

JOINT LEGISLATIVE FISCAL COMMITTEE

Legislative Office Building, Rooms 210-212

Concord, NH

Friday, September 21, 2018

MEMBERS PRESENT:

Rep. Neal Kurk, Chair

Rep. Ken Weyler

Rep. Lynne Ober

Rep. Mary Jane Wallner

Rep. Dan Eaton

Rep. Frank Bryon (Alt.)

Sen. Gary Daniels

Sen. Lou D'Allesandro

Sen. John Reagan

Sen. Regina Birdsell

Sen. Jim Gray (Alt.)

(The meeting convened at 10:05 a.m.)

(1) Acceptance of Minutes of the July 20, 2018 meeting

NEAL KURK, State Representative, Hillsborough County, District #02 and Chairman: Good morning, everyone. I'd like to call the September 21st, 2018, meeting of the Fiscal Committee to order. First item on our agenda is the acceptance of the minutes of July 20th, 2018.

****** DAN EATON, State Representative, Cheshire County, District #03: Move approval.

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

CHAIRMAN KURK: Representative Eaton moves, seconded by Senator Daniels, that the minutes be approved. Discussion? Questions? There being none, are you ready for the question?

All those in favor, please indicate by saying aye?
Opposed? The ayes have it and the minutes are approved.

*** {MOTION ADOPTED}

(2) Old Business:

(3) RSA 14:30-a, III Audit Topic Recommendation by
Legislative Performance Audit and Oversight Committee:

CHAIRMAN KURK: We now turn to item number (3) on the agenda, recommendation from Representative Ober, the Chairman of the Legislative Performance Audit and Oversight Committee with respect to a recommendation of a new performance audit on Therapeutic Cannabis Program, Issuance of Registry Identification Cards. That's Fiscal 18-172. Is there a motion?

** REP. EATON: Move the item.

CHAIRMAN KURK: Representative Eaton moves approval, seconded by Representative Weyler. Discussion? There being none, are you ready for the question?

All those in favor, please indicate by saying aye?
Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

CONSENT CALENDAR

(4) RSA 9:16-a, Transfers Authorized:

CHAIRMAN KURK: We turn now to the Consent Calendar, Tab (4) on the agenda. Without objection we will take each of these up individually as I believe there are questions on several of them. The first one is Fiscal 18-160, request from the Department of Health and Human Services for authorization to transfer \$458,200 in General Funds through June 30th, 2019. Is there someone from the Department who might be able to answer questions? Good morning.

KERRIN ROUNDS, Chief Financial Officer, Department of
Health and Human Services: Good morning. I'm Kerrin Rounds.

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I'm the Chief Financial Officer for the Department. Is that on? Is that on now? Yes. I'm Kerrin Rounds. I'm the Chief Financial Officer for the Department and I have here with me Travis -- I'm going to say his last name wrong so I'm going to let him introduce himself.

TRAVIS BOUCHER, Chief Financial Officer, New Hampshire Hospital, Department of Health and Human Services: Good morning. Travis Boucher with New Hampshire Hospital, Chief Financial Officer.

CHAIRMAN KURK: Thank you both for being here. There are two questions. First of all, why wasn't this in the budget under Glencliff? And, secondly, is this -- is there any chance that there's a duplication here that there is money in the budget under Glencliff for this 15% increase and now we're transferring another 15% from another account?

MS. ROUNDS: So I'll just speak to the why is it where it is. I was not part of the building the budget at that time, as you know, but I believe that it was added later in the phases. So it was put in that accounting unit just to signify that that needed to happen. We did transfer this last Fiscal Year as well and I can let Travis speak to the double budgeting.

MR. BOUCHER: No, we're not -- no, it's not double budgeted after looking at the numbers. Where it was originally put and looking at where it is we don't feel this is duplication.

CHAIRMAN KURK: Thank you. Will in the next budget this be placed separately in Glencliff?

MS. ROUNDS: Yes, it is.

CHAIRMAN KURK: Thank you. Other questions? There being none, is there a motion?

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

REGINA BIRDSELL, State Senator, Senate District #19:
Second.

CHAIRMAN KURK: Senator D'Allesandro moves, seconded by Senator Birdsell that the item be approved. Is there discussion or questions? There being none, are you ready for the question?

All those in favor, please indicate by saying aye? Opposed? The ayes have it and the item is approved. Thank you, folks.

***** {MOTION ADOPTED}**

CHAIRMAN KURK: We now turn to 18-170, requesting the Department of Transportation for authorization to establish various non-budgeted classes in various accounting units and transfer \$64,050 between various accounts and classes through June 30th, 2019.

****** REP. EATON: Move approval.

CHAIRMAN KURK: Moved by Representative Eaton. Seconded by?

SEN. D'ALLESANDRO: Second.

CHAIRMAN KURK: Senator D'Allesandro. Discussion? Questions? There being none, are you ready for the question?

All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

***** {MOTION ADOPTED}**

CHAIRMAN KURK: We now turn to Fiscal 18-173, a request from the Department of Health and Human Services for authorization to transfer \$1,298,592 in Federal and General Funds through June 30th, 2019.

Is there someone from the Department who can answer questions?

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CHRISTINE SANTANIELLO, Director Division of Long-Term Support and Services, Department of Health and Human Services: Good morning. Chris Santaniello, Department of Health and Human Services.

CHAIRMAN KURK: Good morning.

MS. ROUNDS: Kerrin Rounds, Chief Financial Officer.

CHAIRMAN KURK: And, again, good morning. Question on lapses. The Department did not make its 2018 lapse.

MS. ROUNDS: Hm-hum.

CHAIRMAN KURK: I understand this money is in an account that does not lapse until the end of 2019. If this transfer is approved, will the Department meet its 2019 lapse requirement?

MS. ROUND: We intend to.

CHAIRMAN KURK: And will you meet it by sufficient amounts so that you will also cover the amount that you did not meet in Fiscal 18?

MS. ROUNDS: I don't have an answer to that question today. It's something I can evaluate for you.

CHAIRMAN KURK: My concern is that this item is spending money when the Department has not met its full two-year budget lapse. I can't support this unless I have an assurance that you will, in fact, meet your two-year budget lapse. You're not in a position to give it at this time?

MS. ROUNDS: I can -- I am certain that I will find a way to meet our budget lapse for this year. I had not evaluated meeting the two year budget lapse.

CHAIRMAN KURK: Thank you. Other questions?

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LYNNE OBER, State Representative, Hillsborough County, District #37: Mr. Chairman.

CHAIRMAN KURK: Representative Ober.

REP. OBER: Kerrin, it's good to see you. Thanks for coming. How long have you been CFO?

MS. ROUNDS: About seven months.

REP. OBER: I ask because when you said you intended to meet the '19 lapse, does that mean that there was never any intent to meet the '18 lapse; but then I realized you haven't been there all the time. So that answer kind of worried me the way you carefully worded it. Can you speak to how you've been monitoring the lapse since you've been there, just so we have a feel for that?

MS. ROUNDS: Sure. So when I started about seven months ago back in February, March, I started a procedure which we are doing a mock close every quarter. So every quarter we are looking at our revenue and our expenditures to determine where we are. So I say I intend to right now because we haven't closed a quarter yet. And so I need to evaluate at the end of this quarter where we are and make determinations at that point how we move forward. But that's one of the things that I've instituted to try to track our expenditures and our revenues better.

In addition, when we prepared our budget for this year for the Governor's phase, we were also budgeting by revenue. So we're determining our revenues in each of our accounting units and making sure to budget that way which will make our mock closes in '20 and '21 even better.

