miles traveled by each state-owned  
10 motor vehicle, including, but not limited to, use of vehicles for commuting between an employee's  
11 home and regular place of business. This section shall not apply to vehicles used for the purposes of  
12 law enforcement. This section shall be interpreted so as not to conflict with federal Internal Revenue  
13 statutes or regulations and shall not relieve an agency or its employees from non-wage fringe benefit  
14 reporting requirements for nonbusiness use of state-owned motor vehicles.

15 II. By August 1, 2011, each agency shall review the utilization of all vehicles which are  
16 assigned to the agency to determine if nonbusiness use for any vehicle exceeds 15 percent of the total  
17 miles traveled by that vehicle for the preceding fiscal year. By August 1 of each year after 2011,  
18 each agency shall conduct the same review using the percentage of nonbusiness use miles adjusted  
19 by the vehicle utilization committee.

20 III. Each agency shall, by August 15, 2011, report to the commissioner in writing all vehicles  
21 which are determined to have nonbusiness use exceeding 15 percent of the total miles traveled by  
22 that vehicle for the preceding fiscal year. Each agency shall, by August 15 of each year after 2011,  
23 report to the commissioner in writing all vehicles which are determined to have nonbusiness use  
24 miles exceeding the percentage adjusted by the vehicle utilization committee.

25 IV. The commissioner shall, by October 1, 2011 and each October 1 thereafter, submit a  
26 report to the governor and council and to the fiscal committee of the general court identifying all  
27 vehicles which he or she has been advised have nonbusiness use exceeding the applicable percentage  
28 of total miles traveled by that vehicle for the preceding fiscal year.

29 V. For each vehicle reported under paragraph III, the director of the division of plant and  
30 property management of the department of administrative services either shall declare the vehicle  
31 surplus and transfer or otherwise dispose of the vehicle or shall reassign the vehicle within the  
32 agency, unless a waiver of the requirements of this paragraph is granted by the vehicle utilization

1 committee.

2 VI. Requests for waivers from the vehicle utilization committee shall be submitted to the  
3 commissioner at the same time as the report required by paragraph III. The vehicle utilization  
4 committee shall grant a waiver if it concludes that to do so would be in the best interests of the state.

5 VII. There is hereby established a vehicle utilization committee consisting of the following  
6 officials or designees:

7 (a) The commissioner of the department of administrative services.

8 (b) The director of the division of plant and property management of the department of  
9 administrative services.

10 (c) The commissioner of the department of transportation.

11 (d) The commissioner of the department of safety.

12 (e) The commissioner of the department of environmental services.

13 VIII. After October 1, 2011, the vehicle utilization committee may, at any time, with the  
14 prior approval of the fiscal committee of the general court, adjust the percentage of nonbusiness use  
15 miles traveled by a vehicle during the preceding fiscal year which may result in a vehicle being  
16 declared surplus and subject to transfer or other disposal by the director of the division of plant and  
17 property management. In the absence of any adjustment, the percentage shall be 15 percent. Any  
18 adjustment of the percentage made by the vehicle utilization committee shall be communicated to  
19 agencies by the vehicle utilization committee and shall remain in effect until further adjustment, if  
20 any, is made.

#### 21 Fleet Efficiency and Redistribution

22 21-I:19-i Fleet Efficiency and Redistribution.

23 I. The department of administrative services shall monitor, analyze, and evaluate the  
24 utilization of the state's motor vehicles by agencies and employees; develop methods and procedures  
25 to improve the efficiency of the state's motor vehicle fleet; oversee the analysis of data provided to it  
26 by agencies; make recommendations for improvement of fleet efficiency; develop recommendations  
27 for managing fleet size and efficiency; and make recommendations for purchases of motor vehicles  
28 and redistribution of vehicles in the state's fleet as necessary to achieve fleet efficiencies, taking into  
29 account agencies' purposes, objectives, and functions.

30 II. In this section:

31 (a) "Agency" means "agency" as defined by RSA 21-G:5, III.

32 (b) "Motor vehicle" means:

33 (1) A passenger sedan or station wagon; or

34 (2) Any of the following which has a gross vehicle weight rating of up to 10,000  
35 pounds: a passenger van seating up to 8 people, a pick-up truck, a sport utility vehicle, or a cargo  
36 van.

37 III. An agency shall not purchase or lease a motor vehicle without first obtaining the

1 recommendation of the department of administrative services as provided in this section.

2 IV. In regard to motor vehicle purchases or leases, the department of administrative services  
3 shall assess whether the purchase or lease is in conformity with:

4 (a) The efficient and cost-effective utilization of the state's motor vehicle fleet as a whole.

5 (b) Any applicable rules or procedures of the department of administrative services,  
6 including but not limited to those relating to the alteration of fleet size and the acquisition of like or  
7 similar vehicles.

8 (c) The agency's budgetary authority.

9 (d) The provisions of any applicable executive orders or instructions of the governor and  
10 executive council.

11 (e) The laws, rules, or procedures relating to the procurement or the transaction at issue.

12 (f) Any other matter relating to whether the purchase or lease is in the best interests of  
13 the state.

14 V. In the course of conducting the assessment described in paragraph IV, the department of  
15 administrative services shall consult with a representative of the agency concerning the effective and  
16 efficient achievement of the agency's purposes, objectives, and functions. The department of  
17 administrative services may also consult with the vehicle utilization committee established under  
18 RSA 21-I:19-h, VII.

19 VI. Following the department of administrative services' assessment of the purchase or  
20 lease, the commissioner of administrative services shall consider the factors set forth in paragraph  
21 IV and determine whether, in his or her opinion, the purchase or lease should be recommended. If  
22 the commissioner recommends against the purchase, he or she shall convey his or her  
23 recommendation to the fiscal committee of the general court. If the fiscal committee, taking into  
24 account the factors set forth in paragraph IV, concludes that the purchase or lease is appropriate,  
25 the agency may make the purchase or lease. If the committee does not so conclude, the agency may  
26 not make the purchase or lease.

27 VII. Based upon fleet utilization studies or other analyses of an agency's fleet, and applying  
28 the factors and processes set forth in paragraphs IV through VI, the commissioner of administrative  
29 services may, at any time, recommend to the fiscal committee of the general court that any one or  
30 more motor vehicles in an agency's fleet be declared surplus, or that it be reassigned within the  
31 agency. If the committee concurs with the commissioner's recommendation, the director of the  
32 division of plant and property management of the department of administrative services either shall  
33 declare the vehicle or vehicles surplus and transfer or otherwise dispose of the vehicle or vehicles or  
34 shall reassign the vehicle or vehicles within the agency.

35 2 Travel and Fleet Operation Cost Reductions.

36 I. In this section:

37 (a) "Agency" means "agency" as defined in RSA 21-G:5, III.

1 (b) "Commissioner" means the commissioner of the department of administrative  
2 services.

3 (c) "Light duty truck" means any of the following which has a gross vehicle weight rating  
4 of up to 10,000 pounds: a passenger van seating up to 8 people, a pick-up truck, a sport utility  
5 vehicle, or a cargo van.

6 (d) "Passenger vehicle" means a passenger sedan or station wagon.

7 II.(a) Each state agency shall reduce its combined in-state travel and fleet operations costs  
8 by 6 percent for the fiscal year ending June 30, 2011 and by an additional 6 percent for fiscal year  
9 ending June 30, 2012, unless the fiscal committee of the general court and the governor and council  
10 conclude that to do so would not be in the best interests of the state. By September 1, 2010, each  
11 agency shall review and determine its in-state travel reimbursement costs and light duty truck and  
12 passenger vehicle fleet operations costs for the prior 12 months. By October 1, 2010, each agency  
13 shall submit to the commissioner, in writing, an action plan that contains a proposed reduction of its  
14 combined in-state travel and fleet operations costs by 6 percent for the fiscal year ending June 30,  
15 2011 and by an additional 6 percent for fiscal year ending June 30, 2012. Such action plan shall  
16 include sufficient detail to demonstrate how costs savings will be realized in each fiscal year.

17 (b) The commissioner shall review the action plan submitted by each agency to  
18 determine whether he or she concurs that the action plan would, based upon available information,  
19 likely reduce the combined costs by the required amount.

20 (c) If the commissioner concurs that the action plan would be likely to reduce the  
21 combined costs by the required amount, the commissioner shall, by November 1, 2010, so advise the  
22 agency in writing and the agency shall implement the plan for the fiscal years ending June 30, 2011  
23 and June 30, 2012.

24 (d) If the commissioner does not concur that the action plan would be likely to reduce the  
25 combined costs by the required amount, he or she shall, by November 1, 2010, instruct the agency to  
26 submit, and the agency shall submit, a revised plan by December 1. If the commissioner concurs  
27 that the revised plan would be likely to reduce the combined costs by the required amount, the  
28 commissioner shall, by January 1, 2011, so advise the agency in writing and the agency shall  
29 implement the plan for the fiscal years ending June 30, 2011 and June 30, 2012. The commissioner  
30 shall by December 31, 2010, provide the governor and council and the fiscal committee of the general  
31 court with a report specifying the status of all action and revised plans submitted to the  
32 commissioner under this section.

33 III. In order to maintain the critical public safety efforts of the state, this section shall not  
34 apply to the department of safety. The department of safety shall establish realistic target goals  
35 which are consistent with and supportive of the department's prior and planned fleet operations cost  
36 containment efforts for the control and reduction of its fleet operating costs for the fiscal year ending  
37 June 30, 2010 and for the fiscal year ending June 30, 2011 and shall submit its plan for doing so to

1 the fiscal committee of the general court and the governor and executive council by October 1, 2010,  
2 including proposals for each fiscal year. The department of safety shall report to the fiscal  
3 committee of the general court and the governor and executive council on the status of these target  
4 goals by December 31, 2010, July 31, 2011, and December 31, 2011.

5 3 Effective Date. This act shall take effect July 1, 2010.



2010-1526h

AMENDED ANALYSIS

This bill requires that each state agency reduce its combined in-state travel and fleet operations costs by 6 percent for the fiscal year ending June 30, 2011 and by an additional 6 percent for fiscal year ending June 30, 2012. This bill also requires the disposal or reassignment of a state-owned vehicle if the nonbusiness use miles traveled by the vehicle exceeds a specified percentage of total miles traveled and establishes a procedure for the purchase or lease of vehicles by state agencies.

### Your Honorable Compromise Plan for Expanded Gambling

In answer to numerous questions, Senator Gatsas put bullet points together for his expanded gambling bill (SB169) last year. I've updated them for you here.

- When the plan was first advanced, Senator Gatsas had it critiqued by then Attorney General Phil McLaughlin, and his concerns were addressed.
- The plan establishes a Gaming Oversight Authority (GOA) comprised of the Commissioner of Safety, the Commissioner of Revenue Administration, and the Commissioner of the Department of Resources and Economic Development. The Commissioner of Safety will serve as Chair. This is especially important now that the Governor's Commission is stressing that better oversight is needed.
- The plan authorizes a maximum of four 1200 machine facilities and two 600 machine facilities for a maximum of 6000 machines statewide.
- To minimize state control, this is a partnership with the six facilities which will be chosen to lease space to the state (in exchange for a 15 percent share of proceeds). It is also a partnership with a centralized computer system provider (two percent); and video lottery terminal (VLT) providers (six percent).
- The 16 percent designated for the Gambling Oversight Authority will be used to hire personnel to handle all money and machines at the six facilities. There is enough money herein for proper managers to be hired (at the appropriate salary to run the program) and to ensure strict enforcement of all regulations.
- The six facilities will hire all personnel dealing with food and beverages and will keep all the profit from these ancillary functions (with the state getting the usual rooms and meals tax, of course). The six facilities will also be responsible for maintaining the space, including hiring all cleaning personnel. They will pay for this from the 15 percent fee to facilities licensee. They will also be responsible for the heat, electricity, water, sewer, and any other maintenance of the facility.
- The GOA will certify net machine income (NMI) and establish a centralized computer system linking all video lottery machines to ensure the control of the machines (two percent of revenues is set aside for this)
- The GOA will enter into lease agreements with up to three technology providers to provide leased video lottery machines to the state. Providers will receive six percent for this service. Thus the better the machines, the more the providers will make. Thus, the incentive to provide the most modern and "best" machines.
- No person under the age of 21 will be allowed to play at VLT. If they are caught violating this provision, the penalty will be a fine of no more than \$1000. If a state employee knowingly allows someone under the age of 21 to play, he or she will be subject to a \$1000 fine and an administrative penalty of \$50,000.
- The video lottery machines will pay out at least 92 percent on an annual basis (this was 87 percent in the original Gatsas plan, but all indications are that 92 percent is more of an industry norm).
- The GOA will grant 6 facilities licenses. These will go to the highest bidders from any location in the state with a \$12 million minimum bid for a 1200 machine facility and \$6 million minimum for a 600 machine facility. 25 percent of this up front money (at least \$15 million) will serve as seed money for the GOA. 75 percent (at least \$45 million) will go to the state general fund. Ten percent of the

bid money must accompany the bid but is refundable should the applicant not be granted a facility. Beyond that, to prevent a pre-existing casino (a lobbyist suggested Foxwoods) from gaming the system by bidding for a facility it never intends to operate, an organization granted the bid will have 30 days to pay in the remaining 90 percent. If it fails to do so, the GOA will offer the facility to the next highest bidder.

- The original Gatsas plan called on the GOA to consider these criteria in awarding facility licenses. The language remains in the bill (in the case of tie bids).
  1. Evidence provided that local approval has been granted.
  2. The regional location of the prospective facilities licensee (an earlier incarnation that only one facility be granted per county has been dropped).
  3. A detailed economic plan for the municipality and surrounding region including: unemployment in the area, direct and indirect employment gain, effect on tourism based economy, effect on regional economic development.
  4. A business plan to support the video lottery machines.
  5. Qualification of those who own or manage the prospective license facilities.
  6. Regional population.
  7. Vehicle traffic.
  8. Total square footage of the facility and the total acreage of the facility.
  9. Availability of suitable infrastructure.
  10. Availability of adequate parking.
  11. Other information as the GOA may require.
- An extensive investigation will be carried out by the office of the Attorney General; a report of results will be presented to the GOA within 90 days. The final decision will also be based on the applicant providing evidence of financial stability to the GOA, and are of good character and integrity as it pertains to their business activities and financial affairs.
- The application will include the full name, residence, date of birth, and other personal identifying information of the applicant, and if a corporation or other form of business enterprise exists, the same information shall be provided with respect to each partner, trustee, officer, director, and any shareholder or other holder who owns more than 5% of the legal or beneficial interests of the entity.
- A facilities license will be granted for five years although the GOA has the right to suspend or revoke the license at any time. A facilities license cannot be assigned, transferred or sold.
- Before an applicant can apply for a facilities license from the state to operate video lottery machines, it must have the approval of its local community. The community may approve this operation at a town meeting or by voting on an official ballot during a municipal election per RSA 39:3.
- A Division of Gaming Enforcement will be established to operate the video lottery machines located in the six facilities. The Director will hire and manage employees for the day to day operations ensuring the integrity of the program.
- The host community (city or town) will receive one percent of revenues generated from that facility. No other dedicated funds are established in this plan.
- Revenue from this amendment obviates the need to the increase tobacco tax and the need to lessen state aid to cities and town.

## Your Honorable Compromise Plan for Expanded Gambling\*

\*(Modeled after SB169 from Senator Ted Gatsas in 2009)

6000 machines (total) 6 locations; 4 with 1200 machines each; 2 with 600.

Three scenarios for average machine intake per day:

\$150, \$200, \$250 x 6000 machines x 365 days:

Total generated at \$150 per day: A--\$328,500,000

at \$200 per day: B--\$438,000,000

at \$250 per day: C--\$547,500,000

60% Deposited to general fund—A--\$150 per day--\$197,100,000  
B--\$200 per day--\$262,800,000  
C--\$250 per day--\$328,500,000

16% Gambling Oversight Authority A--\$150 per day--\$52,560,000  
B--\$200 per day--\$70,080,000  
C--\$250 per day--\$87,600,000

6% Technology Provider A--\$150 per day--\$19,710,000  
B--\$200 per day--\$26,280,000  
C--\$250 per day--\$32,850,000

2% Centralized Computer System A--\$150 per day--\$6,570,000  
B--\$200 per day--\$8,760,000  
C--\$250 per day--\$10,950,000

1% Towns with Machines  
A--\$150 per day --\$3,285,000 (\$657,000 large facility /\$328,500 small)  
B--\$200 per day --\$4,380,000 (\$876,000 large facility /\$438,000 small)  
C--\$250 per day --\$5,475,000 (\$1,095,000 large facility /\$547,500 small)

15% Facilities Licensee\*  
A--\$150 per day--\$49,275,000 (\$9,855,000 large facility /\$4,927,500 small)  
B--\$200 per day--\$65,700,000 (\$13,140,000 large/ \$6,570,000 small)  
C--\$250 per day--\$82,125,000 (\$16,425,000 large/ \$8,212,500 small)

\*One Time License Fee—Minimum of \$12 million for 1200 machine facility;  
\$6 Million for 600 machine facility

TOTAL UP FRONT MONEY—Minimum \$60 Million  
(\$15 million--25 percent into start up capital fund)

\$45 million--75 percent to state general fund)

## Your Honorable Compromise Plan For Expanded Gambling

### How Facilities Make an Honest Profit, A Reasonable Return on Investment, Albeit Not a Killing as in SB489

#### Assumptions:

1. 50 square feet needed per machine—60,000 square feet total
2. \$200 cost per square foot for fit-up costs
3. \$20 cost per square ft of facility for maintenance, heat, electricity, water, taxes, etc
4. 8% interest charge on borrowed money for facility
5. 5 year pay-off loan

#### A. Costs for 1200 machine facility (maximum allowable)

- a. 50 sq ft x \$200 per sq t x 1200 machines = \$12,000,000 renovation costs
- b. Up front payment to state = \$12,000,000
- c. \$12,000,000 plus \$12,000,000 = \$24,000,000 to be borrowed
- d. \$24,000,000 @ 8% (for five years) = \$29,892,000 payback
- e. \$30,415,000 divided by five years = \$5,978,000 per year
- f. \$20 per square foot maintenance x 60,000 sq ft = \$1,200,000
- g. \$6,083,000 + \$1,200,000 = 7,178,000 per year

#### B. Revenues for 1200 machine facility (15 percent x 1200 machines)

- @\$150 per machine per day—\$9,855,000
- @\$200 per machine per day—\$13,140,000
- @\$250 per machines per day--\$16,425,000

#### C. Profits per year (prior to taxes and beverage/meals intake)

@\$150 per machine--\$9,855,000 minus \$7,178,000 = \$2,677,000  
times five years = \$13,385,000

@\$200 per machine--\$13,140,000 minus \$7,178,000 = \$5,962,000  
times five years = \$29,810,000

@\$250 per machine--\$16,425,000 minus \$7,178,000 = \$9,247,000  
Times five years = \$46,235,000

\$24 million investment—annual profit of \$5,962,000 (at \$200 per machine) = 24.8 %  
Plus—Facility keeps 100% profits from food and beverage operations!

How big is 60,000 square feet?

A football field is 300 by 100 feet—30,000 square feet.

Thus, 600 machines would fit in football field (at 50 square feet per machine)

1200 machine facility would need to be approx twice size of football field.

For 600 machine facility, simply use half the costs and half the profit of numbers here

Amendment 2010 - 1627h Rep Vailancourt 4/30/10  
 Approx # slots (as per their web site)

12 Mos ended Dec 2008	State	WPD
Philadelphia Park 3300	PA	386
Rockingham Park*	NH	367 * Millennium Projection - (3000)
<del>Mohegan Sun 6800</del>	<del>CT</del>	<del>366</del>
Meadows 3700	PA	366 * Millennium owned
Harrahs Chester	PA	358
Harrahs	NJ	332
Borgata	NJ	305
Mohegan Sun	PA	292
Caesars	NJ	287
Hollywood	PA	280
Foxwoods 6200	CT	257
Trump Taj Mahal	NJ	250
Yonkers 5500	NY	249
Presque Isle Downs	PA	245
Charles Town Races	WV	243
Showboat	NJ	242
Twin River 4700	RI	234
Finger Lakes	NY	231
Trump Plaza	NJ	228
Pompano Park	FL	223
Delaware Park	DE	219
Ballys	NJ	219
Trump Marina	NJ	215
Mount Airy	PA	212
Wheeling Island	WV	212
Saratoga 1760	NY	207 → 50,000 visitors/wk
AC Hilton	NJ	206
Dover Downs 3000	DE	204
Tropicana	NJ	191
<del>Hollywood Slots 1000</del>	<del>ME</del>	<del>187</del>
Resorts	NJ	184
Moutaineer Park	WV	176
Tioga Downs	NY	172
Harrington Raceway 2100	DE	166
Mardi Gras	FL	158
Gulfstream Park	FL	153
Batavia Downs	NY	149
Newport Grand 1000	RI	148
Fairgrounds	NY	142
Vernon Downs	NY	134
Tri-State Park	WV	105
Mighty M	NY	100

Source: Michael Pollock's Gaming Industry Observer, "East Coast Slot Report," January, 2009.

Quebec [ Montreal - 3200 slots - 120 tables  
 @ Atineau 1870  
 Charlevoix 800

2010 ?  
 Quebec  
 10.5 million visitors/yr

State Revenue from Racino Operation - Bangor, 2008

<u>Month</u>	<u># Slots</u>	<u>Gross Revenue</u>	<u>Net Revenue</u>	<u>Win Per Day</u>
January	475	\$ 43,393,770.47	\$ 3,127,441.37	7.2
February	475	\$ 42,206,427.48	\$ 3,383,358.00	8.0
March	475	\$ 47,017,889.93	\$ 3,580,772.50	7.6
April	475	\$ 46,928,399.58	\$ 3,666,839.05	7.8
May	475	\$ 52,181,991.43	\$ 4,008,231.76	7.7
June	<del>475</del>	<del>\$ 44,584,069.85</del>	<del>\$ 3,371,102.49</del>	<del>7.6</del>
July	1000	\$ 75,451,037.31	\$ 6,296,829.55	8.3
August	1000	\$ 66,872,691.69	\$ 5,652,392.75	8.4
September	1000	\$ 54,823,556.57	\$ 4,762,016.48	8.7
October	1000	\$ 57,256,705.75	\$ 4,885,980.02	8.5
November	1000	\$ 51,396,500.03	\$ 4,279,706.85	8.3
December	1000	\$ 44,443,617.43	\$ 3,500,711.21	7.9

Source: Maine Gambling Control Board

<http://www.state.me.us/dps/GambBoard/FinancialInformation.htm>

**\$ 50,509,000 APPROX**

**\$ 50.5M**

More SLOTS = Less per SLOT.  
Pt. of diminishing returns.

# Granite State Coalition Against Expanded Gambling

PO Box 3931, Concord, NH 03302-3931

## Testimony Re Vaillancourt Amendment to SB450

Before House Finance, Full Committee Work Session,  
Friday, April 30, 2010, 10:00 AM, LOB 210-211

To save committee time, our comments are restricted to the financial/revenue aspects of the amendment.

While a competitive auction process could result in significantly more state casino license and operating revenues than the fixed-price process contemplated in SB489 as rejected last week by the House, this amendment does not provide the professional management needed to avoid failure in a competitive auction process.

The structure and tax rate in the bill all but assures that no viable bids will be received.

- The 76% tax rate (16% of win to facility licensee, 6% to machine vendor, 2% to centralized data processor = 24% total gross profit to operators) would be highest in the US.
- Rhode Island with its 73% (2008) effective tax rate led to the Twin River casino's bankruptcy.
- New York's 68% (2007) effective racino tax rate left the racinos empty and unable to afford marketing and promotional comps required to lure gamblers from competing casinos in the saturated northeast market. The New York legislature was compelled to reduce tax rates to the current (2008) 57%.

If any bids are received, the amendment guarantees that casinos will be slots barns that will harm local economies and fail to produce significant revenue.

- 287-H:16 The five year license term without guaranteed renewability means that anything but least cost buildings and infrastructure will be provided. The gaming oversight authority, if petitioned by the governing body of the host municipality, may revoke the license at an earlier date.
- No funds are provided to mitigate casino financial impacts on adjacent towns, impacts including infrastructure, social services, and education cost increases.

State revenues, if any, will collapse under competition:

- The proposed tax rate in Massachusetts is 25%, meaning Massachusetts casinos will offer amenities, marketing, and promotional comps, luring most NH gamblers.
- Legalization of any casino in NH would require that state to permit operation of casinos by any recognized tribe, such tribal casino(s) operating without any of the financial constraints of this amendment.

### GSCAEG Board

Tom Boucher  
Chief David Dubois  
Herb Hansen  
David Lamarre-Vincent, Treasurer  
Ed Naile  
Jim Rubens, Chair  
Peter Schmidt  
Katrina Swett

### GSCAEG Organizations

NH Chiefs of Police  
Granite State Taxpayers  
Coalition of NH Taxpayers  
NH Advantage Coalition  
NH Citizens for A Sound Economy  
NH Council of Churches  
United Church of Christ  
NH Baptists Association  
Unitarian Universalists Group  
for Social Responsibility  
Episcopal Diocese of NH  
Cornerstone Policy Research  
NH Citizens' Alliance  
League of Women Voters of NH  
Stonyfield Farm, Inc

### Organizations Opposing Casinos

National Education Assn – NH  
NH Republican Party  
NH Medical Society  
Roman Catholic Diocese of  
Manchester

### Advisory Board

Warren Rudman  
Phil McLaughlin  
Brad Cook  
Gary Hirshberg  
Meg Cadoux Hirshberg  
Patty Humphrey

### Legislative Anti-Gambling Caucus Leaders 2009

Sen Martha Fuller Clark (D)  
Sen Bob Letourneau (R)  
Rep Dan Itse (R)  
Rep Peter Schmidt (D)

### Newspapers Opposing Slots Casinos

Concord Monitor  
Eagle Tribune  
Fosters Daily Democrat  
Keene Sentinel  
Laconia Citizen  
New Hampshire Union Leader  
Portsmouth Herald  
Valley News

Please visit our website  
[www.NoSlots.com](http://www.NoSlots.com)



Revenues will not arrive in time to help the current budget:

- The likely non-comparability of any bids received and the subjective authority of the gaming oversight authority to select among bidders will likely lead to litigation and delay.
- The 90 days provided for the AG to do required investigation is impossibly short.
- Similar bidding approaches used in other states have sometimes resulted in lengthy delays due to lack of bids, contingent bids, bidder failure to perform.
- In Maryland, for example the bidding and licensing process has proceeded far more slowly than anticipated, with revenues now projected to begin flowing for the first small casino more than two years following legalization. [Read a few opening sentences of this March, 2010 Washington Post article, snipped below]

If everything had gone as planned, Maryland's first slots casino would be opening this spring and four others would be on the way -- with the promise of more than \$660 million a year on the horizon for education programs. Instead, the state's efforts to cash in on casinos is in serious trouble, as local opposition, zoning fights, concerns about financing, the recession and other unforeseen obstacles have combined to stall or kill the projects.

The prospects for the state's largest proposed slot machine casino are once again in doubt because of a petition drive that is likely to force a vote in November that could sink plans for it at an Anne Arundel County outlet mall. A bid to build the state's second-largest casino in downtown Baltimore was scrapped late last year after doubts were raised about the developer's ability to pay for the project. The search for a new developer is on hold.

Over the coming three years, Maryland's slots program is expected to generate less than half the revenue legislative analysts predicted when voters approved its launch in 2008.

Delays are hardly unique to Maryland. Some casinos authorized in Pennsylvania and Kansas, two states that launched their programs well before Maryland did, have yet to open, for example. "There's always something that seems to happen in these processes that create lags and delays," said William Eadington, director of the Institute for the Study of Gambling and Commercial Gaming at the University of Nevada at Reno.

As part of a 2007 compromise, the legislature agreed that all state-licensed casinos would need to comply with local zoning requirements, a provision many lawmakers have come to view as a huge mistake.

Notes:

Minimum machine payout: 92%

6,000 total machines at up to 6 locations

4 x 1200 machines each, \$12MM license fee per location

2 x 600 machines each, \$6MM license fee per location

Amendment 2010-1593h  
to SB 450

**Summary**

**Objective:** revise the state retirement plan for new hires so that it is more fiscally sound and more likely to pay promised pension benefits.

**Provisions:**

1. *Pension* calculated on base pay and military differential pay only excluding overtime, holiday pay, sick pay, special details, etc. [page 2, line 2].
2. *Retirement age* extended by five years.
  - a. For Group from 60 to 65 [p. 3, lines 3 and 30; p. ]
  - b. For Group II from 45 to 50 [page 4, line 12].
3. *Years of service* for full Group II pension increased by five years from 20 to 25 [p. 4 line 12].
4. Retirement age and years of service to be adjusted every ten years to reflect changes in life expectancy [p.2, line 24].
5. *Maximum pension* cannot exceed 75% of final compensation [p. 6, line 23].
6. *Member contribution rates* increased for Group I to 7% from 5% currently and for Group II to 13% from 9.3% currently [p. 7, line 5].
7. *Right to make prospective changes* in the plan, including member contribution rates, is reserved to the state [p. 2, line 18].



**New Hampshire  
Municipal Association**

## **Testimony on Amendment 1593h To SB 450**

**House Finance Committee**  
April 30, 2010

For the record, my name is Barbara Reid, Government Finance Advisor for the New Hampshire Municipal Association. I am here to testify in support of amendment 1593h to SB 450.

The number one general government policy position of the NH Municipal Association membership states that:

NHMA supports continuing to work with legislators and the New Hampshire Retirement System (NHRS) Board members about pending retirement fund deficiencies and offer ways to assure the long-term health and solvency of the NHRS, including changes to the benefit structure and the governance structure of the system.

During the past four years, 45 pieces of legislative have been enacted that have directly impacted the NHRS. These changes effected the administration of the system and the governance structure, established an investment committee, changed the actuarial methodology, granted cost of living adjustments and expanded benefits. However, not one piece of legislation enacted over the past four years has addressed the growing liabilities of the system. In a single year, from FY 2008 to FY 2009, the actuarial accrued liabilities of the system increased over 8%, from \$7.8 billion to \$8.5 billion.

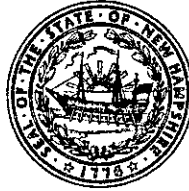
Although some of the changes proposed in amendment 1593h may appear to be rather significant, we believe that changes such as these will begin to address the growing liabilities, will help to assure the long-term health and solvency of the system for past, present and future employees, and will help make the system affordable for employers.

The State of New Hampshire

William M. Gardner  
Secretary of State

Robert P. Ambrose  
Senior Deputy  
Secretary of State

David M. Scanlan  
Deputy Secretary of State



Stephen M. Wurtz  
Acting Director & State Registrar  
Phone: 603-271-4655  
Fax: 603-271-3447  
Email: swurtz@sos.state.nh.us

DEPARTMENT OF STATE  
Division of Vital Records Administration  
71 S. Fruit Street, Concord NH 03301-2410

April 30, 2010

Ms. Marjorie Smith, Chair  
House Finance Committee  
New Hampshire House of Representatives  
107 North Main Street  
Concord, NH 03301

Ms. Smith,

The New Hampshire Division of Vital Records Administration is opposed to this amendment for several reasons:

Since the early 90s New Hampshire has led the nation in automating the registration of vital records and providing crucial health statistics to state and federal authorities. When this body established the Vital Records Improvement Fund (VRIF) in 1992 we began a very ambitious project to collect, maintain and preserve vital event data. In the ensuing years we have blazed the trail by becoming one of the first states in the nation to fully automate the process without utilizing any general funds. The Improvement Fund supports all areas of the vital event data collection, i.e. IT software support and software upgrades, the purchase of hardware and software for state users as well as provided training for city and town clerks, hospitals and funeral directors. It has also assists multiple remote municipalities to obtain internet access. To that end we can proudly report that every city and town clerk in the state is online and able to provide certified copies of vital records to their constituents.

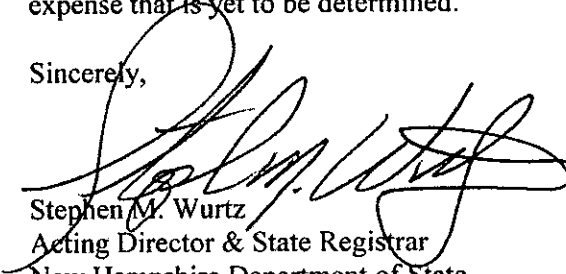
Because of our high level of automation we have been asked to participate in several federally funded programs yielding nearly \$250,000 to the general fund annually. In addition to winning awards and recognition, New Hampshire has been held up as an example to other states at national conferences sponsored by the Centers for Disease Control (CDC), National Center for Health Statistics (NCHS) and the National Association of Public Health Information Systems (NAPHSIS).

The enhancements we have undertaken in the last two years have been purely to fulfill legislative direction. Civil unions and same gender marriage have mandated major changes to our system, processes and forms. These improvements were completed in short order due to the existence of the Vital Record Improvement Fund. If the fees for vital records are increased our ability to obtain additional funding in the future for NHVRIN will be questionable. If the fund cannot provide the financial support for upgrades to our registration software it may become necessary to approach the legislature to seek assistance.

The current financial situation has led citizens to examine closely the fees we charge and it is our fear that this change could further restrict the number of certificates records requested. Any increase in fees may result in a reduction in the revenue that we currently receive and budget accordingly.

This amendment will require an upgrade to our data collection system that according to the Department of Information Technology estimates will require 342 billable hours totaling \$18,810. Additionally, enhancements will be required for the Secretary of State's City and Town clerk invoicing software at an expense that is yet to be determined.

Sincerely,



Stephen M. Wurtz  
Acting Director & State Registrar  
New Hampshire Department of State  
Division of Vital Records Administration

Rep. Barodig

Amendment 2010-1726h

I'd like to introduce this amendment to SB 450. It's a very simple amendment to bring fairness to the energy policy in NH. I have listened in House Science & Tech as people have ignored the problems with the way we're distributing this money. We need to meet our energy goals, but we need to do it in a fair way. We're here in the Finance Committee cutting . . . cutting. . . cutting, and when I look at this list, and I know that the ratepayer money is going to write checks for \$6,000 to all these folks, and Manchester pays for more than 10% of the cost, but has gotten back less than 1% of the benefit, something needs to be fixed. I know that we need to do better. So my simple amendment to SB 450 says that every community can retain up to 50% of the money going into the fund from their community in order to make sure the projects in their communities have an opportunity to get funded. We don't need donor communities on energy policy, and people who are financially struggling subsidizing those who have means. My amendment would ensure fairness so that we can all move forward together in these difficult times. I'm not a policy person on energy, and certainly if these House and Senate policy committees can work together and come up with a better resolution by the end of the session, then we don't need to do my amendment. But in the meantime, I would ask this committee to adopt this amendment on the budget to make sure that we're taking care of all the people in this state during these tough economic times.

