

**LEGISLATIVE PERFORMANCE AUDIT AND OVERSIGHT COMMITTEE**

Legislative Office Building, Room 212

Concord, New Hampshire

Thursday, August 27, 2015

**MEMBERS PRESENT:**

Sen. John Reagan, Chair  
Sen. President Chuck Morse  
Sen. Lou D'Allesandro  
Sen. Jerry Little  
Rep. Lucy Weber  
Rep. Lynne Ober  
Rep. Richard Barry

(Convened at 10:02 a.m.)

1. **Acceptance of minutes of the June 5, 2015 meeting.**
2. **Current status of ongoing and pending performance audits.**

CHAIRMAN REAGAN: So let's call the meeting to order and let's hear about the current status of what's going on now.

STEPHEN C. SMITH, Director, Audit Division, Office of Legislative Budget Assistant: Good morning, Mr. Chair, Members of the Committee. For the record, I'm Steve Smith, the Director of Audits for the Office of Legislative Budget Assistant.

In terms of the ongoing and pending audits, look at your agenda, the first four items, the bullets there, the first one Department of Health and Human Services Food Protection Program, that audit is complete as well as the report. It was to be presented to Fiscal Committee at the July meeting, but that got tabled and postponed till yesterday's meeting. We still did not present it. However, the Committee did accept it and approve its release so that you should have received or

will be receiving copies of that. So that audit is complete.

The next two --

REP. BARRY: Just a quick comment. The reason for that was in case we wanted to process any legislative activities.

REP. OBER: Right. And because there's recommendations in that audit for legislation, we wanted it released so people could read it.

MR. SMITH: The next two audits, the Child Support and the Dam Bureau, field work is complete on both of those audits. We're currently on observations as well as the draft report. It's complete and we're in the process of coordinating and getting agency responses to the observations. So we're hoping to go to Fiscal in -- at September meeting. That's what we are targeting. If not, then the October meeting for those two audits.

And then the fourth one there, Bureau of Developmental Services, we're in the planning process. We are scoping it out right now. We have the Scope Statement to go over later in the agenda.

The next two bullets there are the next two audits that we are going to move on to as these other ones wrap up. Consolidation of business processing functions and the WorkReadyNH Program. So those will be next -- next up in our queue.

And the last one just we keep that on there. According to the legislation, the due date for that is 2017. So we'll get it at it then. So that's just a quick overview of where we are. Any questions at this point?

CHAIRMAN REAGAN: What was that 2017? What was that referring?

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MR. SMITH: That is the Controlled Drug Prescription. It's the legislation, I believe, is Chapter 79:2.

REP. WEBER: Put it off for years now.

CHAIRMAN REAGAN: Okay.

REP. WEBER: Because we don't want to forget about it between now and 2017, but it can't be done until later.

CHAIRMAN REAGAN: Right.

MR. SMITH: So if there's no questions at this point, I'll turn it over to Steve and he'll go over the Scope Statement.

3. Discussion and approval of Scope Statement for the Department of Health and Human Services, Bureau of Developmental Services performance audit.

STEPHEN P. FOX, PhD, Audit Supervisor, Audit Division, Office of Legislative Budget Assistant: Good morning, Mr. Chairman, Members of the Committee. For the record, my name is Stephen Fox. I'm the Performance Audit Supervisor for the LBA Audit Division.

The proposed Scope Statement before you today is the Bureau of Developmental Services within the Department of Health and Human Services. This Committee recommended this audit back in April of 2015 or March of 2015 and Fiscal Committee approved it at its April meeting. We also held our entrance conference with the Department during that same month.

The Bureau of Developmental Services is responsible for a range of programs for different populations of people in need, including those who are developmentally

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disabled adults and children, adults with acquired brain disorders, support services for families with eligible children, early support for children, forensic services for individuals posing a risk to themselves or the community, and for children with current health conditions.

The Developmental Disabilities and ABD Waiver Programs for adults with a combined expenditure of 219 million in State Fiscal Year 2014 represents 80% of the Bureau's expenditures for that same year. The total Bureau expenditures were 275 million.