REP. OBER: Thank you for that.

MS. ROUNDS: You're welcome.

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CHAIRMAN KURK: Further question? When you do your lapses, I thought -- sorry. When you calculate the amount of money that will lapse, I thought this had to be not revenue but a decrease in spending, with the exception, I believe, of certain drug rebate money which traditionally has been included in that.

MS. ROUNDS: Hm-hum.

CHAIRMAN KURK: Other revenue does not go to meet lapses. It's only a decrease in spending.

MS. ROUND: Yes, I understand that.

CHAIRMAN KURK: Thank you. Further discussion or questions? Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Mr. Chair. The Wait List has been a concern that has been manifested by this group and by the Legislature during the budget process. Will everyone on the Wait List be taken care of with this transfer?

MS. SANTANIELLO: This transfer will take 41 people at a minimum off the waiting list. That is everybody who was waiting at the time of this letter. We also will look at every vacancy we have to ensure that we do not have a wait list.

SEN. D'ALLESANDRO: Thank you. Thank you, Mr. Chairman. (Rep. Ober leaves the Committee Room and Rep. Byron is substituted in her place.)

CHAIRMAN KURK: Senator Daniels.

SEN. DANIELS: Thank you. I wonder if going back to the question that Representative Kurk had regarding the first year's lapses. Is that something the Commissioner could answer? Will that lapse be met?

JEFFREY MEYERS, Commissioner, Department of Health and Human Services: I want to make sure I understand your question. For the record, Jeff Meyers, Commissioner of Health and Human

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Services. So your question is are we going to make the two-year lapse this year?

SEN. DANIELS: Correct.

MR. MEYERS: It would be far too early to determine where we are financially. We are tracking everything as Kerrin said. I take the position that we met our lapse in '18. We produced in terms of program reduction over \$18 million of lapse in program reduction. In expenditure reduction it was over \$18 million. And there was, I forget the exact number off the top of my head, but some \$40 million of revenue that was lapsed. So we take the position that we met it. Number one.

Number two, what the lapse would be this year is going to depend on how, you know, how the programs unfold. We intend to make our lapse every year and we have taken steps with the Legislature's help in kind of writing the Medicaid budget which had -- which had not been properly funded in the prior biennium. So we think we're on track to manage to the lapse.

CHAIRMAN KURK: Thank you, Commissioner.

MR. MEYERS: Yep.

CHAIRMAN KURK: Further questions or discussion? Is there a motion?

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

MARY JANE WALLNER, State Representative, Merrimack County, District #20: Second.

CHAIRMAN KURK: Senator D'Allesandro moves, seconded by Representative Wallner that the item be approved. Discussion or questions? There being none, are you ready for the question? This will be by a show of hands.

If you're in favor of approving this item, please raise your hand. One, two, three, four, six, seven. If you're opposed,

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please raise your hand. Three. The motion carries seven to three.

*** {MOTION ADOPTED}

MS. SANTANIELLO: Thank you.

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

CHAIRMAN KURK: Thank you, folks. We turn now to Tab (5), Fiscal 18-155, a request from the Department --

(Rep. Ober returns to the Committee room.)

CHAIRMAN KURK: Again, without objection, we will take these items up individually because there are a number of questions -- I take that back. I wish to remove Fiscal 18-156 from this. Is there anyone who wishes to remove any other item from Tab (5) on the Consent Calendar?

REP. OBER: Oh, 171.

CHAIRMAN KURK: 171.

SEN. DANIELS: 165.

CHAIRMAN KURK: Then we will take these, without objection, we will go through these individually.

Fiscal 18-155, a request from the Department of Safety for authorization to accept and expend \$180,565 in Other Funds through September 30th, 2018. Is there a motion?

** JOHN REAGAN, State Senator, Senate District #17: Move the item.

SEN. BIRDSELL: Second.

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CHAIRMAN KURK: Senators Reagan, seconded by Senator Birdsell, moves the approval of the item. Discussion? Questions? There being none, are you ready for the question?

All those in favor, please indicate by saying aye? Opposed? The ayes have it, and the item is approved.

***** {MOTION ADOPTED}**

CHAIRMAN KURK: We turn now to Fiscal 18-156, a request from the Department of Safety for authorization to accept and expend \$109,570 in Other Funds through September 30th, 2018. Is there someone from the Department who can answer some questions?

STEVE LAVOIE, Director of Administration, Department of Safety: Good morning. Steve Lavoie, Director of Administration for the Department of Safety.

CHAIRMAN KURK: Good morning. Thank you for being here. Question. How many machines are we purchasing?

MR. LAVOIE: We're purchasing one machine. I'm sorry, Item 156?

CHAIRMAN KURK: Yes.

MR. LAVOIE: Okay. I apologize. We're purchasing 200 -- 200 devices.

CHAIRMAN KURK: Two hundred. Thank you. And to whom will these folks -- to whom will these devices be distributed?

MR. LAVOIE: So they're distributed to state and local law enforcement agencies who would be distributed through an application process.

CHAIRMAN KURK: How many will be going to the local agencies?

MR. LAVOIE: It's all dependent upon the application process. Those that are requesting them all the applications will be compiled and reviewed so we don't have a set amount for locals versus others.

CHAIRMAN KURK: I see. Thank you. Senator Daniels.

SEN. DANIELS: Thank you. If there are more than 200 requests, are there priorities given to local or state?

MR. LAVOIE: The priorities aren't necessarily given to local or state. The existing -- a review of their existing inventory would be conducted and determined where the greatest need would be based on activities throughout the state. So if the local agency already had significant amount and then a smaller local agency didn't have many of these items but had a need for them, they would likely have greater priority.

SEN. DANIELS: Thank you.

CHAIRMAN KURK: Further questions? Representative Ober.

REP. OBER: Good morning, Steve. Thank you for coming. Why is this budgeted incorrectly? And I ask that because this grant was originally in the Liquor Commission and Liquor Enforcement was going to do it. And during the budget season I worked with Division II Chairman UMBERGER, and we moved the grant out of Liquor which was in front of Division I into the agency and the goal was to get it budgeted correctly. So I was very surprised when this came back because we spent hours on this. How did it not get budgeted correctly so you didn't have to be here today?

MR. LAVOIE: So when -- when that process occurred late in the budget process, the amount that was moved from Liquor was originally budgeted within Class 30 only. And as you can see from this request, there are additional costs associated with that. So when that transfer happened into our accounting unit, those costs weren't split out between the different classes that we would need to actually utilize the funds.

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REP. OBER: So Safety -- what you're saying is Safety personnel that worked with Division II did not come forth with the appropriate budgeting amount and, therefore, got put in the wrong place and now you're trying to move it around.

MR. LAVOIE: Correct. We are trying to move it around.

REP. OBER: Because I know we were trying to get it exactly where you guys wanted it.

MR. LAVOIE: Correct.

REP. OBER: Thank you.

CHAIRMAN KURK: Further questions of Mr. Lavoie? Thank you, sir.

MR. LAVOIE: Thank you.

CHAIRMAN KURK: Is there a motion?

** REP. OBER: I'll move to approve

MS. BIRDSELL: Second.

CHAIRMAN KURK: Representative Ober moves, seconded by Senator Birdsell that the item be approved. Questions? Discussion? There being none, are you ready for the question?

All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item approved.

*** {MOTION ADOPTED}

CHAIRMAN KURK: We turn now to Fiscal 18-163, another request by the Department of Safety for authorization to accept and expend \$1,781,531 in Federal funds through the end of this Fiscal Year.

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** REP. OBER: Move to approve.