Amendment 2010-17264

## PUC Small Electric Generation Rebates

through April 22, 2010

First Name	Last Name	Town	TOWN SORT	Rebate Paid	Wind or Solar	Peak KW Rating
Joshua	Ingalls	Acworth	Acworth	\$4,080	SOLAR	1.36
Harriet/Jere	Forkey/Lundholm	Alexandria	Alexandria	\$6,000	SOLAR	3.9
Edward and Nancy	Wasowski	Alstead	Alstead	\$6,000	SOLAR	4.2
Rees	Acheson	Alstead	Alstead	\$6,000	SOLAR	4.2
Bob and Celeste	Longacre	Alstead	Alstead	\$6,000	SOLAR	3.2
John E.	Mann	Alstead	Alstead	\$6,000	SOLAR	2.76
Ellen	Denny	Alstead	Alstead	\$1,560	SOLAR	0.52
Bonnie / Albert	Vendig / Dole	Alstead	Alstead	\$6,000	SOLAR	2.05
William	Rapf	Amherst	Amherst	\$6,000	SOLAR	2.7
Michael	Scher	Amherst	Amherst	\$6,000	SOLAR	3.01
Barton & Elizabeth	Green	Andover	Andover	\$6,000	SOLAR	3.6
Ken	Wells	Andover	Andover	\$6,000	SOLAR	2.04
Edwin	Macomber	Center Barnstead	Barnstead	\$6,000	SOLAR	2.04
Arthur	Wheeler	Barrington	Barrington	\$6,000	SOLAR	4.68
Barry	Lightbown	Glen	Bartlett	\$6,000	WIND	2.21
George	O'Brien	Intervale	Bartlett	\$6,000	WIND	2.21
Richard	Weinberg	Bath	Bath	\$6,000	SOLAR	3.36
Dana and Karen	Downes	Bedford	Bedford	\$6,000	SOLAR	3.04
Matthew F.	McLaughlin	Bedford	Bedford	\$6,000	SOLAR	2.42
Joan	Miller	Bedford	Bedford	\$6,000	SOLAR	3.28
Roland	Goulette	Berlin	Berlin	\$6,000	SOLAR	4.8
Mark & Susan	Tremblay	Berlin	Berlin	\$6,000	WIND	2.4
Art	Manchester	Bradford	Bradford	\$6,000	WIND	2.21
Lawrence	Denton	Bristol	Bristol	\$6,000	SOLAR	2.1
David	Partridge	Brookline	Brookline	\$6,000	SOLAR	2.16
Patrick	Miller	Campton	Campton	\$6,000	SOLAR	2.38
Paul A.	Yelle	Campton	Campton	\$6,000	SOLAR	2
William and Susan	Fallon	Campton	Campton	\$6,000	WIND	2.4
Arthur	Baronouski	Campton	Campton	\$6,000	WIND	2.21
Scott & Ruth	Conwell	Canaan	Canaan	\$5,250	SOLAR	1.75
Dave and Kye	Power	Candia	Candia	\$6,000	SOLAR	2.5
Scott	Ruesswick	Canterbury	Canterbury	\$6,000	SOLAR	4.68
BJ	Entwisle	Canterbury	Canterbury	\$6,000	SOLAR	4.92
Charles and Susan	Allen	Center Harbor	Center Harbor	\$6,000	SOLAR	3.2
Stuart	McDonald	Center Harbor	Center Harbor	\$6,000	SOLAR	2.1
John	Nyblom	Charlestown	Charlestown	\$6,000	SOLAR	2
Paul	Nickerson	Charlestown	Charlestown	\$6,000	SOLAR	4
Joseph	Handy	Charlestown	Charlestown	\$6,000	SOLAR	2.1
Richard & Judy	Kalich	Spofford	Chesterfield	\$5,400	SOLAR	1.8
James	McDerby	Spofford	Chesterfield	\$6,000	SOLAR	2.7
Kimbal L. & Sandra L.	Bergstrom	Claremont	Claremont	\$6,000	SOLAR	2.28
Michael	Trottier	Claremont	Claremont	\$6,000	SOLAR	2.1
Brian & Jody	Race	Claremont	Claremont	\$6,000	SOLAR	2.1
David	Belisle	Claremont	Claremont	\$6,000	SOLAR	2.42
Aline	Jannenga	Colebrook	Colebrook	\$6,000	SOLAR	2.08
Chris & Marie	Gueymard	Colebrook	Colebrook	\$6,000	SOLAR	2.24
Craig	Jewett	Colebrook	Colebrook	\$6,000	WIND	2.4
De-Josee	Vaillant	Colebrook	Colebrook	\$6,000	WIND	3.6
James	Salonia	Colebrook	Colebrook	\$6,000	WIND	2.21

Michael J.	Furbush	Colebrook	Colebrook	\$6,000	WIND	2.21
Jeffrey P.	Marchand	Colebrook	Colebrook	\$6,000	WIND	2.21
D. Arnie	Arnesen	Concord	Concord	\$6,000	SOLAR	3.69
Thomas	Hopper	Concord	Concord	\$6,000	SOLAR	4.41
Gail	Fayre	Contoocook	Contoocook	\$6,000	SOLAR	4.92
Douglas	Somerville	Conway	Conway	\$6,000	SOLAR	3.36
William & Mary	Cable/Boyle	Cornish	Cornish	\$6,000	SOLAR	4.92
Edward	Craxton	Dalton	Dalton	\$6,000	SOLAR	4.18
Roy	Kjendal	Deerfield	Deerfield	\$6,000	SOLAR	2.38
John and Elaine	Gardner	Deerfield	Deerfield	\$6,000	SOLAR	2.1
David and Laura	Maine	Deering	Deering	\$6,000	WIND	2.4
Timothy	Ferwerda	Deering	Deering	\$2,430	WIND	0.81
Thomas	Minnon	Derry	Derry	\$6,000	SOLAR	2
Barry	Kilduff	Derry	Derry	\$6,000	SOLAR	2.24
Norman and Lorrie	Dionne	Dover	Dover	\$6,000	SOLAR	2.1
John & Melanie	Lovering	Dover	Dover	\$6,000	SOLAR	2.178
Jennifer P.	Bergeron	Dublin	Dublin	\$6,000	SOLAR	4.6
Kevin	Beane	Durham	Durham	\$6,000	SOLAR	2
Doug & Katie	Wheeler	Durham	Durham	\$3,150	SOLAR	1.05
Margaret	Torbert	Durham	Durham	\$6,000	SOLAR	2.76
Mark & Lorna	Chutter & Ellis	Durham	Durham	\$6,000	SOLAR	2.07
Jayson	Seaman	Durham	Durham	\$6,000	SOLAR	2.28
Robert	Clark	Durham	Durham	\$6,000	SOLAR	4.83
Dwight	Baldwin	Durham	Durham	\$6,000	SOLAR	2.76
Joseph	Grasso	Easton	Easton	\$6,000	SOLAR	3.15
Thomas	Tantillo	Enfield	Enfield	\$5,769	SOLAR	2.46
Jacob	Freedman	Exeter	Exeter	\$6,000	SOLAR	2.442
Carl	Goldknopf	Fitzwilliam	Fitzwilliam	\$6,000	SOLAR	2.85
Brenda	Clark	Franconia	Franconia	\$6,000	SOLAR	2.3
Erikas Aras	Napjus	Gilford	Gilford	\$6,000	SOLAR	4.92
Cynthia	Mekler	Gilford	Gilford	\$6,000	SOLAR	2.05
Randall & Kristen	Remick	Gilford	Gilford	\$6,000	SOLAR	4.4
Lorraine	Lavalliere	Gilford	Gilford	\$6,000	SOLAR	2.21
Mark	Horvath	Gilford	Gilford	\$6,000	SOLAR	4.84
Heather	Achilles	Gilmanton	Gilmanton	\$6,000	SOLAR	3.78
Dayne and Patricia	Thompson	Gilmanton	Gilmanton	\$3,150	SOLAR	1.05
Ken and Christine	Fales	Goffstown	Goffstown	\$5,640	SOLAR	1.88
Dennis W.	Pednault	Gorham	Gorham	\$1,823	SOLAR	0.96
John A.	Loven	Gorham	Gorham	\$3,000	WIND	1
John	Scranton	Goshen	Goshen	\$6,000	SOLAR	2.1
Lydia	Hawkes	Goshen	Goshen	\$2,214	SOLAR	0.738
Frank and Debra	Clough	Grafton	Grafton	\$6,000	SOLAR	2.45
Kevin	Maass	Groton	Groton	\$6,000	SOLAR	2.52
Chuck and Eszter	Wilson	Hampton	Hampton	\$6,000	SOLAR	3.22
Chad & Kim	Belinsky	Hampton Falls	Hampton Falls	\$6,000	SOLAR	2.108
Gayle and Steve	Szydlo	Hampton Falls	Hampton Falls	\$6,000	WIND	2.21
Peri	Chickering	Hancock	Hancock	\$6,000	SOLAR	2.28
Marc	Spinale	Hancock	Hancock	\$6,000	SOLAR	2.58
Jeannette	Baker	Hancock	Hancock	\$1,260	SOLAR	0.42
Richard	Morse	Hanover	Hanover	\$6,000	SOLAR	3.8
Seth / Judy	Kallman / Epstein	Harrisville	Harrisville	\$920	SOLAR	0.4
Roger	Brickner	Haverhill	Haverhill	\$6,000	SOLAR	4.1
Ann	Clement	North Haverhill	Haverhill	\$6,000	SOLAR	4.92
Nancy C.	McDonald	Holderness	Holderness	\$6,000	WIND	2.04
Howard	Berke	Hollis	Hollis	\$5,265	SOLAR	1.755



Robert	Gual	Hollis	Hollis	\$6,000	SOLAR	3.69
Thomas A.	Jeffery	Hollis	Hollis	\$6,000	SOLAR	4.68
Thomas & Emilie	Burack	Hopkinton	Hopkinton	\$6,000	SOLAR	2.94
Gary	Rice	Hopkinton	Hopkinton	\$6,000	SOLAR	4.725
Walter	Schier	Hudson	Hudson	\$6,000	SOLAR	4.92
Jeanette	Heidmann	Jackson	Jackson	\$6,000	SOLAR	4.94
Jeff	Gardner	Jackson	Jackson	\$6,000	WIND	2.1
Peter	Kawonczyk	Jefferson	Jefferson	\$2,100	SOLAR	0.7
Henry	Spindler	Keene	Keene	\$6,000	SOLAR	4.68
Peter	Hansel	Keene	Keene	\$6,000	SOLAR	2.46
Paul and Suzy	Krautmann	Keene	Keene	\$6,000	SOLAR	3.04
James	Putnam	Keene	Keene	\$6,000	SOLAR	4.1
Karen	Bonin	Kingston	Kingston	\$6,000	SOLAR	2.04
Arnold	Miller	Laconia	Laconia	\$6,000	SOLAR	2.05
Joesph	Eisenberg	Langdon	Langdon	\$2,100	WIND	1
Robert	Rohr	W Lebanon	Lebanon	\$6,000	SOLAR	3.42
Margaretta	Paduch	West Lebanon	Lebanon	\$6,000	SOLAR	2.66
Mathurin	Malby	Lee	Lee	\$6,000	SOLAR	2.64
Kevin	Creel	Lempster	Lempster	\$6,000	WIND	2.4
Robert W.	Gilpin	Littleton	Littleton	\$6,000	SOLAR	2.08
Eileen	Webb	Littleton	Littleton	\$4,500	SOLAR	1.5
Michael J.	Speltz	Londonderry	Londonderry	\$6,000	SOLAR	4.4
David	Bresnahan	Loudon	Loudon	\$6,000	SOLAR	3.06
Wayne & Lorien	Wilson	Loudon	Loudon	\$6,000	SOLAR	4.7
Frank	Shaw	Lyman	Lyman	\$6,000	SOLAR	3.28
Daniela	Ligett	Lyme	Lyme	\$4,320	SOLAR	1.44
Lee & Katherine	Larson	Lyme	Lyme	\$6,000	SOLAR	2.4
Henry A.	Dall	Lyme	Lyme	\$2,040	SOLAR	0.68
Scott	Roper	Lyndeborough	Lyndeborough	\$5,700	SOLAR	1.9
Gary	Cornwell	Madbury	Madbury	\$6,000	SOLAR	4.2
M. Cecilia	Pinto Lord	Madbury	Madbury	\$6,000	SOLAR	4.2
Ron & Linda	Goodwin	Silver Lake	Madison	\$6,000	SOLAR	4.4
Jean	Camire	Manchester	Manchester	\$5,400	SOLAR	1.8
Charlton	MacVeagh Jr	Marlborough	Marlborough	\$6,000	SOLAR	3.5
Gary	Lemay	Meredith	Meredith	\$5,850	SOLAR	1.95
Ralph	Ralston	Meredith	Meredith	\$6,000	SOLAR	3.15
Richard	Cote	Merrimack	Merrimack	\$6,000	SOLAR	2.16
John M.	Hussey	Milton	Milton	\$6,000	WIND	2.4
Justin	Chapman	Moultonborough	Moultonborough	\$5,100	SOLAR	1.7
Jeffrey S.	White	Moultonborough	Moultonborough	\$6,000	SOLAR	4.5
Ronald	Haven	Moultonborough	Moultonborough	\$6,000	SOLAR	4.73
Brian	Morgan	Moultonborough	Moultonborough	\$6,000	SOLAR	4.73
Stephen	Hagerman	Nashua	Nashua	\$3,675	SOLAR	1.304
Howard	Dresner	Nashua	Nashua	\$6,000	SOLAR	2.1
Howard	Dresner	Nashua	Nashua	\$6,000	WIND	2.21
Carol	Hess	New Boston	New Boston	\$6,000	SOLAR	4.9
Barry	Fogal	New Boston	New Boston	\$6,000	SOLAR	4.92
Susan	Martin	New Boston	New Boston	\$6,000	WIND	2.2
David	Munroe	New Durham	New Durham	\$6,000	SOLAR	4.41
Harold	Elliott	New Hampton	New Hampton	\$5,375	SOLAR	2.05
William	Hopwood	Elkins	New London	\$6,000	SOLAR	4.8
Steve	Landrigan	New London	New London	\$6,000	SOLAR	4.95
Robert	Moran	Newbury	Newbury	\$6,000	WIND	2.1
Kent	Wien	Newfields	Newfields	\$5,100	SOLAR	1.7
Helen	Leland	Newport	Newport	\$6,000	SOLAR	2.1

Patricia	Bartlett	Newport	Newport	\$2,760	SOLAR	0.92
Christian A.	Murphy	Newport	Newport	\$6,000	WIND	2.4
Ramona M.	L'Heureux	North Conway	North Conway	\$6,000	WIND	2.4
David L.	O'Hearn	Northfield	Northfield	\$6,000	SOLAR	2.4
Stanley W.	Jackson	Northfield	Northfield	\$6,000	SOLAR	2.16
Edward	Greene	Northfield	Northfield	\$5,122	SOLAR	2.21
Ralph	Churchill	Ossipee	Ossipee	\$6,000	SOLAR	3.36
Susan S.	Ahearn	Ossipee	Ossipee	\$6,000	SOLAR	3.15
Jeremy	Kupcho	Pelham	Pelham	\$5,623	SOLAR	2.05
Greg	Saccardo	Pelham	Pelham	\$6,000	SOLAR	4.5
Richard	Martel	Pembroke	Pembroke	\$6,000	SOLAR	2.1
Peter / Nancy	Labounty / Sandell	Piermont	Piermont	\$6,000	SOLAR	2.4
Michael & Venita	Tibbits	Pittsburg	Pittsburg	\$1,800	SOLAR	0.6
Roger M.	Ziegler	Pittsburg	Pittsburg	\$6,000	WIND	2.4
Allan	Ferguson	Meriden	Plainfield	\$6,000	SOLAR	3.8
Shawn	Wilder	Plainfield	Plainfield	\$6,000	SOLAR	3.36
Linda	West	Plainfield	Plainfield	\$6,000	SOLAR	2.94
Roger W.	Hewett	Plainfield	Plainfield	\$6,000	SOLAR	2.52
Robert	Collins	Plymouth	Plymouth	\$3,960	SOLAR	1.32
Gilbert	Sutcliffe	Plymouth	Plymouth	\$2,550	SOLAR	1.6
Dale	Blackey	Plymouth	Plymouth	\$6,000	SOLAR	2.05
Frederick S.	Kelsey	Plymouth	Plymouth	\$6,000	SOLAR	2.1
Marc	Batchelder	Portsmouth	Portsmouth	\$6,000	SOLAR	3.15
Leslie Heather	Parker	Portsmouth	Portsmouth	\$6,000	SOLAR	3.36
Todd	Ross	Randolph	Randolph	\$6,000	SOLAR	3.04
William	Fregosi	Raymond	Raymond	\$6,000	SOLAR	2.16
Margaret	Mason	Raymond	Raymond	\$6,000	SOLAR	2.1
William and Anne	Thomas	Rindge	Rindge	\$6,000	SOLAR	2.28
David & Marion	Herman	Gonic	Rochester	\$6,000	SOLAR	3.456
Kathy N.	Haynes	Rochester	Rochester	\$6,000	SOLAR	2.16
James	LaPrad	Rumney	Rumney	\$3,060	SOLAR	1.02
Barrie	Sawyer	Rumney	Rumney	\$6,000	WIND	4.42
Mary Michelle	Sopher	Rye	Rye	\$6,000	SOLAR	3.42
Jack	Potter	Sanbornton	Sanbornton	\$6,000	SOLAR	4.68
John	Kowalchuk	Sanbornton	Sanbornton	\$6,000	SOLAR	4.94
Hadi	Shavarini	Sanbornton	Sanbornton	\$5,700	SOLAR	1.9
John & Laurrie	Diaz	Sandown	Sandown	\$4,500	SOLAR	1.5
Carl A.	McNall	Center Sandwich	Sandwich	\$6,000	SOLAR	3.28
Fred & Evelyn	Lavigne & MacKinnon	Center Sandwich	Sandwich	\$6,000	SOLAR	3.28
Lisa	Scott	Center Sandwich	Sandwich	\$6,000	SOLAR	2.73
David D.	Sinkler	Center Sandwich	Sandwich	\$6,000	SOLAR	4.68
Carroll	Bewley	Center Sandwich	Sandwich	\$6,000	SOLAR	2.05
David R.	Chase	Center Sandwich	Sandwich	\$6,000	SOLAR	2.64
Janet	Sawin	Center Sandwich	Sandwich	\$6,000	SOLAR	4.14
Daniel C.	Peaslee	N. Sandwich	Sandwich	\$6,000	SOLAR	4.68
Ashley	Bullard	North Sandwich	Sandwich	\$6,000	SOLAR	2.2
Carol	Jowdy	North Sandwich	Sandwich	\$6,000	SOLAR	2.176
Martin P. & Lora	Carney	North Sandwich	Sandwich	\$6,000	SOLAR	4.1
Will	Viner	North Sandwich	Sandwich	\$6,000	SOLAR	3.2
Richard	Stuart	Sandwich	Sandwich	\$6,000	SOLAR	2.43
Kim	Frase	Sandwich	Sandwich	\$6,000	SOLAR	4.92
Frances D.	Strayer	Sandwich	Sandwich	\$6,000	SOLAR	4.29
Chris	Read	Sandwich	Sandwich	\$6,000	WIND	2.1
Donald	Hill	Springfield	Springfield	\$6,000	WIND	2
Pamela J.	Ross	Stoddard	Stoddard	\$6,000	SOLAR	2.45

George	Rubin	Stratham	Stratham	\$6,000	SOLAR	4.62
B. William	Bigelow	Surry	Surry	\$6,000	SOLAR	2.94
Emond	Mautone	Tamworth	Tamworth	\$6,000	SOLAR	3.5
Nancy W.	Stearns	Wonalancet	Tamworth	\$6,000	SOLAR	4.6
Craig	Antonides	Thornton	Thornton	\$6,000	SOLAR	3.04
Parker	Ulman	Thornton	Thornton	\$6,000	WIND	2.21
Bennett	Mortell	Unity	Unity	\$6,000	SOLAR	2
Richard	Taylor	Unity	Unity	\$6,000	WIND	2.21
Michael	Nerrie	Walpole	Walpole	\$6,000	SOLAR	3.15
Daniel & Mary	Watts	Warner	Warner	\$6,000	SOLAR	4.92
Rick & Tina	Davies / Schirmer	Warner	Warner	\$6,000	SOLAR	3.36
Algrid B.	Krygeris	Washington	Washington	\$6,000	SOLAR	3.075
Timothy	Wolfe	Washington	Washington	\$4,860	SOLAR	1.62
Celeste	Terwilliger	Washington	Washington	\$6,000	SOLAR	2
William R.	Larsen	Waterville Valley	Waterville Valley	\$6,000	SOLAR	4.1
Paul A.	Doscher	Weare	Weare	\$4,200	SOLAR	1.4
Richard	Schmidt	Westmoreland	Westmoreland	\$6,000	SOLAR	2.7
David	Wirth	Westmoreland	Westmoreland	\$5,217	SOLAR	2.1
Timothy	van Blommestejn	Wilmont	Wilmot	\$6,000	SOLAR	4
Ralph F.	Legrande	Winchester	Winchester	\$6,000	SOLAR	2.736
John	Tommasi	Windham	Windham	\$4,500	SOLAR	1.5
Richard	Oedel	Wolfeboro	Wolfeboro	\$6,000	SOLAR	2.912

Peter J. Riemer, LLC  
479 Heights Road  
Ridgewood, NJ 07450

1729

April 30, 2010

Honorable Marjorie K. Smith  
Chair, House Committee on Finance  
Legislative Office Building  
Room 210-11  
Concord, NH 03302

**Subject: Testimony on SB 450 Amendment #2010-1729h**

Dear Madam Chair:

My name is Peter J. Riemer and I serve as a consulting actuary to the New Hampshire Local Government Center. I have been asked to comment on a proposal now being considered by this committee that would limit the reserve that could be held by HealthTrust, based on my experience as an actuary for the pool. Specifically, the amendment requires that the reserve be limited to no more than the sum of:

- (a) Ten percent of estimated annual claims; and
- (b) The amount determined annually by a qualified actuary to be necessary to fund the unpaid portion of ultimate expected losses, including incurred but not reported claims, and related expense.

The reserve identified in (b.) is the standard reserve for incurred but not reported (IBNR) claims and presents no issues. The amount of reserve (a.) allowed beyond the incurred but not reported claims reserve is inadequate, in my opinion.

The chief concerns with the 10% limit are:

1. The limit is substantially below the levels of reserve traditionally maintained by HealthTrust and most commercial insurers, as measured by the so-called Risk Based Capital (RBC) method (more on RBC below), to cover the business risks associated with fully-insured health plans.
2. The limit is close to the level that would require Insurance Department remedial action for an insurer regulated in a state that has adopted the NAIC model RBC regulation.
3. If HealthTrust reserves are subject to the 10% limit, I would recommend that HealthTrust purchase an aggregate stop loss contract to cover the possibility of exhausting the reserve fund. (The risk that the fund would be exhausted has two primary sources: excess claims and asset losses.) This would increase premiums, vs. self-insuring an adequate reserve as HealthTrust does now.

4. A reserve capped at 10% of expected claims would sometimes fall well below the 10% limit, given the normal variance of results, even in a pool as large as HealthTrust. A significant drop in a reserve so limited would have two adverse consequences: an exposure to continued losses while the reserve is low, and a need to increase premiums, beyond the otherwise normal increase, to rebuild the reserve. In such a scenario, the subsequent rate increase would have three components: the cost to eliminate the inadequacy in the prior rates; the normal inflationary cost increase; and the cost to rebuild the reserve.

### **Background**

Since 2002, HealthTrust has used a so-called Risk Based Capital (RBC) method for managing its reserves. The RBC method, developed jointly by the American Academy of Actuaries and the National Association of Insurance Commissioners, quantifies an insurer's reserve strength as the ratio of assets to a risk measure known as the Authorized Control Level (ACL). The ACL is determined by a complex formula, based on an insurer's product mix, provider arrangements, reinsurance arrangements, and types of assets. This measure is intended to reflect the insurer's exposure to all types of risks, but the formula is largely driven by claims risk.

For most insurers, the complex formula for calculating the ACL produces an ACL that is about 4% of claims. The RBC ratio is then calculated by dividing the amount of reserves (in excess of the IBNR claim reserve) by this figure. Here are the results for HealthTrust at March 31, 2010:

1. Reserve: \$71.3 million
2. ACL: \$16.5 million
3. RBC ratio (actual):  $\$71.3 \text{ divided by } \$16.5 = 4.3$

By comparison, under the 10% limit on reserves, the results are:

1. Expected 2010 claims: \$397.0 million
2. 10% of expected claims: \$39.7 million
3. RBC ratio (under 10% limit):  $\$39.7 \text{ divided by } \$16.5 = 2.4$

The RBC methodology was developed because insurance regulators wanted a tool for judging when an insurer is at risk of failing. The concept in practice is one that focuses on flagging insurers whose reserves are, or could become, inadequate. To this end the Model NAIC RBC Regulation requires disclosure of RBC ratios, and specifies that when an insurer's reserves fall below a "trigger" of two times the ACL (i.e., an RBC ratio of 2.0), the insurer is subject to certain regulatory interventions.

Just below the "2.0" level, the insurer must submit a plan to get reserves back above that level. If the insurer's ratio is between 1.0 and 1.5, the regulator can take steps to examine and correct problems. If the ratio falls below one, the regulator is authorized to take control of the insurer.

Honorable Marjorie K. Smith

April 30, 2010

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HealthTrust's "2.0" trigger level is \$33.0 million, and is just \$6.7 million below the proposed 10% limit of \$39.7 million. This \$6.7 million represents about 1.7% of expected claims, well within the range of variance that HealthTrust actually experiences on claims costs. Further, the reserve is exposed to deterioration due to adverse investment results, as well. Thus a 10% reserve limit will almost certainly result, in some years, in reserves dropping to levels currently regarded as a red flag status.

By contrast, HealthTrust's current method of managing reserves, and its current reserve level, assure its ability to meet all obligations and to respond to adverse results in a measured way. Further, HealthTrust has a practice of systematically crediting reserves in excess of its RBC target back to its members.

A survey last year of major New England health insurers showed that typical RBC ratios are in the range of 5.0 to 8.0. And, the Blue Cross Blue Shield National Association, which licenses the local state Blue Cross Blue Shield plans, will place a licensee in a monitored status when the licensee's RBC ratio drops below 5.0. The monitored status is intensified if the ratio falls to 3.75, and the license is withdrawn if the ratio falls below 2.0

Sincerely,



Peter J. Riemer

Fellow, Society of Actuaries

201-670-8821

[pjriemer@aol.com](mailto:pjriemer@aol.com)

Enclosure

**TITLE XXXVII  
INSURANCE**

**CHAPTER 404-F  
RISK-BASED CAPITAL (RBC) FOR INSURERS**

**Section 404-F:1**

**404-F:1 Definitions.** – In this chapter:

I. "Adjusted RBC report" means an RBC report which has been adjusted by the commissioner in accordance with RSA 404-F:2, V.

II. "Corrective order" means an order issued by the commissioner specifying corrective actions which the commissioner has determined are required.

III. "Domestic insurer" means any insurance company domiciled in this state.

IV. "Foreign insurer" means any insurance company which is licensed to do business in this state under title XXXVII but is not domiciled in this state.

IV-a. "Health organization" means a health maintenance organization, limited health service organization, dental or vision plan, health service corporation, or other managed care organization licensed under title XXXVII.

V. "NAIC" means the National Association of Insurance Commissioners.

VI. "Life and/or health insurer" means any insurance company licensed under title XXXVII writing life, accident and health insurance, health maintenance organizations, limited health service organizations, dental or vision plans, health service corporations, or a licensed property and casualty insurer writing only accident and health insurance.

VII. "Property and casualty insurer" means any insurance company licensed under title XXXVII but shall not include monoline mortgage guaranty insurers, financial guaranty insurers, and title insurers.

VIII. "Negative trend" means, with respect to a life and/or health insurer, negative trend over a period of time, as determined in accordance with the "trend test calculation" included in the RBC instructions.

IX. "RBC instructions" means the RBC report including risk-based capital instructions adopted by the NAIC, as such RBC instructions may be amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

X. "RBC level" means an insurer's company action level RBC, regulatory action level RBC, authorized control level RBC, or mandatory control level RBC where:

(a) "Company action level RBC" means, with respect to any insurer, the product of 2.0 and its authorized control level RBC;

(b) "Regulatory action level RBC" means the product of 1.5 and its authorized control level RBC;

(c) "Authorized control level RBC" means the number determined under the risk-based capital formula in accordance with the RBC instructions;

(d) "Mandatory control level RBC" means the product of .70 and the authorized control level RBC.

XI. "RBC plan" means a comprehensive financial plan containing the elements specified in RSA 404-F:3, II. If the commissioner rejects the RBC plan, and it is revised by the insurer, with or without the commissioner's recommendation, the plan shall be called the "revised RBC plan."

XII. "RBC report" means the report required in RSA 404-F:2.

XIII. "Total adjusted capital" means the sum of:

(a) An insurer's statutory capital and surplus as determined in accordance with statutory accounting applicable to the annual financial statements required to be filed; and

(b) Such other items, if any, as the RBC instructions may provide.

**Source.** 1995, 113:1. 2000, 207:1, 2, eff. July 29, 2000.

15729A



# The Risk Pool Advantage

By Jonathan G. Steiner

It has been called the single most successful example of interlocal cooperation. It has saved millions of taxpayer dollars and thousands of lives. It is a model that has been copied by such public sector businesses as auto dealers, golf course owners, the hospitality industry and more. It is being talked about by Congress and the President as a potential solution to the health care crisis.

What is "It?" "It" is risk pooling: towns, cities and schools working together cooperatively to pool insurance coverage dollars and create their own "insurance" company.

Across America, more than 500 of these pools exist, covering everything from transit authorities to counties. In New Hampshire, there are three public pools and several private industry pools managing risks for their membership.

Here's how it works: Rather than buy traditional insurance from a large insurance company or through an insurance broker (or middle man), "premiums" are pooled together. Traditional insurance companies invest the premiums and hope to make a profit by paying out less in claims over time than the combination of premiums and investments. That profit is retained by the insurance company or used to pay shareholders. Pools, on the other hand, are not for profit. They take the "premiums" and invest them as well. However, the "profits" are used to reduce rates and offer training and safety programs to help reduce claims, risks and injuries. So, philosophically, traditional insurance companies exist to make money, while pools exist to offer stable pricing, specialized coverages and reduced risks. It is this philosophy that has saved millions in taxpayer dollars and saved lives.

## LGC's Pooled Risk Coverage

The New Hampshire Municipal Association (NHMA) was founded in 1941 for the purpose of exchanging information in the interest of more efficient and effective local government.

In 1984, the NHMA established the HealthTrust risk coverage pool to provide member groups with control over costs, coverages and availability of employee health and other benefits. In 1988, HealthTrust participation was opened up to New Hampshire schools. HealthTrust's goal is to provide member groups with the programs and services they need to effectively manage long-term costs, while helping to keep employees healthy and productive. HealthTrust's offerings include medical, prescription drug, dental, short- and long-term disability, life and flexible spending account plans, along with health management programs, *WELLDollars* grants, flu vaccine reimbursements and more. Our nonprofit structure means we understand the unique challenges of providing programs to those who serve others. HealthTrust rates are competitive across the board, and our financial status is strong with well-reserved fund balances for potential claims.

The NHMA launched the Property-Liability Trust (PLT) in 1986 to help municipal member groups better manage risk, prevent losses and save money, and to guarantee availability of coverage after private insurers abandoned local governments in the marketplace. Since the program's inception, we have promoted a true partnership with member groups to help them understand potential risk exposures and remain protected from risk through our nonprofit PLT. Because PLT representatives have backgrounds in various areas of municipal and school risk exposures, they have a first-hand understanding



## RISK POOLS *from page 21*

of the extra effort and “member first” philosophy necessary to successfully administer claims for the benefit of member groups.

Our PLT offerings include: easy-to-read Member Agreements providing broad protection for liability, property and crime exposures; claims administration by in-house, licensed claims adjusters; a veto provision that gives member groups faced with third-party claims felt to be frivolous an option to veto recommended claim settlements; an Employment Law Hotline; leadership development opportunities through the Local Government Leadership Institute; and a variety of valuable risk management/loss prevention programs. The PLT expanded in 2000 to offer workers’ compensation and unemployment compensation coverage in response to our members’ needs for a high-quality, member-focused program and to provide all their needs in one location, assisting municipalities, counties, schools and other public/quasi-public entities in offering unemployment benefits.

In 2003, the NHMA, HealthTrust, PLT and Workers’ Compensation Trust were reorganized under the umbrella of the New Hampshire Local Government Center, and under the direction of one board of directors—comprising local,

municipal, school and county representatives including labor, management and elected officials—to more effectively and efficiently oversee these programs.

Today, LGC’s risk management programs are nationally-recognized as leaders in pooled risk management. HealthTrust is among the largest pools of its kind in the country, covering more than 70,000 lives—105,000 lives including state employees in our prescription coverage program—and annual revenues in excess of \$350 million. The PLT covers \$4.9 billion of property value and 5,270 vehicles, and the Workers’ Compensation Program covers more than \$675 million in payroll. The LGC’s risk management programs have returned \$15,462,536 in direct dividend payments to members in addition to providing reliable and cost competitive insurance coverages for 25 years.

### Who Can Participate

New Hampshire cities and towns participating as members of the NHMA may access these coverages as a benefit of municipal membership. Other local governments may access LGC’s pooled-coverage programs through the service and associate levels of NHMA membership. Eligible entities include schools, village districts, utility districts, counties, regional planning commissions or quasi-municipal public agencies serving municipalities, subject to

the approval and terms of the NHMA Municipal Advocacy Committee. Currently, NHMA membership includes 458 member groups, with 235 municipal (includes Coos County), 28 associate and 195 service members.

These LGC programs serve to strengthen the ability of New Hampshire municipalities, schools and county governments to serve the public. Visit the Coverage Programs section of the LGC website at [www.nhlgc.org](http://www.nhlgc.org) to learn more about offerings available through LGC’s pooled coverage programs.