Table 1 shows the State Fiscal Year 2014 waiver for both the Developmental Disabilities and the Acquired Brain Disorders. It shows the number of clients that were served in that year, expenditures, and the average per client expenditure.

Bureau oversight responsibilities include both programmatic and fiscal monitoring of the service delivery system.

As part of the State's service delivery system, the Legislature statutorily established non-profit corporations known as Area Agencies, which are designated by the Department, regulated by law and Department rules, and enter into non-competitive bid contracts with the Department. The ten Area Agencies are responsible for determining applicants' eligibility for services and providing those services to clients and their families, either directly or through contracted agencies.

The performance audit will focus on why approximately \$38 million or 8% -- 8.6% of the total and available budget of Medicaid funding was not spent during State Fiscal Years 2014 and 2015 on both the Developmental Disabilities and the Acquired Brain

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Disorder services. The question that we seek following is the bolded question under the audit scope header.

Did the Bureau efficiently and effectively manage Medicaid appropriations to ensure clients timely received needed services during State Fiscal Years 2014 and 2015?

To identify the reasons for the millions of dollars in unused Medicaid appropriations, we may review multiple components of the Bureau's oversight of the service delivery system and those are the bulleted items towards the bottom of the page.

We anticipate completing this project in November of 20 -- of 2015 and presenting it to -- the final report to Fiscal Committee at its December 2015 meeting. Be happy to answer any questions which you may have regarding the Scope Statement.

CHAIRMAN REAGAN: Is there a motion to accept the Scope Statement?

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

REP. WEBER: Second.

SEN. LITTLE: I have a question to ask, Mr. Chairman. I don't know whether the question is appropriate for this section of the agenda or Section 4 regarding potential audit topics for the future.

Regarding the Bureau of Developmental Disabilities, there are two programs that I had some concerns sent to me by -- one by other folks and one by just experience in our Committee this year. One has to do with the CFI Program, the Choices For Independence, and the other one has to do with the Balancing Incentive Program.

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My question -- I guess the first question is are these two programs within the Bureau of Developmental Services? If so, would this be the time to discuss them and make sure that a look at these programs have been served? Should I be holding this topic for the next conversation?

DR. FOX: I can't answer that question myself, but there is a representative from the Department here who may be able to.

MELISSA NEMETH, ESQ., Bureau of Developmental Services, Department of Health and Human Services: My name is Melissa Nemeth, and I am the attorney for the Bureau of Developmental Services.

The CFI Waiver was just recently brought into the Bureau of Developmental Services. Before that it had been managed by the Bureau of Elderly and Adult Services. So it's just coming into our delivery system. So I'm not sure if now would be the time to do that. And the Balancing Incentive Program, I don't have a whole lot of knowledge of that myself. I know that there are people that are in the department managing that, but I would defer further questions. I can speak with the Bureau Chief and she may be able to help with that.

SEN. LITTLE: Two simple questions then. Do you know whether or not the Balancing Incentive Program is, in fact, in the Bureau of Developmental Services?

MS. NEMETH: I do not believe that it is, but I don't know that for sure.

DR. FOX: We can get that information to you, Senator.

SEN. LITTLE: Thank you. Do you know what the timing was when the Choices For Independence came into your Department because this is a very current topic?

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MS. NEMETH: I think it was around May or June of this year, but I don't know the exact date.

SEN. LITTLE: So let me just then flesh out the concern which is that in the process of doing the budget we look at the rates that are being paid to contractors that are doing in-home care for us, for the State of New Hampshire. And we determined and the Department, in fact, confirmed for us during public hearing session that they had neglected to adjust rates as they are required to by State Law for a number of years. So I believe that we ought to be taking a look at, if CFI is now in this Bureau, that we're -- that we're in the process of auditing, we certainly ought to be taking a look at how did that -- how did that failure happen and what are we doing to make sure it doesn't happen again.

REP. BARRY: Good point. You know, we did -- we did authorize the one-time payment for these folks for some of it, but I don't know if the root cause was addressed. It was a matter of the formula and there was some discrepancies as to how to determine what the parameters of the formula should be.