CHAIRMAN KURK: Representative Ober moves to approve. Is there a second?

SEN. D'ALLESANDRO: Second.

CHAIRMAN KURK: Seconded by Senator D'Allesandro. Discussion? Questions? There being none. All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

CHAIRMAN KURK: We turn now to Fiscal 18-164, another request from the Department of Safety for authorization to accept and expend \$135,000 in federal funds through June 30th, 2019.

** REP. OBER: Move to approve.

SEN. DANIELS: Second.

CHAIRMAN KURK: Representative Ober, seconded by Senator Daniels moves that the item be approved. Discussion? Questions? There being none, are you ready for the question?

All those in favor, please indicate by saying aye? Opposed? The ayes have it and the item is approved.

*** {MOTION ADOPTED}

CHAIRMAN KURK: We turn to Fiscal 18-165, a request from Department of Transportation for authorization to accept and expend \$106,250 in Other Funds through March 30th, 2019. Is there a motion?

** REP. EATON: Move.

SEN. D'ALLESANDRO: Move the item.

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CHAIRMAN KURK: Representative Eaton, seconded by Senator D'Allesandro moves the item be approved. Questions? Senator Daniels.

SEN. DANIELS: Thank you. Someone from the Department.

MARIE MULLEN, Director of Finance, Department of Transportation: Good morning.

CHAIRMAN KURK: Good morning.

MS. MULLEN: Marie Mullen, Director of Finance from New Hampshire DOT.

CHAIRMAN KURK: Thank you for being here. Senator Daniels has a question.

SEN. DANIELS: Thank you. We had questioned through the LBA engine replacement. We got the response that you couldn't do that because of technology. There was a second question, you know, is the equipment required to be destroyed and by whom, the Feds, et cetera, and will the State receive any auction proceeds for the remainder? The response was that the equipment is required to be destroyed by the State's New Hampshire Clean Diesel Program. It will be destroyed by DOT and then sent to the White Farm to be sold. Can you explain that statement a little bit? I mean, what -- how are we destroying it and are we just selling junk or --

MS. MULLEN: In the requirements of the grant we're required to drill a hole through the engine and then cut the chassis in half so that it -- it can't be used again to, obviously, reduce the emissions. That's the whole point of it. We then will turn it over to White Farm to be sold as scrap. So it will be determined there the value. If it's just scrap metal or if people want it for parts or that type of thing, it will be sold through White Farm. We've had the experience already with some on the federal DERA that we had accepted and expended a few months ago and we decided to go -- to outsource the drilling of

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the holes and the cutting so folks came and took the tractors away and cut them. And we went through the White Farm for that process and we received some additional funds for the scrap metal and parts that the folks wanted and then they did the drilling and the cutting of the equipment for us.

SEN. DANIELS: Thank you.

CHAIRMAN KURK: Further questions? There being none, are you ready for the question? The motion is to approve the item.

If you're in favor, please now indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

MS. MULLEN: Thank you.

CHAIRMAN KURK: Thank you, ma'am. We turn now to Fiscal 18-171, a request from the Office of Strategic Initiatives for authorization to accept and expend --

REP. OBER: I have a question.

CHAIRMAN KURK: -- \$275,456 in Federal funds through the end of the biennium. Representative Ober has a question. Is there someone from the Department who can answer or the office, excuse me. Good morning, gentlemen.

JARED CHICOINE, Agency Director, Office of Strategic Initiatives: Good morning. Jared Chicoine, Office of Strategic Initiatives.

JOSEPH DOIRON, Deputy Director, Office of Strategic Initiatives: Good morning. Joe Doiron, Office of Strategic Initiatives.

REP. OBER: Thank you for coming this morning. I'm looking on Page 1 of your submission, the bottom line, Class 102. You're going to put another \$265,000 into contracts for program

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services, and we wondered how you were going to be spending that money. If you could give us some detail.

MR. DOIRON: Thank you very much for the question. We have drafted several MOAs that have been approved by the -- by DAS. There's some folks here that can speak to that, too, more specifically. We have a list of items that we have proposed, but we are largely still in the formation of creating those MOAs and agreements with different State Agencies to contract with. I can discuss a few that we have solidified if that would be helpful.

REP. OBER: That would be very helpful. Thank you.

MR. DOIRON: So with the Department of Administrative Services would be State buildings. We're looking at \$50,000 for building improvements and building -- for building improvements, an increase in building controls in State buildings to increase energy efficiency to reduce the cost to taxpayer. We're looking at \$1,500 to support the annual State Energy Conference. That's an annual conference held every year. \$15,000 to the State building -- State Energy Manager for utility tracking and benchmarking to see how we can reduce our energy consumption. \$35,000 to support a position for energy education and outreach. That's a part-time position that was approved previously, and that person would work under the supervision of the State Energy Manager.

REP. OBER: Could you stop there?

MR. DOIRON: Yes, I'm sorry.

REP. OBER: Mr. Chairman, wouldn't it be money that should be budgeted in Class 50, not Class 102 as a part-time personnel?

CHAIRMAN KURK: We can ask Mr. Kane to comment on that. But, in any event, I'd like to make a comment at this point that all of this information would have been much better placed in your submission rather than responding to a question. Mr. Kane.

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Yes. So for Department of Administrative Services you were talking about?

MR. DOIRON: Yes.

MR. KANE: When they -- if Admin Services receives this grant they would budget it under Class 50. The person would be housed under Admin Services, I believe, so.

REP. OBER: They would come to us with their grant receipt to be approved?

MR. KANE: They are actually later on in the agenda on 178, Admin Services is here. They're going to come to ask you to actually accept these funds if it's approved.

REP. OBER: Thank you, Mike.

CHAIRMAN KURK: Please continue.

MR. DOIRON: 45,000 to energy efficiency projects within State buildings and that concludes with the State Energy Manager.

We also worked on a MOA with the State Fleet Manager looking at fossil fuel energy reductions. 40,000 for Telematics software. That's software that can be installed in State vehicles to reduce consumption of fossil fuels. It's been shown to reduce dramatically fossil -- gasoline used in State vehicles. There're also some safety -- increased safety implications as well for that.

30,000 for -- I'm sorry -- 40,000 for education outreach individual -- forgive me, and 30,000 for the Telematics program that I mentioned. The 40,000 for the education and outreach individual would be a part-time person who would help the State Energy -- State Fleet Manager implement the Telematics Program but also look for other efficiencies within State Government to reduce gasoline consumption.

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CHAIRMAN KURK: Thank you.

** REP. OBER: Thank you for answering it and let me, if I might, Chairman Kurk. I would echo what Chairman Kurk said. It would be helpful coming in our submission. We really do read this paperwork and we are trying to make good business decisions for the State. Saying that, I would approve the item or move to approve the item.

CHAIRMAN KURK: Is there a second?

SEN. BIRDSELL: Second.

CHAIRMAN KURK: Second by Senator Birdsell, moved by Representative Ober. Thank you, gentlemen.

SEN. DANIELS: I have a question.

CHAIRMAN KURK: Wait, Senator Daniels has a question.

SEN. DANIELS: Thank you. One of the things that I really didn't get even off the information that I had requested is the projects that you're planning on doing. I have no idea if these things are two or three years old and you're upgrading something, if they're 50 years old and is something you're replacing, and I think there's a difference. That and how long is payback period going to be on them? I mean, I've looked on the list of, I don't know, maybe 50 different energy projects going on right now. Some of them go out 15 years and I'm not even sure that those -- the lifetime of that product would last 15 years. So I'm looking for justification that, you know, we are going to have some kind of savings. And out of the projects that are being proposed, what kind of a savings can we expect over what period of time?