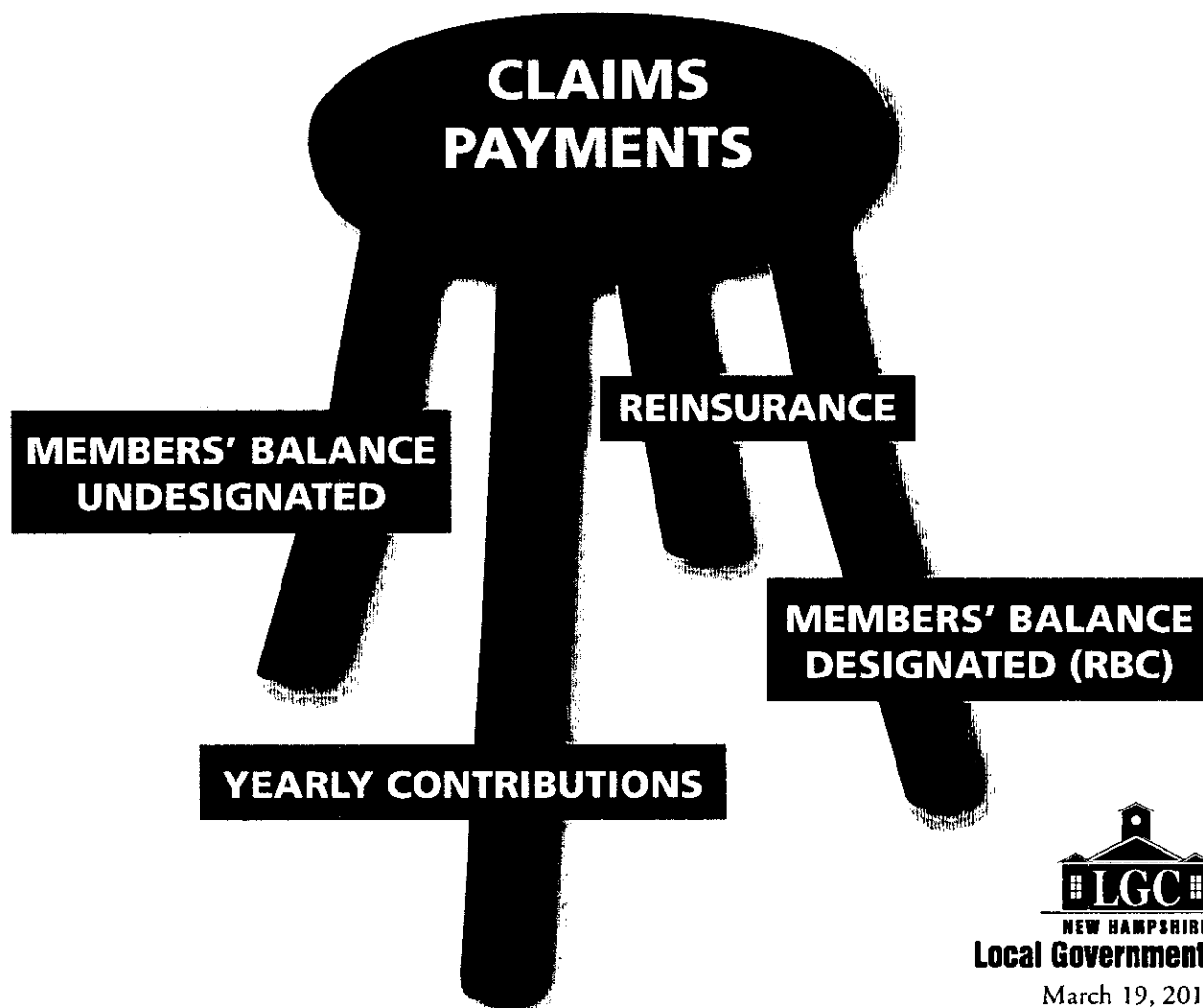
*For more information about membership and participation in LGC’s pooled coverage programs, contact Jon Steiner, associate executive director for member relations, at 800.852.3358 or [jsteiner@nhlgc.org](mailto:jsteiner@nhlgc.org).*



# FOUR LEGS OF PROTECTION FOR HEALTHTRUST MEMBERS AND PARTICIPANTS

There are four legs of protection for HealthTrust members and participants to ensure claims are paid:

1. **Yearly Contributions:** Set by the Board of Directors with the aid of actuaries, consultants and staff and based on trends, claims and administration
2. **Members' Balance Designated (RBC):** An amount of money set aside (called Risk Based Capital, RBC) established by board vote using an industry formula to prevent insolvency and protect members
3. **Reinsurance:** A policy purchased in case claims exceed a certain limit
4. **Members' Balance Undesignated:** A pool of reserves above RBC used to moderate rate fluctuations and to further protect the Trust's ability to pay claims



**SURVEY OF STATE LAWS INTER-GOVERNMENTAL RISK POOLS**

State	Organizational Document approval	Regulatory Agency	Organized as Insurer	Filings With	Is the pool considered an Insurance Company?	Is a Certificate Required to Operate?	Requirement to Maintain Designated Funding Levels or Deposit Security	Requirement to Maintain Aggregate Stop-Loss Insurance	Requirement to include Notice of Possible Assessments	Requirement to include Notice of Possible Assessments on FIRST PAGE	Requirement to File Audited Financial Statements	Legal Restrictions Imposed Upon Initial Membership Period	Requirement to be a Member of Compensation Rating Bureau
Alabama	Commissioner of Insurance	Ins Dept	"Pool" created as a non-profit mutual	Commissioner of Insurance	Yes	Yes	Yes[1]	No	No	No	Yes	No	No
Alaska	Division of Insurance	none	No	File audited financial statement and reserve studyLegislative Budget and Audit Committee and Division of Insurance	No	No	Yes[2]	No	No	No	Yes	No	No
Arizona	File w/Secretary of State.	Insurance	No	File a copy of the intergovernmental agreement or contract with the director of the department of insurance and the attorney general. If a WC pool file a coy of the agreement with the director of the industrial commission. WC pool to notify the industrial commission of termination or cancellation of a member. File copy of annual audit with the director of the department of insurance.	No	No	No	No	No	No	Yes	No	No
Arkansas[3]	Attorney General	none	No	n/a	No	No	No	No	No	No	No	No	No
California	none	none	No	Initial filing with Sec of State. file an annual "Special Districts Financial Transactions Report" with the State Controllers Office	No	No	Yes[4]	No	No	No	Yes	No	No
Colorado	none	none	No	Division of Insurance	No	Certificate of Authority issued by commissioner of insurance - can be revoked or suspended by same	Yes[5]	No	No	No	Yes	No	No
Connecticut	none	Insurance	No	n/a	No	No	Yes[6]	No	No	No	No	No	No
Delaware	Commissioner of Insurance	Insurance	?	Commissioner of Insurance	? Not explicitly but pays taxes and is under control of Insurance Commissioner	Yes	Yes[7]	Yes	No	No	Yes	No	No
Florida	none	none	Yes - ?	Department of Finance	No	No	Yes[8]	Yes	Yes	No	Yes	No	Unclear
Georgia	Dept. of Ins.	Insurance	No	Insurance Commissioner	No	Yes	Yes[9]	Yes	No	No	Yes	No	No
Hawaii							N/A	N/A	N/A	N/A	N/A	N/A	N/A
Idaho	Dept. of Ins.	Insurance	Classified as a reciprocal insurer	Director of Insurance	Yes	Yes	Yes[10]	Yes	No	No	Yes	No	No

**SURVEY OF STATE LAWS INTER-GOVERNMENTAL RISK POOLS**

Illinois	none	none	No	File CAFR and list of members with Dept. of Insurance. WC pools file self-insure election	No	No	No	No	No	No	Yes	No	No
	Illinois Department of Insurance	Department of Housing and Urban Development	No	n/a									
Indiana	none	Department of Insurance	No	Initial registration with department of insurance	No	No	Yes	Yes	TBD	TBD	Yes	TBD	TBD
Iowa	none	Insurance	Mutual	n/a	No	No	No	No	No	No	Yes	No	No
Kansas	Commissioner of Insurance Attorney General and Secretary of State	Kansas Insurance Dept.	No	Commissioner of Insurance	No	Yes	Yes[11]	Yes	No	No	Yes	No	No
Kentucky	Commissioner of Insurance	Kentucky Office of Insurance under the provision of Subtitle 48.	No	Commissioner of Insurance	No	Yes	Yes[12]	Yes	Yes	No	Yes	No	No
Louisiana	Commissioner of Insurance	none	No	Department of Insurance	No	Yes	Yes[13]	Yes	No	No	Yes	No	No
Maine	WC: Bureau of Insurance	Bureau of Insurance	No	For P/C: ME Bureau of Insurance	No	No	Yes[14]	No[15]	No	No	Yes	No	No
Maryland	none	none	"not insurance"	n/a	No	Yes	Yes[16]	Yes	No	No	Yes	No	No
Massachusetts	Secretary of State	Insurance	No	n/a	No	Yes	Yes[17]	Yes	No	No	Yes	Yes[18]	No
Michigan	For P/C pools Michigan Dept of Labor & Economic Growth (DLEG) - Office of Financial & Insurance Services (OFIS). For WC DLEG - WC Agency.	WC DLEG - WC Agency	No	Annual CAFR with DLEG - OFIS. WC agency annual report & renewal application	No	No	Yes[19]	Yes	No	No	Yes	No	No
Minnesota	none	none	No	State Auditor	No	No	No	No[20]	No	No	No	No	No
Mississippi	n/a	MS Workers' Compensation Commission	No	n/a	No	No	No	No	No	No	No	No	No
Missouri[21]	Dept of Insurance	MO Division of WC	No	Governor's Office &/or MO Division of WC	No	No	No	No	No	No	No	No	No
Montana	none	none	No	n/a	No	No	No	No	No	No	No[22]	No	No
Nebraska	Dept. of Ins.	Dept of Ins	No	n/a	No	Yes	Yes[23]	No	No	No	No; reporting required, but not audited financials	No	Unclear
Nevada	none	none	No	Secretary of State	No	Yes	Yes[24]	Yes	No	No	Yes	No	No
New Hampshire	none	none	No	Secretary of State and Department of Employment Security and Dept of Labor for W/C	No	No	Yes[25]	No	No	No	Yes	No	No
New Jersey	Dept of Banking and Insurance and Dept of Community Affairs.	Dept of Banking and Insurance	No	Dept of Banking and Insurance	No	Yes	Yes[26]	Yes[27]	No	No	Yes	No	No



**SURVEY OF STATE LAWS INTER-GOVERNMENTAL RISK POOLS**

Wisconsin							Yes[42]	Yes	No	No	Yes	No	No
	Commissioner of Insurance	same	Mutual	n/a									
Wyoming	Attorney General	none	No	File financial statement with Sec of State and Dept. of Audit	No	No	No	No	No	No	Yes	No	No

- [1] Pools required to maintain cash in trust with state treasurer.
- [2] Reserves must be actuarially sound as determined by a casualty actuary who is a member of the American Academy of Actuaries.
- [3] Arkansas has implemented a state-run pooling trust, electing to regulate with specificity the state trust rather than regulate the operation of independent public entity trusts.
- [4] Pools must have initial pooled resources of at least \$250,000. Reserve fund must contain sufficient moneys to maintain fund on an actuarially sound basis.
- [5] Minimum surplus levels required: Property, \$100,000; Casualty, \$200,000; Worker's Compensation, \$200,000.
- [6] Minimum contributions required: Worker's Compensation, \$1 million; Public liability, automobile and property pool, \$2 million.
- [7] Members must have a combined net worth of \$1 million. Must maintain actuarially appropriate loss reserves.
- [8] Must have annual normal premiums in excess of \$5 million.
- [9] Required to maintain minimum surplus in an amount required by the Commissioner. Minimum surplus of \$200,000.
- [10] Fund must be actuarially sound. Must maintain a reserve in an amount necessary for payment of claims as determined by a member of the American academy of actuaries.
- [11] Annual gross premium must not be less than \$250,000 for each of the following categories: (a) property insurance; (b) motor vehicle and physical damage insurance; (c) worker's compensation insurance; and (d) all casualty insurance. Premium contributions to the pool shall be based upon
- [12] Sufficient financial strength to pay all public or professional liabilities covered by the group.
- [13] Each fund must have an annual gross premium calculated in accordance with the applicable manual premium rate or rates, plus or minus applicable experience credits or debits, of not less than \$200,000.
- [14] Initial funding for each group plan year must be maintained at the 90th or higher confidence level.
- [15] However, must provide security against shock or catastrophic loss either by depositing securities or by obtaining reinsurance. An alternative to obtaining reinsurance is to participate in a group self-insurance reinsurance account as provided for under Maine law.
- [16] Must have annual gross premiums of \$250,000.
- [17] Estimated standard annual premium of \$250,000 during first year of operation. Actuarially appropriate loss reserves.
- [18] "There shall be a minimum period of at least one year for which a member shall contract to participate in the group."
- [19] Must set aside cash reserves that are adequate for the payment of claims.
- [20] Self-insurance plan covering fewer than 1,000 employees must maintain aggregate coverage.
- [21] Missouri provides for the "Missouri Public Entity Risk Management Fund", wherein the state administers a self-insured trust fund functionally similar to self-insured pools established in other states.
- [22] Legislative auditor may conduct or have conducted an audit of the records of political subdivisions.
- [23] A risk management pool shall maintain the same reserves as required of a Nebraska domestic property and casualty insurance company, except that a pool may discount loss reserves in specified requirements are met.
- [24] Net worth requirements to self-insure worker's compensation. Must deposit bond with Commissioner payable to the State of Nevada.
- [25] Funding shall be based on an actuarial determination of the amounts needed for self-insurance purposes.
- [26] Funding requirements of at least \$250,000 for the fund's first year of operation and a minimum of \$500,000 for each subsequent year of operation.
- [27] "The fund's aggregate self-insured retention for the fund year shall be no greater than 125 percent of its budgeted losses." In lieu of maintaining aggregate excess insurance, a fund may establish and provide for the funding of an aggregate excess loss contingency fund. If a fund seeks to purchase
- [28] An estimated annual standard premium of \$250,000 required.
- [29] A pool may not expose itself to loss on any single risk or hazard in an amount exceeding ten percent of the amount of its admitted assets unless the pool obtains excess insurance.
- [30] Funds shall be reserved as are necessary, in the exercise of sound and prudent actuarial judgment, to cover potential political subdivision and employee liability, expense, loss and damage.
- [31] A contract must contain a provision listing all representations made in connection with any possible savings and losses resulting from such contract, and potential liability of any political subdivision or employee.
- [32] Security must be in an amount reasonably sufficient to insure payment of compensation, but in no event less than \$100,000.
- [33] Must have a combined annual payroll of fund members multiplied by the rate utilized by the State Workmen's Insurance Fund which is equal to or greater than \$500,000 as adjusted annually.
- [34] The amount of required funding is determined by the Commissioner based on an analysis of the total self-insurance program.
- [35] Furnish security in an amount equal to: (a) \$250,000; or (b) 25% percent of the association's preceding year's gross annual assessments.
- [36] There shall at all times be maintained a sum in cash, or in other assets (approved by the Commissioner) an amount sufficient to discharge all liabilities on all outstanding losses arising under all risks assumed by the pool, the same to be calculated in accordance with the Statutes and Rules of the
- [37] The division may request acceptable security sufficient to secure the public agency insurance mutual's liabilities.
- [38] A minimum surplus of \$500,000. Must also maintain appropriate reserves for all liabilities.
- [39] Aggregate amount of contributions must be at least \$500,000.
- [40] In an amount to be determined by the risk manager.
- [41] Payment of contributions by members into a depository account of an amount between \$250,000 and \$500,000 that, in the commissioner's discretion, constitutes sufficient capital.
- [42] An assessable mutual shall have an initial expendable surplus of at least \$100,000, after payment of all organizational expenses.

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We need to remind the Legislature that in 1987 they purposefully structured RSA 5-B so that pools would be like cooperatives: managed by members for members and directly accountable to members and the taxpayers. They are an extension of a self-insured pool concept. This is a national model -- LGC is not unique. This structure eliminates unnecessary, and costly, regulation. NH advocates local control, and despite the Legislature's apparent altruistic intention, they are ignoring the fact that NO MEMBER OF LGC is complaining about it!!

LGC is a VOLUNTARY MEMBER organization. No local government is forced to be a member and LGC's coverage offerings compete in the marketplace with other pools -- PRIMEX and Schoolcare -- and commercial insurers like Anthem, Cigna and HarvardPilgrim. Most towns go to bid at least occasionally. YET, LGC has robust membership and municipalities continue to purchase LGC products in the marketplace. Why is the NH Legislature suddenly interfering with both the marketplace and local control WITHOUT any analysis or expertise?

na be

All of the legal and legislative activity is being spawned by a very small and insular labor group. Although LGC offers them representation on its board, municipal employees are not LGC members. They are grossly misinformed and misunderstand the complex nature of LGC's operations. If they have their way, taxpayer costs likely will increase or valuable and affordable coverage will cease to be available in the State. Why is the satisfaction of LGC's members -- its several hundred municipalities, school districts, and counties -- being ignored?

Towns, cities, and school districts do not want to have HealthTrust reserves returned to them in the form of a check. LGC has heard from its members that they prefer members balance be returned through rate moderation as is its current practice.

LGC continues to receive strong support from its members towns, cities, schools, and counties. Other than the firefighters lawsuits and the anonymous complaint made to the SOS, no LGC member has filed a complaint or joined a lawsuit.

Why didn't the SOS talk to us? We would have welcomed the opportunity to meet with them and discuss this and provide accurate info.



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF COMMUNITY BASED CARE SERVICES

129 PLEASANT STREET, CONCORD, NH 03301  
603-271-8560 1-800-852-3345 Ext. 8560  
Fax: 603-271-4912 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Nicholas A. Toumpas  
Commissioner

Nancy L. Rollins  
Associate Commissioner

May 3, 2010

The Honorable Marjorie K. Smith  
Chairman  
House Finance Committee  
Legislative Office Building  
Concord, NH 03301

***Re: Follow up to Inquiry – Governor’s Commission on Alcohol and Other Drug Prevention, Intervention and Treatment***

Dear Representative Smith:

This letter is in response to the inquiry regarding the time and personnel obligations of the Bureau of Drug and Alcohol Services (BDAS) to the Governor’s Commission.

The attached document identifies the time and cost for BDAS personnel to manage current Commission tasks and obligations versus the tasks which BDAS could otherwise obligate to evidence based practice if this time were available.

Please let me know if I you need additional information or if I can be of further assistance.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Nancy L. Rollins".

Nancy L. Rollins  
Associate Commissioner



**Current Personnel Obligations**

**Supplanted Duties**

**Prevention**

Position #	Title	# Hrs /Month	Annual Cash Value	Current Commission Tasks/Obligations
16603	Regional Coordinator	2	\$953	1) Bi-annual special reports, 136 pages detailing 43 contracted providers; 2) RFP development specific to Governor's Commission scope of service and criteria; 3) Develop and enforce protocol for meeting Governor's Commission requirements; 4) Prepare spreadsheet for proposals submitted for Governor Commission members to consider and make their recommendations for funding; 5) Attend Governor Commission Executive Committee and full committee meetings to answer questions on proposed programs; 6) Prepare and attend Governor Commission Bi monthly Prevention Task Force meetings; prepare agenda and other documents; 7) Due to parallel process in contract awards, funding and management creates undue delays, and work revision demands on staff.
16624	Chief of Prev & Educ	5	\$2,679	
42948	Administrator I	5	\$2,760	
16604	Administrative Secretary	6	\$1,994	
42936	Senior Analyst	3	\$1,932	
Sub-Total:			\$10,317	

**Program Monitoring for Fidelity to Evidence Based Practice**  
 Conduct timely follow up with all contracted providers; including site visits and formal reviews, which has not been conducted in the past two years. Conduct consistent monitoring to ensure contract performance, evidence-based intervention fidelity and identification of technical assistance needs. Full analysis on work performance and web based data entries would be completed with regularly documented feedback Regular and consistent email and telephone communication would be provided to all contracted providers Contracting process is fragmented and often delayed due to the parallel process.

**Treatment**

Position #	Title	# Hrs /Month	Annual Cash Value	Current Commission Tasks/Obligations
16608	Administrator I	4	\$2,733	1) Bi-annual Gov. Comm Tx services reports utilizing a specific format requested by the Gov. Comm. Reports utilize information from Client Event Data Set but also contain several pages of narrative. 2) RFP Development and Process: Gov. Comm. identified Evidence Based Practice as its treatment focus for the future BDAS RFP for TX. Several meetings were held to vet the Commission's ideas around EBP and BDAS already selected EBP priorities. Required to obtain approval for BDAS selected priorities. 3) Contract management and fiscal responsibilities. BDAS proposed contract reductions to the Comm. for their approval. Proposed funds restoration was also brought to the Commission for approval. BDAS Clinical Unit staff also prepared Executive Summaries and analysis of all Tx proposals for the Gov. Commission Ex. Committee on all applicants for treatment services for their approval.
16591	Regional Coordinator	4	\$1,925	
14959	Program Specialist IV	6	\$2,753	
16596	Secretary II	10	\$3,753	
Sub-Total:			\$11,163	

**Program Monitoring for Fidelity to Evidence Based Practice**  
 Programmatic contract oversight and provider certification sites visits should occur twice a month to insure that all contracted providers are visited annually. The Clinical Services Unit has had to prioritize onsite inspections, focusing primarily on residential program locations, and is only able to currently do an approximately 6 per year. Based on past experience, some providers will need additional on-site technical assistance as a result of those clinical services reviews and those technical assistance services have not been provided at the level necessary to insure optimum performance.

**Business Office Functions**

Position #	Title	# Hrs /Month	Annual Cash Value	Current Commission Tasks/Obligations
42891	Systems Dev Spec IV	2	\$1,124	Data analysis for Governor's Commission reports. Close work and coordination with AOD units to prepare funding and contract information for the Governor's Commission.
12266	Administrator I	2	\$1,154	
Sub-Total:			\$2,277	

**Program Monitoring for Fidelity to Evidence Based Practice**  
 Allocate more time to new IT systems development, including working with providers to bring system on line. Allocate more time to improving BDAS business functions. Allocate additional time in the development and implementation of the prevention IT system and Treatment IT system.

**Management**

Position #	Title	# Hrs /Month	Annual Cash Value	Current Commission Tasks/Obligations
9U454	Bureau Chief	6	\$5,220	1) Convene BDAS Administrators to identify specifics of funding and contract information needed for the Governor's Commission. 2) Meeting with Business Office staff to develop spreadsheets in a user friendly format that includes the total funding available and proposed allocations for different types of services. 3) Meeting with unit administrators and business office staff to prepare information for contract amendments and related spreadsheets. 4) Work with BDAS units to develop proposals to the Governor' Commission for specific types of services (i.e. prevention transformation).

**Program Monitoring for Fidelity to Evidence Based Practice**  
 1) Greater community interaction with stakeholders within the AOD system. 2) Greater community interaction with stakeholders from other systems. Greater interaction with other state agencies (via Governor's Commission) integrating /coordinating AOD policy and services. 3) More involvement with related projects from other systems (DOC, DHHS, DCYF, BBH, NHNG, DOE). 4) Greater involvement with other stakeholders (Governor's Commission, etc.) in implementing the AOD Plan for the State.

**TOTAL: \$28,978**

**Department of Environmental Services  
Presentation to House Finance Committee  
May 4, 2009  
Committee Inquiry Regarding Certain Dedicated Fee Accounts**

**3871 - Aquatic Resource Mitigation Fund Program – RSA 482-A:29**

The Aquatic Resource Mitigation (ARM) Fund was created in 2006 by enactment into law of amendments to RSA 482-A:29, Aquatic Resource Compensatory Mitigation. The ARM Fund provides wetlands permit applicants an additional option (hence flexibility), for meeting mitigation requirements for impacts to wetlands and other aquatic resources that require state and federal wetlands permits. Applicants may also restore damaged wetlands or create new wetlands instead of contributing to the ARM Fund. For major impacts to wetlands, mitigation by one of these options is required to comply with state and federal permit requirements. The United States Army Corps of Engineers (ACOE) and the DES have an agreement that enables New Hampshire permittees to use the ARM Fund to provide compensatory mitigation for state and federal wetland permits, particularly those that are permitted under the State Programmatic General Permit. With the receipt of ARM Fund contributions from permittees when permits are issued, the State of New Hampshire has a legal responsibility to the Corps of Engineers to provide mitigation to offset the impacts from permitted projects. The use of any of the dedicated ARM funds for other purposes would put the State of New Hampshire in immediate violation of the terms of our agreement with the ACOE and subject the state to an enforcement action by the ACOE and penalties of up to \$32,500 per day of violation. Such action would also jeopardize the use of this mitigation technique for future permittees as well as for the 38 existing permits that have already been issued pursuant to which permittees have contributed to the ARM Fund for mitigation.

**9103 – Title V Operating Permit Program – RSA 125-C, V**

The Title V Operating Permit Program is a federal operating permit program administered by DES in accordance with federal Clean Air Act requirements under which fees are required to be used exclusively for the program per 42 USC 7661a, Section 502(b)(3)(A). EPA conducts periodic audits of the State's program to ensure compliance with the federal requirements including a review of the fee structure and program expenditures.

Under Title V of the CAA, polluters must pay to the state a fee "sufficient to cover all reasonable (direct and indirect) costs required to develop and administer the permit program requirements". Sec. 502(b)(3)(A). Any such fees collected by a state "shall be utilized solely to cover all reasonable (direct and indirect) costs required to support the permit program." Sec. 502(b)(3)(C)(iii). EPA regulations likewise require polluters to pay an annual fee that is "sufficient to cover the permit program costs" and ensure that "any fee required...will be used solely for permit program costs." 40 CFR 70.9(a). Furthermore, states must demonstrate "how required fee revenues are used solely to

cover the costs of meeting the various functions of the permitting program.” 40 CFR 70.9(d).

A finding by EPA that the state's program was insufficient would result in the placement of sanctions on the state, including: implementing a federal program in lieu of the state program, increasing the state's offset ratio for new or modified sources (which would have a negative impact on business and industry), and the withholding of federal highway funds.

In 2001, The State of Rhode Island attempted to use dedicated Title V Permit funds to cover non-program related expenses and EPA took action and the State was required to repay program funds.

#### **9101 – State Permit Program – RSA 125-C, IV**

The State-wide air permit program was established under RSA 125-C:11, I and the federal Clean Air Act to regulate air emissions from stationary sources. Air emissions regulated include sulfur dioxide (acid rain), oxides of nitrogen (acid rain and ozone), volatile organic compounds (ozone) and over 800 regulated air toxics including mercury, dioxins, benzene and lead. The program is part of NH's State Implementation Plan for achieving and maintaining compliance with federal National Ambient Air Quality Standards (NAAQS) which are designed to be protective of human health and welfare. Permits issued under this program implement numerous federal requirements and standards which are becoming increasingly complex and numerous, although no direct federal funding is provided to support state implementation costs. The State Permits issued under this program also enable many sources to achieve compliance with both state and federal air pollution control requirements without also having to obtain a separate federal permit.

Regulated sources are required to pay fees to a dedicated fund under the authority of RSA 125-C:12 IV to fully support the program. Approximately 400 stationary sources of air pollution are permitted under the program. Sources include industrial manufacturing, small electric power producers, asphalt plants, coating operations, and commercial heating plants.

In an average year, the program will process approximately 145 air permit applications including new construction permits, renewals of existing operating permits and modifications of existing operating permits.

The Fund began Fiscal Year 2010 with a balance of \$1.5 M. A proposed reduction in the dedicated fund of \$ 1 M would reduce the current fund balance to about \$ 0.5 M. Current year revenues are expected to be about \$1.0 M, and current year expenses are projected to be about \$1.5 M. The result would be a FY 10 shortfall of \$0.5 M, which would totally eliminate the current fund balance.

Revenues and expenses for FY 11 are projected to be in line with FY 10 numbers. Therefore, by the end of FY 11 the program would have a negative balance of \$0.5 M. In

order to balance the projected biennium shortfall, at least 5 - 7 positions would need to be eliminated in the near term or fees paid by industry would need to be dramatically increased as a direct result of reducing the dedicated fund. Program funds support 16 FTEs, of which 13 are currently filled. The elimination of nearly 50% of program staff would have a significant and profound impact on program services, including the ability to process permit applications in a timely manner, investigate complaints and take appropriate enforcement actions as necessary. This would significantly impact the ability of DES to respond in a timely manner to requests from the regulated community for new construction or modified permits, which are required prior to building new facilities or modifying existing facilities. This would have a significant financial impact on regulated sources and a negative impact on the ability of sources to locate or expand operations in NH. In summary, a reduction in this dedicated fee account would have negative economic consequences for the state by slowing economic development and business growth.

### **9003 – Asbestos Fee Program – RSA 141-E:12**

The Asbestos Fee Program supports the State's Asbestos Management and Control Program. The program regulates asbestos abatement projects through the licensing of asbestos removal contractors, inspection of abatement projects and enforcement of asbestos work practices. Asbestos was a widely used insulation and construction material that is a known human carcinogen; environmental exposure through inhalation is the primary risk. Such exposure is most likely to occur in situations where the material has been improperly removed from buildings or at improperly managed disposal sites. The State has also been delegated by US EPA the authority to enforce the federal hazardous air pollutant standard for asbestos as well as the Asbestos in Schools program (the AHERA program).

On average in recent years, approximately 1,050 asbestos abatement project notifications have been filed with DES, of which DES inspects approximately 175 annually. Under the authority of RSA 141-E:12, asbestos removal contractors filing a notification are required to pay a fee based on the project size. The program consists of 4 FTEs. Three of the positions are supported with fees and are dedicated to conducting compliance inspections and license issuance to contractors and abatement workers. The one federally supported position conducts inspections under the Asbestos in Schools program. DES has an active asbestos enforcement docket including administrative, civil, and criminal cases.

Fees were last raised in 2008 in response to increasing program costs. Revenues for FY 10 are projected to be \$309,000. In addition, DES receives a \$100,000 federal grant from EPA for the enforcement of the federal program. Program expenses for FY 10 are projected to be approximately \$460,000. Therefore, the program is expected to have a FY 10 deficit of \$50,000.

The Fund has a current balance of \$ 322,247. A proposed reduction in the dedicated fund of \$ 200,000 would reduce the current fund balance to about \$ 122,000. Combined with the projected FY 10 deficit, DES would need to immediately raise fees again.

LBAO  
05/04/10

	<b>Department Name</b>	<b>Fund Name</b>	<b>Lapse Amount</b>
1	Department of Environmental Services	Title V permits	\$1,000,000
2	Department of Environmental Services	In-Lieu Wetlands Mitigation	\$1,000,000
3	Department of Environmental Services	Air Pollution and Control	\$1,000,000
4	Department of Environmental Services	Asbestos Abatement	\$200,000
5	Department of Safety	Reflectorized Plate Fund	\$250,000
6	Department of Safety	Enhanced 911 System Fund	\$1,000,000
7	Secretary of State	Securities Education	\$2,000,000
8	Department of Education	Education Credentialing	\$1,000,000
	<b>Total</b>		<b>\$7,450,000</b>

Dedicated Funds Reporting  
 For the Fiscal Years 2008 and 2009  
 Pursuant to RSA 6:12... **171**

Fund Name: Title V Permits

Statutory Reference: RSA 125-C:12, V

Purpose of Dedicated Fund: Permit Applications

	<u>Beginning Balance</u>	<u>Revenue &amp; Fund Sources</u>	<u>Expenses &amp; Fund Uses</u>	<u>Encumbrances</u>	<u>Other Funding Sources</u>	<u>Ending Balance</u>
FY 2008	\$3,670,303.53	\$2,242,657.16	(\$2,473,580.66)	\$5,564.35	\$0.00	\$3,433,815.68
FY 2009	<u>\$3,439,380.03</u>	<u>\$2,428,666.86</u>	<u>(\$2,320,894.30)</u>	<u>\$1,743.70</u>	<u>\$0.00</u>	<u>\$3,545,408.89</u>
Total	\$7,109,683.56	\$4,671,324.02	(\$4,794,474.96)	\$7,308.05	\$0.00	\$6,979,224.57

Detailed Activities: Reviewing and acting upon the application for air quality permits and of implementing or enforcing the terms and conditions: determinations of air pollution potential

Revenue Source #	Description	Amount
1281/5281 FY2008	Title V Permits	\$2,242,657.16
FY2009	Title V Permits	\$2,428,666.86

Revenue and Funding Sources Narrative: Revenue is derived from fees for operating permit applications.

Expenses and Fund Uses Narrative: Expenses represent the establishment and operations of a statewide system of permitting for the construction, operation or modification of any new or existing major source of air pollution.

GL201 Date 04/30/10  
Time 01:10

Statement of Appropriations by Office

Fiscal Year 2010

Periods From 1 to 10 Page 1190  
Period Beg 07/01/09 End 04/30/10

Company 0010 General Fund  
Agency 044 DES:Environmental Servdept Of  
Organization 9101 Title V Fee Permits

BUK/DIV 4430 Air Resources Division  
Sub-Org  
Acct Unit 9103TFP

Class	Appropriation	Est Revenue	Expenditures	Revenue	Encumbrances	Transfers	Lapsed	Bal Fwd	Available	Rate
006	AGENCY INCOME 0.00	3,594,998.00-	0.00	1,805,448.47	0.00	0.00	0.00	0.00	1,789,549.53-	0.00
009	AGENCY INCOME 0.00	1,500.00-	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00-	0.00
010	PERSONAL SERVICES PERM CLAS 1,609,750.00	0.00	940,489.46-	0.00	0.00	0.00	0.00	0.00	668,260.54	.58
018	OVERTIME 5,000.00	0.00	4,963.82-	0.00	0.00	0.00	0.00	0.00	36.18	.99
020	CURRENT EXPENSES 65,700.00	0.00	44,458.09-	0.00	1,020.45-	0.00	0.00	524.95	20,746.41	.68
022	RENTS-LEASES OTHER THAN STA 5,000.00	0.00	4,112.29-	0.00	1,540.45-	0.00	0.00	0.00	2,347.26	.70
024	MAINT OTHER THAN BUILD-GPN 4,100.00	0.00	1,603.49-	0.00	926.25-	0.00	0.00	1,218.75	2,789.01	.47
027	TRANSFERS TO DOIT 169,758.00	0.00	115,870.03-	0.00	0.00	0.00	0.00	0.00	53,887.97	.68
028	TRANSFERS TO GENERAL SERVIC 94,957.00	0.00	20,598.33-	0.00	0.00	0.00	0.00	0.00	64,268.67	.32
030	EQUIPMENT NEW REPLACEMENT 28,060.00	0.00	2,594.21-	0.00	21,852.00-	0.00	0.00	0.00	3,553.79	.87
040	INDIRECT COSTS 90,714.00	0.00	26,456.84-	0.00	0.00	0.00	0.00	0.00	64,257.16	.29
042	ADDITIONAL FRINGE BENEFITS 161,946.00	0.00	47,944.97-	0.00	0.00	0.00	0.00	0.00	114,001.03	.29
049	TRANSFER TO OTHER STATE AGE 76,451.00	0.00	52,982.50-	0.00	0.00	0.00	0.00	0.00	23,468.50	.69
050	PERSONAL SERVICE TEMP APPOJ 53,000.00	0.00	28,837.10-	0.00	0.00	0.00	0.00	0.00	24,162.90	.54
059	TEMP FULL TIME 100,000.00	0.00	176,826.87-	0.00	0.00	0.00	0.00	0.00	123,373.13	.58
060	BENEFITS 882,122.00	0.00	479,939.00-	0.00	0.00	0.00	0.00	0.00	402,183.00	.54



Dedicated Funds Reporting  
 For the Fiscal Years 2008 and 2009  
 Pursuant to RSA 6:12....

252

Fund Name In-Lieu Wetland Mitigation

Statutory Reference: RSA 482-A:29

Purpose of Dedicated Fund: Wetlands creation or restoration

	<u>Beginning Balance</u>	<u>Revenue &amp; Fund Sources</u>	<u>Expenses &amp; Fund Uses</u>	<u>Encumbrances</u>	<u>Other Funding Sources</u>	<u>Ending Balance</u>
FY 2008	\$103,736.49	\$ 698,168.18	\$0.00	\$0.00	\$0.00	\$ 801,904.67
FY 2009	<u>\$801,904.67</u>	<u>\$ 905,118.22</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$ 1,707,022.89</u>
Total	\$905,641.16	\$1,603,286.40	\$0.00	\$0.00	\$0.00	\$ 2,508,927.56

Detailed Activities: Wetlands creation or restoration; stream restoration; preservation of upland areas adjacent to wetlands; monitoring and maintenance of such areas

Revenue Source # 7329	Description	Amount
FY2008	In-Lieu Fee Wetland Mitigation	\$698,168.18
FY2009	In-Lieu Fee Wetland Mitigation	\$905,118.22

Revenue and Funding Sources Narrative: Revenue is derived from payments as a form of mitigation to compensate for the wetlands or stream impact.

Expenses and Fund Uses Narrative: Expenses represent the costs related to wetland creation or restoration, stream restoration, preservation of upland areas adjacent to wetlands, and the monitoring and maintenance of such areas.

GL201 Date 04/30/10  
Time 11:30

Statement of Appropriations by Office

Fiscal Year 2010

Periods From 1 to 10 Page 1135  
Period Beg 07/01/09 End 04/30/10

Company 0010 General Fund  
Agency 044 DES-Environmental Servdept Of  
Organization 3871 In-Lieu Wetland Mitigation  
BUR/DIV 4420 Water Pollution Division  
Sub-Org  
Acct Unit 3871WM

Class	Appropriation	Est Revenue	Expenditures	Revenue	Encumbrances	Transfers	Lapsed	Bal Fwd	Available	Rate
009	AGENCY INCOME 0.00	485,765.00-	0.00	1,443,674.55	0.00	0.00	0.00	0.00	957,939.55	0.00
050	PERSONAL SERVICE TEMP APPOI 10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	0.00
060	BENEFITS 765.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	765.00	0.00
055	BOARD EXPENSES 5,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00
073	GRANTS NON FEDERAL 470,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	470,000.00	0.00
216	PRIOR YEAR CONTROL BALANCE 0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,707,022.89	1,707,022.89	0.00
***Organization*** 485,765.00		485,765.00-	0.00	1,443,674.55	0.00	0.00	0.00	1,707,022.89	3,150,697.44	

Dedicated Funds Reporting  
For the Fiscal Years 2008 and 2009  
Pursuant to RSA 6:12.... **34**

Fund Name Air Pollution Control Permit Fee Program

Statutory Reference: RSA 125-C:12 IV and V

Purpose of Dedicated Fund: To cover the reasonable costs of reviewing and acting upon application for permits

	<u>Beginning Balance</u>	<u>Revenue &amp; Fund Sources</u>	<u>Expenses &amp; Fund Uses</u>	<u>Encumbrances</u>	<u>Other Funding Sources</u>	<u>Ending Balance</u>
FY 2008	\$1,747,910.84	\$1,416,386.03	(\$1,455,248.84)	\$7,823.50	\$0.00	\$1,701,224.53
FY 2009	\$1,709,048.03	\$1,374,018.57	(\$1,582,738.15)	\$2,073.50	\$0.00	\$1,498,254.95
Total	\$3,456,958.87	\$2,790,404.60	(\$3,037,986.99)	\$9,897.00	\$0.00	\$3,199,479.48

Detailed Activities: Establishment and operations of a statewide system of permitting for the construction, operation, or modification of any new or existing affected source to control air pollution

Revenue Source # 3153	Description	Amount
FY2008	Permit Fee System	\$1,416,386.03
FY2009	Permit Fee System	\$1,374,018.57

Revenue and Funding Sources Narrative: Revenue is derived from fees associated with applications for permits for emission control.