SEN. LITTLE: Right. We had it in our budget for the first time in, I think, since 2009 an actual rate increase for the agencies that are delivering these services, primarily to seniors, but also to many people with developmental disabilities. The option is to send them to nursing homes someplace, and we believe they're much better cared for in their own homes by these service professionals. But there are State Laws that do require that those rates be adjusted on an annual basis and what we learned when we found out that they hadn't been receiving annual rate increases is that the laws that mandate certain adjustments to these rates had not been followed. And so since this is in this Bureau apparently now, I understand we can't hold them responsible for something that probably -- I don't know

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whether we can or not. Somebody needs to be held responsible, I believe, for the fact that we had statutes that mandated changes to these rate increases and they didn't happen. This is now within their jurisdiction so I'd like to see, Mr. Chairman, if there's some way to expand this scope so we can take a look at the -- what happened with the CFI rate adjustments, why they didn't happen.

REP. BARRY: I think it's -- I think it's appropriate.

SEN. LITTLE: I think you were in these hearings.

REP. BARRY: Yes. And Sheri Rockburn -- Sheri Rockburn said that there was a difference of opinion between how the agencies or how they calculated it and how the agencies thought it ought to be calculated and two different percentage increases.

SEN. LITTLE: Right.

REP. BARRY: We did fix that and I think they were going to come back to us with a request for clarification of the process. However, there's nothing at all wrong with making sure that these folks take a look at it.

REP. OBER: Mr. Chairman.

SEN. LITTLE: I'm sorry.

REP. OBER: Just one clarification. We fixed it in HB 2?

REP. BARRY: We provided -- we changed the rates. We raised the rates and we gave them a one-time payment in HB 2.

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REP. OBER: In HB 2. I just want to be clear with you.

CHAIRMAN REAGAN: Is this appropriate as an addition to this scope or should it be a separate process?

DR. FOX: If it please the Committee, I would like to have a little more time for our staff to research this so we can provide a better answer for that. At this point in time, I am totally unfamiliar with the CFI and how it works. See if it can be fit into the scope, we certainly would. I would want to, as I said, find out a little bit more information about it and see how it may fit.

CHAIRMAN REAGAN: Representative Weber.

REP. WEBER: Would it make sense as a way to proceed to approve the Scope Statement that we already know we want to look into, and then at our next meeting either expand that so you can just make it broader in the course of your inquiries here or bring it in for something, for a new --

SEN. D'ALLESANDRO: Well, I think you're point is well-taken. If he does his research on the queries that have been brought forward, then you could get, A, the results of the queries and find out what additionally could be added to the scope of the audit based on your findings.

DR. FOX: Yes.

SEN. D'ALLESANDRO: I think it's imperative that you do the research before we make a decision.

REP. WEBER: My point was I don't want to hold up --

SEN. D'ALLESANDRO: Right.

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REP. WEBER: -- what we already know we want to look at. Let's get that in progress. If that can --

SEN. D'ALLESANDRO: Right.

REP. WEBER: -- needs to be expanded, be glad to do that.

DR. FOX: Well, we are -- if I can comment. We already are doing work on this, actively doing work. That team this week has been visiting all the Area Agencies. We'll continue that next week. I'm not going to work on this process but in order to determine whether this new or additional item is appropriate for this -- for this performance audit, we do need additional work and my proposal would be to come back before the Committee next month, if possible, and to either present the revised Scope Statement reflecting inclusion of this content in it or proposal that would be a separate performance audit.

CHAIRMAN REAGAN: All right. So we have a motion and second.

REP. BARRY: Go ahead.

SEN. LITTLE: There were actually two issues. One was the CFI and the other was the Balancing Incentive Program. And I guess the Department representative is not sure whether or not the BIP is within this specific Bureau.

MS. NEMETH: Yeah, that's correct. I know they do work -- they're doing some of the behavioral health, too, so I am inclined to think that they're not part of our Department, but I can definitely look into that and confirm that.

CHAIRMAN REAGAN: Report the results to Senator Little.