MR. DOIRON: Senator, could I invite up Karen Rantamaki from DAS to answer your question more comprehensively.

CHAIRMAN KURK: Yes.

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KAREN RANTAMAKI, State Energy Manger, Department of Administrative Services: Hi, I'm Karen Rantamaki with the Department of Administrative Services.

CHAIRMAN KURK: Senator Daniels has a question.

SEN. DANIELS: Of the projects that have been proposed, what is the payback period on those and what kind of savings can we expect to see?

MS. RANTAMAKI: Hum -- so the projects kind of come in on a rolling basis. Agencies are typically always in need of energy funds to do ongoing projects. The information that was provided to you are projects that were completed over the past three years, and it was intended to be a sample of things that we would typically do. However, we often run into situations where something might be operating fine today, and tomorrow we might need some money to perhaps replace a boiler. And with this being energy efficiency money, we would then use the funding to purchase the most efficient system that we could and, therefore, save the agency further funds.

SEN. DANIELS: Follow-up.

CHAIRMAN KURK: Follow-up.

SEN. DANIELS: Is anything being proposed for a project that may have been completed, say, over the last six years and you're planning to upgrade that?

MS. RANTAMAKI: Typically, no. We are undergoing an analysis of the State lighting systems right now. Those were replaced largely ten years ago with fluorescent lighting and we're now looking at LED lighting. However, the payback on the fluorescents were, you know, five to seven years so they obviously been paid for. And then going forward there's been further improvements in technology so we are looking at, again, a newer technology that could save the State more money.

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SEN. DANIELS: Thank you.

CHAIRMAN KURK: Thank you. Further questions? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {**MOTION ADOPTED**}

CHAIRMAN KURK: Thank you all. We turn now to Fiscal 18-174, a request from the Department of Education for authorization to accept and expend \$618,375 in Federal funds through the end of this Calendar Year. Is there a motion?

** SEN. REAGAN: Move to approve.

CHAIRMAN KURK: Moved by Senator Reagan, seconded by Representative Wallner. Discussion? Questions? There being none, you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {**MOTION ADOPTED**}

(6) **RSA 124:15 Positions Authorized:**

CHAIRMAN KURK: We turn now to Fiscal 18-177, a request from the Department of Safety for authorization to establish a Class 46 Consultant positions -- excuse me -- to establish Class 46 Consultant positions through December 31st, 2018. Is there a motion?

** REP. OBER: Move to approve.

CHAIRMAN KURK: Moved by Representative Ober. Seconded by?

SEN. D'ALLESANDRO: Second.

CHAIRMAN KURK: Senator D'Allesandro. Questions? Discussions? There being none, are you ready for the question?

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All those in favor, please indicate by saying aye? Opposed?
The ayes have it. The item is approved.

*** {MOTION ADOPTED}

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

CHAIRMAN KURK: Turn now to Tab (7). Again, without objection, we'll take these up individually.

Fiscal 18-175, a request from the Department of Health and Human Services for authorization through June 30th, 2019, to accept and expend \$1,476,008 in Federal funds, and subject to approval of that request, authorization to establish one full-time temporary Administrator II Labor Grade 29 position.

KENNETH WEYLER, State Representative, Rockingham County, District #13: Did you read the replacement item?

CHAIRMAN KURK: I don't have that.

SEN. DANIELS: Here.

CHAIRMAN KURK: This item has been replaced by a request for \$1,508,931 for the same period and purposes. Is there a motion on the replacement item?

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

SEN. REAGAN: Second.

CHAIRMAN KURK: Is there a second? Seconded by Senator Reagan. Moved by Senator D'Allesandro, seconded by Senator Reagan. Representative Byron is recognized for a question. Thank you. Is there someone from the Department who might be able to answer these questions.

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FRANK BYRON, State Representative, Hillsborough County, District #20: These items that you're requesting for approval are approved -- you're requesting an approval out through 2024 or 2023?

MS. ROUNDS: Yeah. We would just be requesting that it be added to the Fiscal Year 19 budget and for '20 and '21 we would budget for it as part of the budget process.

REP. BYRON: So these items that you have in front of us then will only go to June 30th of 2019 then?

MS. ROUNDS: Correct.

REP. EATON: Can't go farther.

CHAIRMAN KURK: Let me make clear our understanding. If you look at Page 1 of the request -- make sure I have the replacement item in front of me. Got it. It says specifically in both paragraphs numbered 1 and 2 that you're requesting approval through June 30th, 2019. Your supplemental information, which starts on Page 3, describes the entire program and indicates that the duration of the positions will be through the September 29, 2023. This Committee can only approve items with a termination date at the end of the current biennium which is June 30th, 2019. That's consistent with your request. So we want to make it clear and put it on the record that that is the only thing that's being approved.

We understand that this is an ongoing program and that you will put these items in the budget for 2021, with whatever appropriation termination dates you wish; but the approval being sought today is only for the period ending in this biennium; is that correct?

MS. ROUNDS: Yes, and that's why we made sure to use temporary positions with grants like this so that if the grant is either cancelled or the Legislature does not approve to include it in our budget, then those positions do not continue to exist.

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CHAIRMAN KURK: Okay. I have a question. Let's see. This is -- further questions or discussion? None? This is a new program, am I correct?

KATJA FOX, Director of Public Health, Department of Health and Human Services: Good morning. For the record, I'm Katja Fox from the Department of Health and Human Services. Yes, it is a new program. I will say it's not a program that's new to the Committee. There have been programs in the past that have had similar components; but for our purposes and discussion today it is implementing a new program.

CHAIRMAN KURK: I'm on Page 2 of 4, the second full paragraph. As far as I can tell, the only thing you're going to be spending roughly a million five hundred thousand dollars on is to address obesity and smoking in a particular population, folks with severe emotional disturbance and serious mental illness; is that the case?

MS. FOX: So when you say only spending the money for that, I mean, the program is a comprehensive approach to the physical needs of individuals who meet this population and the criteria for severe emotional disturbance as well as severe mental illness. So while the focus of the grant is for -- focused on smoking and obesity, obviously, through the screening and interventions that are going to be happen there are going to be other health conditions that will be addressed as well. I don't --

CHAIRMAN KURK: Do you have -- does this program have a series of objectives with measurements, standards, criteria, so that we know what we're getting for our million and a half federal tax dollars?

MS. FOX: Yes, I can provide those separately. I did not bring them. But, obviously, there will be, and I knew you would ask this question about metrics and outcomes, that again the programs in the past you may be familiar with the In Shape Program and the Federal grant that we had through CMS several

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years ago that looked at this population. And there has been research that's been conducted that shows the smoking cessation increases as well as the reduction in obesity and improved stability as far as the mental health side goes. So yes, those outcomes -- and that's a strong component of this grant. And it also is somewhat rare in that we have five years to be able to evaluate and track that over time with this population.

CHAIRMAN KURK: And will you be reporting back to the Legislature whether or not you met your metrics and whether we did as well as, let's say, the evidence-based testing on which this was based did or whether we did not?

MS. FOX: Yes, we will be reporting out on -- that's the, you know, that's the whole point of the program is to test and to continue to focus on this population and see what works and what doesn't.

CHAIRMAN KURK: Thank you. Further questions? There being none, are you ready for the question? All those in favor, please indicate by saying -- you do have a motion? All those in favor, please indicate by saying aye? Opposed? The ayes have it, and the item is approved.

MS. FOX: Thank you.

MS. ROUNDS: Thank you.

CHAIRMAN KURK: Thank you, folks.