Expenses and Fund Uses Narrative: Expenses represent the establishment and operation of a statewide system of permitting for the construction, operation or modification of minor sources of air pollution.

GL201 Date 04/30/10  
Time 01:30

Statement of Appropriations by Office

Fiscal Year 2010

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Company 0010 General Fund  
Agency 044 DBS:Environmental Servdept of  
Organization 9101 Permit Fee Program

BUR/DIV 4430 Air Resources Division  
Sub-Org  
Acct Unit 9101PFP

Class	Appropriation	Est Revenue	Expenditures	Revenue	Encumbrances	Transfers	Lapsed	Bal Fwd	Available	Rate
006	AGENCY INCOME 0 00	2,230,157.00-	0.00	882,195.16	0.00	0.00	0.00	0.00	1,347,961.84-	0.00
010	PERSONAL SERVICES PERM CLAS 907,095.00	0.00	466,117.71-	0.00	0.00	0.00	0.00	0.00	440,977.29	51
018	OVERTIME 2,000.00	0.00	2,103.31-	0.00	0.00	0.00	0.00	0.00	103.31-	1.05
020	CURRENT EXPENSES 56,050.00	0.00	30,508.87-	0.00	2,228.85-	0.00	0.00	1,985.00	25,297.28	.56
022	RENTS-LEASES OTHER THAN STA 6,500.00	0.00	6,305.32-	0.00	219.00-	0.00	0.00	88.50	64.18	.99
024	MAINT OTHER THAN BUILD-GRN 2,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,100.00	0.00
027	TRANSFERS TO DOIT 122,823.00	0.00	93,674.72-	0.00	0.00	0.00	0.00	0.00	29,148.28	76
028	TRANSFERS TO GENERAL SERVIC 75,029.00	0.00	27,797.67-	0.00	0.00	0.00	0.00	0.00	47,241.33	.37
030	EQUIPMENT NEW REPLACEMENT 27,000.00	0.00	454.40-	0.00	19,502.58-	0.00	0.00	0.00	7,033.02	.73
040	INDIRECT COSTS 54,717.00	0.00	17,867.52-	0.00	0.00	0.00	0.00	0.00	36,849.48	.32
042	ADDITIONAL FRINGE BENEFITS 97,788.00	0.00	31,918.28-	0.00	0.00	0.00	0.00	0.00	65,849.72	.32
049	TRANSFER TO OTHER STATE AGE 40,845.00	0.00	34,965.06-	0.00	0.00	0.00	0.00	0.00	5,879.94	.85
050	PERSONAL SERVICE TEMP APPOI 37,000.00	0.00	18,024.65-	0.00	0.00	0.00	0.00	0.00	18,975.35	.48
059	TEMP FULL TIME 244,000.00	0.00	221,411.93-	0.00	0.00	0.00	0.00	0.00	22,588.07	.90
060	BENEFITS 526,505.00	0.00	295,845.01-	0.00	0.00	0.00	0.00	0.00	230,659.99	.56
066	EMPLOYEE TRAINING 6,350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,350.00	0.00

Dedicated Funds Reporting  
 For the Fiscal Years 2008 and 2009  
 Pursuant to RSA 6:12... 144

Fund Name: Asbestos Fee Program

Statutory Reference: RSA 141-E:12

Purpose of Dedicated Fund: Asbestos Abatement

	<u>Beginning Balance</u>	<u>Revenue &amp; Fund Sources</u>	<u>Expenses &amp; Fund Uses</u>	<u>Encumbrances</u>	<u>Other Funding Sources</u>	<u>Ending Balance</u>
FY 2008	\$377,347.31	\$380,911.04	(\$399,625.29)	\$381.03	\$0.00	\$358,252.03
FY 2009	<u>\$358,633.06</u>	<u>\$419,287.77</u>	<u>(\$408,013.30)</u>	<u>\$202.50</u>	<u>\$0.00</u>	<u>\$369,705.03</u>
Total	\$735,980.37	\$800,198.81	(\$807,638.59)	\$583.53	\$0.00	\$727,957.06

Detailed Activities: Granting licenses, certificates and the inspection of private dwellings; the administration of the program; notices of asbestos abatement projects

Revenue Source #	Description	Amount
4627/7368		
FY2008	Asbestos Abatement	\$380,911.04
FY2009	Asbestos Abatement	\$419,287.77

Revenue and Funding Sources Narrative: Revenue is derived from fees for certification in asbestos abatement.

Expenses and Fund Uses Narrative: Expenses represent the costs associated with asbestos abatement projects and the administering of the program.

01201 Date 04/30/10  
Time 01:30

Statement of Appropriations by Office

Fiscal Year 2010

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Period Beg 07/01/09 End 04/30/10

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Company 0010 General Fund  
Agency 044 DES:Environmental Servdept Of  
Organization 9001 Asbestos Fee Program  
BUR/DIV 4430 Air Resources Division  
Sub-Org  
Acct Unit 9001AFP

Class	Appropriation	Est Revenue	Expenditures	Revenue	Encumbrances	Transfers	Lapsed	Bal Fwd	Available	Rate
000	FEDERAL FUNDS	0.00	99,999.00-	0.00	45,960.00	0.00	0.00	0.00	54,039.00-	0.00
009	AGENCY INCOME	0.00	421,893.00-	0.00	257,534.49	0.00	0.00	0.00	164,358.51-	0.00
010	PERSONAL SERVICES PERM CLAS 241,091.00	0.00	204,326.25-	0.00	0.00	0.00	0.00	0.00	36,764.75	.24
018	OVERTIME 2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00	0.00
020	CURRENT EXPENSES 16,800.00	0.00	5,674.60-	0.00	637.00-	0.00	0.00	202.50	10,690.90	.37
024	MAINT OTHER THAN BUIL-GRN 400.00	0.00	70.00-	0.00	0.00	0.00	0.00	0.00	330.00	.17
027	TRANSFERS TO DOIT 32,493.00	0.00	9,350.01-	0.00	0.00	0.00	0.00	0.00	23,142.99	.28
028	TRANSFERS TO GENERAL SERVIC 14,053.00	0.00	4,531.64-	0.00	0.00	0.00	0.00	0.00	9,521.36	.32
030	EQUIPMENT NEW REPLACEMENT 25,209.00	0.00	0.00	0.00	22,384.50-	0.00	0.00	0.00	2,824.50	.88
040	INDIRECT COSTS 11,632.00	0.00	4,793.82-	0.00	0.00	0.00	0.00	0.00	6,840.18	.41
041	AUDIT FUND SET ASIDE 100.00	0.00	100.00-	0.00	0.00	0.00	0.00	0.00	0.00	1.00
042	ADDITIONAL FRINGE BENEFITS 22,348.00	0.00	9,357.27-	0.00	0.00	0.00	0.00	0.00	12,990.73	.41
049	TRANSFER TO OTHER STATE AGE 15,900.00	0.00	12,372.04-	0.00	0.00	0.00	0.00	0.00	3,527.96	.77
050	PERSONAL SERVICE TEMP APPOI 5,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00
059	TEMP FULL TIME 21,000.00	0.00	3,391.55-	0.00	0.00	0.00	0.00	0.00	17,608.45	.16
050	BENEFITS 101,641.00	0.00	73,619.72-	0.00	0.00	0.00	0.00	0.00	28,021.28	.72

QL201 Date 04/30/10  
Time 01:30

Statement of Appropriations by Office

Fiscal Year 2010

Periods From 1 to 10 Page 2059  
Period Beg 07/01/09 End 04/30/10

Company 0015 Highway Fund  
Agency 023 Safety Dept Of  
Organization 0107 ReflectORIZED Plates Invent.II

BUR/DIV 2330 Division Of Motor Vehicles  
Sub-Org  
Acct Unit 8107RPI

Class	Appropriation	Est Revenue	Expenditures	Revenue	Encumbrances	Transfers	Lapsed	Bal Fwd	Available	Rate
003	REVOLVING FUNDS 0 00	1,525,114.00-	0.00	1,431,643.30	0.00	0.00	0.00	0.00	93,470.70-	0.00
010	PERSONAL SERVICES PERM CLAS 186,512.00	0.00	130,004.00-	0.00	0.00	0.00	0.00	0.00	56,508.00	.69
018	OVERTIME 5,000.00	0.00	2,169.54-	0.00	0.00	0.00	0.00	0.00	2,830.46	.43
020	CURRENT EXPENSES 1,220,650.00	0.00	992,166.14-	0.00	262,284.62-	0.00	0.00	232,043.42	198,242.56	.86
022	RENTS-LEASES OTHER THAN STA 750.00	0.00	360.00-	0.00	0.00	0.00	0.00	0.00	390.00	.48
023	HEAT ELECTRICITY WATER 6,975.00	0.00	4,421.05-	0.00	0.00	0.00	0.00	0.00	2,553.95	.63
024	MAINT OTHER THAN BUILT-GRN 1,000.00	0.00	235.76-	0.00	7,269.00-	10,000.00	0.00	273.42	3,768.66	.66
046	CONSULTANTS 0.00	0.00	980.69-	0.00	8,469.04-	0.00	0.00	9,449.73	0.00	1.00
060	BENEFITS 100,727.00	0.00	65,438.84-	0.00	0.00	0.00	0.00	0.00	35,288.16	.64
070	IN STATE TRAVEL REIMBURSEME 3,500.00	0.00	898.35-	0.00	0.00	0.00	0.00	0.00	2,601.65	.25
216	PRIOR YEAR CONTROL BALANCE 0.00	0.00	0.00	0.00	0.00	10,000.00-	0.00	1,184,697.13	1,174,697.13	0.00
***Organization***	1,525,114.00	1,525,114.00-	1,196,674.37-	1,431,643.30	278,022.66-	0.00	0.00	1,426,463.70	1,383,409.97	





Dedicated Funds Reporting  
For the Fiscal Years 2008 and 2009  
Pursuant to RSA 6:12....

Fund Name      Securities Education

Statutory Reference: RSA 421-B:26 IV

Purpose of Dedicated Fund: The fund, after deducting administrative costs, shall be used to provide information to residents of this state about investments in securities, to help investors and potential investors evaluate their investment decisions, protect themselves from unfair, inequitable, or fraudulent offerings, choose their broker-dealers, agents, or investment advisors more carefully, be alert for false or misleading advertising or other harmful practices.

	<u>Beginning Balance</u>	<u>Revenue &amp; Fund Sources</u>	<u>Expenses &amp; Fund Uses</u>	<u>Encumbrances</u>	<u>Other Funding Sources</u>	<u>Ending Balance</u>
FY 2008	\$725,000	\$3,186,089	\$297,794			\$725,000
FY 2009	\$725,000	\$2,090,911	\$452,901			\$725,000

Detailed Activities: (Note: Include information regarding sources and uses of funds, unusual period activities and long-term need for the ending fund balance. Use additional pages if necessary.)

Revenue Source #	Description	Amount
1528 FY2008	Securities Education	\$3,186,089
1528 FY2009	Securities Education	\$2,090,911

Revenue and Funding Sources Narrative:

Revenue is from administrative fines collected under RSA 421-B:26 IV

Expenses and Fund Uses Narrative:

Expenses of the fund after administrative costs are to provide information to residents of this state about investments as provided in RSA 421-B:26 IV.

DL701 Date 04/30/10  
Time 01:39

Statement of Appropriations by Office

Fiscal Year 2010

Periods From 1 to 10 Page 264  
Period Beg 07/01/09 End 04/30/10

Company 0010 General Fund  
Agency 031 Secretary Of State  
Organization 1077 Securities Education

BUR/DIV 1230 Securities Regulation  
Sub-Org  
Acct Unit 1077SED

Class	Appropriation	Est Revenue	Expenditures	Revenue	Encumbrances	Transfers	Lapsed	Bal Fwd	Available	Rate
009	AGENCY INCOME	0.00	396,974.00-	0.00	2,338,897.64	0.00	0.00	0.00	1,941,922.64	0.00
013	PERSONAL SERVICES UNCLASSIF	0.00	58,627.00	0.00	0.00	0.00	0.00	0.00	58,627.00	0.00
020	CURRENT EXPENSES	0.00	19,000.00	37,634.59	0.00	0.00	0.00	0.00	55,634.59	2.09
030	EQUIPMENT NEW REPLACEMENT	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00
046	CONSULTANTS	0.00	205,000.00	192,259.99-	0.00	0.00	0.00	0.00	12,741.01	.93
050	PERSONAL SERVICE TEMP APPOI	0.00	70,000.00	0.00	0.00	0.00	0.00	0.00	70,000.00	0.00
054	TRUST FUND EXPENDITURES	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00
059	TEMP FULL TIME	0.00	0.00	16,720.75-	0.00	0.00	0.00	0.00	16,720.75-	1.00
060	BENEFITS	0.00	10,347.00	6,662.19-	0.00	0.00	0.00	0.00	23,684.81	.21
070	IN STATE TRAVEL REIMBURSEME	0.00	2,000.00	142.10-	0.00	0.00	0.00	0.00	1,857.90	.07
080	OUT OF STATE TRAVEL REIMB	0.00	7,000.00	1,441.43-	0.00	0.00	0.00	0.00	5,558.57	.20
216	PRIOR YEAR CONTROL BALANCE	0.00	0.00	0.00	0.00	0.00	0.00	725,000.00	725,000.00	0.00
***Organization***	196,974.00	396,974.00-	179,594.87-	2,338,897.64	0.00	0.00	0.00	725,000.00	2,984,302.77	
***Activity***	1,583,505.00	1,583,505.00-	939,287.97-	2,349,407.60	857.44-	0.00	0.00	725,000.00	2,134,262.29	

QL201 Date 04/30/10  
Time 21:30

Statement of Appropriations by Office

Fiscal Year 2010

Periods From 1 to 10  
Period Beg 07/01/09 End 04/10/10

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Company 0010 General Fund  
Agency 056 Education Dept Of  
Organization 6204 Education Credentialing  
BUR/DIV 5645 Certification  
Sub-Org  
Acct Unit 6204EDC

Class	Appropriation	Est Revenue	Expenditures	Revenue	Encumbrances	Transfers	Lapsed	Bal Fwd	Available	Rate
009	AGENCY INCOME 0.00	1,891,902.00-	0.00	721,910.00	0.00	0.00	0.00	0.00	1,169,992.00-	0.00
010	PERSONAL SEPVCS PERM CLAS 540,815.00	0.00	386,631.01-	0.00	0.00	0.00	0.00	0.00	154,183.99	.71
018	OVERTIME 7,144.00	0.00	711.28-	0.00	0.00	0.00	0.00	0.00	6,432.72	.09
020	CURRENT EXPENSES 57,750.00	0.00	34,519.46-	0.00	1,596.80-	0.00	0.00	249.07	21,903.61	.62
021	FOOD INSTITUTIONS 25,000.00	0.00	2,813.53-	0.00	0.00	0.00	0.00	0.00	22,186.47	.11
022	RENTS-LEASES OTHER THAN STA 4,200.00	0.00	2,960.00-	0.00	1,653.00-	0.00	0.00	1,181.00	768.00	.85
024	MAINT OTHER THAN BUILD-GRN 6,195.00	0.00	1,047.00-	0.00	2,228.00-	0.00	0.00	2,228.00	5,148.00	.38
026	ORGANIZATIONAL DUES 26,250.00	0.00	8,304.58-	0.00	0.00	0.00	0.00	0.00	17,945.42	.31
027	TRANSFERS TO DOIT 36,726.00	0.00	17,555.52-	0.00	0.00	0.00	0.00	0.00	19,170.48	.47
028	TRANSFERS TO GENERAL SERVIC 29,268.00	0.00	20,356.90-	0.00	0.00	0.00	0.00	0.00	8,911.10	.69
030	EQUIPMENT NEW REPLACEMENT 36,750.00	0.00	6,364.28-	0.00	9,555.05-	0.00	0.00	0.00	20,830.67	.43
040	INDIRECT COSTS 108,281.00	0.00	35,592.64-	0.00	0.00	0.00	0.00	0.00	72,688.36	.32
042	ADDITIONAL FRINGE BENEFITS 46,248.00	0.00	17,482.55-	0.00	0.00	0.00	0.00	0.00	28,765.45	.37
046	CONSULTANTS 70,000.00	0.00	62,697.00-	0.00	924.00-	0.00	0.00	2,861.00	9,240.00	.87
050	PERSONAL SERVICE TEMP APPOI 46,715.00	0.00	27,364.34-	0.00	0.00	0.00	0.00	0.00	59,350.66	.31
057	BOOKS PERIODICALS SUBSCRIPT 2,000.00	0.00	207.27-	0.00	0.00	0.00	0.00	0.00	1,792.73	.10

# TITLE XV EDUCATION

DOE

## CHAPTER 186 THE STATE SCHOOL ORGANIZATION

### State Board of Education

#### Section 186:11

**186:11 Duties of State Board of Education.** – The state board of education shall, in addition to the duties assigned by RSA 21-N:11:

I. [Repealed.]

II. Supervision. Supervise the expenditure of all moneys appropriated for public schools, and inspect all institutions in which or by which such moneys are used.

III. Budget: Information. Prepare a budget for such expenditures, give to the public information as to the educational conditions in different parts of the state and the opportunities open to pupils in the public schools, and all such further information in respect to educational matters as will promote the cause of education. For this purpose it may employ lecturers and publish and distribute books and pamphlets on education and educational subjects.

IV, V. [Repealed.]

VI. School Registers. Prescribe the form of the register to be kept concerning the schools, the form of blanks and inquiries for the returns to be made by the school boards, and seasonably send the same to the clerks of the several cities and towns for the use of the school boards therein.

VII. Public Documents. Keep on file in its office and distribute all state documents in relation to public schools and education.

VIII. District Returns. Preserve in accessible form the returns of school boards and of all other officers required to make returns to the board.

IX. Instruction as to Child Abuse Prevention, Youth Suicide Prevention, Intoxicants, Drugs, HIV/AIDS, and Sexually Transmitted Diseases.

(a) Direct the department to develop curriculum frameworks in health, physiology, and hygiene as they relate to the effects of alcohol and other drugs, child abuse, human immunodeficiency virus (HIV)/acquired immunodeficiency syndrome (AIDS), and sexually transmitted diseases on the human system, and which are designed to help students lead longer, healthier lives.

(b) Provide information about HIV/AIDS to all public and private schools to facilitate the delivery of appropriate courses and programs.

(c) Review HIV/AIDS curriculum materials to assure relevancy in assisting students to become health-literate citizens and lead longer, healthier lives.

(d) Provide information about youth suicide prevention to all public and private schools to facilitate the delivery of appropriate courses and programs.

(e) Submit a report no later than December 1, 2010, and biennially thereafter, prepared in conjunction with the commissioner of the department of education, to the chairpersons of the house and senate education committees, the house health, human services and elderly affairs committee, and the senate health and human services committee, detailing the state's efforts in fulfilling the policies relating to health education in kindergarten through grade 12 as set forth in subparagraphs (a)-(d).

IX-a. [Repealed.]

IX-b. Health and Sex Education. Require school districts to adopt a policy allowing an exception to a particular unit of health or sex education instruction based on religious objections. Such policy shall include a provision for alternative learning sufficient to enable the child to meet state requirements for health education.

X. Adopt rules, pursuant to RSA 541-A, relative to:

(a) Certification of teachers, supervisors, and administrators in the public schools. The state board shall also

shall be no denial to any person on the basis of sex, race, creed, color, marital status or national origin of the benefits of educational programs or activities.

XXXIV. Missing Child Education Program. Administer the missing child education program as established in RSA 186:31.

XXXV. Certification Standards for the Credential of Master Teacher. Adopt rules creating the educational credential of master teacher based on the provisions of RSA 189:14-f.

XXXVI. Pupil Safety and Violence Prevention. Develop and distribute to school districts a technical assistance advisory for the purpose of providing guidance to school districts on the implementation of pupil safety and violence prevention policies as required under RSA 193-F.

**Source.** 1919, 106:9. 1921, 85, I:8. PL 116:11. 1929, 145:3. 1939, 8:1. RL 134:11. 1953, 243:1-4. RSA 186:11. 1957, 252:1, 2. 1961, 196:1-3. 1963, 117:2; 147:1; 303:7; 305:1-3. 1965, 199:1; 339:4. 1967, 448:1. 1969, 69:1-3. 1971, 371:4, 5; 443:4. 1973, 140:15; 209:2; 242:1. 1974, 28:1. 1975, 23:1; 207:1; 505:6. 1977, 432:1; 452:6. 1979, 53:1; 459:4, 9, 10. 1981, 318:1. 1985, 318:4. 1986, 41:8-10, 29, II. 1987, 161:1. 1988, 262:7. 1989, 266:37. 1990, 28:1; 140:2, III. 1992, 123:1. 1993, 322:9, I, II. 1996, 298:5, I. 1998, 174:4, 5; 314:3; 389:8, 9. 1999, 157:1. 2000, 190:2. 2003, 39:1; 186:2. 2005, 92:1, eff. Aug. 6, 2005. 2008, 251:1, 4, 5, eff. Aug. 23, 2008. 2009, 105:1, eff. June 15, 2009; 280:1, eff. Sept. 27, 2009.

RPS Analysis for PSNH Served Towns				PSNH Projected RPS contribution (\$000s)																
2009 Delivery Sales (MWh)	2009 Default Sales (MWh)	2010			2011			2012			2013			2014						
		95%	75%	50%	95%	75%	50%	95%	75%	50%	95%	75%	50%	95%	75%	50%				
PSNH Total	7,749,875	6,283,185			PSNH	\$447	\$2,235	\$4,470	\$896	\$4,481	\$8,962	\$1,168	\$5,840	\$11,680	\$1,470	\$7,352	\$14,704	\$1,033	\$5,167	\$10,334
2009 Delivery Sales (kWh)	% of Delivery Sales	2009 Default Sales (kWh)	% of ES Sales	Town	2010			2011			2012			2013			2014			
					Low	Med	High	Low	Med	High	Low	Med	High	Low	Med	High	Low	Med	High	
Auburn*	21,918,599	0.3%	21,767,702	0.3%	Auburn*	\$2	\$8	\$15	\$3	\$16	\$31	\$4	\$20	\$40	\$5	\$25	\$51	\$4	\$18	\$36
Bedford	188,529,025	2.4%	176,693,171	2.8%	Bedford	\$13	\$63	\$128	\$25	\$126	\$252	\$33	\$164	\$328	\$41	\$207	\$414	\$29	\$145	\$291
Bow*	1,136,174	0.0%	1,136,174	0.0%	Bow*	\$0	\$0	\$1	\$0	\$1	\$2	\$0	\$1	\$2	\$0	\$1	\$3	\$0	\$1	\$2
Candia**	15,920,988	0.2%	15,685,656	0.2%	Candia**	\$1	\$8	\$11	\$2	\$11	\$22	\$3	\$15	\$29	\$4	\$18	\$37	\$3	\$13	\$26
Deerfield**	11,858,394	0.2%	11,900,615	0.2%	Deerfield**	\$1	\$4	\$8	\$2	\$8	\$17	\$2	\$11	\$22	\$3	\$14	\$28	\$2	\$10	\$20
Derry*	172,193,125	2.2%	161,681,651	2.6%	Derry*	\$12	\$58	\$115	\$23	\$115	\$231	\$30	\$150	\$301	\$38	\$189	\$378	\$27	\$133	\$266
Goffstown	87,437,945	1.1%	80,717,274	1.3%	Goffstown	\$6	\$29	\$57	\$12	\$58	\$115	\$15	\$75	\$150	\$19	\$94	\$189	\$13	\$66	\$133
Hooksett	148,869,670	1.9%	126,377,087	2.0%	Hooksett	\$9	\$45	\$90	\$18	\$90	\$180	\$23	\$117	\$235	\$30	\$148	\$296	\$21	\$104	\$208
Litchfield	35,051,743	0.5%	33,367,059	0.5%	Litchfield	\$2	\$12	\$24	\$5	\$24	\$48	\$6	\$31	\$62	\$8	\$39	\$78	\$5	\$27	\$55
Londonderry	242,348,007	3.1%	199,680,709	3.2%	Londonderry	\$14	\$71	\$142	\$28	\$142	\$285	\$37	\$186	\$371	\$47	\$234	\$467	\$33	\$164	\$328
Manchester	945,210,229	12.2%	721,948,667	11.5%	Manchester	\$51	\$257	\$514	\$103	\$515	\$1,030	\$134	\$671	\$1,342	\$169	\$845	\$1,690	\$119	\$594	\$1,187
Merrimack	329,142,128	4.2%	245,856,840	3.9%	Merrimack	\$17	\$87	\$175	\$35	\$175	\$351	\$46	\$229	\$457	\$58	\$288	\$575	\$40	\$202	\$404
New Boston	26,424,739	0.3%	26,368,372	0.4%	New Boston	\$2	\$9	\$19	\$4	\$19	\$38	\$5	\$25	\$49	\$6	\$31	\$62	\$4	\$22	\$43
Raymond**	47,773,476	0.6%	36,195,809	0.6%	Raymond**	\$3	\$13	\$26	\$5	\$26	\$52	\$7	\$34	\$67	\$8	\$42	\$85	\$6	\$30	\$60
Weare	36,827,447	0.5%	37,045,053	0.6%	Weare	\$3	\$13	\$26	\$5	\$26	\$53	\$7	\$34	\$69	\$9	\$43	\$87	\$6	\$30	\$61
The sales listed above do not represent the entire electric load in certain towns:																				
* PSNH serves more than 90% but less than 100% of municipality																				
** PSNH serves more than 10% but less than 90% of municipality																				
Definitions:																				
Delivery Service Sales is all sales supplied to a customer, independent of supplier chosen																				
Default Service Sales (or Energy Service Sales) is sales associated with load served by PSNH only, not a competitive supplier																				
Load Serving Entities pay into the RPS fund based on their Default Service (or Energy Service) load obligations																				
Produced by Public Service of New Hampshire, April 29, 2010																				

**House Ways & Means****SP 450, Sections to am#2010-1311 & Amendment Listing**

#	Sponsor	Description	Straw Vote
86	Section	Tobacco tax increase to \$1.98	11-9
1760	Section	Tobacco floor tax- <u>section 87</u>	11-9
1757	Almy	Tax other tobacco prod increase to \$1.78 equivalent & floor tax	11-9
1759	Almy	Tax other tobacco prod increase to \$1.98 equivalent & floor tax	11-9
1583	Smith	Dedicated fund \$2 million transfer specified- <u>section 88</u>	13-7
1724	Almy	Dedicated fund \$2.5 million transfer specified- <u>section 88</u>	11-9
92-96	Section	LLC repeal from the interest & dividends tax	15-5
1713	Almy	Changes to the Commission to study business taxes- <u>section 97</u>	20-0
99	Section	Pet shop license increase to \$350	12-8
1727	Hatch	Electricity Generation Tax @ \$.00055	10-10
1758	Vachon	Insurance Premium tax back to 2%, effective for FY 2010	10-9
1755	Walsh	Estate tax over \$2 million	10-9
1756	Walsh	Capital Gains tax	10-9

# University System of New Hampshire



CHANCELLOR'S OFFICE

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25 Concord Road  
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May 4, 2010

Honorable Marjorie K. Smith  
Chair House Finance Committee  
House of Representatives  
New Hampshire General Court  
State House  
107 North Main Street  
Concord, New Hampshire 03301

Re: USNH Board of Trustees Resolution re Voluntary

Dear Representative Smith:

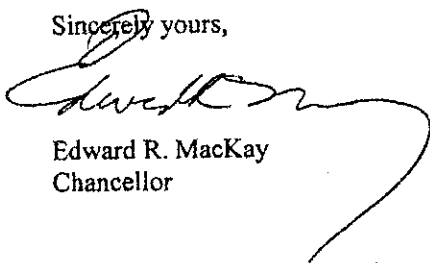
This letter is to confirm that the following motion of the Executive Committee of the University System Board of Trustees was unanimously adopted at its meeting of April 8, 2010:

*MOVED, that the Executive Committee endorse the tentative outcome of the discussions between the Chair and Chancellor and the Governor's Office regarding the possibility the state will pass legislation amending its capital budget for FY10/11 to include an additional \$25 million for USNH deferred maintenance and other education and general capital costs, to be distributed to USNH in calendar year 2010, with the expected delivery date being the end of June, 2010, or soon thereafter, in exchange for which USNH will voluntarily make a \$25 million payment to the state from USNH FY10 operating funds.*

The foregoing is a final and binding action, effective immediately upon adoption.

Please let me know if you have questions or need further information regarding this matter.

Sincerely yours,



Edward R. MacKay  
Chancellor

Cc: Edward Dupont, Chairman, USNH Board of Trustees





Nicholas A. Toumpas  
Commissioner

William W. Fenniman, Jr.  
Director

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION FOR JUVENILE JUSTICE SERVICES

1056 NORTH RIVER ROAD, MANCHESTER, NH 03104  
603-625-5471 FAX: 603-624-0512 TDD Access: 1-800-735-2964

May 4, 2010

The Honorable Marjorie K. Smith, Chairman  
House Finance Committee  
Legislative Office Building, Room 210  
Concord, NH 03301

Dear Chairman Smith:

Pursuant to the Committee's request yesterday, I am attaching the detailed Personnel listing for the Division for Juvenile Justice Services.

If you have any further questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Fenniman, Jr.", written over a circular stamp or mark.

William W. Fenniman, Jr.  
Director

Enclosure

Field	Count	Residential	Count	Divisional	Count
ADMINISTRATOR II	3	ADMINISTRATOR II	2	ACCOUNTANT I	(1)
ADMINISTRATOR IV	1	ADMINISTRATOR IV	1	ACCOUNTING TECHNICIAN	3
EXECUTIVE SECRETARY	12	AGENCY STEWARD	(1)	ADMINISTRATIVE ASSISTANT I	1
FISCAL SPECIALIST I	4	ASSISTANT CHEF	1	ADMINISTRATOR III	1
JUV PROB & PAROLE OFF IV	79/(4)	ASSISTANT HOUSE LEADER	4	BUSINESS ADMINISTRATOR III	1
PROGRAM SPECIALIST I	1	AUTOMOTIVE SHOP MANAGER I	1	CHIEF ACCOUNTANT	1
SECRETARY II	4/(2)	BUILDING SERVICE WORKER III	3/(1)	DIRECTOR DJJS, DIV JJS	1
SUPERVISOR VI	10	CARPENTER II	1	JUV PROB & PAROLE OFF IV	1
		CHEF I	1/(1)	PROGRAM SPECIALIST III	1
Authorized	118	CHEF III	1	PROGRAM SPECIALIST IV	4/(1)
Vacant	6	CLERK IV	1	MANAGER OF FIELD SVCS/QI	1
Unfunded	2	COOK II	4	SENIOR MANAGEMENT ANALYST	1
		ELECTRICIAN SUPERVISOR I	1	TRAINING COORDINATOR	1
		EXECUTIVE SECRETARY	1/(1)		
		JUV PROB & PAROLE OFF IV	1	Authorized	17
		LAUNDRY FOREMAN	1	Vacant	2
		MAINTENANCE MECHANIC II	2/(1)	Unfunded	2
		MAINTENANCE TECHNICIAN	1		
		MGR OF QUALITY IMPRVMT EVALUA	1		
		NURSE SPECIALIST	1		
		NURSING COORDINATOR	1		
		PAINT SHOP MANAGER I	1		
		PLANT MAINTENANCE ENGINEER I	1		
		PROGRAM SPECIALIST III	1		
		PSYCHOLOGICAL ASSOCIATE I	6		
		PSYCHOLOGIST	1		
		REGISTERED NURSE III	7		
		SCHOOL PRINCIPAL	1		
		SECRETARY II	(1)		
		SUPERVISOR III	5		
		SUPERVISOR IV	1		
		SWITCHBOARD OPERATOR II	1		
		TEACHER ASSISTANT	5		
		TEACHER I	22		
		TEACHER II	4		
		TEACHER III	5		
		WAREHOUSE MANAGER I	1		
		YOUTH COUNSELOR I	20/(1)		
		YOUTH COUNSELOR II	32/(5)		
		YOUTH COUNSELOR III	16/(7)		
		Authorized	180		
		Vacant	19		
		Unfunded	3		

DETAIL CHANGE						
SB 450 PROPOSED AMENDMENT TO THE 04/26/10 SECTION ANALYSIS						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
1	<b>INADVERTENTLY OMITTED FROM AMENDMENT - EXECUTIVE OFFICE (Total GF required reduction = \$250,722)</b>					
2						
3	01-02		Executive Office			
4	01-02-02-0240		Office of Energy and Planning			
5	01-02-02-0240-6570		Municipal/Regional Assistance			
6	01-02-02-0240-6570	073	Grants - Non Federal	G	(30,000)	Partially replace reduction in CT River Joint Commission funding with reduction in funding for the regional planning commissions.
7						
8	01-02-02-0240-4096		Connecticut River Valley			
9	01-02-02-0240-4096	068	Remuneration	G	30,000	Partially restore funding for CT River Joint Commission.
10						
11						
12						
13			<b>Total Funds</b>		<b>0</b>	
14						
15			<b>General Funds</b>		<b>0</b>	
16			<b>Federal Funds</b>		<b>0</b>	
17			<b>Highway Funds</b>		<b>0</b>	
18			<b>Fish &amp; Game Funds</b>		<b>0</b>	
19			<b>Other Funds</b>		<b>0</b>	

**New Hampshire**  
Department of Agriculture,  
Markets & Food

Lorraine S. Merrill, Commissioner

Rep. Marjorie Smith, Chair  
House Finance Committee

We wanted to provide some further detail to the committee in response to Rep. Wendelboe's questions re: the Animal Population Control Program.

**437-A:4-a Fund Established; Solicitation and Acceptance of Funds. –**

I. There is hereby established the companion animal neutering fund. Any funds received by the commissioner under this chapter, RSA 466:4, I(c), and RSA 466:6, III shall be deposited in the fund and **shall be used by the commissioner exclusively for implementation including veterinarian reimbursement, promotion, and other costs associated with the program. (emphasis added)** Moneys in the fund shall be continually appropriated to the commissioner. Interest earnings credited to the assets of the fund shall become part of the fund. Any balance remaining in the fund at the end of the fiscal year shall be carried forward to the fund for the next fiscal year.

II. The commissioner may solicit and accept funds from any public or private source to be used to carry out the provisions of this chapter. All such funds shall be deposited into the fund established under paragraph I.

The Animal Population Control Program fund statute specifies that the fund is for program implementation costs, not just veterinarian reimbursement for surgeries. Currently, most other expenses are paid from the APCP fund--paper, postage, telephone, etc. Historically, full salary and benefits for the program assistant position were paid from the dedicated APCP fund. During a period when budgets were less tight, Commissioner Taylor moved the salary and benefits into General Funds, increasing the amount of the dedicated fund for spay and neuter surgeries. In this time of budget contraction, this program needs to pay more of its own way. In addition to supervision by the state veterinarian, the department provides additional business and accounting support to the program.

Under this proposal, the department has in fact retained a small portion of the APCP assistant's benefits in general funds (about 5% of total salary and benefits) to support the occasional assistance she provides to the Division of Animal Industry outside of the APCP.

Administering this program is more complex than may appear, with the assistant spending considerable time contacting towns about submitting their funds to the APCP through April, May, and June. Applications continue to come into the program and are processed even while the program is closed for surgeries. There is also a level of attempted fraud associated with this program which must be watched for. The department's internal audit recommended updating APCP databases and creating a new one, which will require extensive time by the program assistant.

Stephen K. Crawford, DVM  
New Hampshire State Veterinarian

Lorraine Merrill  
Commissioner of Agriculture, Markets & Food



May 4, 2010

The Honorable John Lynch  
Governor, State of New Hampshire

RE: Senate Bill 450 and Lakes Region Facility

Dear Governor Lynch:

We are writing to express our opposition to the plan put forward by the House Finance Committee as part of Senate Bill 450 to transfer the Youth Development Center (YDC) to the Lakes Region Facility property in Laconia.