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MS. NEMETH: What was the Senator's last name? I'm sorry.

CHAIRMAN REAGAN: Little.

SEN. LITTLE: Little. So this is a Federal grant program. And this is the one that was brought to us by outside advocates for both developmentally disabled and senior folks, and the purpose of the grant is to help us -- steer is probably the wrong word -- but to incentivize, to balance the incentives to keep people out of nursing homes and to receiving their care in place. Multi-million dollar grant, the question has been asked multiple times what was the money spent on and was it spent properly, and we are not able to get any satisfactory answers to the question. So I don't know whether, again, whether or not it is this Bureau, the Bureau of Developmental Services or some other. But I think it's a specific program that ought to be -- that we ought to take a magnifying glass to.

It did come up when we received the single audit, the Federal Financial Assistance through the Fiscal Committee. I asked the question what did you find when you audited this, and they said, well, we don't actually audit the individual programs. We audit the departments. So I asked where it is. It's actually on Page E-35 and that Exhibit E at the bottom of the page and it's Medicaid -- it's within -- further it's within a cluster. And so we don't look down in the programs. We don't look down into the program in the cluster to individual grants to see whether or not the monies have been used as Federal Government assigned them to us. And I'm told it's Medicaid cluster 93.778, but I'm just -- that's just what I was told by, you know --

MR. SMITH: KPMG.

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SEN. LITTLE: KP. I was told by them that that was where we would actually find that program. But I think somehow at some point, whether it's developmental disabilities -- sorry, Bureau of Developmental Services or another, I'd like to see us find some way to drill down to look at that particular grant.

CHAIRMAN REAGAN: Representative Ober.

REP. OBER: Thank you, Mr. Chairman. Number one, I think if anything this would be a separate audit because it's big. Number two, I question whether if you're looking for how was the money spent that's a performance audit as opposed to a financial audit, and I'm not sure the answer to that. So I would ask the Chairman what your thoughts would be on that.

CHAIRMAN REAGAN: My question is in the single audit, where do our responsibilities intersect with the Federal with the single audit responsibilities?

DR. FOX: Have Director Smith respond to that.

MR. SMITH: Yeah, I don't think -- this particular Committee is really focused on performance audit. The single audit is a required audit every year. We retain KPMG to do it so beyond the governance of Fiscal Committee. I can certainly, now that I know the CFDA number and the reference, I can certainly discuss this with KPMG to see if perhaps this might be a program that they could fit into their scope of this upcoming year for Fiscal 15. I know that they rotate. There are certain programs they have to audit because of materiality. Then they're also looking for other smaller programs to hit certain prescribed quotas, if you will, for audits. So I can certainly pursue that and let you know what I come up with there. So there's -- this might be one they actually drill down in on.

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CHAIRMAN REAGAN: There's a random sampling within the single audit?

MR. SMITH: Yeah. I can't give you the exact parameters, but they're Type A programs, Type B programs. Type A are typically your major programs, like Medicaid, because the dollars of the State exceed a threshold. There's a formula calculated to determine that. So everything over that threshold you need to look at.

Another factor is if there are prior year findings and those come up again. But then there are Type B programs which are below that threshold but they, you know, they look at those, too. So it's not a random. There is some sort of approach that they take.

CHAIRMAN REAGAN: Okay. So back to where do our duties intersect with the -- with the auditors?

MR. SMITH: Hum --

DR. FOX: You mean for this Committee specifically?

CHAIRMAN REAGAN: Yes, yes. Right.

DR. FOX: This Committee does not, as Steve said, this Committee does not have any responsibilities or any purview over the single audit. The single audit is strictly a financial audit. This Committee is the performance audit and the distinction in our office is similar to what Representative Ober was saying. We are trying to find out how expenditures are being made, the controls over expenditures or over -- over money coming -- revenue coming into the state. That's part of the financial audit responsibilities of our -- of the Audit Division. We're performance audit side. We are strictly looking at efficiency and effectiveness of a state program. So quickly I would say this Committee itself has no purview over the single audit.