***** {MOTION ADOPTED}**

CHAIRMAN KURK: We now turn to Fiscal 176 -- 18-176, a request from the Department of Health and Human Services for authorization through June 30th, '19 to accept and expend \$19,296,637 in Federal funds, and subject to approval of that request authorization to establish six full-time temporary positions consisting of an Internal Auditor II, a Business Administrator II, two Program Specialist IV, a Business Analyst

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II and an Executive Project Manager. Representative Byron is recognized for a question, I believe.

REP. BYRON: Thank you, Mr. Chairman. I'm not sure who could best answer this, but my question is one of the positions that you have identified here, the full-time temporary executive project management position, is going to be doing, according to the description, the coordination amongst very high-level organizations and things like that as far as the response goes for the opioid crisis. My question is how does this relate to the "drug czar" position that the State has funded and why shouldn't the "drug czar" do this rather than us having hire a position?

JEFFREY MEYERS, Commissioner, Department of Health and Human Services: For the record, Jeff Meyers, Commissioner of Health and Human Services. With me is Abby Shockley who is the senior STD policy person in the Department, and who actually along with Katja Fox, who you just heard from, to get the application to the Federal Government for this SOR grant. I want to say, and I'll get to your question in 30 seconds, if I may, Federal Government made the final award to the State of New Hampshire of roughly \$22.9 million a year for two-years. About 48 hours ago we got formal notice of that grant. And so the item before you would accept and expend that portion of the 22.9 for the current Fiscal Year with respect to all the programs and services that were identified in our application and are going to be funded through this program.

The Federal Government, to answer your question, Representative Byron, the Federal Government requires specifically the two positions out of these six be established. It's an absolute requirement. And one is the Executive Project Manager which is the Labor Grade 35. And so the Federal Government is requiring that there be a statewide opioid director, if you will, that is going to focus on how this program is implemented and how it may relate to other programs in the state. And so the responsibilities, scope of work of the Governor's policy director in the Governor's Office is different

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from the focus of this position that the Government wanted stood up.

The second position among this list that's required by the Federal Government is the Project Director, and I think that that's identified here, if I got it right, Project Coordinator, excuse me, is a full-time temporary Program Specialist for Labor Grade 25. Those two positions are required of the grant.

The other four, I -- I'm asking to establish because this is a 45 to 46 million dollar 2-year program. I want to -- I want to track this program to the penny. In order to do so, you know, I need financial people, including an auditor and dedicated finance person who would oversee this program. There's a number of contracts that are being done, some competitive -- many competitive RFPs, as well as a few sole-source contracts, and those sole-source contracts are being done because the Federal Government has required this money now be spent within 90 days -- starting to be spent, I should clarify, within 90 days of the award which was 48 hours ago, Wednesday this week. So we have to move very quickly.

In order to be able to really oversee this program properly, we need the positions that have been outlined here. But, again, the direct answer to your question is the Governor's "drug czar", if you will, his policy person Dave Mara, really has a different set of responsibilities than this particular position would entail.

REP. BYRON: There's no opportunity though, Commissioner, to be able to change the function of the "drug czar" to the extent you'd be able?

MR. MEYERS: You have to ask the Governor.

REP. BYRON: Understood, but that's part of the Executive Branch.

MR. MEYERS: Yeah, no, I understand. I mean, I'm going to talk to the Governor about this, obviously; but he agreed with

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me that there should be a position established in the Department that would oversee this program.

REP. BYRON: Thank you.

CHAIRMAN KURK: Just let me make it clear to everyone and get your concurrence.

MR. MEYERS: Sure.

CHAIRMAN KURK: The request is only for this biennium.

MR. MEYERS: Yes, sir.

CHAIRMAN KURK: As you say on Page 1, again, same as with the prior item.

MR. MEYERS: Understood, understood. Absolutely.

CHAIRMAN KURK: We have information about the future, but we are only being asked to approve --

MR. MEYERS: And we are putting it in the budget.

CHAIRMAN KURK: I'm sure. Further question? Senator Daniels.

SEN. DANIELS: Thank you. Looking through the list, I could not find someone with a title of Program Coordinator. Could you identify which of these positions would be doing that?

MR. MEYERS: Sure. If you look on page -- yeah, the description of it. If you look on Page 3 of 5 of the request.

SEN. DANIELS: Hm-hum.

MR. MEYERS: Under paragraph 2, one, two, the third entry, full-time temporary Program Specialist IV. This will serve as the Project Coordinator. That's the position that I referred to, Senator.

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CHAIRMAN KURK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman. Commissioner, what's the future of the Safe Station Program that's currently been widely accepted as a really wonderful program and it's done its job and so forth and so on? Is there going to be an interface or an interaction or is it going to be elimination?

MR. MEYERS: No, I don't -- well, I don't believe it's going to be eliminated. I think -- and I know the Governor spoken to this publicly. So part -- a large portion of these funds, \$8.8 million each year, is going to fund what the Governor and I have referred to as a hub and spoke model for the delivery of services. Right now, Senator, as you know, there are people from Littleton and Berlin and the Lakes Region and the western part of the state that all come to Nashua or Manchester through Safe Stations. Safe Stations has been the front door, if you will, especially in Manchester but also to a great extent in Nashua for everybody in the state. And the idea is to build this hub and spoke model with hospitals and other providers so that people in Littleton and Berlin have a place to go locally and they don't all have to come to Manchester.

And I think the Governor's remarks have not been fully understood, but I think the point he's made, and I agree with him, is that if this hub and spoke model works then there will be less pressure, if you will, on the Safe Station's Program in Manchester and in Nashua. That's not to say that it's going to go away and be eliminated. I have no plans to eliminate the Safe Station Program whatsoever. You know, I think as in the case of many of these programs, the local community has certainly a role to play in how that Safe Station Program evolves over time. But for the near term, I don't see it going away. In fact, I see these funds helping to support that program.

SEN. D'ALLESANDRO: Thank you.

CHAIRMAN KURK: Follow-up.

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SEN. D'ALLESANDRO: No, thank you.

CHAIRMAN KURK: Representative Byron.

REP. BYRON: Thank you again, Mr. Chairman. Commissioner, one of the questions I have about this program in general is that this seems focused on treatment.

MR. MEYERS: Yes.

REP. OBER: Can you describe any efforts in any of the funds how they're going to be used for prevention?

MR. MEYERS: There are some and I'll let Abby detail that a little bit.

ABBY SHOCKLEY, Department of Health and Human Services: Sure. Thank you. Again, Abby Shockley, Substance Use Policy for the Department. Part of the reason you see a lot of treatment language in here is because the requirements in the grant were very treatment focused primarily around expanding evidence-based treatment across the state. We did put in prevention and recovery services. The prevention project is one of the projects that's going to be procured, and it's going to be focused on prevention programming to address adverse childhood experiences in really high-risk communities where children are exposed to trauma and need to be -- have that addressed early on through early intervention services. Again, to hopefully reduce the progression of potential risky behaviors in the future.

REP. BYRON: Do you know what percentage of funds are used for prevention versus treatment?

MS. SHOCKLEY: I don't know off the top of my head, but we could easily identify the portion that we have set aside for that amount.

MR. MEYERS: But, clearly, I want to be clear, the lion share of this money is going to fund treatment services and infrastructure in accordance with the federal requirement that

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was under the grant. These funds were -- use of these funds are significantly restricted by the terms of the grant.