We understand from Health and Human Services Commissioner Nicholas Toumpas that this proposal did not originate with HHS, but rather with the House Finance Committee. Commissioner Toumpas advises us that he has a different plan to meet budget shortfalls that does not involve the Lakes Region Facility and that this plan has your support. We are thankful.

There appears to be universal agreement that the Lakes Region Facility property is unique. The land consists of approximately 250 acres of open fields and forest. The eastern half of the property is gently sloping so that it has spectacular views of the mountains and Lake Opechee to the east. The other half slopes to the west where it meets Ahern State Park on the shores of Lake Winnesquam. To the north, the property meets the City's Robbie Mills Sports Complex where area youth play baseball and soccer. The setting of the baseball field there is so special that a franchise of the New England Collegiate Baseball League, The Laconia Muskrats, will begin play there this June.

Kimon Koulet, Executive Director of Lakes Region Planning Commission, Russell Thibeault, nationally recognized economist, Applied Economic Research, Laconia, NH, and Shanna Saunders, City of Laconia Planning Director, have all stated publicly that the Lakes Region Facility property is one of the most valuable in the region and is critical to the future economic vitality of Laconia.

In 1991, the Department of Corrections placed the Lakes Region Facility in Laconia to ease overcrowding in the Concord facility. The citizens of Laconia objected then as they would now - not because of a correctional facility in Laconia, but a correctional facility on that property. Such a use is a tremendous under-utilization of a site with so much potential.

In 2009, when the prison left Laconia, you recognized that potential by proposing creation of the Lakes Region Facility Study Commission as part of HB2. The Commission is made up of representative from your office, the House and the Senate, key State department heads and citizens and elected officials from the Lakes Region. The charge of the Study Commission is to make recommendations as to the highest and best use of the property. The Study Commission first met in August, 2009. The Commission has met regularly since then and has been enthusiastic and hard-working, motivated by the potential of the property. The Commission has been greatly benefited by the diverse skills brought to the table by its members.

The Study Commission has toured the property, received presentations from Mr. Thibeault, Ms. Saunders and Gordon Dubois, a historian of the property. In addition, the Commission has gathered and studied a considerable amount of data assembled by the State agencies, including the condition of the buildings. Within the last several months, the Commission had reached the point where it could not proceed further without detailed site assessments of the property, to include environmental, wetland, slope and other studies. The Commission does not have a budget. However, Mr. Koulet, through his contacts, has been able to obtain a commitment from the U.S. Environmental Protection Agency (EPA) to assist the Study Commission. EPA has arranged for a consulting company to field test the use of EPA's latest guidance for communities interested in revitalizing properties that have or are perceived to have contamination issues. The Lakes Region Facility and Study Commission were selected by EPA because of the site's high statewide profile, the composition of the Study Commission, and the timing of the Study Commission's work. The consultant's work is about to begin with the understanding that the state has yet to make a decision about the best long-term use of the property.

When the men's prison came to Laconia in 1991, its presence here was said to be temporary. Eighteen years later the prison was still here. We are concerned that the same thing will happen if again the site is turned into a detention facility. The purpose of the Lakes Region Facility Study Commission, to determine the highest and best use of the property, would be set back again for years to come. We do not wish to have that occur.

Finally, we are concerned about the transfer of juveniles from Manchester to Laconia, irrespective of Laconia's interests. We are interested in good government and not giving up hard fought gains to achieve a temporary fix. The Sununu Center is a modern facility with specially designed programs necessary to address the problems associated with juvenile delinquency. The Center was not always that way. The conditions were deplorable. The State stepped up to the plate and designed a facility specifically intended to address the issues of juvenile delinquency. Respectfully, it does not appear to us to be good public policy to transfer juveniles to a lesser facility and attempt to transform the Sununu Center into a use for which it was not intended.

Governor, thank you very much for your careful consideration of this matter which is of the utmost important to the City of Laconia.

Sincerely,

/s/ Michael Seymour

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Michael Seymour, Mayor  
City of Laconia

/s/ Matthew Lahey

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Matthew Lahey, Laconia City Councilor  
Chairman, Lakes Region Facility Study Commission

/s/ Kimon Koulet

---

Kimon Koulet, Executive Director  
Lakes Region Planning Commission  
Member, Lakes Region Facility Study Commission

cc: Commission Nicholas Toumpas, HHS, [nrollins@dhhs.state.nh.us](mailto:nrollins@dhhs.state.nh.us)  
Hon. Terie Norelli, Speaker of the House, [sandy.guinan@leg.state.nh.us](mailto:sandy.guinan@leg.state.nh.us)  
Hon. Sylvia Larsen, Senate President, [sylvia.larsen@leg.state.nh.us](mailto:sylvia.larsen@leg.state.nh.us)  
Senator Kathleen Sgambati, District 4, [sgambati@metrocast.net](mailto:sgambati@metrocast.net)  
Senator Lou D'Allesandro, Senate, [dalas@leg.state.nh.us](mailto:dalas@leg.state.nh.us), [sonja.caldwell@leg.state.nh.us](mailto:sonja.caldwell@leg.state.nh.us)

**House Finance Committee**

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#### **Lakes Region Facility Study Commission**

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#### **Laconia City Council**

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**LBAO Annotation of OLS Index for  
Amendment #2010-1905h to SB 450**

1. Clarifies the administration of the New Hampshire employment program. **SECTION 1**
2. Makes the funded family assistance program (TANF) permissive rather than mandatory. **SECTION 2**
3. Allows the department of health and human services to make a claim for recovery of assistance for a deceased recipient from the division of abandoned property. **SECTIONS 3-4**
4. Authorizes the commissioner of the department of health and human services to transfer funds within and among all accounting units within the department, to address present or projected budget deficits, or to respond to changes in federal laws, regulations, or programs, and as otherwise necessary for the efficient management of the department. **SECTION 6**
5. Permits funds from the lead paint poisoning prevention fund to be used to support program staff and administrative costs. **SECTIONS 7-8**
6. Transfers powers and duties for the New Hampshire refugee resettlement program from the governor's office to the department of health and human services. **SECTION 9**
7. Establishes a special account for civil fines collected by the department of health and human services under RSA 151. **SECTIONS 10-11**
8. Changes the due date for the Medicaid enhancement tax. **SECTION 12**
9. Renames the "multiple DWI offender intervention detention center program" as the "multiple DWI offender intervention program," and authorizes the commissioner of the department of health and human services to directly operate the program, to approve community-based providers of the program, or to contract with public or private entities to operate the program. **SECTIONS 13-28**
10. Requires the commission to examine driving while impaired education and intervention programs to study penalties for intoxication or under the influence of drugs offenses and submit a report of its findings. **SECTION 25**
11. Makes further reductions in the operating budget for the legislative and executive branches for fiscal years 2010 and 2011. **SECTIONS 29-32, 36-39**
12. Requires the commissioner of the department of agriculture, markets and food to put out to bid administration of the animal population control fund. **SECTIONS 33-35**
13. Abolishes the position of animal population control assistant. **SECTION 35**
14. Provides that the department of health and human services shall not reduce funding provided to North Country Transportation used for meeting the state matching funds requirement for the Job Access and Reverse Committee (JARC). **SECTION 40**
15. Suspends the catastrophic illness program in the department of health and human services for the fiscal year ending June 30, 2011. **SECTION 41**
16. Suspends the senior volunteer grant program in the department of health and human services for the fiscal year ending June 30, 2011. **SECTION 42**

**LBAO Annotation of OLS Index for  
Amendment #2010-1905h to SB 450**

17. Reduces required funding by the department of health and human services for juvenile placement programs and requires the department to report biennially on the effectiveness of the programs. **SECTIONS 43**
18. Reduces the rate paid to residential providers subject to the rate setting rule of the department of health and human services by 2 percent. **SECTION 44**
19. Extends the suspension of direct graduate medical education payments to hospitals until July 1, 2011. **SECTION 45**
20. Suspends the provision of indirect graduate medical education payments to hospitals through June, 2011. **SECTION 46**
21. Suspends catastrophic aid payments to hospitals effective June 15, 2010 through June 30, 2011. **SECTION 47**
22. Conditions eligibility for cash assistance and medical assistance benefits on the recipient filing an application for any federal cash assistance benefits for which the individual may be entitled. **SECTION 48**
23. Allows a municipality, with the approval of its legislative body, to adopt a local meals and rooms tax in addition to the state meals and rooms tax. **SECTION 49**
24. Reduces rooms and meals tax revenue distributions to towns and cities an additional \$6,091,930. **SECTION 50**
25. Removes the application of the rooms and meals tax to campsites. **SECTION 51**
26. Authorizes the state treasurer to refinance certain debt service obligations. **SECTION 52**
27. Increases the bonded appropriation for the university system of New Hampshire KEEP NH program by \$25,000,000 for the biennium ending June 30, 2011. **SECTIONS 53-55**
28. Increases the tax rate imposed on tobacco products other than cigarettes. **SECTIONS 56-57**
29. Authorizes the department of administrative services to transfer moneys from certain dedicated funds or accounts maintained separately on the books of the state. **SECTION 58**
30. Requires the lapse of certain retirement pension benefit-health insurance funds. **SECTION 59**
31. Requires the lapse of certain judicial council funds for contracts for program services. **SECTION 60**
32. Requires the lapse of certain appropriations to the state treasurer for debt service. **SECTION 61**
33. Makes distributions from limited liability companies, partnerships, and associations subject to the interest and dividends tax only if they have transferable shares. **SECTIONS 62-66**
34. Establishes a commission to study business taxes. **SECTIONS 67-68**

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35. Reduces the state's contribution for benefits under the New Hampshire retirement system for fiscal year 2011. **SECTION 69**

36. Increases the license fees for selling animals and birds. **SECTION 70**

37. Requires the lottery commission to submit a report to the governor and the legislature describing how it proposes to modernize and update its products. **SECTION 71**

38. Transfers certain appropriations relating to adequate education grants. **SECTION 72**

39. For the fiscal year ending June 30, 2011, suspends existing legal requirements for a special meeting of a school district and requires a special meeting of a school district to be held upon the majority vote of the school board to address changes to catastrophic aid funding. **SECTIONS 74-75**

40. Allows a town to call a special meeting during the 2011 fiscal year to address any reduction in the amount of state revenue distributed to the town which could affect the town's budget. **SECTIONS 76-77**

41. Allows state agencies to supplant general fund reductions with federal and other funds that may become available for that purpose. **SECTION 78**

42. Requires nonclassified and unclassified state employees to take 12 furlough days during fiscal year 2011. **SECTION 79**

43. Requires reductions in personnel expenditures in an agency to be distributed proportionally between classified and unclassified employees of such agency. **SECTION 80**

44. Provides that the procedure for reassignment of state employees prior to layoff is suspended and any positions intended by a department to be left vacant shall remain vacant. **SECTIONS 81-82**

45. Prohibits certain transfers of funds out of any class line which is the source of payment for Medicaid providers whose reimbursement rates are set by the department of health and human services and whose rates have been reduced by the department of health and human services through the use of a budget neutrality factor, a proportionate discount factor, or any similar reduction device. **SECTION 83**

46. Requires the relocation of the populations of the Anna Philbrook center, the Shea Farm transitional housing unit, the youth development center, and the state prison for women. **SECTIONS 85-88**

47. Establishes a committee to study the transfer of populations of the youth development center and the state prison for women. **SECTION 89**

48. Directs the state treasurer to deposit certain fine revenues in the general fund. **SECTION 90**

49. Replaces the electricity consumption tax paid by consumers with an electricity generation tax paid by generation facilities. **SECTIONS 91-94**

50. Sets the insurance premium tax at 2 percent for all lines of insurance. **SECTIONS 95-96**

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51. Changes the rate of the New Hampshire estate tax to 8 percent of the gross value of the portion of the decedent's taxable estate that exceeds \$2,000,000. **SECTIONS 97-99**

52. Increases certain retirement system member contribution rates for fiscal year 2011. **SECTIONS 100-102**

53. Increases the fees for marriage licenses and vital record copies and amendments and requires a portion of the increase to be deposited in the general fund. **SECTIONS 103-104**

54. Prohibits departments from delaying a payment or expenditure from one fiscal year to the subsequent fiscal year solely for the purpose of generating an unexpended balance that would lapse in the preceding year. **SECTION 105**

55. Makes appropriation reductions for fiscal year 2011. **SECTION 106**

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<b>Analysis of Amendment 2010-1905h to SB 450</b>				
		<b>FY 2010</b>	<b>FY 2011</b>	<b>Biennium</b>
1	<b><u>Approved General Fund Appropriation Impacts</u></b>	\$312,000	\$36,996,490	\$37,308,490
2				
3	<b><u>Approved General Fund Revenue Impacts</u></b>			
4	Tax other tobacco products increase to \$1.78 equivalent & floor tax (section 56-57)	\$100,000	\$2,600,000	\$2,700,000
5	Repeal campsite rooms & meals tax (section 51)	\$0	(\$4,500,000)	(\$4,500,000)
6	LLC repeal from the interest & dividends tax (section 62-66)	\$0	(\$15,000,000)	(\$15,000,000)
7	Electricity generation tax @ \$.00055 (section 91-94)	\$0	\$4,500,000	\$4,500,000
8	Insurance premium tax back to 2%, effective for FY 2010 (section 95-96)	\$5,600,000	\$10,400,000	\$16,000,000
9	Estate tax over \$2m (range \$2 - \$22M) (section 97-99)	\$0	\$10,000,000	\$10,000,000
10	Agriculture - pet shop license increase to \$350 (section 70)	\$0	\$30,000	\$30,000
11	Secretary fo State - marriage license & vital records fee increases (section 103-104)	\$0	\$800,000	\$800,000
12	Agriculture - market bulletin subscription \$3 increase (section N/A)	\$0	\$12,000	\$12,000
13	Agriculture - increase in commercial feed registration revenue estimate (section N/A)	\$0	\$20,000	\$20,000
14	NH Lottery Commission - expenditure reduction - revenue (section 106)	\$0	\$650,000	\$650,000
15	Liquor Commission - expenditure reduction - revenue (section 106)	\$0	\$505,000	\$505,000
16				
17	<b><u>Other sections with General Fund Impacts</u></b>			
18	Treasury - debt restructuring (section 52)	\$0	\$40,000,000	\$40,000,000
19	USNH - transfer (section 53-55)	\$25,000,000	\$0	\$25,000,000
20	Retirement - Member Contribution rate change (section 100-102)	\$0	\$10,000,000	\$10,000,000
21	Retirement - Municipal Contribution rate change (section 69)	\$0	\$9,367,576	\$9,367,576
22	Dedicated Fund - transfers to general fund (section 58)	\$3,100,000	\$0	\$3,100,000
23	Safety - plea by mail transfer to general fund (section 90)	\$185,000	\$760,000	\$945,000
24	Judicial Council - lapses (section 60)	\$220,000	\$220,000	\$440,000
25	NH Retirement System - lapses (section 59)	\$2,900,000	(\$2,900,000)	\$0
26	Treasury - debt service lapses (section 61)	\$3,000,000	(\$3,000,000)	\$0
27	State Fiscal Stabilization Funds - transfer to FY10	\$80,000,000	(\$80,000,000)	\$0
28	Furlough nonclassified and unclassified employees (section 79)	\$0	\$0	\$0
29				
30	<b><u>Other actions outside SB 450</u></b>			
31	FY 11 FMAP extension	\$0	\$30,000,000	\$30,000,000
32	FY 10 Executive Order reductions	\$25,183,082	\$0	\$25,183,082
33	National Health savings	\$0	\$5,000,000	\$5,000,000
34	\$25m personnel reduction allocation between years	(\$4,428,000)	\$6,168,000	\$1,740,000
35	Other appropriations not budgeted	(\$6,000,000)	(\$6,000,000)	(\$12,000,000)
36				
37	<b>Totals</b>	<b>\$135,172,082</b>	<b>\$56,629,066</b>	<b>\$191,801,148</b>

DETAIL CHANGE							
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET							
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)							
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
1	<b>LEGISLATIVE BRANCH</b>					(669,000)	
2	01-04		Legislative Branch				
3	Section 29		Legislative Branch Lapse Requirement	G	(669,000)	Require Legislative Branch to lapse \$669,000 to the state general fund in FY 2011. Section also requires Branch to lapse \$312,000 to the state general fund in FY 2010.	
4							
5	<b>JUDICIAL BRANCH</b>						
6							
7	02-10		Judicial Branch			Committee removed \$4M reduction.	
8							
9	<b>DEPARTMENT OF INFORMATION TECHNOLOGY</b>					(2,175,000)	
10							
11	01-03		Department of Information Technology				
12	Section 30		Department of Information Technology General Fund Appropriation Reduction	G	(2,175,000)	Require DoIT to work with DAS in reducing DoIT class lines to result in additional reductions of general funded agencies appropriations for class 27 totaling \$2,175,000, with a report of those reductions due to the fiscal committee by 07/31/10.	
13							
14	<b>DEPARTMENT OF ADMINISTRATIVE SERVICES</b>					(2,850,436)	
15							
16	01-14		Department of Administrative Services				
17	01-14-14-1400-1042		Commissioner - Administration				
18	01-14-14-1400-1042	020	Current Expenses	G	(1,000)	Reduction in supply purchases	
19	01-14-14-1400-1042	030	Equipment New/Replacement	G	(500)	Reduction in equipment purchases	
20	01-14-14-1400-1042	080	Out-of State Travel	G	(1,000)	Reduction in Out of State Travel	
21							
22	01-14-14-1410-1044		Personnel Admin - Support				
23	01-14-14-1410-1044	020	Current Expenses	G	(7,500)	Reduction in supply purchases	
24							
25	01-14-14-1405-1310		Bureau of Accounting				
26	01-14-14-1405-1310	030	Equipment New/Replacement	G	(250)	Reduction in equipment purchases	
27	01-14-14-1405-1310	066	Employee Training	G	(1,450)	Employee's training through State is no charge	
28							
29	01-14-14-1405-1330		Financial Reporting				
30	01-14-14-1405-1330	070	In-State Travel	G	(150)	Reduction in In State Travel	
31	01-14-14-1405-1330	080	Out-of State Travel	G	(1,000)	Reduction in traveling out of State	

**DETAIL CHANGE**  
**SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET**  
**APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)**

ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
32						
33	01-14-14-1400-1350		<b>Budget Office</b>			
34	01-14-14-1400-1350	080	Out-of State Travel	G	(1,000)	Reduction in traveling out of State
35						
36	01-14-14-1400-1360		<b>Business Office</b>			
37	01-14-14-1400-1360	020	Current Expenses	G	(500)	Reduction in supply purchases
38						
39	01-14-14-1420-1370		<b>Financial Data Management</b>			
40	01-14-14-1420-1370	037	Technology - Hardware	G	(25,352)	Only hardware needed on an emergency basis will be ordered
41	01-14-14-1420-1370	046	Consultants(non-benefited)	G	(30,000)	Reduced dependency on Consultants
42						
43	01-14-14-1400-1375		<b>Risk Management Unit</b>			
44	01-14-14-1400-1375	020	Current Expenses	G	(500)	Reduction in supply purchases
45	01-14-14-1400-1375	030	Equipment New/Replacement	G	(250)	Reduction in equipment purchases
46	01-14-14-1400-1375	080	Out-of State Travel	G	(1,000)	Reduction in traveling out of State
47						
48	01-14-14-1415-1440		<b>Plant &amp; Property Administration</b>			
49	01-14-14-1415-1440	070	In-State Travel	G	(250)	Reduction in In State Travel
50	01-14-14-1415-1440	080	Out-of State Travel	G	(1,450)	Reduction in traveling out of State
51						
52	01-14-14-1410-1442		<b>Employee Relations</b>			
53	01-14-14-1410-1442	020	Current Expenses	G	(600)	Reduction in supply purchases
54						
55	01-14-14-1415-2040		<b>General Services</b>			
56	01-14-14-1415-2040	023	Heat, Electricity & Water	G	(50,000)	Purchasing's negotiation of utility prices is resulting in savings
57	01-14-14-1415-2040	080	Out-of State Travel	G	(184)	Reduction in traveling out of State
58						
59	01-14-14-1415-2042		<b>Bureau Facilities and Assets Management</b>			
60	01-14-14-1415-2042	030	Equipment New/Replacement	G	(5,300)	Reduction in equipment purchases
61						
62	01-14-14-1415-2045		<b>Bureau of Court Facilities</b>			
63	01-14-14-1415-2045	023	Heat, Electricity & Water	O	(125,000)	Item is budgeted as general funds in the Court's Budget and other funds in Department of Administrative Services' Budget.
64	01-14-14-1415-2045	047	Own Forces Maint - Bldg - Grounds	O	(6,500)	See above.
65	01-14-14-1415-2045	070	In-State Travel	O	(5,000)	See above.
66	01-14-14-1415-2045	201	Sheriff's Reimbursement	G	(100,000)	Custody transport has been running below normal



DETAIL CHANGE							
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET							
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)							
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
67							
68	01-14-14-1415-2083		<b>M-S Building</b>				
69	01-14-14-1415-2083	020	Current Expenses	G	(10,000)	Reduction in supply purchases	
70	01-14-14-1415-2083	023	Heat, Electricity & Water	G	(25,000)	Purchasing's negotiation of utility prices is resulting in savings	
71	01-14-14-1415-2083	030	Equipment New/Replacement	G	(900)	Reduction in equipment purchases	
72	01-14-14-1415-2083	070	In-State Travel	G	(500)	Reduction in In State Travel	
73							
74	01-14-14-1415-2091		<b>Public Works Bureau</b>				
75	01-14-14-1415-2091	020	Current Expenses	G	(5,000)	Reduction in supply purchases	
76	01-14-14-1415-2091	030	Equipment New/Replacement	G	(1,000)	Reduction in equipment purchases	
77	01-14-14-1415-2091	070	In-State Travel	G	(7,500)	Reduction in In State Travel	
78							
79	01-14-14-1415-2098		<b>Dept. Of Justice Building</b>				
80	01-14-14-1415-2098	023	Heat, Electricity & Water	G	(15,000)	Purchasing's negotiation of utility prices is resulting in savings	
81	01-14-14-1415-2098	030	Equipment New/Replacement	G	(1,000)	Reduction in equipment purchases	
82							
83	01-14-14-1415-2099		<b>Upham Walker Building</b>				
84	01-14-14-1415-2099	023	Heat, Electricity & Water	G	(5,000)	Purchasing's negotiation of utility prices is resulting in savings	
85							
86	01-14-14-1415-5320		<b>Lakes Region Campus</b>				
87	01-14-14-1415-5320	070	In-State Travel	G	(300)	Reduction in In State Travel	
88							
89	01-14-14-1400-1356		<b>Retirees Health</b>				
90	01-14-14-1400-1356	046	Consultants (Non-benefited)	G	(7,790)	Reduction due to fewer retirees and better experience than anticipated	
91	01-14-14-1400-1356	100	Prescription Drug Expenditures	G	(1,423,300)	Reduction due to fewer retirees and better experience than anticipated. Reduction due to drug savings program	
92	01-14-14-1400-1356	101	Medical Payments To Providers	G	(1,010,800)	Reduction due to fewer retirees and better experience than anticipated	
93	01-14-14-1400-1356	102	Contracts for Program Services	G	(108,110)	Reduction due to fewer retirees and better experience than anticipated	
94							
95	<b>DEPARTMENT OF STATE</b>					<b>(149,000)</b>	
96							
97	01-32		<b>Department of State</b>				

DETAIL CHANGE						
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET						
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
98	Section 31		Department of State General Fund Appropriation Reduction	G	(149,000)	Require DOS to reduce its FY 11 general fund appropriations by \$149,000, with a report of those reductions due to the fiscal committee by 02/15/10.
99						
100	<b>DEPARTMENT OF CULTURAL RESOURCES</b>					<b>(275,311)</b>
101						
102	01-34		Department of Cultural Resources			
103	01-34-34-3420-3420		Office of Preservation			
104	01-34-34-3420-3420	010	Personal Services - Permanent Classified	G	(38,560)	Transfer position #11442 to Federal funding effective 07/01/09
105	01-34-34-3420-3420	060	Benefits	G	(31,614)	Transfer position #11442 to Federal funding effective 07/01/09
106						
107	01-34-34-3420-3441		Federal Preservation Programs			
108	01-34-34-3420-3441	010	Personal Services - Permanent Classified	F	38,560	Transfer position #11442 to Federal funding effective 07/01/09
109	01-34-34-3420-3441	060	Benefits	F	31,614	Transfer position #11442 to Federal funding effective 07/01/09
110						
111	01-34-34-3405-7000		Central Library Services			
112	01-34-34-3405-7000	010	Personal Services - Permanent Classified	G	(115,595)	Unfund vacant Positions #11414 and #18105
113	01-34-34-3405-7000	060	Benefits	G	(44,512)	Unfund vacant Positions #11414 and #18105
114						
115	01-34-34-3410-1250		State Arts Development			
116	01-34-34-3410-1250	011	Personal Services - Unclassified	G	(32,561)	Unfund Directors position #9U130 (will remain vacant until 07/01/2011)
117	01-34-34-3410-1250	060	Benefits	G	(12,469)	Unfund Directors position #9U130 (will remain vacant until 07/01/2011)
118						
119	<b>DEPARTMENT OF REVENUE ADMINISTRATION</b>					<b>(1,024,351)</b>
120						
121	01-84		Dept of Revenue Administration			
122	01-84-84-8400-7884		Administration			
123	01-84-84-8400-7884	070	In-State Travel	G	(50,000)	Decrease in-state travel expenses
124						
125	01-84-84-8405-1301		Audit Division			
126	01-84-84-8405-1301	010	Personal Services - Permanent Classified	G	(319,665)	Unfund vacant positions: 14441,14445,19227,19232,43561, 43562, 43563,

DETAIL CHANGE							
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET							
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)							
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
127	01-84-84-8405-1301	060	Benefits	G	(180,391)	Unfund vacant positions: 14441,14445,19227,19232,43561, 43562, 43563,	
128							
129	01-84-84-8405-1401		<b>Collections Division</b>				
130	01-84-84-8405-1401	010	Personal Services - Permanent Classified	G	(47,981)	Unfund vacant position: 14487	
131	01-84-84-8405-1401	060	Benefits	G	(24,135)	Unfund vacant position: 14487	
132							
133	01-84-84-8405-1501		<b>Documents Processing Division</b>				
134	01-84-84-8405-1501	010	Personal Services - Permanent Classified	G	(126,805)	Unfund vacant positions: 14471, 14475, 14502, 30526, 43620	
135	01-84-84-8405-1501	012	Personal Services - Unclassified	G	(70,853)	Unfund vacant positions	
136	01-84-84-8405-1501	045	Personal Services (Non-Benefited)	G	(30,000)	Decrease temp service contract	
137	01-84-84-8405-1501	060	Benefits	G	(126,972)	Unfund vacant positions: 14471, 14475, 14502, 30526, 43620	
138							
139	01-84-84-8410-5413		<b>Appraisal Services</b>				
140	01-84-84-8410-5413	010	Personal Services - Permanent Classified	G	(33,291)	Unfund vacant position: 19987	
141	01-84-84-8410-5413	060	Benefits	G	(14,258)	Unfund vacant position: 19987	
142							
143	<b>BOARD OF TAX &amp; LAND APPEALS</b>					(41,454)	
144							
145	01-89		<b>Board of Tax &amp; Land Appeals</b>				
146	Section 32		Board of Tax & Land Appeals General Fund Appropriation Reduction	G	(41,454)	Require BTLA to reduce its FY 11 general fund appropriations by \$41,454, with a report of those reductions due to the fiscal committee by 02/15/10.	
147							
148	<b>REAL ESTATE COMMISSION</b>					(38,000)	
149							
150	01-28		<b>Real Estate Commission</b>				
151	01-28-28-2800-2054		<b>Real Estate Comm Admin</b>				
152	01-28-28-2800-2054	010	Personal Services- Permanent Classified	G	(11,000)	Laid Off Counter Clerk II Position #11343	
153	01-28-28-2800-2054	104	Certification Expense	G	(27,000)	Decrease real estate examination expenses.	
154							
155	<b>REAL ESTATE APPRAISER BOARD</b>					(7,155)	
156							
157	01-29		<b>Real Estate Appraiser Board</b>				
158	01-29-29-2923-1140		<b>Real Estate Appraiser Board Admin</b>				
159	01-29-29-2923-1140	060	Benefits	G	(7,155)	Benefit savings.	
160							

DETAIL CHANGE							
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET							
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)							
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
161	<b>BOARD OF ACCOUNTANCY</b>					(12,100)	
162							
163	01-51		Board of Accountancy				
164	01-51-51-5100-2115		Board of Accountancy Admin				
165	01-51-51-5100-2115	020	Current Expenses	G	(8,000)	Reduction in office supplies, apply lean concepts	
166	01-51-51-5100-2115	046	Consultants (Non-benefited)	G	(4,100)	Will apply to G&C should investigation funding be required	
167							
168	<b>JOINT BOARD</b>					(57,401)	
169							
170	01-31		Joint Board				
171	01-31-31-3100-2250		Joint Board Admin				
172	01-31-31-3100-2250	010	Personal Services- Permanent Classified	G	(33,840)	Unfund vacant position #41307 Sr. Accounting Technician	
173	01-31-31-3100-2250	060	Benefits	G	(23,561)	Unfund vacant position #41307 Sr. Accounting Technician	
174							
175	<b>BOARD OF MANUFACTURED HOUSING</b>					(1,711)	
176							
177	01-39		Board of Manufactured Housing				
178	01-39-39-3923-4423		Board of Manufactured Housing				
179	01-39-39-3923-4423	020	Current Expense	G	(1,451)	Reduction in current expense.	
180	01-39-39-3923-4423	070	In-State Travel	G	(260)	Reduction in in-state travel.	
181							
182	<b>EXECUTIVE COUNCIL</b>					(4,795)	
183							
184	01-05		Executive Council				
185	01-05-05-0520-1001		Executive Council				
186	01-05-05-0520-1001	012	Personal Services - Unclassified	G	(300)	Reduce part time hours	
187	01-05-05-0520-1001	020	Current Expense	G	(2,180)	Reduce office supplies and stationery	
188	01-05-05-0520-1001	027	Transfers to DoIT	G	(500)	Reduction in transfer to DoIT.	
189	01-05-05-0520-1001	030	Equipment	G	(600)	Reduction in equipment.	
190	01-05-05-0520-1001	080	Out-of-state Travel	G	(1,215)	Eliminate out-of-state travel	
191							
192	<b>TREASURY DEPARTMENT - MEALS AND ROOMS DISTRIBUTION</b>					(6,091,930)	
193							
194	01-38		State Treasury				

DETAIL CHANGE							
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET							
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)							
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
195	Section 50		Reduction to Meals and Rooms Distribution	G	(6,091,930)	Requires State Treasurer to reduce meals and rooms distributions to cities and towns by \$6,091,930 in FY 2011.	
196							
197	<b>EXECUTIVE OFFICE</b>					(250,722)	
198							
199	01-02		Executive Office				
200	01-02-02-0200		Executive Office				
201	01-02-02-0200-1036		Office of the Governor				
202	01-02-02-0200-1036	010/020/060	Decrease Personal Services, Current Expense, and Benefits	G	(75,665)	Decrease personnel, benefits, and current expense class lines	
203							
204	01-02-02-0205		Governor's Commission on Disability				
205	01-02-02-0205-1004		Commission on Disability				
206	01-02-02-0205-1004	011	Personal Services - Unclassified	G	(31,237)	Savings from vacant executive director position	
207	01-02-02-0205-1006	020	Current Expenses	G	(500)	Decrease consultants	
208	01-02-02-0205-1004	026	Organizational Dues	G	(100)	Reduce organizational dues	
209	01-02-02-0205-1006	030	Equipment	G	(500)	Reduction associated with equipment freeze	
210	01-02-02-0205-1006	046	Consultants (Non-Benefited)	G	(750)	Decrease consultants	
211	01-02-02-0205-1004	060	Benefits	G	(4,881)	Savings from vacant executive director position	
212	01-02-02-0205-1006	070	In-state Travel	G	(1,500)	Reduction to in-state travel	
213	01-02-02-0205-1006	080	Out-of-State	G	(559)	Reduction associated with current out-of-state travel	
214	01-02-02-0205-1004	230	Interpreter Services	G	(2,000)	Decrease consultants	
215							
216	01-02-02-0240		Office of Energy and Planning				
217	01-02-02-0240-6400		Administration				
218	01-02-02-0240-6400	010	Personal Services- Permanent Classified	G	(21,204)	Remove 5.5% salary increase which was budgeted but not granted.	
219	01-02-02-0240-6400	016	Personal Services - Non-Classified	G	(12,659)	Remove 5.5% salary increase which was budgeted but not granted.	
220	01-02-02-0240-6400	046	Consultants (Non-Benefited)	G	(10,000)	Decrease funding for 10-yr projections from centennial.	
221	01-02-02-0240-6400	060	Benefits	G	(6,942)	Decrease in benefits associated with decrease in salary classes.	
222	01-02-02-0240-6400	068	Remuneration	G	(18,607)	Decrease Headstart contracts.	
223							
224	01-02-02-0240-6570		Municipal/Regional Assistance				
225	01-02-02-0240-6570	010	Personal Services- Permanent Classified	G	(2,150)	Remove 5.5% salary increase which was budgeted but not granted.	