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SEN. LITTLE: If I may, Mr. Chairman? Thank you. The question was and the point is that the concern was brought to us by advocates for people who are supposed to benefit from the application of this grant that the grant has not been managed properly, which I believe is probably a performance issue.

DR. FOX: That would be.

SEN. LITTLE: And that when I asked KPMG folks at Fiscal Committee when they delivered the single audit, what did you find when you looked at this particular program, they said that's in the Department. It's within a cluster of the Department. We don't drill down that far. So they couldn't give me an answer.

So I come to this Committee and ask whether or not it is -- is it not appropriate for us to ask that we do a performance audit to find out whether or not the Division is properly administering this Federal grant?

DR. FOX: That would be a topic of a performance audit.

SEN. LITTLE: Thank you.

REP. OBER: Off that topic I do have one comment.

CHAIRMAN REAGAN: We still have this motion.

REP. OBER: I know. It's on the background scope, but it is on the previous question about the CFI.

On Page 2 of 2, the bottom paragraph, the audit period is 2014 through 2015. I think we just heard the transition of CFI was in May or June of this year. So I would say that perhaps that is also a potential audit topic as opposed to being added onto this one given the time frame of this scope.

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REP. BARRY: I believe CFI is not just this piece and you will find that out.

REP. OBER: Are you thinking it's a potential audit of its own?

REP. BARRY: CFI covers more than just the developmental disabled. It's other folks trying to get them into the home care.

REP. OBER: I'm trying to decide if we give Mr. Fox direction that says we approve this and then under potential audits we just make CFI as opposed to having them research whether it belongs in here. That's where I'm trying to go with that.

SEN. LITTLE: I'm fine with that.

CHAIRMAN REAGAN: Okay.

REP. BARRY: If it's appropriate, sure.

CHAIRMAN REAGAN: We have a motion by Ober and second by Little to approve the scope. Any further discussion? All those in favor? Opposed? And that motion carries.

\*\*\* {MOTION ADOPTED}

CHAIRMAN REAGAN: And our next order is motion to approve the minutes of the last meeting.

\*\* REP. WEBER: So move.

REP. OBER: Second.

CHAIRMAN REAGAN: Motion by Weber, second by Ober. Any additions, revisions or corrections to the minutes?

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Seeing none. All in favor? Opposed? The minutes are approved.

\*\*\* {MOTION ADOPTED}

#### 4. Discussion of Potential Audit Topics

CHAIRMAN REAGAN: Discussion of potential audit topics.

REP. OBER: I think we just got two.

REP. WEBER: We just added two, so.

SEN. D'ALLESANDRO: We're ahead of the game.

CHAIRMAN REAGAN: Okay. Anything else come to mind? Representative Brewster.

MICHAEL BREWSTER, State Representative, Merrimack County, District #21: Yeah. I've been following this money for quite a long time. Dirty word in my mind is waiver. Means somebody's conniving trying to move some monies around to more swindling.

You talked about long-term care. When somebody goes in and fills out the proper paperwork with Division of Family Affairs, is that where they have to go? Those people are tied in with the Feds and they're tied in with the State because if somebody wants to sign in for child support, they got to go see the same people. And I think they're kind of manipulating the monies that's moving in.

When I look at the single audit there, and the disbursement of matching funds, which is difficult because each program, as you just mentioned, you got to go into each individual program and that's all -- and it's difficult for us citizens to be able to read. That should be easily followed so everybody understands it.

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But not being able to understand it, it took me seven hours to get in touch with Medicaid-Medicare Center to have them send me some information. The Governor's first number she gave me was a pizza place. And then she didn't believe me. So they had to call and it was a pizza place. From there, it just took me all day to get that number.

They did send me some information about the Federal match. When the Federal -- they go by the unemployment in the state. We get -- we got low unemployment. So we can get up to maybe -- I can't remember, but I think we can get up to a dollar sixty-three in matching funds for every dollar we put in. Lou D'Allesandro ought to be able to know all this. And for poorer states they can get at least \$2.83 for every dollar they put in, plus administration cost.

CHAIRMAN REAGAN: Mike, what subject would you like to see subjected to a performance audit?