CHAIRMAN KURK: Let me continue with a couple --

MR. MEYERS: May I add one more thought to that? I apologize. I didn't mean to interrupt you, Mr. Chairman. To the extent these funds are now coming in and funding treatment, I think that will allow the Governor's Commission, for example, to take a look at the funding that it has not already allocated for Fiscal 19. Those funds are more flexible. And although these funds don't specifically supplant any other spending in the state, I think one effect can be that because these funds are being used significantly for Medicaid-assisted treatment that the Governor's Commission can then look at supporting prevention programs and recovery programs in a different light.

CHAIRMAN KURK: Let me share a concern I have about this grant. It's not that it's dedicated largely, almost entirely to treatment and to some extent recovery; but that if this state over the years simply takes care of people who are addicted and does nothing to prevent that pipeline from decreasing, then we're creating an industry here and a situation that isn't good for the state. So I would hope that much more of our focus, and we can't do it alone as a state, but much more of our focus be on prevention.

As you know, in 1964, we had the Surgeon General's report. Took us 50, 60 years but we did a 180 on smoking in this country. And the same thing can be done, must be done on addiction. But if we don't start with prevention --

MR. MEYERS: I agree with you completely. I do. I share that goal, and I know the Governor does as well. That there's a real need to undertake as much prevention as we can and to dedicate more resources to that.

With this particular grant, we were offered an opportunity to provide treatment; and I think given the crisis that exists in the state that those dollars will be well spent. We are,

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obviously, trying to fund as much prevention as part of this as we can.

CHAIRMAN KURK: Thank you, Commissioner.

REP. WEYLER: Senator Birdsell.

CHAIRMAN KURK: Senator Birdsell.

SEN. BIRDSELL: Just one question. On the position are you planning on going internally or externally for these positions?

MR. MEYERS: A couple will be external.

MS. SHOCKLEY: They were posted internally and externally at the same time.

CHAIRMAN KURK: Further questions? Thank you both.

MR. MEYERS: Thank you.

CHAIRMAN KURK: May I have a motion?

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

SEN. BIRDSELL: Second.

CHAIRMAN KURK: Senator D'Allesandro moves, second by Senator Birdsell that the item be approved. Further discussion or questions? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it, and the item is approved.

*** {MOTION ADOPTED}

CHAIRMAN KURK: We turn now to 18 -- Fiscal 18-178, a request from the Department of Administrative Services for authorization through June 30th, 2019, to accept and expend \$146,500 in Other Funds and extend one temporary part-time Program Specialist position. Is there a motion?

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

CHAIRMAN KURK: Senator D'Allesandro moves the item.

(Representative Eaton nods his head.)

CHAIRMAN KURK: Seconded by Representative Eaton.

REP. WEYLER: Question.

CHAIRMAN KURK: Representative Weyler's recognized for a question. Is there someone from the Department who might answer the question? Good morning, folks.

CHARLES ARLINGHAUS, Commissioner, Department of Administrative Services: Hi, I'm Charlie Arlinghaus. I work at Administrative Services and I think you met Karen already.

CHAIRMAN KURK: Representative Weyler has a question.

REP. WEYLER: Thank you, Mr. Chairman. Commissioner, this is an ongoing program. What have we saved so far as a result of having these people analyze the consumption?

MR. ARLINGHAUS: Do we have a number? I don't think we have a --

MS. RANTAMAKI: This is the first year that we've actually had money to fund projects as opposed to staff. In the past, we had two years' worth of grant funding to fund a part-time data analyst which allowed us to get our energy data in order, something that we were struggling to do in our free time. The office previous to that was an office staff was two individuals. So after two years of grant funding that position is still a part-time position, but it's in our budget. We're now able to continue -- hopefully continue the part-time and education outreach position, which again is hard to quantify the savings associated with that. But it is a necessary function in the sense that there are a lot of State Agencies that aren't fully

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aware of the work that we do or how they can participate in that. And in order to bring them in and help them participate in our programs, it would be beneficial for us to have that position approved.

MR. ARLINGHAUS: I'll add that there's some things that happened that aren't quantifiable and some things that are, right? When you do outreach to an agency about, you know, little things, like it turns out every time I leave my office and I come back somebody's turned the light off. And, eventually, I'll do that I myself when it dawns on me what's going on. I think in another week or two. But, you know, the notion about turning lights off more often and I'm very good about not running my air-conditioner on the potential peak days of the year so, which people complain about when they walk into a sweltering office. But just those notions about and education about how much it cost to flip the air-conditioner on, how much it costs. We are never going to be able to quantify that. I mean, how much are we saving because people figured that out? You know, you can't -- you know, you can look at it and you can say it looks like people are doing a little bit more than that.

The other thing sort of big projects that we can identify and, you know, the problem you're having. You can identify those savings more directly.

REP. WEYLER: I thought with ongoing education we might have seen something in a year, especially this program goes back two years. We started educating people they might have been turning lights off more. They might have been turning air-conditioners off. Might see a little reduction in energy.

MR. ARLINGHAUS: We can look at total -- sort of total energy usage statewide and we can, you know, we can sort of collect those numbers for you and tell you. I just don't want to mislead you into thinking that, you know, anything good that happens we're going to take credit for, right, because it's almost certainly everything Karen does.

REP. WEYLER: Pay all the electric bills.

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MR. ARLINGHAUS: Some of it might be, you know, sometimes your electric bill goes down because something happens statewide, you know, and the weather plays a big role in this, too, right? We're -- right we're in the middle of -- in the middle of a budget process, right? Every agency in State Government has been crashing for the last three weeks to try to get their numbers done by Monday. And one of those numbers that they're budgeting is electricity, and we're telling them essentially in those cases what to budget for electricity.

If we're honest, it's a bit of a crap shoot that, you know, you're -- you have to guess. What kind of year is next year going to be? Is this going to be an average winter? This going to be a warm winter, this going to be a cold winter? And so, you know becomes a process. And you're like, look how much money we saved in 2016. Well, wait, what kind of winter was that?

REP. WEYLER: I was just hopeful that with a program that's been going on for two years we'd have some measurable results by now. But thank you. We'll look forward to the future. Thank you very much. Thank you, Mr. Chair.

CHAIRMAN KURK: Further questions? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it, and the item is approved.

***** {MOTION ADOPTED}**

CHAIRMAN KURK: We now turn to Fiscal 18 -- thank you, folks. We now turn to Fiscal 18-185, a request from the Department of Safety for authorization through June 30th, 2019, to amend Fiscal 17-181 by transferring \$8,723 in Other Funds and accept and expend \$247,665 in Other Funds, and contingent upon the approval of request number two, authorization to continue two existing full-time temporary Department of Safety Hearing Examiner Prosecutor positions and one existing full-time temporary Hearings Paralegal position.

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** REP. OBER: Move to approve.

CHAIRMAN KURK: Moved by Representative Ober, seconded by?

SEN. BIRDSELL: Second.

CHAIRMAN KURK: Senator Birdsell.

REP. WEYLER: Question.

CHAIRMAN KURK: That the item be approved. There's a question from Representative Weyler. Is there someone from the Department who might answer it? Thank you, Mr. Lavoie.

MR. LAVOIE: Good morning again. Steve Lavoie, Director of Administration.

CHAIRMAN KURK: Representative Weyler has a question.

REP. WEYLER: Thank you, Mr. Chairman. Thank you, Mr. Lavoie. Again, program's been ongoing. Has the conviction rate improved? Have we got metrics on this one?

MR. LAVOIE: I don't have specific metrics on conviction rates. This particular program for us, the key benefit that we have from funding these additional prosecutors is that it allows our State Troopers to spend more time patrolling the highways than prosecuting their own cases. When we have cases, we have had over a thousand DWI cases in Calendar Year 2017. Those that are prosecutors can't prosecute fall to the Troopers who are involved in that case. So that's really the relief that these positions provide is ensuring that the Troopers can spend more time on the roads performing their primary public safety mission.