**DETAIL CHANGE**  
**SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET**  
**APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)**

ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
226	01-02-02-0240-6570	060	Benefits	G	(332)	Decrease in benefits associated with decrease in salary classes.	
227	01-02-02-0240-6570	073	Grants - Non Federal	G	(30,000)	Decrease in funding for regional planning commissions.	
228							
229	01-02-02-0240-4096		Connecticut River Valley				
230	01-02-02-0240-4096	068	Remuneration	G	(26,136)	Decrease in funding for CT River Joint Commission.	
231							
232	01-02-02-0240-8114		Unemployment Compensation				
233	01-02-02-0240-8114	061	Unemployment Compensation	G	(5,000)	OEP has traditionally not used this funding.	
234							
235	<b>ADJUTANT GENERAL</b>					<b>(339,000)</b>	
236							
237	02-12		Adjutant General Department				
238	02-12-12-1200-2220		Administration and Armories				
239	02-12-12-1200-2220	010	Personal Services- Permanent Classified	G	(89,318)	Transfer positions #10038, #10044, #10051, #10052, #16675, and #16677 from 2220 to 2240(50/50)	
240	02-12-12-1200-2220	020	Current Expense	G	(15,000)	Decrease Current Expenses	
241	02-12-12-1200-2220	022	Rents & Leases Other than State	G	(6,853)	Decrease Rents and Leases	
242	02-12-12-1200-2220	060	Benefits	G	(63,308)	Related Benefits from above position transfer	
243							
244	02-12-12-1200-2233		Air National Guard MNT/OPER				
245	02-12-12-1200-2233	020	Current Expenses	G	(5,000)	Decrease Current Expenses	
246	02-12-12-1200-2233	020	Current Expenses	F	(15,000)	Decrease Current Expenses	
247	02-12-12-1200-2233	023	Heat, Electricity, & Water	G	(5,000)	Decrease Utility Expenses	
248	02-12-12-1200-2233	023	Heat, Electricity, & Water	F	(15,000)	Decrease Federal Reimbursement for above	
249	02-12-12-1200-2233	047	Own Forces Maintenance - Building & Grounds	G	(5,000)	Decrease Own Forces Maint. Expenses	
250	02-12-12-1200-2233	047	Own Forces Maintenance - Building & Grounds	F	(15,000)	Decrease Federal Reimbursement for above	
251							
252	02-12-12-1200-2240		Army and State 50/50				
253	02-12-12-1200-2240	023	Heat, Electricity, & Water	G	(45,000)	Decrease Utility Expenses	
254	02-12-12-1200-2240	023	Heat, Electricity, & Water	F	(45,000)	Decrease Federal Reimbursement for above	
255	02-12-12-1200-2240	103	Contracts for Operational Services	G	(88,374)	Decrease Projects Contracts	
256	02-12-12-1200-2240	103	Contracts for Operational Services	F	(88,374)	Decrease Federal Reimbursement for above	
257							
258	02-12-12-1210-2260		NH State Veterans Cemetery Operations				
259	02-12-12-1210-2260	050	Personal Services - Temporary/Appointed	G	(15,000)	Decrease working hours for clerk III	
260	02-12-12-1210-2260	060	Benefits	G	(1,147)	Related Benefits from above	
261							

DETAIL CHANGE							
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET							
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)							
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
262	<b>DEPARTMENT OF AGRICULTURE</b>					(139,018)	
263							
264	02-18		Department of Agriculture, Markets & Food				
265	02-18-18-1825-2705		Animal Population Control				
266	02-18-18-1825-2705	010	Personal Services- Permanent Classified	G	(30,888)	Decrease general funds for program assistant position. Per section XX, position will be abolished.	
267	02-18-18-1825-2705	060	Benefits	G	(30,098)	see above	
268							
269	02-18-18-1830-2137		Pesticide Regulation				
270	02-18-18-1830-2137	060	Benefits	G	(31,626)	Move benefits to dedicated funds account - Other funds.	
271	02-18-18-1830-2137	060	Benefits	O	31,626	see above	
272							
273	02-18-18-1805-2133		Division of Weights & Measures				
274	02-18-18-1805-2133	018	Overtime	G	(31,041)	Decrease overtime account.	
275							
276	02-18-19-1900-7883		Board of Veterinary Medicine				
277	02-18-19-1900-7883	010	Personal Services- Permanent Classified	G	(9,688)	By absorbing BVM into department, reduce position by 25% to part time.	
278	02-18-19-1900-7883	060	Benefits	G	(5,677)	By absorbing BVM into department, reduce position by 25% to part time.	
279							
280	<b>DEPARTMENT OF JUSTICE</b>					(786,634)	
281							
282	02-20		Department of Justice				
283	02-20-20-2000-2601		Attorney General				
284	02-20-20-2000-2601	010	Personal Services- Permanent Classified	G	(89,379)	Personnel Reduction - Layoff, position #16702 and leave vacant Position #43340 vacant thru FY 2011	
285	02-20-20-2000-2601	060	Benefits	G	(32,799)	Reduce Benefits associated with Position #16702 & #43340	
286							
287	02-20-20-2005-2610		Criminal Bureau				
288	02-20-20-2005-2610	010	Personal Services- Permanent Classified	G	(124,374)	Vacant position #40850 to remain vacant through 2011 and position #9U057 salary funding change from GF to Federal	
289	02-20-20-2005-2610	060	Benefits	G	(63,229)	Benefits associated with the above vacant position #40850 and salary funding change for position #9U057	
290	02-20-20-2005-2610	010	Personal Services- Permanent Classified	F	92,428	Salary funding change from GF to Federal , position #9U057	

DETAIL CHANGE							
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET							
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)							
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
291	02-20-20-2005-2610	060	Benefits	F	42,264	Benefit funding change from GF to Federal, position #9U057	
292							
293	02-20-20-2005-2611		<b>Consumer Bureau</b>				
294	02-20-20-2005-2611	010	Personal Services- Permanent Classified	G	(39,990)	Change funding source to Consumer Escrow, position #40588	
295	02-20-20-2005-2611	014	Personal Services- Unclassified	G	(68,092)	Change funding source to Consumer Escrow, position #9U376	
296	02-20-20-2005-2611	060	Benefits	G	(43,025)	Change funding source for benefits for positions #40588 & #9U376	
297	02-20-20-2005-2611	010	Personal Services- Permanent Classified	O	39,990	Change funding source to Consumer Escrow, position #40588	
298	02-20-20-2005-2611	014	Personal Services- Unclassified	O	68,092	Change funding source to Consumer Escrow, position #9U376	
299	02-20-20-2005-2611	060	Benefits	O	43,025	Change funding source for benefits for positions #40588 & #9U376	
300							
301	02-20-20-2010-2620		<b>Civil Bureau</b>				
302	02-20-20-2010-2620	010	Personal Services- Permanent Classified	G	(47,310)	Vacant Paralegal position #16703, leave vacant thru FY 2011	
303	02-20-20-2010-2620	013	Personal Services- Unclassified	G	(172,374)	Vacant Assoc. AG position #9U285, leave vacant thru FY 2011 and Vacant Asst. AG position #9U217, leave vacant thru FY 2011- NOTE:this position is currently budgeted in 02-20-20-200510-2615, have submitted a legislative request to transfer this position to the Civil Bureau. The request also includes transferring a position in Civil to Medicaid Fraud. (#12884)	
304	02-20-20-2010-2620	060	Benefits	G	(106,062)	Benefits for positions #9U285, #9U217, #16703	
305							
306	<b>PUBLIC EMPLOYEES LABOR RELATIONS BOARD</b>					<b>(22,501)</b>	
307							
308	02-73		<b>Public Employee Labor Relations Board</b>				
309	02-73-73-7300-2066		<b>Public Employee Labor Relations Board</b>				
310	02-73-73-7300-2066	010	Personal Services- Permanent Classified	G	(14,936)	Positions refilled at lower wage rate	
311	02-73-73-7300-2066	020	Current Expenses	G	(1,500)	Recurring expenses reduced	
312	02-73-73-7300-2066	026	Organizational Dues	G	(115)	ALRA membership	
313	02-73-73-7300-2066	046	Consultants (Non-Benefited)	G	(1,200)	No contractors for office support	
314	02-73-73-7300-2066	050	Personal Services- Temporary / Appointed	G	(4,500)	\$50 per diem, fewer board hearings possible	



DETAIL CHANGE						
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APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
315	02-73-73-7300-2066	070	In-State Travel	G	(250)	Reduction in reimbursement for election travel/board member travel
316						
317	<b>RACING AND CHARITABLE GAMING COMMISSION</b>					<b>(56,500)</b>
318						
319	02-86		Racing & Charitable Gaming Commission			
320	02-86-86-8600-2210		Racing & Charitable Gaming Commission			
321	02-86-86-8600-2210	018	Overtime	G	(5,000)	Elimination of calculator position #8T355
322	02-86-86-8600-2210	019	Holiday Pay	G	(1,000)	Elimination of calculator position #8T355
323	02-86-86-8600-2210	020	Current Expenses	G	(15,000)	Reduction of funds needed
324	02-86-86-8600-2210	024	Maintenance Other than Building & Grounds	G	(500)	Reduction of funds needed
325	02-86-86-8600-2210	059	Full-Time Temporary	G	(20,000)	Elimination of calculator position #8T355
326	02-86-86-8600-2210	060	Benefits	G	(10,000)	Elimination of calculator position #8T355
327	02-86-86-8600-2210	070	In-State Travel	G	(5,000)	Reduction of funds needed
328						
329	<b>DEPARTMENT OF LABOR</b>					<b>(108,000)</b>
330						
331	02-26		Department of Labor			
332	02-26-26-2605-6100		Inspection Division			
333	02-26-26-2605-6100	010	Personal Services- Permanent Classified	G	(57,826)	Transfer 43061 position to vacant other funded position 43611 (workers comp), and delay hiring vacant position 18084 until 1/1/2011.
334	02-26-26-2605-6100	060	Benefits	G	(50,174)	Reduction due to transfer and delayed hiring above.
335						
336	<b>LIQUOR COMMISSION</b>					<b>(505,000) Liquor Funds</b>
337						
338	02-77		Liquor Commission			Liquor Commission is funded with Liquor Funds. It is assumed reduction in Liquor Commission expenditures will increase General Fund revenue by a corresponding amount.
339	02-77-77-7705-7878		Enforcement			
340	02-77-77-7705-7878	18	Overtime	O	(60,000)	Enforcement overtime hours reduced
341	02-77-77-7705-7878	30	Equipment New/Replacement	O	(70,000)	Reduced/ delayed enforcement cruiser replacements
342						
343	02-77-77-7705-1021		Licensing			
344	02-77-77-7705-1021	22	Rents & Leases Other Than State	O	(40,000)	Enforcement office move delayed
345						
346	02-77-77-7710-1023		Financial Administration			
347	02-77-77-7710-1023	22	Rents & Leases Other Than State	O	(110,000)	Entire office move changed to partial office move

DETAIL CHANGE						
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET						
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
348						
349	02-77-77-7715-1024		Merchandising - Administration			
350	02-77-77-7715-1024	46	Consultants (Non-Benefited)	O	(225,000)	Reduced SKU/Pricing consultant expenses
351						
352	<b>DEPARTMENT OF CORRECTIONS</b>					<b>(1,711,631)</b>
353						
354	02-46		Department of Corrections			
355	02-46-46-4650-8236		Pharmacy			
356	02-46-46-4650-8236	070	In-State travel	G	(1,601)	Reduced travel between facilities
357	02-46-46-4650-8236	100	Prescription Drug Expenditures	G	(750,000)	Experienced provider; reduced Rx expense
358						
359	02-46-46-4600-7101		Commissioner's Office			
360	02-46-46-4600-7101	020	Current Expenses	G	(15,000)	Reduce consumerable supplies, telephone, postage etc
361	02-46-46-4600-7101	066	Employee Training	G	(15,000)	Reduce/limit staff training; impacts knowledge skills
362	02-46-46-4600-7101	070	In-State travel	G	(1,722)	Reduce travel between DOC facilities, outside meetings etc
363						
364	02-46-46-4660-7111		NH State Prison for Women			
365	02-46-46-4660-7111	020	Current Expenses	G	(10,000)	Reduce supplies, uniforms, clothing etc
366	02-46-46-4660-7111	023	Heat, Electricity & Water	G	(11,493)	Utility efficiencies & lower per unit cost
367	02-46-46-4660-7111	047	Own Forces Maintenance - Building & Grounds	G	(2,000)	Reduce parts used to maintain facility by DOC staff
368	02-46-46-4660-7111	048	Contractual Maintenance - Building & Grounds	G	(3,000)	Reduce repairs to ductwork
369	02-46-46-4660-7111	068	Remuneration	G	(12,497)	Restructure inmate pay system
370	02-46-46-4660-7111	070	In-State travel	G	(3,257)	Reduce travel between facility & HQ, outside meetings
371	02-46-46-4660-7111	102	Contracts For Program Services	G	(242,000)	Reduce number of female inmates housed in Strafford Cty
372						
373	02-46-46-4650-5833		Secured Psych Unit (SPU)			
374	02-46-46-4650-5833	020	Current Expenses	G	(5,000)	Reduce consumerable supplies, telephone, postage etc
375	02-46-46-4650-5833	024	Maintenance, other than bldgs/grounds	G	(1,000)	Reduce maintenance/preventive maintenance
376	02-46-46-4650-5833	047	Own Forces Maintenance - Building & Grounds	G	(5,000)	Reduce parts used to maintain facility by DOC staff
377	02-46-46-4650-5833	068	Remuneration	G	(4,507)	Restructure inmate pay system
378	02-46-46-4650-5833	070	In-State travel	G	(1,831)	Reduce travel between facility and HQ
379						
380	02-46-46-4630-7103		NHSP/M - Kitchen			
381	02-46-46-4630-7103	020	Current Expenses	G	(10,000)	Reduce kitchen supplies, utensils, paper goods, etc
382	02-46-46-4630-7103	024	Maintenance Other Than Building & Grounds	G	(2,000)	Reduce maintenance/preventive maintenance

DETAIL CHANGE						
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ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
383						
384	02-46-46-4630-7108		NHSP/M - Warehouse			
385	02-46-46-4630-7108	020	Current Expenses	G	(40,000)	Reduce inmate clothing, CO uniforms, stockroom supplies
386	02-46-46-4630-7108	070	In-State travel	G	(217)	Reduce travel between DOC facilities
387						
388	02-46-46-4630-7113		NHSP/M - Admin			
389	02-46-46-4630-7113	020	Current Expenses	G	(10,000)	Reduce consumerable supplies, telephone, postage etc
390	02-46-46-4630-7113	024	Maintenance Other Than Building & Grounds	G	(1,000)	Reduce maintenance/preventive maintenance
391	02-46-46-4630-7113	070	In-State travel	G	(25,727)	Reduce travel/transport between Concord & Berlin and HQ
392						
393	02-46-46-4630-7120		NHSP/M - Security			
394	02-46-46-4630-7120	020	Current Expenses	G	(10,000)	Reduce consumerable supplies, telephone, postage etc
395	02-46-46-4630-7120	068	Remuneration	G	(150,173)	Reduce inmate pay system
396						
397	02-46-46-4630-7140		NHSP/M - Maintenance			
398	02-46-46-4630-7140	020	Current Expenses	G	(40,000)	Reduce maintenance supplies, plumbing/electrical etc parts
399	02-46-46-4630-7140	023	Heat, Electricity & Water	G	(158,914)	Utility efficiencies & lower per unit cost
400	02-46-46-4630-7140	047	Own Forces Maintenance - Building & Grounds	G	(10,000)	Reduce parts used to maintain all facilities by DOC staff
401	02-46-46-4630-7140	070	In-State travel	G	(3,257)	Reduce travel/repair calls between DOC facilities
402						
403	02-46-46-4600-7170		Parole Board			
404	02-46-46-4600-7170	020	Current Expenses	G	(5,000)	Reduce parole board hearing newspaper ads, teleconferencing, supplies, telephone, etc
405	02-46-46-4600-7170	068	Remuneration	G	(200)	Reduce witness fees
406	02-46-46-4600-7170	070	In-State travel	G	(9,874)	Reduce travel between facilities
407						
408	02-46-46-4650-8231		Mental Health			
409	02-46-46-4650-8231	020	Current Expenses	G	(1,000)	Reduce consumerable supplies, telephone, postage etc
410	02-46-46-4650-8231	070	In-State travel	G	(2,569)	Reduce travel between facility and HQ
411						
412	02-46-46-4650-8235		Residential Treatment Unit (RTU)			

DETAIL CHANGE						
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ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
413	02-46-46-4650-8235	020	Current Expenses	G	(5,000)	Reduce consumerable supplies, telephone, postage etc
414	02-46-46-4650-8235	070	In-State travel	G	(2,910)	Reduce travel between facility and HQ
415						
416	02-46-46-4610-8300		<b>Financial Services</b>			
417	02-46-46-4610-8300	020	Current Expenses	G	(1,000)	Reduce consumerable supplies, telephone, postage etc
418	02-46-46-4610-8300	070	In-State travel	G	(286)	Reduce travel between DOC facilities
419						
420	02-46-46-4640-8302		<b>Field Services</b>			
421	02-46-46-4640-8302	020	Current Expenses	G	(10,000)	Reduce consumerable supplies, telephone, postage etc
422	02-46-46-4640-8302	023	Heat, Electricity & Water	G	(1,562)	Utility efficiencies & lower per unit cost
423	02-46-46-4640-8302	047	Own Forces Maintenance - Building & Grounds	G	(2,000)	No maintenance performed at Concord District Office
424	02-46-46-4640-8302	070	In-State travel	G	(90,733)	Reduce travel between all District Offices, HQ & outside meetings
425						
426	02-46-46-4600-8360		<b>Training</b>			
427	02-46-46-4600-8360	020	Current Expenses	G	(2,000)	Reduce consumerable supplies, telephone, postage etc
428	02-46-46-4600-8360	070	In-State travel	G	(1,329)	Reduce travel & training between DOC facilities & attendance at non-DOC training
429						
430	02-46-46-4645-7874		<b>Calumet House</b>			
431	02-46-46-4645-7874	023	Heat, Electricity & Water	G	(2,455)	Utility efficiencies & lower per unit cost
432	02-46-46-4645-7874	024	Maintenance, other than bldgs/grounds	G	(2,000)	Reduce maintenance/preventive maintenance
433	02-46-46-4645-7874	070	In-State travel	G	(1,086)	Reduce travel between facility and HQ
434						
435	02-46-46-4650-8234		<b>Medical - Dental</b>			
436	02-46-46-4650-8234	024	Maintenance, other than bldgs/grounds	G	(3,000)	Reduce maintenance/preventive maintenance
437	02-46-46-4650-8234	070	In-State travel	G	(11,326)	Reduce travel between all DOC facilities
438						
439	02-46-46-4645-5172		<b>Shea Farm</b>			
440	02-46-46-4645-5172	023	Heat, Electricity & Water	G	(2,947)	Utility efficiencies & lower per unit cost
441	02-46-46-4645-5172	048	Contractual Maintenance - Building & Grounds	G	(6,000)	Delete new window replacement
442						
443	02-46-46-4645-7107		<b>North End House</b>			
444	02-46-46-4645-7107	070	In-State travel	G	(543)	Reduce travel between facility and HQ
445						

DETAIL CHANGE							
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET							
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)							
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
446	02-46-46-4600-8301		Human Resources				
447	02-46-46-4600-8301	070	In-State travel	G	(615)	Reduce travel between all DOC facilities	
448							
449	<b>COMMISSION FOR HUMAN RIGHTS</b>					<b>(11,221)</b>	
450							
451	02-76		NH Commission for Human Rights				
452	02-76-76-7600-7882		NH Commission for Human Rights				
453	02-76-76-7600-7882	020	Current Expenses	G	(2,175)	Reduce amount of funds available for operating expenses	
454	02-76-76-7600-7882	020	Current Expenses	F	(458)	See above	
455	02-76-76-7600-7882	038	Technology - Software	G	(2,557)	Eliminate T1 line @ \$370/mo. Downgrade to Broadband. Save \$258 total on monthly billing.	
456	02-76-76-7600-7882	038	Technology - Software	F	(539)	See above	
457	02-76-76-7600-7882	050	Personal Services- Temporary / Appointed	G	(1,638)	Reduced amount of funds available to hire temporary secretary	
458	02-76-76-7600-7882	050	Personal Services- Temporary / Appointed	F	(345)	See above	
459	02-76-76-7600-7882	057	Books, Periodicals,Subscriptions	G	(1,922)	Eliminate Legal periodical subscription	
460	02-76-76-7600-7882	057	Books, Periodicals,Subscriptions	F	(405)	See above	
461	02-76-76-7600-7882	066	Employee Training	G	(814)	Cost of Bar Association Dues, NH Supreme Court Dues, Required Annual Continuing Legal Education Fees for Exec. Dir./In House Counsel. Executive Director to pay herself	
462	02-76-76-7600-7882	066	Employee Training	F	(171)	See above	
463	02-76-76-7600-7882	068	Remuneration	G	(826)	Coffee, cleaning supplies, kitchen equipment, paper goods, food, drinks, etc. purchased by employees.	
464	02-76-76-7600-7882	068	Remuneration	F	(174)	See above	
465	02-76-76-7600-7882	070	In-State Travel	G	(1,264)	Reduce amount of outreach and education travel within state. Mileage incurred but reimbursement not requested by Exec. Dir.	
466	02-76-76-7600-7882	070	In-State Travel	F	(266)	See above	
467	02-76-76-7600-7882	103	Contracts for Operational Services	G	(25)	Share recycling dumpster w/Office of Energy Planning next door	
468	02-76-76-7600-7882	103	Contracts for Operational Services	F	(5)	See above	
469							
470	<b>DEPARTMENT OF RESOURCES AND ECONOMIC DEVELOPMENT</b>					<b>(808,901)</b>	
471							
472	03-35		Department of Resources and Economic Development				
473	03-35-35-3500-3400		Office of the Commissioner				

**DETAIL CHANGE**  
**SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET**  
**APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)**

ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
474	03-35-35-3500-3400	040	Indirect Costs	G	(1,657)	Decrease Indirect Cost
475						
476	03-35-35-3500-3401		<b>Design Development-Maintenance</b>			
477	03-35-35-3500-3401	010	Personal Services- Permanent Classified	G	(36,025)	Unfund Positions #11441 and #11523, Layoff Positions (one of these positions may endup being a retirement)
478	03-35-35-3500-3401	010	Personal Services- Permanent Classified	O	(41,782)	See above.
479	03-35-35-3500-3401	060	Benefits	G	(14,395)	Associated Benefit Reduction Pos #11441and #11523
480	03-35-35-3500-3401	060	Benefits	O	(16,694)	See above.
481						
482	03-35-35-3500-3402		<b>Bureau Of Historic Sites</b>			
483	03-35-35-3500-3402	070	In-State Travel	G	(500)	Decrease In-State Travel
484						
485	03-35-35-3510-3500		<b>Forest And Lands/Adm.</b>			
486	03-35-35-3510-3500	045	Personal Services (Non-Benefited)	G	(16,000)	Decrease UNH Extension by 8%
487						
488	03-35-35-3510-3505		<b>Management &amp; Protection</b>			
489	03-35-35-3510-3505	010	Personal Services- Permanent Classified	O	(19,413)	Unfund Position #11471-Vacant June 30. Net of Term Pay
490	03-35-35-3510-3505	060	Benefits	O	(7,765)	Associated Benefit Reduction Pos #11471
491						
492	03-35-35-3510-3510		<b>Forest Management</b>			
493	03-35-35-3510-3510	010	Personal Services- Permanent Classified	G	(86,509)	Change funding source for Pos #19427 and #11484 from Gen Funds to Other Funds Forest Mgt & Prot (049 Trsf 3505)
494	03-35-35-3510-3510	010	Personal Services- Permanent Classified	O	86,509	See above
495	03-35-35-3510-3510	020	Current Expenses	G	(10,000)	Change in funding for Current Expense 020. To be paid directly from Fuelwood (2102.)
496	03-35-35-3510-3510	060	Benefits	G	(24,825)	Change in funding associated with Benefits for Pos #19427 and #11484 (049 Trsf 3505)
497	03-35-35-3510-3510	060	Benefits	O	24,825	See above
498						
499	03-35-35-3510-2102		<b>Fuelwood</b>			
500	03-35-35-3510-2102	020	Current Expenses	O	10,000	Increase Current Expense - Above Funding Source Change.
501						
502	03-35-35-3510-3520		<b>Forest Protection</b>			
503	03-35-35-3510-3520	010	Personal Services- Permanent Classified	G	(55,996)	Unfund Pos #11578, Vacant as of January 2010
504	03-35-35-3510-3520	050	Personal Services - Temporary / Appointed	G	(29,778)	Decrease Tower Funding. Balance of \$30,222 of general funds for Towers

DETAIL CHANGE							
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET							
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)							
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
505	03-35-35-3510-3520	060	Benefits	G	(32,758)	Associated Benefit Reduction with Pos #11578	
506							
507	03-35-35-3510-3492		Special Deputy Training				
508	03-35-35-3510-3492	050	Personal Services - Temporary / Appointed	O	25,000	Increase Temporary Services with Other Funding to offset reductions in Forest Protection (AU3520).	
509	03-35-35-3510-3492	060	Benefits	O	1,912	See above.	
510							
511	03-35-35-3505-3600		Economic Development Admin.				
512	03-35-35-3505-3600	020	Current Expenses	G	(4,458)	Decrease Current Expense.	
513	03-35-35-3505-3600	069	Promotional And Marketing Expense	G	(100,000)	Decrease Economic Development Admin. Marketing Fund.	
514							
515	03-35-35-3505-3612		Office of International Comm.				
516	03-35-35-3505-3612	020	Current Expenses	G	(86,000)	Decrease Current Expense.	
517							
518	03-35-35-3505-3615		Industrial Research Center				
519	03-35-35-3505-3615	102	Contracts For Program Services	G	(100,000)	Decrease Contracts for Program Services.	
520							
521	03-35-35-3520-3620		Travel & Tourism				
522	03-35-35-3520-3620	069	Promotional And Marketing Expense	G	(165,000)	Decrease Travel & Tourism Marketing Fund.	
523							
524	03-35-35-3520-3576		International Tourism				
525	03-35-35-3520-3576	069	Promotional And Marketing Expense	G	(5,000)	Decrease Travel & Tourism Marketing Fund.	
526							
527	03-35-35-3520-5874		Travel & Tourism Dev Fund				
528	03-35-35-3520-5874	069	Promotional And Marketing Expense	G	(40,000)	Decrease Travel & Tourism Marketing Fund.	
529							
530	<b>DEPARTMENT OF ENVIRONMENTAL SERVICES</b>					<b>(2,220,000)</b>	
531							
532	03-44		Environmental Services				
533	03-44-44-4400-1002		Administration and Support				
534	03-44-44-4400-1002	102	Contracts for Program Services	G	(220,000)	Eliminate regional environmental planning agreements	
535							
536	03-44-44-4420-1003		State Aid Grants				
537	03-44-44-4420-1003	073	Grants - Non-Federal	G	(327,701)	reduce grants as result of project close outs where final actual costs exceed the original grant award.	
538							
539	03-44-44-4420-1518		Lakes - Rivers Management				

DETAIL CHANGE						
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET						
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
540	03-44-44-4420-1518	102	Contracts for Program Services	G	(100,000)	Delay start of instream flow study on a third designated river to next biennium
541						
542	03-44-44-4420-1523		<b>ShellFish Healthy Tides</b>			
543	03-44-44-4420-1523	102	Contracts for Program Services	G	(16,500)	eliminate funding for shellfish contracts
544						
545	03-44-44-4420-3800		<b>Dam Maintenance Administration</b>			
546	03-44-44-4420-3800	102	Contracts for Program Services	G	(78,700)	reduce funding for US Geological Survey stream gaging contract
547	03-44-44-4420-3800	303	Public Access Projects	G	(25,000)	eliminate funding for public access work at state dams
548						
549	03-44-44-4440-2589		<b>CERCLA Maintenance</b>			
550	03-44-44-4440-2589	102	Contracts for Program Services	G	(200,000)	Reduce contaminated site monitoring
551						
552	03-44-44-4400-1002		<b>Administration and Support</b>			
553	03-44-44-4400-1002	010	Personal Services - Permanent Classified	G	(75,373)	unfund vacant positions #12050, 13058, 42126
554	03-44-44-4400-1002	010	Personal Services - Permanent Classified	O	(34,982)	
555	03-44-44-4400-1002	060	Benefits	G	(40,861)	
556	03-44-44-4400-1002	060	Benefits	O	(18,965)	
557						
558	03-44-44-4420-3800		<b>Dam Bureau Administration</b>			
559	03-44-44-4420-3800	010	Personal Services - Permanent Classified	G	(110,070)	unfund vacant positions #11384, 30249
560	03-44-44-4420-3800	060	Benefits	G	(64,534)	
561	03-44-44-4420-3800	010	Personal Services - Permanent Classified	O	(22,545)	
562	03-44-44-4420-3800	060	Benefits	O	(13,218)	
563						
564	03-44-44-4420-3815		<b>Wetlands Administration</b>			
565	03-44-44-4420-3815	010	Personal Services - Permanent Classified	G	(64,254)	unfund vacant positions #11390, 19735
566	03-44-44-4420-3815	060	Benefits	G	(51,343)	
567						
568	03-44-44-4440-5402		<b>Solid Waste Assist- Prmt- Enfor</b>			
569	03-44-44-4440-5402	010	Personal Services - Permanent Classified	G	(147,661)	unfund vacant positions # 19531, 42178, 42213
570	03-44-44-4440-5402	060	Benefits	G	(72,576)	
571						
572	03-44-44-4440-5492		<b>RCRA State Match</b>			
573	03-44-44-4440-5492	010	Personal Services - Permanent Classified	G	(94,551)	unfund vacant positions #19139,4164
574	03-44-44-4440-5492	060	Benefits	G	(56,607)	
575						
576	03-44-44-4430-5496		<b>Radon Program</b>			



DETAIL CHANGE							
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET							
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)							
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
577	03-44-44-4430-5496	010	Personal Services - Permanent Classified	G	(31,907)	unfund vacant position #19631	
578	03-44-44-4430-5496	060	Benefits	G	(10,027)		
579	03-44-44-4430-5496	010	Personal Services - Permanent Classified	F	(31,907)		
580	03-44-44-4430-5496	060	Benefits	F	(10,028)		
581							
582	Section 36		DES Additional Reduction Requirement	G	(432,335)	Language contained in Section 36 of bill to require this reduction.	
583							
584	<b>DEPARTMENT OF TRANSPORTATION</b>					<b>(91,670)</b>	
585							
586	04-96		<b>Department of Transportation</b>				
587	04-96-96-9640-2931		<b>Railroad</b>				
588	04-96-96-9640-2931	010	Personal Services- Permanent Classified	G	(34,866)	Clerk IV (#17179) - Fund from FTA federal grant.	
589	04-96-96-9640-2931	060	Benefits	G	(21,800)	Clerk IV (#17179) - Fund from FTA federal grant.	
590	04-96-96-9640-2931	010	Personal Services- Permanent Classified	F	34,866	Clerk IV (#17179) - Fund from FTA federal grant.	
591	04-96-96-9640-2931	060	Benefits	F	21,800	Clerk IV (#17179) - Fund from FTA federal grant.	
592							
593	04-96-96-9640-2107		<b>Aeronautics</b>				
594	04-96-96-9640-2107	070	In-State Travel	G	(4)	Reduction to meet goal.	
595							
596	04-96-96-9640-2049		<b>Land &amp; Buildings</b>				
597	04-96-96-9640-2049	046	Consultants (Non-Benefited)	G	(2,500)	Defer maintenance & improvements.	
598	04-96-96-9640-2049	048	Contractual Maintenance - Buildings & Grounds	G	(17,500)	Defer maintenance & improvements.	
599	04-96-96-9640-2049	400	Construction, Repair & Material	G	(5,000)	Defer maintenance & improvements.	
600							
601	04-96-96-9640-2058		<b>Maintenance/Critical Repair</b>				
602	04-96-96-9640-2058	048	Contractual Maintenance - Buildings & Grounds	G	(10,000)	Defer maintenance & improvements.	
603							
604	<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					<b>(9,115,325)</b>	
605							
606	05-95-40		<b>Division for Children, Youth and Families</b>				
607	05-95-40-4030-6040		<b>Domestic Violence Programs</b>				
608	05-95-40-4030-6040	073	Grants - Non-Federal	G	0	Committee agreed to remove proposed reduction of \$318,000.	
609							
610	05-95-40-4030-5855		<b>Child-Family Services</b>				
611	05-95-40-4030-5855	101	Medical Payments to Providers	G	(6,997)	Rate reductions of 2%.	

DETAIL CHANGE						
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET						
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
612	05-95-40-4030-5855	101	Medical Payments to Providers	F	(7,031)	See above.
613	05-95-40-4030-5855	533	Foster Care Services	G	(172,486)	Rate reductions of 2%.
614	05-95-40-4030-5855	533	Foster Care Services	F	(173,320)	See above.
615	05-95-40-4030-5855	533	Foster Care Services - SYSC Restructuring	G	0	Committee did not agree with SYSC restructuring proposal, section 86 of bill would require DHHS to continue funding for 3 shelter contracts. As a result, estimated savings of \$4.1M removed from bill (see section 39 for staff reduction proposal). Committee proposes in sections 88-89 to transfer YDC children to lakes region facility by June 30, 2011 and move Women's Prison to the SYSC.
616	05-95-40-4030-5855	535	Out Of Home Placements	G	(232,263)	Rate reductions of 2%.
617	05-95-40-4030-5855	535	Out Of Home Placements	F	(233,385)	See above.
618	05-95-40-4030-5855	550	Assessment and Counseling	G	(1,716)	Rate reductions of 2%.
619	05-95-40-4030-5855	550	Assessment and Counseling	F	(1,724)	See above.
620	05-95-40-4030-5855	563	Community Based Services	G	(59,040)	Rate reductions of 2%.
621	05-95-40-4030-5855	563	Community Based Services	F	(59,325)	See above.
622						
623	<b>05-95-40-4030-5857</b>		<b>DCYF-Prevention Programs</b>			
624	05-95-40-4030-5857	073	Grants - Non-Federal	G	(784,911)	Section 43 reduces diversion incentive program percentage from 4.5% to 3%, and requires reporting on program success. Original reduction amount of \$1,544,000 not approved by Committee.
625						
626	<b>05-95-40</b>		<b>Division of Family Assistance</b>			
627	<b>05-95-45-4500-6127</b>		<b>Employment Support</b>			
628	05-95-45-4500-6127	102	Contracts For Program Services	G	(73,000)	End family intervention contract for services and manage internally within DHHS.
629	05-95-45-4500-6127	102	Contracts For Program Services	F	(554,000)	See above.
630						
631	<b>05-95-45-4500-6174</b>		<b>APTD Grants</b>			
632	05-95-45-4500-6174	501	Payments to Clients	G	0	Section 48 would terminate APTD cash assistance after finding of medical ineligibility by a federal administrative law judge. \$1,000,000 in associated savings removed from bill as a result.
633						
634	<b>05-95-41</b>		<b>Division for Juvenile Justice Services</b>			

DETAIL CHANGE						
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635	Section 39		SYSC Position Reductions	G	(1,561,514)	Committee voted to reduce state general fund appropriations by \$1,561,514 by eliminating 30 positions at SYSC.
636						
637	05-95-48		Bureau of Elderly and Adult Services			
638	05-95-48-4810-8915		Congregate Housing			
639	05-95-48-4810-8915	502	Payments to Providers	G	(15,000)	Rate reductions of 2% for social services-congregate housing.
640						
641	05-95-48-4815-6173		Nursing Services			
642	05-95-48-4815-6173	504	Nursing Home Payments	G	(2,057,000)	Reduction of Nursing Home line similar to other BEAS reductions from 6% to 2%
643	05-95-48-4815-6173	504	Nursing Home Payments	F	(2,057,000)	See above.
644	05-95-48-4815-6173	505	Mid-Level Care Expenses	G	(71,000)	Rate reductions of 2%.
645	05-95-48-4815-6173	505	Mid-Level Care Expenses	F	(70,000)	See above.
646	05-95-48-4815-6173	506	Home Nursing Services	G	(435,000)	Rate reductions of 2%.
647	05-95-48-4815-6173	506	Home Nursing Services	F	(436,000)	See above.
648	05-95-48-4815-6173	529	Home Health Services	G	274,000	Rate reductions of 2%.
649	05-95-48-4815-6173	529	Home Health Services	F	274,000	See above.
650						
651	05-95-90		Division of Public Health Services			
652	05-95-90-9015-5121		Health Promotion			
653	05-95-90-9015-5121	020	Current Expenses	G	(12,422)	Discontinued health promotion and osteoporosis project, left with unencumbered funds
654	05-95-90-9015-5121	022	Rents & Leases Other than State	G	(1,500)	See above.
655	05-95-90-9015-5121	050	Personal Services - Temporary/Appointed	G	(9,503)	See above.
656	05-95-90-9015-5121	060	Benefits	G	(727)	See above.
657						
658	05-95-90-9020-2223		Boston EMA Title I			
659	05-95-90-9020-2223	568	TI HIV Care Boston Ema	G	(400,000)	Eliminates funds to AIDS Services Organizations (ASO's) for HIV care program.
660						
661	05-95-90-9025-5178		Immunization Program			
662	05-95-90-9025-5178	102	Contracts For Program Services	F	(5,000)	Reduction in courier contract services.
663						
664	05-95-90-9030-5230		Public Health Laboratories			
665	05-95-90-9030-5230	020	Current Expenses	G	(20,400)	State will be unable to receive regularly any specimens for infectious diseases investigations and outbreak management.

DETAIL CHANGE						
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ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
666	05-95-90-9030-5230	548	Reagents	G	(27,000)	See above.
667						
668	05-95-92		Bureau of Behavioral Health			
669	05-95-92-9200-7010		Community Mental Health Services			
670	05-95-92-9200-7010	552	Rehab Services	G	(466,000)	Establish Daily Limit on Functional Support Services for Children & Adolescents at 2.5 hours per day, which is currently the same limit for adults.
671	05-95-92-9200-7010	552	Rehab Services	F	(617,000)	See above.
672						
673	05-95-93		Division of Developmental Services			
674	05-95-93-9300-7100		Developmental Services			
675	05-95-93-9300-7100	102	Contracts for Program Services	G	(30,000)	Institute on Disability - limits funding for training.
676	05-95-93-9300-7100	557	Medicaid Waiver Services - Independent Living	G	(244,000)	Community Support Services - Independent Living. 59 clients will experience reductions in services. Client impact is the result of this reduction and the reduction under 05-95-93-9300-7016.
677	05-95-93-9300-7100	557	Medicaid Waiver Services - Independent Living	F	(244,000)	See above.
678	05-95-93-9300-7100	557	Medicaid Waiver Services - DD & ABD Waiver Service Coordination	G	(243,000)	Reduces funding for case management services.
679	05-95-93-9300-7100	557	Medicaid Waiver Services - DD & ABD Waiver Service Coordination	F	(243,000)	See above.
680	05-95-93-9300-7100	557	Medicaid Waiver Services - Targeted Case Management (Non-Waiver)	G	(184,000)	140 clients will experience reductions in case mgt services. Client impact is the result of this reduction and the reduction under 05-95-93-9300-7016.
681	05-95-93-9300-7100	557	Medicaid Waiver Services - Targeted Case Management (Non-Waiver)	F	(184,000)	See above.
682						
683	05-95-93-9300-7016		Acquired Brain Disorder Services			
684	05-95-93-9300-7016	557	Medicaid Waiver Services - Independent Living	G	(44,000)	See 05-95-93-9300-7100 above for number of clients impacted.
685	05-95-93-9300-7016	557	Medicaid Waiver Services - Independent Living	F	(44,000)	See above.
686	05-95-93-9300-7016	557	Medicaid Waiver Services - DD & ABD Waiver Service Coordination	G	(43,000)	Reduces funding for case management services
687	05-95-93-9300-7016	557	Medicaid Waiver Services - DD & ABD Waiver Service Coordination	F	(43,000)	See above.
688	05-95-93-9300-7016	557	Medicaid Waiver Services - Targeted Case Management (Non-Waiver)	G	(33,000)	See 05-95-93-9300-7100 above for number of clients impact.
689	05-95-93-9300-7016	557	Medicaid Waiver Services - Targeted Case Management (Non-Waiver)	F	(33,000)	See above.