REP. BREWSTER: So I'm just saying going back when I look at the single audit there that they put out, the total is \$176 million expenditures. Now for somebody who's just looking at we get \$1.63 for every dollar we put in, so if we're putting 176 -- there's over 200 -- there's over \$2 billion going into -- point something going into what silo, and where's that matching funds actually being used, and who's -- it's just -- and double counting. You read what the Governor is saying about she don't trust -- there's no transparency, there's double figuring, double counting, and I've seen that with child support so many years ago. I mean, I don't trust nothing that comes through here. The figures is -- all I see is billions leaving the state, just billions just disappearing. And I've been at too many hearings and I don't like the hearings I go to.

For instance, in '06 people were hungry in Rochester. They needed food. So Salvation Army got in

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touch with Health and Humans Services. Health and Human Services went to Rochester, did they not, and there was a lot of people that was hungry. So instead of feeding the people, they bought \$750,000 worth of filing cabinets. Matching funds they got \$750,000 --

CHAIRMAN REAGAN: Mike, we are not doing a hearing here about evidence. What I'm asking you is can you state what you would like audited?

REP. BREWSTER: I want the whole system audited because they're using child support. If somebody is on TANF, they're using it for child protection. They're using it for different programs.

CHAIRMAN REAGAN: You're requesting an audit of -- a performance audit of the --

REP. BREWSTER: No, a financial audit.

CHAIRMAN REAGAN: This is not the place for that. We don't do --

REP. BREWSTER: One thing about financial audits, I read them all for -- they do good at what they're stating which is wrong. But once the audit is over, they're going back to their bad -- bad ways. They don't pay attention to the audits once they're done, because still things remain messed up. They'll instruct them what they need to do. Like there's no communication in-between the agencies. You know, you can't follow the money. And the way they -- their -- their records are held --

CHAIRMAN REAGAN: Mike, you're going to have to write this down.

REP. BREWSTER: Well, somebody ought to listen to me. I've been here for 30 years and nobody is listening and this should have been --

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CHAIRMAN REAGAN: This is not the forum for that.

REP. BREWSTER: Well, there's never no forum to do anything I want to bring up and stop taking -- how much do you guys make on taking children? Billions. Stop trafficking children. You traffic mine. How much can you make on my child? Over 100,000 --

CHAIRMAN REAGAN: Mike, you're going to have to come to order.

REP. BREWSTER: And what you tell me? You're on your own, pal. When I was a citizen asking you for a hand, you're on your own, pal.

CHAIRMAN REAGAN: You are on your own as a Representative. So you if have something to ask for here --

REP. BREWSTER: I'm asking you for accountability to the citizens you've been harming, and why don't you bring up grievances so you can see how people have been harmed. No, you don't want to hear that. Bring up grievances. Grievances you can see how, and that's why we shall meet for grievances. Constitution says free places, grievances. And then you can work a bill. If you don't want to listen to grievance, you're not going to hear any complaints. I've been here 33 years, since Governor Thomson, and still I have not got one State Rep to say how can I help you, sir, and get me over this. This is all I've been doing. My life has been ruined. You guys took my child. Why? Sorry --

CHAIRMAN REAGAN: Okay.

REP. BREWSTER: -- you're on your own, pal.

CHAIRMAN REAGAN: Mr. Haas, you had a request for a subject for a performance audit?

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JOSEPH S. HAAS: Two subjects, please.

CHAIRMAN REAGAN: Okay.

MR. HAAS: For performance and financial.

SEN. REAGAN: Okay. We don't do financial so tell us performance.

MR. HAAS: And Representative Lynne Ober has been very nice and has sent me some e-mails back because she's with the Finance House Committee. But for the record, my name is Joseph S. Haas, capital H, a-a-s. And I put my contact information in my paperwork to you, which I gave you a printed copy of earlier today, seven pages, and you have the electronic version. And number one of two is dealing with -- I'll get back to your original RSA, 17-N:1, III, the Committee shall while the General Court is in session and during the interim, consider the need to review state departments and agencies, and shall make recommendations to the Fiscal Committee for such reviews.