REP. WEYLER: Then a follow-up.

CHAIRMAN KURK: Follow-up.

REP. WEYLER: If they spend more time on the road, are there more arrests for DUI? If we're replacing them in the courtroom, then we put them out on the road, then must be more Troopers on the road and more eyes to see if there's operators driving under the influence.

MR. LAVOIE: Sure. I don't have specific figures related to the number of arrests related to DWI. I do have, as I stated before, there's been over a thousand in 2017 DWI arrests. I do have FY18 Calendar Year January to June has been 680. So assuming that we extrapolate that for the rest of the year we are seeing an increase year over year from '17 to '18.

REP. WEYLER: Thank you for the figures.

CHAIRMAN KURK: Let's hope that's because of enforcement as opposed to abuse.

MR. LAVOIE: I would assume it's related to enforcement. I wouldn't assume anything else.

CHAIRMAN KURK: Thank you. Senator Birdsell.

SEN. BIRDSELL: Thank you. When you say by not bringing in the prosecutors that the State Police are prosecuting, how does that work?

MR. LAVOIE: It's -- the State Police are required to -- somebody is required to prosecute the case when it comes -- when it comes to court. And if our current staff of prosecutors are unavailable because they're working existing cases and there's conflicts, the Troopers themselves are the ones who are responsible. These prosecutors, part of their responsibility, aside from trying cases, is to actually train our Troopers in how to prosecute a DWI case successfully. Obviously, the Troopers are not lawyers. And so a stronger -- a stronger prosecution would be with an actual lawyer as opposed to a Trooper and that's what's preferable. But this is the process that we currently have in place.

SEN. BIRDSELL: Thank you.

CHAIRMAN KURK: Further questions? Discussion? Thank you, Mr. Lavoie.

MR. LAVOIE: Thank you.

CHAIRMAN KURK: Are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it and the item is approved.

*** {MOTION ADOPTED}

(8) RSA 106-H:9,I,(e) Funding; Fund Established:

CHAIRMAN KURK: We turn now to Fiscal 18-162, another request from the Department of Safety for authorization to budget and expend \$246,580 in Other Funds from the Prior Year Carry Forward Balance of the Enhanced nine -- E-911 System Fund through June 30th, 2019.

** REP. OBER: Move to approve.

CHAIRMAN KURK: Representative moves to approve, seconded by Senator Birdsell. Questions? Discussion? There being none, are you ready for the question?

All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

(9) RSA 198:15-y, III, Public School Infrastructure Fund:

CHAIRMAN KURK: We turn now to Fiscal 18-166, a request from the Office of the Governor for approval to authorize General Fund expenditures from the Public School Infrastructure Fund in the amount of \$175,794 through the end of the biennium.

REP. OBER: I have a question.

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CHAIRMAN KURK: Representative Ober has a question. Is there somebody from the Governor's Office who might answer the question? Commissioner, good morning.

FRANK EDELBLUT, Commissioner, Department of Education: Not from the Governor's Office, but I can try to answer the question. Frank Edelblut, Commissioner of Education.

CHAIRMAN KURK: Thank you, sir. Representative Ober.

REP. OBER: Thank you. Frank, I appreciate you coming forward. I think we need somebody from Homeland Security because --

MR. EDELBLUT: Good timing.

REP. OBER: Perfect timing.

PERRY PLUMMER, Director, Division of Homeland Security and Emergency Management, Department of Safety: You moved faster than I thought you would. I'm sorry.

CHAIRMAN KURK: Good morning, Mr. Plummer.

REP. OBER: I understand that this \$125,000 is a carve-out that we're going to potentially use for a \$500,000 grant giving us the total of 625,000. What isn't clear to me, and I thought I would ask, is if we get that grant, would the entire \$625,000 go into the Infrastructure Fund? Because we weren't clear that the Infrastructure Fund could receive grants. So I wasn't sure how that was going to work and I thought I would ask.

MR. PLUMMER: Great question. It would not. That 625 would be awarded from our agency to the same applicants under the same application process, but it would not flow through the Infrastructure Fund. If we're not awarded that grant, the 125 would go back into the Infrastructure Fund to be awarded the same way it's been awarded now.

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** REP. OBER: Thank you. I would move to approve that.

REP. WEYLER: Second.

CHAIRMAN KURK: Representative Ober moves, seconded by Representative Weyler that the item be approved. Further discussion or questions? There being none, are you ready for the question?

All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved. Thank you, gentlemen.

*** {MOTION ADOPTED}

(10) RSA 215-A:23, VI, (a), Registration Fees:

CHAIRMAN KURK: We turn now to Fiscal 18-179, a request from the Department of Natural and Cultural Resources for authorization to budget and expend 800,000 in other funds through June 30th, 2019.

REP. OBER: Mr. Chairman, is the Commissioner here?

CHAIRMAN KURK: Is there someone from the Department of Natural and Cultural Resources who might answer a question? We have two volunteers. Thank you. Would you identify yourselves for the record, please.

CHRISTOPHER MARINO, Department of Natural and Cultural Resources: My name is Chris Marino. I'm head of business operations.

CHRSTOPHER GAMACHE, Trail Bureau, Department of Natural and Cultural Resources: Chris Gamache, Chief of the Trails Bureau.

CHAIRMAN KURK: Thank you. Representative Ober has a question.

REP. OBER: Thank you for coming forward. I have to be honest with you. I don't have a real question. You have several items here and all of them are lacking in detail. So as a result on Sunday I had sent a lot of questions to Mr. Kane, who then came back to you guys to get additional input that we have. I would like to ask that in future submissions we just get complete submissions in our packet so that we -- when we are sitting at home and working on a weekend, we have all that information.

MR. GAMACHE: Sure.

REP. OBER: Because these were really sketchy and couldn't figure out where the money was going. You can hear we are just trying to make good business decisions.

MR. GAMACHE: Yes, absolutely.

** REP. OBER: And having said that, I would move to approve this.

SEN. BIRDSELL: Second.

CHAIRMAN KURK: Representative Ober moves the item be approved, seconded by Senator Birdsell. Further discussion? Further questions? There being none, are you ready for the question?

All those in favor, please indicate by saying aye? Opposed? The ayes have it, and the item is approved. Thank you, gentlemen, but I wouldn't go too far.

*** {MOTION ADOPTED}

(11) RSA 215-C:39, X, Registration Fees:

CHAIRMAN KURK: We now turn to Fiscal 18-182, another request from the Department of Natural and Cultural Resources for authorization to budget and expend \$900,000 in Other Funds through June 30th, 2019.

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REP. OBER: And I do have a question.

CHAIRMAN KURK: Representative Ober is recognized for a question.

REP. OBER: On Page 1 you're talking about Class 75. You're requesting to add \$850,000 to that class, but there are really no details of what was going to be done. I believe from the information we got, and I just want to verify that I read what you submitted correctly, that these were grants that went out to various snowmobile clubs to support their repair and whatever activity. Did I read your submission correctly?

MR. GAMACHE: Yes, Representative Ober. This is that Class 75 is a grant program dedicated to snowmobile clubs in the state for trail maintenance, trail grooming, and repairs.

REP. OBER: And I have a follow-up question.

CHAIRMAN KURK: Follow-up.

REP. OBER: And do I understand that if a grant is given, for example, to buy equipment that that equipment must be made in America?