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ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
690						
691	05-95-93-9300-7110		<b>Children's Services</b>			
692	05-95-93-9300-7110	557	Medicaid Waiver Services - In Home Support	G	0	Committee removed proposed \$200K total fund reduction (\$100K of general funds) for In home support waiver services.
693	05-95-93-9300-7110	557	Medicaid Waiver Services - In Home Support	F	0	See above.
694						
695	05-95-93-9300-7559		<b>NH Brain Injury Program</b>			
696	05-95-93-9300-7559	502	Payments to Providers	G	(50,000)	Limits case mgt and pilot project on school sports concussions.
697						
698	05-95-93-9300-5191		<b>Special Medical Services</b>			
699	05-95-93-9300-5191	046	Consultants (Non-Benefited)	G	(41,000)	Eliminate unencumbered funds for neuro motor clinic consultants.
700	05-95-93-9300-5191	102	Contracts for Program Services	G	(15,000)	Family Voices contract level funded at FY 2009 level.
701	05-95-93-9300-5191	561	Specialty Clinics	G	(99,000)	Funds available if no additional caseload increases occur.
702						
703	05-95-94		<b>New Hampshire Hospital</b>			
704	05-95-94-9400-8750		<b>Acute Psychiatric Services</b>			
705	05-95-94-9400-8750	102	Contracts for Program Services	G	(190,000)	Eliminates 5% salary increase from Dartmouth contract for components for NHH, BHH (Research & Policy) Medicaid & DJJS.
706	05-95-94-9400-8750	102	Contracts for Program Services	F	(22,000)	See above.
707	05-95-94-9400-8750	010	Personal Services - Permanent Classified	G	0	Section 85 would move Anna Philbrook Center children to NHH F-Unit, and require DHHS to utilize NHH I-Unit for adult beds displaced by use of F-Unit for children. Committee removed associated savings of \$1.3M originally proposed for F-Unit to allow DHHS to utilize funds for I-Unit costs.
708	05-95-94-9400-8750	010	Personal Services - Permanent Classified	F	0	See above.
709	05-95-94-9400-8750	060	Benefits	G	0	See above.
710	05-95-94-9400-8750	060	Benefits	F	0	See above.
711						
712	05-95-95-9560		<b>Office of Medicaid and Business Policy</b>			
713	05-95-95-9560-6126		<b>Medicaid Administration</b>			
714	05-95-95-9560-6126	512	Transportation Of Clients	G	(306,000)	Reduce beneficiary transportation mileage rate from \$.41 to \$.30. Assume May 1 rate change for FY 2010 impact.

DETAIL CHANGE						
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET						
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
715	05-95-95-9560-6126	512	Transportation Of Clients	F	(306,000)	See above.
716						
717	05-95-95-9560-6143		Pharmacy Services			
718	05-95-95-9560-6143	503	State Phase Down	G	(5,500,000)	Projected budget surplus in State Phase Down payments under Medicare Part D due to flat prescription drug price growth. Committee directed to add \$3.7M to reduction due to savings relative to clawback FMAP. This brings total reduction to \$5.5M (\$1.8M surplus + \$3.7M FMAP).
719						
720	05-95-95-9560-6147		Provider Payments			
721	05-95-95-9560-6147	101	Medical Payments to Providers - Family Training	G	(255,487)	Apply utilization management to coverage for in-home post delivery support (CPT H1002).
722	05-95-95-9560-6147	101	Medical Payments to Providers - Family Training	F	(255,487)	See above.
723	05-95-95-9560-6147	101	Medical Payments to Providers - Disposable Gloves	G	(49,559)	Discontinue coverage for disposable gloves for incontinence supply patients.
724	05-95-95-9560-6147	101	Medical Payments to Providers - Disposable Gloves	F	(49,559)	See above.
725	05-95-95-9560-6147	101	Medical Payments to Providers - Family Training	G	(400,000)	Apply utilization management for in-home post delivery support (CPT T1027)
726	05-95-95-9560-6147	101	Medical Payments to Providers - Family Training	F	(400,000)	See above.
727	05-95-95-9560-6147	101	Medical Payments to Providers - Children's Hospital Boston	G	(750,000)	Reduce reimbursement for Children's Hospital Boston from 80% of cost to 70% of cost.
728	05-95-95-9560-6147	101	Medical Payments to Providers - Children's Hospital Boston	F	(750,000)	See above.
729	05-95-95-9560-6147	101	Medical Payments to Providers - Priced above 60%	G	(1,468,500)	Reduce professional fees priced above 60%, to 60% of market.
730	05-95-95-9560-6147	101	Medical Payments to Providers - Priced above 60%	F	(1,468,500)	See above.
731	05-95-95-9560-6147	101	Medical Payments to Providers - Priced above 70%	G	(493,300)	Reduce professional fees priced above 70%, to 70% of market.
732	05-95-95-9560-6147	101	Medical Payments to Providers - Priced above 70%	F	(491,700)	See above.
733	05-95-95-9560-6147	565	Outpatient Hospital	G	(350,000)	Reduce service limit on hospital outpatient services from 12 visits per year to 6.
734	05-95-95-9560-6147	565	Outpatient Hospital	F	(350,000)	See above.
735						

DETAIL CHANGE							
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET							
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)							
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
736	05-95-95-9584		DCBCS Treatment & Prevention				
737	05-95-95-9584-1388		Governor				
738	05-95-95-9584-1388	102	Contracts for Program Services	G	(76,000)	Reduce funding for Governor's Commission.	
739							
740	TBD		Other Reductions/Additions				
741	Section 37		Consolidate contracts to save administrative costs	G	(1,500,000)	Save 25% of indirect costs for social services & medical contracts. Section 37 contains language ensuring no program services are reduced as a result of this reduction.	
742	Section 37		Consolidate contracts to save administrative costs	F	(1,500,000)	See above.	
743							
744	Section 38		Contract Program Services	G	(1,500,000)	Eliminates contract for TANF family supports. Service to be delivered by DHHS staff.	
745	Section 38		Contract Program Services	F	(1,500,000)	See above.	
746							
747	Section 84		DHHS Footnote Reduction Change	G	10,883,000	Reduces DHHS required biennial budget reduction requirement in Chapter 144 from \$19,559,231 to \$8,676,231.	
748							
749	<b>NEW HAMPSHIRE VETERANS HOME</b>					<b>(1,550,360)</b>	
750							
751	05-43		New Hampshire Veterans Home				
752	05-43-43-4300-5358		Custodial Services				
753	05-43-43-4300-5358	018	Overtime	G	(10,000)	Custodial OT has been saved by not requiring any extra projects be done after hrs also emergency call ins have been better managed.	
754	05-43-43-4300-5358	019	Holiday Pay	G	(5,000)	Holiday savings from reducing hours of custodial staff on holidays.	
755	05-43-43-4300-5358	020	Current Expenses	G	(10,000)	Just in time inventory has already shown a savings which we will continue.	
756	05-43-43-4300-5358	021	Food Institutions	G	(26,000)	Institutional food line is lower due to a lower than anticipated census	
757	05-43-43-4300-5358	023	Heat, Electricity & Water	G	(40,000)	Projected savings based on Geo Thermal system	
758	05-43-43-4300-5358	047	Own Forces Maintenance - Building & Grounds	G	(50,000)	Savings based on less projects done by our own forces.	
759	05-43-43-4300-5358	050	Personal Services - Temporary/Appointed	G	(20,000)	Savings based on less hours given to part timers	

DETAIL CHANGE						
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET						
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
760	05-43-43-4300-5358	070	In-State Travel	G	(7,000)	The Home utilizes the state vehicles whenever possible to reduce this line. We have achieved this goal this year and will continue next year.
761						
762	<b>05-43-43-4300-5359</b>		<b>Professional Services</b>			
763	05-43-43-4300-5359	010	Personal Services- Permanent Classified	G	(773,535)	Increase in federal per diem adjustment from GF to Federal (404410)
764	05-43-43-4300-5359	010	Personal Services- Permanent Classified	F	773,535	See above.
765	05-43-43-4300-5359	011	Personal Services - Unclassified	G	(5,727)	Increase in federal per diem adjustment from GF to Federal (404410)
766	05-43-43-4300-5359	011	Personal Services - Unclassified	F	5,727	See above.
767	05-43-43-4300-5359	018	Overtime	G	(6,180)	Increase in federal per diem adjustment from GF to Federal (404410)
768	05-43-43-4300-5359	018	Overtime	F	6,180	See above.
769	05-43-43-4300-5359	019	Holiday Pay	G	(23,619)	Holiday savings by reducing hours of nursing staff on holidays
770	05-43-43-4300-5359	019	Holiday Pay	F	10,974	See above.
771	05-43-43-4300-5359	019	Holiday Pay	O	(9,540)	Holiday savings by reducing hours of nursing staff on holidays
772	05-43-43-4300-5359	020	Current Expenses	G	(31,999)	Just in time inventory. Lower than anticipated census.
773	05-43-43-4300-5359	020	Current Expenses	F	27,640	Just in time inventory. Lower than anticipated census.
774	05-43-43-4300-5359	020	Current Expenses	O	(3,289)	Just in time inventory. Lower than anticipated census.
775	05-43-43-4300-5359	026	Organizational Dues	G	(119)	Increase in federal per diem adjustment from GF to Federal (404410)
776	05-43-43-4300-5359	026	Organizational Dues	F	119	See above.
777	05-43-43-4300-5359	027	Transfers to Office Information Technology	G	(7,520)	Increase in federal per diem adjustment from GF to Federal (404410)
778	05-43-43-4300-5359	027	Transfers to Office Information Technology	F	7,520	See above.
779	05-43-43-4300-5359	030	Equipment New/Replacement	G	(10,952)	Increase in federal per diem adjustment from GF to Federal (404410)
780	05-43-43-4300-5359	030	Equipment New/Replacement	F	10,952	See above.
781	05-43-43-4300-5359	041	Audit Fund Set Aside	G	(377)	Increase in federal per diem adjustment from GF to Federal (404410)
782	05-43-43-4300-5359	041	Audit Fund Set Aside	F	377	See above.
783	05-43-43-4300-5359	046	Consultants (Non-Benefited)	G	(18,775)	Increase in federal per diem adjustment from GF to Federal (404410)
784	05-43-43-4300-5359	046	Consultants (Non-Benefited)	F	18,775	See above.
785	05-43-43-4300-5359	050	Personal Services - Temporary / Appointed	G	(40,051)	Increase in federal per diem adjustment from GF to Federal (404410)



DETAIL CHANGE							
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET							
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)							
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
786	05-43-43-4300-5359	050	Personal Services - Temporary / Appointed	F	40,051	See above.	
787	05-43-43-4300-5359	060	Benefits	G	(407,826)	Increase in federal per diem adjustment from GF to Federal (404410)	
788	05-43-43-4300-5359	060	Benefits	F	407,826	See above.	
789	05-43-43-4300-5359	070	In-State Travel	G	(1,366)	The Home utilizes state vehicles whenever possible to reduce this line.	
790	05-43-43-4300-5359	070	In-State Travel	F	527	See above.	
791	05-43-43-4300-5359	070	In-State Travel	O	(633)	See above.	
792	05-43-43-4300-5359	080	Out-of State Travel	G	(313)	Increase in federal per diem adjustment from GF to Federal (404410)	
793	05-43-43-4300-5359	080	Out-of State Travel	F	313	See above.	
794							
795	05-43-43-4300-5360		Pharmacy Services				
796	05-43-43-4300-5360	100	Prescription Drug Expenditures	G	(54,000)	Savings due to lower than anticipated census	
797							
798	<b>HHS ADMINISTRATIVELY ATTACHED BOARDS</b>					<b>(153,766)</b>	
799							
800	05-74		HHS Admin Attached Boards				
801	05-74-74-7405-7400		Board of Medicine				
802	05-74-74-7405-7400	018	Overtime	G	(31)	Staff will not receive OT	
803	05-74-74-7405-7400	020	Current Expenses	G	(5,000)	Reduce current expense expenditure	
804	05-74-74-7405-7400	050	Personal Services - Temporary / Appointed	G	(18,810)	Reclassification request still pending and reduce PT hours.	
805	05-74-74-7405-7400	060	Benefits	G	(1,552)	7.65% of Class 050	
806							
807	05-74-74-7410-7410		Board of Optometry				
808	05-74-74-7410-7410	020	Current Expenses	G	(1,500)	Reduce current expense expenditure	
809	05-74-74-7410-7410	070	In-State Travel	G	(539)	Board member travel will be reduced	
810						7.65% of Class 050	
811	05-74-74-7420-7420		Nursing Home Exam Board				
812	05-74-74-7420-7420	020	Current Expenses	G	(500)	Reduce current expense expenditure	
813	05-74-74-7420-7420	050	Personal Services - Temporary / Appointed	G	(924)	Cut part time hours - position shared with 2 other Bds	
814	05-74-74-7420-7420	060	Benefits	G	(77)	7.65% of Class 050	
815							
816	05-74-74-7425-7425		Off of Allied Health Prof				
817	05-74-74-7425-7425	046	Consultants (Non-Benefited)	G	(700)	Reduce Bds ability to hire a consultant for disciplinary actions	
818	05-74-74-7425-7425	050	Personal Services - Temporary / Appointed	G	(4,883)	Vacant part time position	
819	05-74-74-7425-7425	060	Benefits	G	(117)	7.65% of Class 050	

DETAIL CHANGE						
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APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
820		070	In-State Travel	G	(2,000)	Board members mileage will be reduced
821						
822	05-74-74-7430-7430		<b>Nurses Registration</b>			
823	05-74-74-7430-7430	018	Overtime	G	(8,000)	Staff will not receive OT
824	05-74-74-7430-7430	020	Current Expenses	G	(10,000)	Reduce current expense expenditure
825	05-74-74-7430-7430	024	Maintenance Other Than Building & Grounds	G	(3,000)	Reduce amount to be paid for equipment maint
826	05-74-74-7430-7430	046	Consultants (Non-Benefited)	G	(3,500)	Reduce Board's ability to hire a consultant for disciplinary actions
827	05-74-74-7430-7430	050	Personal Services - Temporary / Appointed	G	(924)	Board members per diem will be reduced
828	05-74-74-7430-7430	060	Benefits	G	(77)	7.65% of Class 050
829	05-74-74-7430-7430	070	In-State Travel	G	(500)	Board member travel will be reduced
830						
831	05-74-74-7431-7431		<b>Nurses Registration</b>			
832	05-74-74-7431-7431	020	Current Expenses	O	(1,000)	Reduce current expense expenditure
833	05-74-74-7431-7431	024	Maintenance Other Than Building & Grounds	O	(3,000)	Reduce Bds ability to hire a consultant for disciplinary actions
834	05-74-74-7431-7431	042	Post Retirement (Additional Fringe Benefits)	O	(1,442)	Federal Grant no longer exist
835	05-74-74-7431-7431	050	Personal Services - Temporary / Appointed	O	(306)	Board members per diem will be reduced
836	05-74-74-7431-7431	060	Benefits	O	(500)	7.65% of Class 050
837						
838	05-74-74-7432-7432		<b>Nurses Registration</b>			
839	05-74-74-7432-7432	020	Current Expenses	O	(9,000)	Reduce current expense expenditure
840	05-74-74-7432-7432	046	Consultants (Non-Benefited)	O	(250)	Reduces Board's ability to hire a consultant for disciplinary actions
841	05-74-74-7432-7432	070	In-State Travel	O	(1,000)	Board member travel will be reduced
842						
843	05-74-74-7435-7435		<b>Pharmacy Board</b>			
844	05-74-74-7435-7435	018	Overtime	G	(8,000)	Staff will not receive OT
845	05-74-74-7435-7435	020	Current Expenses	G	(2,004)	Reduce current expense expenditure
846	05-74-74-7435-7435	022	Rents & Leases Other than State	G	(1,000)	Reduce amount for leased equipment
847	05-74-74-7435-7435	026	Organizational Dues	G	(600)	Reduce membership fees
848	05-74-74-7435-7435	046	Consultants (Non-Benefited)	G	(2,500)	Reduce Board's ability to hire a consultant for disciplinary actions
849	05-74-74-7435-7435	070	In-State Travel	G	(6,000)	Board member travel will be reduced
850						
851	05-74-74-7440-7440		<b>Chiropractic Examiners</b>			
852	05-74-74-7440-7440	010	Personal Services- Permanent Classified	G	(10,156)	Full time position filled as a PT Temp
853	05-74-74-7440-7440	060	Benefits	G	(5,542)	7.65% of Class 050
854						

DETAIL CHANGE						
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APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
855	05-74-74-7445-7445		<b>Cosmetology/Barbers Board</b>			
856	05-74-74-7445-7445	010	Personal Services- Permanent Classified	G	(8,385)	New hire at a lower step
857	05-74-74-7445-7445	060	Benefits	G	(10,632)	New hire lower benefits package
858						
859	05-74-74-7450-7450		<b>Dental Board</b>			
860	05-74-74-7450-7450	020	Current Expenses	G	(5,500)	Reduce current expense expenditure
861	05-74-74-7450-7450	026	Organizational Dues	G	(590)	Reduce membership fees
862	05-74-74-7450-7450	046	Consultants (Non-Benefited)	G	(1,000)	Reduce Board's ability to hire a consultant for disciplinary actions
863						
864	05-74-74-7455-7455		<b>Electrolysis Board</b>			
865	05-74-74-7455-7455	020	Current Expenses	G	(334)	Reduce current expense expenditure
866						
867	05-74-74-7460-7460		<b>Funeral Directors - Embalmers</b>			
868	05-74-74-7460-7460	020	Current Expenses	G	(994)	Reduce current expense expenditure
869	05-74-74-7460-7460	026	Organizational Dues	G	(75)	Reduce membership fees
870	05-74-74-7460-7460	046	Consultants (Non-Benefited)	G	(1,000)	Reduce Board's ability to hire a consultant for disciplinary actions
871						
872	05-74-74-7465-7465		<b>NH Bd of Mental Health Practice</b>			
873	05-74-74-7465-7465	020	Current Expenses	G	(3,000)	Reduce current expense expenditure
874	05-74-74-7465-7465	046	Consultants (Non-Benefited)	G	(1,000)	Reduce Board's ability to hire a consultant for disciplinary actions
875	05-74-74-7465-7465	050	Personal Services - Temporary / Appointed	G	(8,847)	Reduce PT hours
876	05-74-74-7465-7465	060	Benefits	G	(733)	7.65% of Class 050
877						
878	05-74-74-7470-7470		<b>Ophthalmic Dispensers</b>			
879	05-74-74-7470-7470	020	Current Expenses	G	(1,410)	Reduce current expense expenditure
880						
881	05-74-74-7475-7475		<b>Naturopathic Examiners</b>			
882	05-74-74-7475-7475	020	Current Expenses	G	(197)	Reduce current expense expenditure
883	05-74-74-7475-7475	050	Personal Services - Temporary / Appointed	G	(584)	Reduce PT hours
884	05-74-74-7475-7475	060	Benefits	G	(48)	7.65% of Class 050
885						
886	05-74-74-7480-7480		<b>Hearing Aid Dealers</b>			
887	05-74-74-7480-7480	020	Current Expenses	G	(1,000)	Reduce current expense expenditure
888	05-74-74-7480-7480	070	In-State Travel	G	(128)	Board member travel will be reduced
889						
890	05-74-74-7485-7485		<b>Board of Acupuncture</b>			

DETAIL CHANGE							
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET							
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)							
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE	
891	05-74-74-7485-7485	020	Current Expenses	G	(183)	Reduce current expense expenditure	
892	05-74-74-7485-7485	050	Personal Services - Temporary / Appointed	G	(544)	Reduce PT hours	
893	05-74-74-7485-7485	060	Benefits	G	(45)	7.65% of Class 050	
894							
895	05-74-74-7490-7490		Midwifery Council				
896	05-74-74-7490-7490	020	Current Expenses	G	(64)	Reduce current expense expenditure	
897							
898	05-74-74-7492-7492		Bd of Alc - ODA Professionals				
899	05-74-74-7492-7492	070	In-State Travel	G	(1,962)	Board member travel will be reduced	
900							
901	05-74-74-7493-7493		Massage Therapy Advisory Board				
902	05-74-74-7493-7493	020	Current Expenses	G	(5,821)	Reduce current expense expenditure	
903							
904	05-74-74-7495-7495		Bd of Licensed Dietitians				
905	05-74-74-7495-7495	050	Personal Services - Temporary / Appointed	G	(1,158)	Reduce PT hours	
906	05-74-74-7495-7495	060	Benefits	G	(96)	7.65% of Class 050	
907							
908	<b>POSTSECONDARY EDUCATION COMMISSION</b>					<b>(212,001)</b>	
909							
910	06-57		Postsecondary Education Commission				
911	06-57-57-5700-5407		Administration - Financial Aid				
912	06-57-57-5700-5407	021	Food Institutions	G	(2,000)	Reduce working lunches for Commissioners.	
913	06-57-57-5700-5407	050	Personal Services - Temporary / Appointed	G	(20,659)	Eliminate College Access Grant Coordinator who left due to a relocation. The Executive Director has assumed the duties.	
914	06-57-57-5700-5407	060	Benefits	G	(1,580)	Reduce benefits associated with unfunded position above.	
915							
916	06-57-57-5700-6074		Granite State Scholars				
917	06-57-57-5700-6074	107	Scholarships & Grants	G	(160,949)	Reduce funding to \$1	
918							
919	06-57-57-5700-6075		Veterinary Education Program				
920	06-57-57-5700-6075	107	Scholarships & Grants	G	(21,813)	Reduce non-committed funds	
921							
922	06-57-57-5700-6076		Medical Education Program				
923	06-57-57-5700-6076	107	Scholarships & Grants	G	(5,000)	Reduce non-committed funds	
924							
925	<b>DEPARTMENT OF EDUCATION</b>					<b>(5,976,596)</b>	
926							

**DETAIL CHANGE**  
**SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET**  
**APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)**

ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
927	06-56		Department of Education			
928	06-56-56-5605-2022		Governance and Standards			
929	06-56-56-5605-2022	010	Personal Services- Permanent Classified	G	(72,852)	Unfund Position # 13260, move employee to federally-funded position in Vocational Rehabilitation
930	06-56-56-5605-2022	046	Consultants (Non-Benefited)	G	(7,810)	Reduce Due Process Hearing Officers
931	06-56-56-5605-2022	060	Benefits	G	(21,412)	Reduce benefits associated with unfunding of position above
932	06-56-56-5605-2022	067	Training & Providers	G	(5,000)	Reduce training to Hearing Officers
933	06-56-56-5605-2022	235	Transcription Services	G	(1,203)	Reduce transcriptions
934						
935	06-56-56-5610-6019		Other State Aid			
936	06-56-56-5610-6019	078	Cat Aid - Education	G	(3,946,405)	Reduce reimbursements to school districts for Catastrophic Aid. Estimated pro-rata is 79%.
937	06-56-56-5610-6019	600	Tuition and Transportation Aid	G	(607,993)	Reduce reimbursements to school districts for tuition and transportation aid. Estimated pro-rata is 79%.
938	06-56-56-5610-6019	606	Dropout Prevention	G	(128,065)	Reduce expenditures in support of dropout prevention programs
939	06-56-56-5610-6019	607	Statewide Special Education	G	(23,942)	Reduce expenditures in support of statewide special education programs
940	06-56-56-5610-6019	609	Local Education Improvement	G	(39,903)	Reduce expenditures in support of non-Title I schools local education improvement programs
941	06-56-56-5610-6019	610	Career Tech Student Orgs	G	(9,178)	Reduce expenditures in support of career tech student organizations
942						
943	06-56-56-5615-4101		Court Ordered Placements			
944	06-56-56-5615-4101	602	State Fund Non-Match	G	(122,710)	Reduce appropriated funds for court-ordered placements
945						
946	06-56-56-5620-6401		Instruction - State			
947	06-56-56-5620-6401	010	Personal Services- Permanent Classified	G	(137,710)	Unfund Positions # 30373 and #18876 and move to federal IDEA
948	06-56-56-5620-6401	060	Benefits	G	(62,529)	Reduce benefits associated with unfunding of position above
949						
950	06-56-56-5620-3260		Curriculum and Assessment			
951	06-56-56-5620-3260	010	Personal Services- Permanent Classified	G	(63,180)	Unfund Position # 13134 Science Consultant.
952	06-56-56-5620-3260	060	Benefits	G	(27,613)	Reduce benefits associated with unfunding of position above

DETAIL CHANGE						
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET						
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
953	06-56-56-5620-3260	067	Training & Providers	G	(1,836)	Reduce training to providers of technical assistance to low performing schools
954	06-56-56-5620-3260	102	Contracts for Program Services	G	(4,589)	Reduce expenditures for technical assistance providers to low performing schools
955	06-56-56-5620-3260	103	Contracts for Operational Services	G	(120)	Reduce contracted services for curriculum and assessment
956	06-56-56-5620-3260	612	State Testing	G	(240,420)	Reduce expenditures for state assessments
957						
958	<b>06-56-56-5620-5406</b>		<b>Parent As Teacher</b>			
959	06-56-56-5620-5406	602	State Fund Non-Match	G	(65,000)	Eliminates funding for Parent As Teacher program
960						
961	<b>06-56-56-5635-4000</b>		<b>Program Support - State</b>			
962	06-56-56-5635-4000	010	Personal Services- Permanent Classified	G	(34,866)	Unfund Position # 18879, move employee to Bureau of Credentialing, fund with agency income.
963	06-56-56-5635-4000	010	Personal Services- Permanent Classified	G	(38,816)	Partially unfund salary position # 13302, move to federal nutrition program
964	06-56-56-5635-4000	060	Benefits	G	(30,926)	Reduce benefits associated with unfunding of position # 18879.
965	06-56-56-5635-4000	614	Data/Info Processing	G	(2,190)	Reduce expenditures for data collection, processing and reporting
966						
967	<b>06-56-56-5640-3004</b>		<b>School Nutrition - Section IV</b>			
968	06-56-56-5640-3004	602	State Fund Non-Match	G	(15,961)	Reduce reimbursements to School Districts for breakfast
969						
970	<b>06-56-56-5650-4082</b>		<b>Career Tech - Adult Learn - ADM</b>			
971	06-56-56-5650-4082	011	Personal Services-Unclassified	G	(92,106)	Unfund Position # 9U299 (Division Director, vacant)
972	06-56-56-5650-4082	060	Benefits	G	(25,218)	Reduce benefits associated with unfunding of position above
973						
974	<b>06-56-56-5650-6030</b>		<b>Vocational Education - State</b>			
975	06-56-56-5650-6030	010	Personal Services- Permanent Classified	G	(30,888)	Unfund Position # 13205, move employee to federally-funded position
976	06-56-56-5650-6030	060	Benefits	G	(13,235)	Reduce benefits associated with unfunding of position above
977						
978	<b>06-56-56-5660-7004</b>		<b>Adult Education</b>			
979	06-56-56-5660-7004	602	State Fund Non-Match	G	(102,920)	Reduce expenditures in support of adult education programs

DETAIL CHANGE						
SB 450 - HOUSE FINANCE RECOMMENDED VS ENACTED BUDGET						
APPROPRIATION REDUCTIONS (CONTAINED IN SECTION 106 UNLESS OTHERWISE NOTED)						
ROW	ACCT. UNIT	CLASS	AGENCY/COMMENT	SOF	FY 2011	DESCRIBE CHANGE
980						
981	<b>LOTTERY COMMISSION</b>					<b>(650,000) Lottery Funds</b>
982						
983	06-83		Lottery Commission			
984	06-83-83-8300-1029		Lottery Division			
985	06-83-83-8300-1029	022	Rents & Leases Other than State	O	(650,000)	Reduce rental office equipment due to new on-line contract effective July 1, 2010.
986						
987	<b>McAULIFFE-SHEPARD DISCOVERY CENTER</b>					<b>(45,000)</b>
988						
989	06-61		McAuliffe-Shepard Discovery Center			
990	06-61-61-6100-3432		Administration			
991	06-61-61-6100-3432	018	Overtime	G	(1,500)	Will use compensation time in lieu of overtime for all classified positions
992	06-61-61-6100-3432	020	Current Expenses	G	(12,700)	Will seek grant funding for educational supplies in lieu of using General Funds
993	06-61-61-6100-3432	023	Heat, Electricity & Water	G	(21,100)	Due to current market conditions and in-house energy-use reductions, heating costs are less than was estimated during the budget process
994	06-61-61-6100-3432	024	Maintenance Other Than Building & Grounds	G	(1,500)	Will delay maintenance on some items or repair in-house
995	06-61-61-6100-3432	048	Contractual Maintenance - Building & Grounds	G	(8,200)	Cost of janitorial services will be less than estimated due to using statewide contract
996						
997			<b>Total Funds</b>		<b>(48,636,990)</b>	
998						
999			<b>General Funds</b>		<b>(36,996,490)</b>	
1000			<b>Federal Funds</b>		<b>(10,474,655)</b>	
1001			<b>Highway Funds</b>		<b>0</b>	
1002			<b>Fish &amp; Game Funds</b>		<b>0</b>	
1003			<b>Other Funds</b>		<b>(1,165,845)</b>	

# Voting Sheets





FINANCE

Bill #: 450

Title: \_\_\_\_\_

PH Date:     /    /    

Exec Session Date: 05/04/10

Motion: OTP

Amendment #: ~~1438~~ 1592

MEMBER	YEAS	NAYS
Smith, Marjorie K, Chairman	17	
Nordgren, Sharon, V Chairman	1	
Foster, Linda T	2	
Eaton, Daniel A	3	
Baroody, Benjamin C	4	
Benn, Bernard L	5	
Leishman, Peter R	6	
DeJoie, John	7	
Buco, Thomas L	<del>8</del>	1
Foose, Robert A, Clerk	8	
Mitchell, Bonnie		
Keans, Sandra B	9	
Casey, Kimberley S	10	
Harris, Sandra C	11	
Kurk, Neal M		2
Scamman, W. Douglas	12	<del>3</del>
Anderson, Eric	13	
Emerton, Larry A	14	
<del>Rodeschin, Beverly T</del> <i>Wyller, Glen</i>		3
Wendelboe, Fran		4
Ober, Lynne M		5
Dokmo, Cynthia J	15	
Bergin, Peter F	16	
Belvin, William S		6
Elliott, Robert J		7
TOTAL VOTE:	17	7

**FINANCE**

Bill #: 450 Title: \_\_\_\_\_

PH Date: 1/1/

Exec Session Date: 05/04/10

Motion: OTF

Amendment #: 1599

MEMBER	YEAS	NAYS
Smith, Marjorie K, Chairman		14
Nordgren, Sharon, V Chairman		1
Foster, Linda T		2
Eaton, Daniel A		3
Baroody, Benjamin C		4
Benn, Bernard L		5
Leishman, Peter R		6
DeJoie, John		7
Buco, Thomas L		8
Foose, Robert A, Clerk		9
Mitchell, Bonnie		10
Keans, Sandra B		11
Casey, Kimberley S		12
Harris, Sandra C		13
Kurk, Neal M	1	
Scamman, W. Douglas	2	
Anderson, Eric	3	
Emerton, Larry A	4	
Rodeschin, Beverly T <i>Weyler</i>	5	
Wendelboe, Fran	6	
Ober, Lynne M	7	
Dokmo, Cynthia J	8	
Bergin, Peter F	9	
Belvin, William S	10	
Elliott, Robert J	11	
TOTAL VOTE:	11	14

## FINANCE

~~Amendment~~  
 Bill #: ~~1727~~ 450 Title: \_\_\_\_\_

PH Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Exec Session Date: 05/04/10Motion: OTFAmendment #: 1727

MEMBER	YEAS	NAYS
Smith, Marjorie K, Chairman	15	
Nordgren, Sharon, V Chairman	1	
Foster, Linda T	2	
Eaton, Daniel A	3	
Baroody, Benjamin C	4	
Benn, Bernard L	5	
Leishman, Peter R	6	
DeJoie, John	7	
Buco, Thomas L	8	
Foose, Robert A, Clerk	9	
Mitchell, Bonnie	10	
Keans, Sandra B	11	
Casey, Kimberley S	12	
Harris, Sandra C		1
Kurk, Neal M		2
Scamman, W. Douglas		3
Anderson, Eric		4
Emerton, Larry A		5
<del>Rodeschin, Beverly T</del> <i>Weyler</i>		6
Wendelboe, Fran		7
Ober, Lynne M		8
Dokmo, Cynthia J		9
Bergin, Peter F		10
Belvin, William S		11
Elliott, Robert J		
TOTAL VOTE:	13	11

**FINANCE**

Bill #: 450 Title: \_\_\_\_\_

PH Date:      /      /     

Exec Session Date: 05/04/10

Motion: OTP

Amendment #: 1755

MEMBER	YEAS	NAYS
Smith, Marjorie K, Chairman	15	
Nordgren, Sharon, V Chairman	1	
Foster, Linda T	2	
Eaton, Daniel A	3	
Baroody, Benjamin C	4	
Benn, Bernard L	5	
Leishman, Peter R	6	
DeJoie, John	7	
Buco, Thomas L	8	
Foose, Robert A, Clerk	9	
Mitchell, Bonnie	10	
Keans, Sandra B	11	
Casey, Kimberley S	12	
Harris, Sandra C	13	
Kurk, Neal M		1
Scamman, W. Douglas	14	2
Anderson, Eric		2
Emerton, Larry A		3
Rodeschin, Beverly T <i>Waylor</i>		4
Wendelboe, Fran		5
Ober, Lynne M		6
Dokmo, Cynthia J		7
Bergin, Peter F		8
Belvin, William S		9
Elliott, Robert J		10
TOTAL VOTE:	15	10

Printed: 1/9/2009

## FINANCE

Bill #: ~~1757~~ 450 Title: \_\_\_\_\_

PH Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Exec Session Date: 05 / 04 / 10

Motion: OTP

Amendment #: 1757

MEMBER	YEAS	NAYS
Smith, Marjorie K, Chairman	13	
Nordgren, Sharon, V Chairman	1	
Foster, Linda T	2	
Eaton, Daniel A	3	
Barody, Benjamin C	4	
Benn, Bernard L	5	
Leishman, Peter R	6	
DeJoie, John	7	
Buco, Thomas L	8	
Foose, Robert A, Clerk	9	
Mitchell, Bonnie	8	
Keans, Sandra B	10	
Casey, Kimberley S	11	
Harris, Sandra C	12	
Kurk, Neal M		1
Scamman, W. Douglas		2
Anderson, Eric		3
Emerton, Larry A		4
Rodeschin, Beverly T <i>Weyler</i>		5
Wendelboe, Fran		.
Ober, Lynne M		,
Dokmo, Cynthia J		6
Bergin, Peter F		7
Belvin, William S		8
Elliott, Robert J		9
TOTAL VOTE:	13	9

Printed: 1/9/2009



## FINANCE

Bill #: 450 Title: \_\_\_\_\_

PH Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Exec Session Date: 05/04/10Motion: OTFAmendment #: ~~8385~~ 1828

MEMBER	YEAS	NAYS
Smith, Marjorie K, Chairman	14	
Nordgren, Sharon, V Chairman	1	
Foster, Linda T	2	
Eaton, Daniel A	3	
Barody, Benjamin C	4	
Benn, Bernard L	5	
Leishman, Peter R	6	
DeJoie, John	7	
Buco, Thomas L	8	
Foose, Robert A, Clerk	9	
Mitchell, Bonnie	10	
Keans, Sandra B	11	
Casey, Kimberley S	12	
Harris, Sandra C	13	
Kurk, Neal M		1
Scamman, W. Douglas		2
Anderson, Eric		3
Emerton, Larry A		4
Rodeschin, Beverly T <i>Weyler</i>		5
Wendelboe, Fran		6
Ober, Lynne M		7
Dokmo, Cynthia J		8
Bergin, Peter F		9
Belvin, William S		10
Elliott, Robert J		11
TOTAL VOTE:	14	11



HOUSE COMMITTEE ON FINANCE

EXECUTIVE SESSION on SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** May 06, 2010

**LOB ROOM:** 210-211

Amendments:

Sponsor: Rep. Baroody OLS Document #: 2010 1928h

Sponsor: Rep. Finance OLS Document #: 2010 1905h

Motions:  OTP,  OTP/A,  ITL, Interim Study (Please circle one.)