So here's my -- my request to you to please make a recommendation to the Fiscal Committee to fund the Judicial Council, RSA -- I have it in the paperwork. Oh, here it is. 494:3, VI. It says that when there is available state and private funding then they can have public forums and seminars. That's what Mike said. I mean, there's got to be a forum to put our grievance into. And I have a whole bunch against the judges in the state.

CHAIRMAN REAGAN: Okay. So you're asking for a performance audit of what?

MS. HAAS: Performance audit of the agency and that's listed in the -- on the internet, the Judicial Council.

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CHAIRMAN REAGAN: Okay.

MR. HAAS: You press J and you come to that and that's -- so that's an agency.

CHAIRMAN REAGAN: Okay.

MR. HAAS: Would you please do that? I mean, can you take a vote now or later or what?

CHAIRMAN REAGAN: Do we have jurisdiction to do that?

DR. FOX: We do have jurisdiction.

CHAIRMAN REAGAN: Okay.

DR. FOX: To add Judicial Branch agencies. Generally, we enter into an agreement with the Supreme Court.

REP. OBER: It's not Judicial Branch. It's Judicial Council.

DR. FOX: Judicial Council. This is not Judicial Branch --

REP. OBER: Judicial Council.

CHAIRMAN REAGAN: So what particular thing are they doing that you want looked into?

MR. HAAS: Well, they're not doing something. And what they're not doing is they're not holding these public forums and seminars because -- I can go into some of the detail now.

CHAIRMAN REAGAN: No, no, we just need the subject.

MR. HAAS: Okay, that's it.

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REP. BREWSTER: Read the audit.

MR. HAAS: Nina Gardner has been there for, what, how many years, two decades?

REP. BREWSTER: Three.

REP. OBER: She's retired. She retired two years ago.

REP. BREWSTER: She's still part of the --

REP. WEBER: She is on the Council.

REP. OBER: She is on the Board.

REP. WEBER: She's one member.

MR. HAAS: She is on there and also Chris -- I mean -- yeah, Christopher Keating. He's the Executive Director now. And I even gave him a dollar, four quarters, at outside his office last year. And I said, Chris, all it takes is 5-cents for a photocopy. Put it at the City Library bulletin board and the State bulletin boards in the elevators. I mean, there ought to be some bulletin board, like in the Hall of Flags or something, I think, and just hold a meeting at the LOB. It has no cost. I mean, you don't have to pay for these rooms to have meetings. The Bar Association comes in here and has their exams. They don't charge them anything, I don't think. I mean, it's a State agency. What's the cost? There really isn't any cost.

SEN. REAGAN: Okay. So you want to audit the Judicial Council's record on receiving public input in their proceedings. Is that what you want to see? You want to see --

MR. HAAS: Well, I don't really -- I don't know if that's the right wording or not, because I already know

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that there has been none, zero. I mean, it's an enabling statute to set it up so they can have it if they're funded. And the Representative here, Ober, she says well, they never asked for it. Nina over three decades, that's unbelievable, has never asked for any money for that. And because they never got it, they never had any forums. And then, you know, that would have prevented a lot of that regress of grievance stuff from, you know, the one before that Committee.

CHAIRMAN REAGAN: Okay. We'll have --

MR. HAAS: That's number one of two.

CHAIRMAN REAGAN: What's the second one?

MR. HAAS: Okay. Number two is my request that you please send the recommendation to the Fiscal Committee dealing with Bill Gardner, Secretary of State.

DR. FOX: Mr. Chairman, if I may? We are not allowed to conduct performance audits of constitutional officers.

CHAIRMAN REAGAN: Right.

MR. HAAS: Well, he is a State Department.

REP. OBER: He's a constitutional officer.

REP. WEBER: He's a constitutional officer.

CHAIRMAN REAGAN: He's a constitutional officer. That's different.

MR. HAAS: Wait a minute. Let me backup. Maybe not Bill Gardner, maybe the Securities Bureau within the Secretary of State's Office. Does that qualify, 'cause that's where my problem is?

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CHAIRMAN REAGAN: Okay. If you're looking for a financial audit, we have no control over that.

MR. HAAS: No, no. I'm looking for trying to get an advisory committee or council there, advisory board, a body. I don't know the actual word. It's in my paperwork here. That if I have a complaint and I do not agree with the person in charge, Eric Forcier is who I'm dealing with over there, he says -- see, I have a problem with a securities dealer. Well, some guy that was selling security interest. He never registered it with the Securities Bureau. And the statute says five or fewer sales you don't have to. And it said the word sales is plural. This guy just did one. And he did one because it's fraud. And I want a forum to explore this. And he's refusing to go by the common English use of the word by RSA 21:2, I think it is, where you put a parenthesis around the word S and it brings it into the singular and plural. Sales, five or fewer sales. I said I am only going after this one guy because he did wrong. It involves RSA 528, 529, but I want a forum to go to, not just to have a dictatorial person saying there to get lost.

CHAIRMAN REAGAN: Sounds like maybe you need a change in legislation.

MR. HAAS: Oh, yeah, that's what I'm going to do.

CHAIRMAN REAGAN: We don't do that here either. You need to have a Senator or Representative introduce legislation to change that.

MR. HAAS: Yeah, but I don't really need to change it because it says may. The Secretary of State may form this advisory body; but he decides -- maybe he hasn't decided yet to deny me. But I'm saying there ought to be one, a shall that -- so you can't -- you make recommendations to the Fiscal Committee.

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REP. WEBER: It sounds to me like what you want is an appeals process from a decision that you don't like.

MR. HAAS: Within the Department.

REP. WEBER: In order to do that, you need to have somebody submit legislation to make sure that that process is available. We can't do that. All we can do --

CHAIRMAN REAGAN: Right.

REP. WEBER: -- is see if they're doing within certain parameters what they are already required to do effectively.

REP. OBER: Neither can the Fiscal Committee.

CHAIRMAN REAGAN: Right.

MR. HAAS: Would you be interested?

REP. WEBER: No, not my Department.

MR. HAAS: Okay, thank you.

CHAIRMAN REAGAN: Okay. Thank you, Mr. Haas.

REP. BREWSTER: There was an audit of the Judicial Council. It explains everything they do wrong. So they just put that aside and continue with their -- and Nina Gardner did throw me in jail for six months.

CHAIRMAN REAGAN: Okay. Any other topics?

REP. BREWSTER: She was responsible.

## 5. Other Business

CHAIRMAN REAGAN: Any other business to come before the Committee?

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REP. OBER: Are we going to act on any of these topics, the CFI and management of the Balancing Incentive Program?

CHAIRMAN REAGAN: We are going to get -- we are going to get a report back.

REP. OBER: Okay.

REP. WEBER: I'd like time to figure those out before we go ahead.

REP. OBER: I'm just wondering if we are going to get a report back. I didn't want them just -- we have several topics here for getting something back at the next meeting. I want confirmation of that.

SEN. D'ALLESANDRO: That's what he said.

REP. BARRY: I never heard of a BIP, Balancing Incentive Program.

SEN. LITTLE: It's in the single audit.

REP. OBER: When you read it, read it in small batches. You'll sleep quickly.

CHAIRMAN REAGAN: I read the whole --

REP. BREWSTER: I have questions on that. Where's all that money going? Where's the matching funds? What silo?

CHAIRMAN REAGAN: Any other matters to come before the Committee?

DR. FOX: This is not another matter, Senator. I just would like clarification, the acronym CFI.

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SEN. LITTLE: Choices for Independence.

DR. FOX: Choices for Independence.

SEN. LITTLE: Yes.

DR. FOX: Thank you.

REP. OBER: Representative Barry probably can give you information on that. That's his division.

REP. BARRY: I know that. Never heard of BIP.

SEN. LITTLE: And you're right, we can take this off line. This is not for the record.

**6. Date of next meeting and adjournment**

CHAIRMAN REAGAN: Okay. Anything else? Meeting is adjourned.

(Adjourned at 9:47 a.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.

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