Moved by Rep. Baroody

Seconded by Rep. Foose

Vote: 13-12 (Please attach record of roll call vote.)

Motions:  OTP,  OTP/A,  ITL, Interim Study (Please circle one.)

Moved by Rep. Smith

Seconded by Rep. Eaton

Vote: 13-12 (Please attach record of roll call vote.)

Motions:  OTP,  OTP/A,  ITL, Interim Study (Please circle one.)

Moved by Rep. Smith

Seconded by Rep. Eaton

Vote: 13-12 (Please attach record of roll call vote.)

REGULAR or  CONSENT CALENDAR VOTE: (Please circle one)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,  
  
Rep. Robert A. Foose, Clerk

HOUSE COMMITTEE ON FINANCE

EXECUTIVE SESSION on SB 450-FN

**BILL TITLE:** relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

**DATE:** May 06, 2010

**LOB ROOM:** 210-211

Amendments:

Sponsor: Rep.	Baroody / Foose	OLS Document #:	1928	roll call
Sponsor: Rep.	Smith / Eaton	OLS Document #:	1905	roll call
Sponsor: Rep.		OLS Document #:		

Motions:  OTP,  OTP/A,  I/PL, Interim Study (Please circle one.)

Moved by Rep. Smith

Seconded by Rep. Eaton

Vote: 13-12 (Please attach record of roll call vote.)

Motions:  OTP,  OTP/A,  I/PL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

REGULAR or  CONSENT CALENDAR VOTE: (Please circle one)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Robert A. Foose, Clerk



**FINANCE**

relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

Bill #: 450

Title: relative to the due date for the Medicaid enhancement tax.

PH Date: 1/1/1

Exec Session Date: 05/06/2010

Motion: OTP ~~XXX~~ ~~XXX~~

Amendment #: 1905

MEMBER	YEAS	NAYS
Smith, Marjorie K, Chairman	13	
Nordgren, Sharon, V Chairman	1	
Foster, Linda T	2	
Eaton, Daniel A	3	
Baroody, Benjamin C	4	
Benn, Bernard L	5	
Leishman, Peter R	6	
DeJoie, John	7	
Buco, Thomas L	8	
Foose, Robert A, Clerk	9	
Mitchell, Bonnie	10	
Keans, Sandra B		1
Casey, Kimberley S	11	
Harris, Sandra C	12	
Kurk, Neal M		2
Scamman, W. Douglas		3
Anderson, Eric		4
Emerton, Larry A		5
Rodeschin, Beverly T		6
Wendelboe, Fran		7
Ober, Lynne M		8
Dokmo, Cynthia J		9
Bergin, Peter F		10
Belvin, William S		11
Elliott, Robert J		12
TOTAL VOTE:	13	12

## FINANCE

relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the Title department, and relative to the due date for the Medicaid enhancement tax.

Bill #: 450PH Date: 1/1/10Exec Session Date: 5/06/10Motion: OTP/AAmendment #: 2010-1928h + 2010-1905h

MEMBER	YEAS	NAYS
Smith, Marjorie K, Chairman	13	
Nordgren, Sharon, V Chairman	1	
Foster, Linda T	2	
Eaton, Daniel A	3	
Barody, Benjamin C	4	
Benn, Bernard L	5	
Leishman, Peter R	6	
DeJoie, John	7	
Buco, Thomas L	8	
Foose, Robert A, Clerk	9	
Mitchell, Bonnie	10	
Keans, Sandra B		1
Casey, Kimberley S	11	
Harris, Sandra C	12	
Kurk, Neal M		2
Scamman, W. Douglas		3
Anderson, Eric		4
Emerton, Larry A		5
Rodeschin, Beverly T		6
Wendelboe, Fran		7
Ober, Lynne M		8
Dokmo, Cynthia J		9
Bergin, Peter F		10
Belvin, William S		11
Elliott, Robert J		12
TOTAL VOTE:	13	12

# Committee Report

May 6, 2010

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Majority of the Committee on FINANCE to which was referred SB450-FN,

AN ACT (New Title) relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Marjorie K Smith

FOR THE MAJORITY OF THE COMMITTEE

**MAJORITY  
COMMITTEE REPORT**

Committee: FINANCE  
Bill Number: SB450-FN  
Title: (New Title) relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.  
Date: May 6, 2010  
Consent Calendar: NO  
Recommendation: OUGHT TO PASS WITH AMENDMENT

STATEMENT OF INTENT

SB 450 came to the house relative to costs and expenditures of the department of health and human services and other matters. Since the FY 2010-2011 budget became law 14 months ago revenue has come in below expectations and the demand for services for New Hampshire citizens dependent upon state support has increased. While the governor can take steps to decrease spending, in some cases with the approval of the fiscal committee, he cannot adjust the judicial and legislative budgets, nor can he raise revenue without the legislature. The governor identified those actions which would require legislative approval and the committee held a series of hearings and work sessions on the governor's proposal and proposals of others. House ways and means and public works and highways committees held work sessions on certain sections of amendment 1311, hearings on other proposals, and then reported their findings to the house finance committee. The committee reviewed myriad proposals and the committee amendment reflects the committee majority's determination of the best possible mix of spending and revenue adjustments that are available to the committee at this time. The committee approved general fund appropriations adjustments, netting \$37,308,490 in cuts. The total biennial adjustments, including new revenue, debt restructuring, and other actions total a cut of \$181,801,148 over the biennium. Concerning revenue impacts, the amendment repeals both the campsite rooms and meals tax and the interest and dividend tax on LLCs. It institutes or adjusts taxes on other tobacco products (excluding cigarettes and hand wrapped cigars), an electricity generation tax which shifts the burden from in-state consumers to electricity generators, whether they be in or out of state (excluding renewable power sources), returns the insurance premium tax to 2% and institutes an estate tax on estates over \$2 million. The amendment gives authority to the state treasurer to restructure existing debt, decreased the rate of state contribution to municipalities to support

Original: House Clerk  
Cc: Committee Bill File



their retirement expenses, and moves \$80 million in state fiscal stabilization funds to FY 2010 from FY 2011. In trying to identify general fund cuts, the committee was cognizant of the importance of supporting community based programs, job creating programs, and preventive programs. Among the changes suggested by the governor that the committee did not accept were a \$318,000 cut in the domestic violence program, a \$100,000 general fund cut in home support waiver services and the elimination of incentive funds, although we supported a decrease in those funds. We cut in half the cut to catastrophic aid in the department of education budget, continue funding of the North Country Transportation program, and suspend for one year only the catastrophic illness and senior volunteer grant program at DHHS. The committee did not agree to the governor's suggestion of a \$4 million cut to the judicial branch budget. The amendment allows cities, towns and school districts to hold special meetings to address changes in budgets brought about by this bill and gives cities and towns local options to institute a local rooms and meals tax if they so desire. The bill establishes a commission to review business taxes and a committee to plan to move residents of the women's prison and the Sununu Center into different facilities as part of an effort not only to save expenses but also to provide a more appropriate physical placement for these groups. While this legislature is under no obligation to take steps now to ensure the maintenance of a budget that will be balanced on June 30, 2011, this is a responsible step toward that desired end. Over the years, we have frequently not had a budget that balanced at the end of the first year of the biennium, and on a few rare occasions have had a budget that did not balance at the end of the biennium. Our goal in this amendment and always, is to end the biennium with a balanced budget and this is an important step in that process.

Vote 13-12

Rep. Marjorie K Smith  
FOR THE MAJORITY

Original: House Clerk  
Cc: Committee Bill File

## REGULAR CALENDAR

### FINANCE

SB450-FN, (New Title) relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Marjorie K Smith for the Majority of FINANCE. SB 450 came to the house relative to costs and expenditures of the department of health and human services and other matters. Since the FY 2010-2011 budget became law 14 months ago revenue has come in below expectations and the demand for services for New Hampshire citizens dependent upon state support has increased. While the governor can take steps to decrease spending, in some cases with the approval of the fiscal committee, he cannot adjust the judicial and legislative budgets, nor can he raise revenue without the legislature. The governor identified those actions which would require legislative approval and the committee held a series of hearings and work sessions on the governor's proposal and proposals of others. House ways and means and public works and highways committees held work sessions on certain sections of amendment 1311, hearings on other proposals, and then reported their findings to the house finance committee. The committee reviewed myriad proposals and the committee amendment reflects the committee majority's determination of the best possible mix of spending and revenue adjustments that are available to the committee at this time.

The committee approved general fund appropriations adjustments, netting \$37,308,490 in cuts. The total biennial adjustments, including new revenue, debt restructuring, and other actions total a cut of \$181,801,148 over the biennium.

Concerning revenue impacts, the amendment repeals both the campsite rooms and meals tax and the interest and dividend tax on LLCs. It institutes or adjusts taxes on other tobacco products (excluding cigarettes and hand wrapped cigars), an electricity generation tax which shifts the burden from in-state consumers to electricity generators, whether they be in or out of state (excluding renewable power sources), returns the insurance premium tax to 2% and institutes an estate tax on estates over \$2 million.

The amendment gives authority to the state treasurer to restructure existing debt, decreased the rate of state contribution to municipalities to support their retirement expenses, and moves \$80 million in state fiscal stabilization funds to FY 2010 from FY 2011.

In trying to identify general fund cuts, the committee was cognizant of the importance of supporting community based programs, job creating programs, and preventive programs. Among the changes suggested by the governor that the committee did not accept were a \$318,000 cut in the domestic violence program, a \$100,000 general fund cut in home support waiver services and the elimination of incentive funds, although we supported a decrease in those funds. We cut in half the cut to catastrophic aid in the department of education budget, continue funding of the North Country Transportation program, and suspend for one year only the catastrophic illness and senior volunteer grant program at DHHS. The committee did not agree to the governor's suggestion of a \$4 million cut to the judicial branch budget.

The amendment allows cities, towns and school districts to hold special meetings to address changes in budgets brought about by this bill and gives cities and towns local options to institute a local rooms and meals tax if they so desire.

The bill establishes a commission to review business taxes and a committee to plan to move residents of the women's prison and the Sununu Center into different facilities as part of an effort not only to save expenses but also to provide a more appropriate physical placement for these groups.

While this legislature is under no obligation to take steps now to ensure the maintenance of a budget that will be balanced on June 30, 2011, this is a responsible step toward that desired end. Over the

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years, we have frequently not had a budget that balanced at the end of the first year of the biennium, and on a few rare occasions have had a budget that did not balance at the end of the biennium. Our goal in this amendment and always, is to end the biennium with a balanced budget and this is an important step in that process. Vote 13-12.

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SB450 OTP as amended

Marjorie Smith for the majority

SB 450 came to the house relative to costs and expenditures of the department of health and human services and other matters. Since the FY 2010-2011 budget became law 14 months ago revenue has come in below expectations and the demand for services for New Hampshire citizens dependent upon state support has increased. While the governor can take steps to decrease spending, in some cases with the approval of the fiscal committee, he cannot adjust the judicial and legislative budgets, nor can he raise revenue without the legislature. The governor identified those actions which would require legislative approval and the committee held a series of hearings and work sessions on the governor's proposal and proposals of others. House ways and means and public works and highways committees held work sessions on certain sections of amendment 1311, hearings on other proposals, and then reported their findings to the house finance committee. The committee reviewed myriad proposals and the committee amendment reflects the committee majority's determination of the best possible mix of spending and revenue adjustments that are available to the committee at this time.

The committee approved general fund appropriations adjustments, netting \$37,308,490 in cuts. The total biennial adjustments, including new revenue, debt restructuring, and other actions total a cut of \$181,801,148 over the biennium.

Concerning revenue impacts, the amendment repeals both the campsite rooms and meals tax and the interest and dividend tax on LLCs. It institutes or adjusts taxes on other tobacco products (excluding cigarettes and hand wrapped cigars), an electricity generation tax which shifts the burden from in-state consumers to electricity generators, whether they be in or out of state (excluding renewable power sources), returns the insurance premium tax to 2% and institutes an estate tax on estates over \$2 million.

The amendment gives authority to the state treasurer to restructure existing debt, decreased the rate of state contribution to municipalities to support their retirement expenses, and moves \$80 million in state fiscal stabilization funds to FY 2010 from FY 2011.

In trying to identify general fund cuts, the committee was cognizant of the importance of supporting community based programs, job creating programs, and preventive programs. Among the changes suggested by the governor that the committee did not accept were a \$318,000 cut in the domestic violence program, a \$100,000 general fund cut in home support waiver services and the elimination of incentive funds, although we supported a decrease in those funds. We cut in half the cut to catastrophic aid in the department of education budget, continue funding of the North Country Transportation program, and suspend for one year only the catastrophic illness and senior volunteer grant program at DHHS. The committee did not agree to the governor's suggestion of a \$4 million cut to the judicial branch budget.

The amendment allows cities, towns and school districts to hold special meetings to address changes in budgets brought about by this bill and gives cities and towns local options to institute a local rooms and meals tax if they so desire.

The bill establishes a commission to review business taxes and a committee to plan to move residents of the women's prison and the Sununu Center into different facilities as part of an effort not only to save expenses but also to provide a more appropriate physical placement for these groups.

While this legislature is under no obligation to take steps now to ensure the maintenance of a budget that will be balanced on June 30, 2011, this is a responsible step toward that desired end. Over the years, we have frequently not had a budget that balanced at the end of the first year of the biennium, and on a few rare occasions have had a budget that did not balance at the end of the biennium. Our goal in this amendment and always, is to end the biennium with a balanced budget and this is an important step in that process.

REGULAR CALENDAR

May 6, 2010

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Minority of the Committee on FINANCE to which was referred SB450-FN,

AN ACT (New Title) relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

Having considered the same, and being unable to agree with the Majority, report with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Neal M Kurk

FOR THE MINORITY OF THE COMMITTEE

## MINORITY COMMITTEE REPORT

Committee: FINANCE  
Bill Number: SB450-FN  
Title: (New Title) relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.  
Date: May 6, 2010  
Consent Calendar: NO  
Recommendation: OUGHT TO PASS WITH AMENDMENT

### STATEMENT OF INTENT

The bipartisan minority believes that the majority amendment is a valiant but fatally flawed effort to address the state's budget deficit. First, the deficit. The size of the deficit was never addressed by the committee directly, or through Ways and Means revenue estimates, and consequently is unknown. While the majority may believe that the state's projected deficit can still be dealt with at a later date, the minority is convinced that the sooner this problem is addressed and reduced, the less harsh will be the necessary measures. Don't we really need to know the size of the problem before we try to solve it? The majority failed to do that. Second, spending. The majority is due credit for its efforts to bring down the level of state spending. Many choices were very painful to all committee members because of their adverse affect on vulnerable populations. Unfortunately, the majority cut almost \$20 million of state aid to school districts, cities and towns, thus downshifting the state's budget problems to local property taxpayers. At the last minute, the majority reversed the previous committee agreement to increase state and local employee contributions to the state retirement system as a way to offset this additional property tax burden. The decision also increased the state's deficit gap by \$10 million. Overall, the effort to reduce expenditures fell short, not even reaching the level suggested by the governor, in large part because the majority declined to accept most of the approximately \$70 million in reductions proposed by the minority. Third, bonding operating expenses. The majority accepted the governor's proposals to borrow money to pay for operating expenses and "kick the can down the road." The majority increased bonding for the university system by \$25 million in exchange for a \$25 million "voluntary" cash payment to the general fund. The majority also refinanced \$40 million of the state's debt service due in FY 2011, so that the FY 2011 payment is lower but we add nine years of bond payments and \$6.7 million in interest to our general fund debt burden. Does New Hampshire

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really want to follow in the path that led New York City to bankruptcy in the 1970s and California and Greece to the brink of bankruptcy now? The majority cannot support this imprudent management of the state's finances. Fourth, taxes. Although the majority finally agreed with the minority to repeal the campground tax and the LLC tax, the majority raised existing tax rates and imposed new taxes, while also increasing fees. An increase in the tax on "other tobacco products" will cost New Hampshire consumers \$2.7 million over the biennium. An increase in the insurance tax from 1.5% to 2.0% will cost New Hampshire insureds \$16 million and reduce the number of new insurance industry jobs. A new tax on the generation of electricity, coupled with the repeal of the electricity consumption tax, may actually save New Hampshire electricity users money, but it will adversely impact a number of natural gas-power plants and the jobs and property taxes they provide. A new estate tax (at 8% on estates over \$2 million) will raise an estimated \$10 million of revenue for the state in FY 2011 and perhaps \$22 million per year in the future, but at a loss of part of the New Hampshire Advantage and perhaps jobs, as entrepreneurs find our state a less attractive place in which to start and expand their businesses. The minority cannot support raising these taxes on individuals and businesses in such a fragile economy. The minority amendment removes the taxes, fees and imprudent borrowing from the bill, leaving the remainder largely intact.

Rep. Neal M Kurk  
FOR THE MINORITY

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## REGULAR CALENDAR

### FINANCE

SB450-FN, (New Title) relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Neal M Kurk for the Minority of FINANCE. The bipartisan minority believes that the majority amendment is a valiant but fatally flawed effort to address the state's budget deficit. First, the deficit. The size of the deficit was never addressed by the committee directly, or through Ways and Means revenue estimates, and consequently is unknown. While the majority may believe that the state's projected deficit can still be dealt with at a later date, the minority is convinced that the sooner this problem is addressed and reduced, the less harsh will be the necessary measures. Don't we really need to know the size of the problem before we try to solve it? The majority failed to do that. Second, spending. The majority is due credit for its efforts to bring down the level of state spending. Many choices were very painful to all committee members because of their adverse affect on vulnerable populations. Unfortunately, the majority cut almost \$20 million of state aid to school districts, cities and towns, thus downshifting the state's budget problems to local property taxpayers. At the last minute, the majority reversed the previous committee agreement to increase state and local employee contributions to the state retirement system as a way to offset this additional property tax burden. The decision also increased the state's deficit gap by \$10 million. Overall, the effort to reduce expenditures fell short, not even reaching the level suggested by the governor, in large part because the majority declined to accept most of the approximately \$70 million in reductions proposed by the minority. Third, bonding operating expenses. The majority accepted the governor's proposals to borrow money to pay for operating expenses and "kick the can down the road." The majority increased bonding for the university system by \$25 million in exchange for a \$25 million "voluntary" cash payment to the general fund. The majority also refinanced \$40 million of the state's debt service due in FY 2011, so that the FY 2011 payment is lower but we add nine years of bond payments and \$6.7 million in interest to our general fund debt burden. Does New Hampshire really want to follow in the path that led New York City to bankruptcy in the 1970s and California and Greece to the brink of bankruptcy now? The majority cannot support this imprudent management of the state's finances. Fourth, taxes. Although the majority finally agreed with the minority to repeal the campground tax and the LLC tax, the majority raised existing tax rates and imposed new taxes, while also increasing fees. An increase in the tax on "other tobacco products" will cost New Hampshire consumers \$2.7 million over the biennium. An increase in the insurance tax from 1.5% to 2.0% will cost New Hampshire insureds \$16 million and reduce the number of new insurance industry jobs. A new tax on the generation of electricity, coupled with the repeal of the electricity consumption tax, may actually save New Hampshire electricity users money, but it will adversely impact a number of natural gas-power plants and the jobs and property taxes they provide. A new estate tax (at 8% on estates over \$2 million) will raise an estimated \$10 million of revenue for the state in FY 2011 and perhaps \$22 million per year in the future, but at a loss of part of the New Hampshire Advantage and perhaps jobs, as entrepreneurs find our state a less attractive place in which to start and expand their businesses. The minority cannot support raising these taxes on individuals and businesses in such a fragile economy. The minority amendment removes the taxes, fees and imprudent borrowing from the bill, leaving the remainder largely intact.

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**Clayman, Janet**

**From:** Kurk, Neal  
**Sent:** Thursday, May 06, 2010 12:39 PM  
**To:** Clayman, Janet  
**Subject:** SB 450 Blurb

**Minority Blurb  
SB 450**

Minority: ought to pass with amendment.

Neal M. Kurk for the minority. The bipartisan minority believes that the majority amendment is a valiant but fatally flawed effort to address the state's budget deficit. First, the deficit. The size of the deficit was never addressed by the committee directly, or through Ways and Means revenue estimates, and consequently is unknown. While the majority may believe that the state's projected deficit can still be dealt with at a later date, the minority is convinced that the sooner this problem is addressed and reduced, the less harsh will be the necessary measures. Don't we really need to know the size of the problem before we try to solve it? The majority failed to do that.

Second, spending. The majority is due credit for its efforts to bring down the level of state spending. Many choices were very painful to all committee members because of their adverse affect on vulnerable populations. Unfortunately, the majority cut almost \$20 million of state aid to school districts, cities and towns, thus downshifting the state's budget problems to local property taxpayers. At the last minute, the majority reversed the previous committee agreement to increase state and local employee contributions to the state retirement system as a way to offset this additional property tax burden. The decision also increased the state's deficit gap by \$10 million. Overall, the effort to reduce expenditures fell short, not even reaching the level suggested by the governor, in large part because the majority declined to accept most of the approximately \$70 million in reductions proposed by the minority.

Third, bonding operating expenses. The majority accepted the governor's proposals to borrow money to pay for operating expenses and "kick the can down the road." The majority increased bonding for the university system by \$25 million in exchange for a \$25 million "voluntary" cash payment to the general fund. The majority also refinanced \$40 million of the state's debt service due in FY 2011, so that the FY 2011 payment is lower but we add nine years of bond payments and \$6.7 million in interest to our general fund debt burden. Does New Hampshire really want to follow in the path that led New York City to bankruptcy in the 1970s and California and Greece to the brink of bankruptcy now? The majority cannot support this imprudent management of the state's finances.

Fourth, taxes. Although the majority finally agreed with the minority to repeal the campground tax and the LLC tax, the majority raised existing tax rates and imposed new taxes, while also increasing fees. An increase in the tax on "other tobacco products" will cost New Hampshire consumers \$2.7 million over the biennium. An increase in the insurance tax from 1.5% to 2.0% will cost New Hampshire insureds \$16 million and reduce the number of new insurance industry jobs. A new tax on the generation of electricity, coupled with the repeal of the electricity consumption tax, may actually save New Hampshire electricity users money, but it will adversely impact a number of natural gas-power plants and the jobs and property taxes they provide. A new estate tax (at 8% on estates over \$2 million) will raise an estimated \$10 million of

5/6/2010

revenue for the state in FY 2011 and perhaps \$22 million per year in the future, but at a loss of part of the New Hampshire Advantage and perhaps jobs, as entrepreneurs find our state a less attractive place in which to start and expand their businesses. The minority cannot support raising these taxes on individuals and businesses in such a fragile economy. The minority amendment removes the taxes, fees and imprudent borrowing from the bill, leaving the remainder largely intact.

*[Handwritten signature]*  
OK MKS

## New Hampshire General Court - Bill Status System

**Docket of SB450**

Docket Abbreviations

**Bill Title:** (New Title) relative to costs and expenditures at the department of health and human services, establishing a special fund for certain civil fines collected by the department, and relative to the due date for the Medicaid enhancement tax.

*Official Docket of SB450:*

<b>Date</b>	<b>Body</b>	<b>Description</b>
1/13/2010	S	Introduced and Referred to Finance; <b>SJ 2</b> , Pg.29
3/1/2010	S	Hearing: March 11, 2010, Room 100, State House, 10:30 a.m.; <b>SC10</b>
3/18/2010	S	Committee Report: Ought to Pass with Amendment 1113s, NT, 3/24/10; <b>SC12</b>
3/24/2010	S	Committee Amendment 1113s, NT, AA, VV; <b>SJ 11</b> , Pg.223
3/24/2010	S	Sen. Sgambati Floor Amendment 1174s, AA, VV; <b>SJ 11</b> , Pg.223
3/24/2010	S	Ought to Pass with Amendments 1113s, NT, 1174s, MA, VV; OT3rdg; <b>SJ 11</b> , Pg.223
3/24/2010	S	Passed by Third Reading Resolution; <b>SJ 11</b> , Pg.256
3/24/2010	H	Introduced and Referred to Finance; <b>HJ 30</b> , PG.1519
4/1/2010	H	AM #1676h (Rep Kurk): Special Assessments; Banking; Insurance; Utilities
4/5/2010	H	Public Hearing: 4/15/2010 11:00 AM LOB 210-211 Joint with Senate Finance
4/8/2010	H	Public Hearing on Proposed Amendment: 4/15/2010 11:00 AM LOB 210-211 (AM Available 4/12 Sgt-at-Arms)
4/14/2010	H	Finance, Full Committee Work Session - Dept of Health & Human Svcs: 4/20/2010 10:00 AM LOB 210-211
4/14/2010	H	Finance, Full Committee Work Session - Dept. of Environmental Services: 4/20/2010 1:00 PM LOB 210-21
4/14/2010	H	Finance, Full Committee Work Session - Dept of Corrections: 4/20/2010 2:00 PM LOB 210-211
4/14/2010	H	Finance, Full Committee Work Session - Judicial Branch: 4/20/2010 3:00 PM LOB 210-211
4/14/2010	H	Speaker Assigns Proposed AM #1311h: Public Works & Highways Sec.82-85; <b>HJ 32</b> , PG.1578
4/14/2010	H	Speaker Assigns Proposed AM #1311h: Ways & Means Sec.86-88, 92-97, & 99; <b>HJ 32</b> , PG.1578
4/14/2010	H	Public Works & Highways, Public Hearing, Proposed AM, Sec.82 & Sec.83-85: 4/20/2010 2:00 PM LOB 201
4/14/2010	H	Ways & Means, Public Hearing on Proposed AM, Sec.99: 4/20/2010 10:00 AM LOB 202
4/15/2010	H	Finance, Full Committee Work Session: 4/22/2010 1:00 PM LOB 210-211 Including the Following:
4/15/2010	H	1:00 PM Dept of Administrative Services
4/15/2010	H	2:00 PM Treasurer
4/15/2010	H	2:30 PM Dept Resources & Economic Development

4/15/2010	H	3:00 PM Office of Energy & Planning
4/15/2010	H	3:30 PM Dept of Education
4/15/2010	H	4:00 PM Office of Information Technology
4/15/2010	H	Ways & Means, Subcommittee Work Session: 4/23/2010 LOB202 1:00 PM Proposed AM Sec.97 Bus Tax Comm
4/15/2010	H	Ways & Means, Subcommittee Work Session: 4/23/2010 LOB202 1:30 PM Proposed AM Sec.86-87 Tobacco Tax
4/15/2010	H	Ways & Means, Full Comm Work Session: 4/26/2010 1:00 PM LOB 202 Proposed AM Sec.86-97 Tobacco Tax
4/15/2010	H	Ways & Means, Full Comm Work Session: 4/26/2010 1:30 PM LOB 202 on Potential Nuclear Fuel Tax
4/15/2010	H	Ways & Means, Full Comm Work Sess: 4/26/2010 2:15 PM LOB202 Proposed AM1401h Electric Generation Tax
4/15/2010	H	Ways & Means, Full Comm Work Sess: 4/26/2010 3:00 PM LOB 202 Proposed AM Sec.99 Pet Shop License Fee
4/15/2010	H	Ways & Means, Full Comm Work Session: 4/26/2010 3:15 PM LOB 202 Proposed AM Sec.88 Dedicated Funds
4/15/2010	H	Ways & Means, Full Comm Work Sess: 4/26/2010 3:45 PM LOB 202 on Potential Insurance Premium Tax
4/15/2010	H	Ways & Means, Full Committee Work Session: 4/26/2010 4:15 PM LOB 202
4/15/2010	H	Potentially Adding Capital Gains to the Interest and Dividends Tax and Increasing the Exemption
4/15/2010	H	Finance, Full Committee Work Session: 4/27/2010 9:30 AM LOB 210-211 ==TIME CHANGE==
4/15/2010	H	Public Works, Full Committee Work Session: 4/27/2010 11:45 AM LOB 201 Proposed AM Sec.82 & 83-85
4/15/2010	H	Finance, Div I Subcom Work Session: 4/27/2010 12:00 PM LOB 212 Mtg with DES, Budget Cuts Discussion
4/15/2010	H	Ways & Means, Full Committee Work Session: 4/27/2010 2:15 PM LOB 202 Proposed AM Continued from 4/26
4/15/2010	H	Ways & Means, Full Committee Work Session: 4/29/2010 9:30 AM LOB 202 Proposed Amendments
4/15/2010	H	Finance, Full Committee Work Session: 4/29/2010 1:00 PM LOB 210-211
4/20/2010	H	Finance, Full Committee Work Session: 4/30/2010 10:00 AM LOB 210-211
4/21/2010	H	Public Hearing on Proposed Non-Germane Amendments: 4/30/2010 10:00 AM LOB 210-211 As Follows:
4/21/2010	H	AM #1484h (Rep Wendelboe): NH Medical Malpractice Jt Underwriting Assoc; Resolution of Matters
4/21/2010	H	AM #1627h (Rep Vaillancourt): Gaming Oversight Authority & Video Lottery
4/21/2010	H	AM #1593h (Rep Kurk): Estab New Retirement Sys Reqmts for Members Who Began Svc On or After 7/1/10
4/21/2010	H	AM #1655h (Reps Vachon & Walsh): Business Enterprise Tax; Filing Threshold
4/21/2010	H	AM #1676h (Rep Kurk): Special Assessments; Banking; Insurance;

## Utilities

4/21/2010	H	AM #1679h (Rep Kurk): Racing & Charitable Gaming Commission Abolished
4/21/2010	H	AM #1701h (Reps Vachon & Walsh): Insurance Premium Tax
4/21/2010	H	AM #1716h (Rep Keans): Doc of Marriages & Lic Fee. Fees for Copies, Verification & Vital Records AMs
4/21/2010	H	AM #1726h (Rep Baroody): Renewable Energy Fund
4/21/2010	H	AM #1729h (Rep Eaton): Pooled Risk Management Programs; Authority of Secretary of State
4/22/2010	H	Finance, Full Committee Work Session: 5/3/2010 10:00 AM LOB 210-211
4/22/2010	H	Finance, Full Committee Work Session: 5/4/2010 1:00 PM LOB 210-211
4/22/2010	H	Executive Session: 5/6/2010 10:00 AM LOB 210-211
5/6/2010	H	Majority Comm Rpt: Ought to Pass with AM #1953h(NT) for May 12 (Vote 13-12; RC); <b>HJ 37</b> , PG.1741-1742
5/6/2010	H	Proposed Majority Committee Amendment #1953h (New Title); <b>HJ 37</b> , PG.1770-1801
5/6/2010	H	Minority Committee Report: Ought to Pass with Amendment #1963h; <b>HJ 37</b> , PG.1741-1742
5/6/2010	H	Proposed Minority Committee Amendment #1963h; <b>HJ 37</b> , PG.1801-1820
5/12/2010	H	Divide Sec.62-66 and Sec.88-89 of Maj AM #1953h(NT) (Rep Hess): MF <b>RC 173-189; HJ 41</b> , PG.1966-2000
5/12/2010	H	Majority Committee Amendment #1953h (New Title) Adopted, <b>RC 187-182; HJ 41</b> , PG.2000-2002
5/12/2010	H	Floor Amendment #1954h (Rep Wendelboe) Failed, <b>RC 137-227; HJ 41</b> , PG.2002-2007
5/12/2010	H	Floor Amendment #1990h (Rep Vaillancourt) Failed, <b>RC 173-189; HJ 41</b> , PG.2007-2011
5/12/2010	H	Floor Amendment #1998h (Rep Bettencourt) Failed, <b>RC 149-164; HJ 41</b> , PG.2011-2015
5/12/2010	H	Floor Amendment #2003h (Rep Packard) Failed, <b>RC 173-187; HJ 41</b> , PG.2015-2019
5/12/2010	H	Floor Amendment #2004h (Rep Hess) Failed, <b>RC 168-190; HJ 41</b> , PG.2019-2023
5/12/2010	H	Floor Amendment #2007h (Rep Hunt) Failed, <b>RC 168-188; HJ 41</b> , PG.2023-2027
5/12/2010	H	Floor Amendment #2029h (Rep Hess) Failed, <b>RC 170-191; HJ 41</b> , PG.2027-2030
5/12/2010	H	Floor Amendment #2027h (Rep Chandler) Failed, <b>RC 173-188; HJ 41</b> , PG.2030-2034
5/12/2010	H	Floor Amendment #1959h (Rep Vaillancourt) Failed, <b>RC 96-253; HJ 41</b> , PG.2034-2038
5/12/2010	H	Floor Amendment #2001h (W.D.Scamman) Failed, <b>RC 179-179; HJ 41</b> , PG.2039-2043
5/12/2010	H	Floor Amendment #1956h (Rep Wendelboe) Adopted, <b>RC 212-142; HJ 41</b> , PG.2043-2047

5/12/2010	H	Floor Amendment #1960h (Rep Vaillancourt) Failed, <b>RC</b> 115-242; <b>HJ 41</b> , PG.2047-2060
5/12/2010	H	Minority Committee Amendment #1963h (Rep Kurk) Failed, <b>RC</b> 160-198; <b>HJ 41</b> , PG.2060-2081
5/12/2010	H	Ought to Pass with AM #1953h(NT) & #1956: MA <b>RC</b> 182-173; <b>HJ 41</b> , PG.1966-2083
5/12/2010	H	Reconsideration (Rep M.Smith): MF <b>RC</b> 163-192; <b>HJ 41</b> , PG.2083-2085
5/13/2010	S	Sen. D'Allesandro Moved Nonconcur with House Amendments 1953h, NT, 1956h, MA, VV; <b>SJ 19</b> , Pg.633
5/19/2010	S	Sen. Larsen Moved Reconsideration on Nonconcur, MA, VV; <b>SJ 20</b> , Pg.647
5/19/2010	S	Sen. Larsen Moved Nonconcur with House Amendment 1953h; NT, Requests C of C, MA, VV; <b>SJ 20</b> , Pg.647
5/19/2010	S	President Appoints: Senators D'Allesandro, Sgambati, Janeway and Gallus; <b>SJ 20</b> , Pg.647
5/19/2010	S	President Appoints Alternates: Senators Hassan, Reynolds, Larsen and Odell; <b>SJ 20</b> , Pg.647
5/19/2010	H	House Accedes to Req for Comm of Conf (Rep M.Smith): MA <b>RC</b> 168-117; <b>HJ 46</b> , PG.2233-2235
5/19/2010	H	Speaker Appoints: Reps M.Smith, Eaton, Nordgren, Kurk & Foster; <b>HJ 46</b> , PG.2235
5/19/2010	H	Speaker Appoints Alternates: Reps Foose & W.D.Scamman; <b>HJ 46</b> , PG.2235
5/21/2010	H	Speaker Appoints Alternate: Rep Almy; <b>HJ 46</b> , PG.2246
5/24/2010	H	Speaker Appoints Alternate: Rep Wallner; <b>HJ 46</b> , PG.2246
5/27/2010	H	Conference Committee Report: Not Signed Off

NH House

NH Senate