MR. GAMACHE: Representative Ober, not in this program. So these are State funds in what is called our Grant Aid Program. We do run a federal grant program called the Recreational Trail Program which is funded by the Federal Highway Administration, and in that all equipment must be produced, manufactured, assembled, and all steel and iron components must be made in the United States.

REP. OBER: Thanks for the clarification.

CHAIRMAN KURK: In the future then when you submit these we'll get a list of the clubs by club the amount of money and what it's being used for?

MR. GAMACHE: Correct, yep.

CHAIRMAN KURK: Thank you.

** REP. OBER: Move to approve.

SEN. BIRDSELL: Second.

CHAIRMAN KURK: Representative Ober moves, seconded by Senator Birdsell that the item be approved. Further questions or discussion? There being none, are you ready for the question?

All those in favor, please indicate by saying aye? Opposed? The ayes have it, and the item is approved.

*** {**MOTION ADOPTED**}

CHAIRMAN KURK: We turn now to Fiscal 18-183, a request from the Department of Natural and Cultural Resources for authorization to budget and expend \$692,180 in Other Funds through June 30th, 2019. Representative Ober, do you have a question?

REP. OBER: Well, it's the same question. Class 75 and I don't think we got any details on this \$692,000 that you're asking to transfer into it.

MR. GAMACHE: Representative Ober, this \$692,000, this is our Grant Aid Equipment account. This is what is used to assist snowmobile clubs with buying snow grooming equipment. What we did five years ago was to discuss with all the snowmobile clubs in the snowmobile association, we just didn't make enough money in an average year to do the equipment replacement. So we got them all to agree on a three-year voluntary moratorium that ended this year. So we have been saving money to bring forward so we can actually replace a couple of large grooming trackers.

** REP. OBER: Move to approve.

SEN. BIRDSELL: Second.

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CHAIRMAN KURK: Representative Ober moves the item be approved, seconded by Senator Birdsell. Discussion? Questions? There being none, are you ready for the question?

All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

(12) RSA 215-C:39, X, and RSA 215-A:23, IX, Registration Fees:

CHAIRMAN KURK: We now turn to Fiscal 18-181, another request from the Department of Natural and Cultural Resources for authorization to budget and expend \$98,216 in Other Funds through June 30th, 2019.

** REP. OBER: Move to approve.

CHAIRMAN KURK: Representative Ober moves, seconded by Senator Birdsell that the item be approved. Further discussion? Or discussion, questions? There being none, are you ready for the question?

All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

CHAIRMAN KURK: I think this completes your work, gentlemen. Thank you so much.

MR. GAMACHE: Thank you.

MR. MARINO: Thank you.

(13) RSA 363:28, III, Office of the Consumer Advocate:

CHAIRMAN KURK: We turn now to Fiscal 18-168, a request from the Office of Consumer Advocate for authorization to amend Fiscal 16-121 as subsequently amended by Fiscal 17-035, and Fiscal 17-116 by increasing the contract amount by \$65,000 from the most recently approved amount of \$187,900 to \$252,900 in Other Funds through June 30th, 2019, with Strategen Consulting, LLC to provide expert services to support participation in the Net Energy Metering proceeding, docket number DE 16-576, before the New Hampshire Public Utilities Commission.

** REP. OBER: Move to approve.

CHAIRMAN KURK: Representative Ober moves to approve.
Seconded by?

SEN. D'ALLESANDRO: Second.

CHAIRMAN KURK: Senator D'Allesandro. Is there discussion? Senator Daniels has a question. Is there someone from the Consumer Advocate's Office who could respond? Good morning, sir.

DON KREIS, Consumer Advocate, Office of Consumer Advocate: Good morning, Mr. Chairman, Members of the Committee. I'm Don Kreis, the Consumer Advocate. And as you know, my job is to represent the interests of residential utility customers.

CHAIRMAN KURK: Senator Daniels has a question Thank you for being willing to answer it. Senator Daniels.

SEN. DANIELS: Thank you. In the response back that might have been that you sent to Mr. Kane or Mr. Hoffman, stated that the PUC did not have sufficient data about how Net Metering actually affects our electric grid and its cost. And my question is if we haven't been able to figure that out with \$187,000, why do we expect that another 65 is going to finance?

MR. KREIS: Because when the PUC resolved the Net Metering docket that it was instructed to open in House Bill 1116 two years ago, the Commission decided that it didn't have the

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information it needed and so it split the docket into two phases, and we are now up to our necks in that second phase. Part of that second phase is designing a study that will actually develop that data. And it is very difficult to come to a state of enlightenment about this question because the electricity grid is a very complicated machine. The way people use electricity is very complicated because it depends on the characteristic and lifestyle of individual consumers and the extent to which -- we've deployed very little, believe it or not, net metering in New Hampshire so far. So we don't know very much yet about how those resources actually affect the grid.

SEN. DANIELS: Follow-up.

CHAIRMAN KURK: Follow-up.

SEN. DANIELS: Is there an expectation that you're going to have to come back and ask for an additional amount beyond this?

MR. KREIS: No, there is not actually. I think this particular contract extension will close out this particular set of efforts. The effort to -- the Public Utilities Commission, of course, oversees these efforts and their work studying the effects of Net Metering and trying to come up with a much better design approach to Net Metering rate than the temporary one we currently have will be ongoing.

SEN. DANIELS: Follow-up.

CHAIRMAN KURK: Further question.

SEN. DANIELS: How long would you expect -- you're working on behalf of consumers to try to bring their costs down. How long would you expect that it's going to take to reach a break-even point before the consumers make -- their cost savings make up that \$287,000 that you're looking for?

MR. KREIS: That is a really difficult question to answer. The consultant whose contract is before you today is working

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with us on a variety of specific initiatives that all fit loosely under the rubric of distributed generation or what's usually referred to as Net Metering. And so given that we have that deploy over a bunch of different cases and dockets, I -- I don't -- I'd be making something up if I tried to answer that question.

SEN. DANIELS: Thank you.

CHAIRMAN KURK: Further questions or discussion? There being none, thank you, sir.

MR. KREIS: Thank you.

CHAIRMAN KURK: We have a motion on this?

REP. OBER: Yes.

CHAIRMAN KURK: Ober and Birdsell -- no, Ober and D'Allesandro. The motion before us is to approve the item. Further questions or discussion? There being none, are you ready for the question?

All those in favor, please indicate by say aye? Opposed?

SEN. DANIELS: No.

CHAIRMAN KURK: The ayes have it and the item is approved. Thank you, sir.

MR. KREIS: Thank you.

CHAIRMAN KURK: I note that the Department of Health and Human Services is no longer here, I believe, but I'd like to comment that we missed their Dashboard. I understand they have reasons for it, but we have every hope that they will have one available for our next meeting which will be on Friday, October 19th, at 10 in the morning, and that's the traditional time of the third Friday in the month.

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(14) Miscellaneous:

(15) Informational Materials:

CHAIRMAN KURK: At this time, the Chair recognizes Mr. Kane.

MR. KANE: Good morning. My name is Michael Kane, the Legislative Budget Assistant. I'm here to ask the Committee for authority to fill an Administrative Assistant position at Audit. April Han will be leaving next week.

** REP. OBER: Move to approve.

SEN. BIRDSELL: Second.

CHAIRMAN KURK: Representative Ober moves to approve, seconded by Senator Birdsell. Discussion? Questions? There being none, are you ready for the question?

All those in favor, please indicate by saying aye? Opposed? The item passes -- the question passes and the position -- refilling the position is approved.

MR. KANE: Thank you very much.

CHAIRMAN KURK: Is there any other business to come before us?

MR. KANE: There's not.

CHAIRMAN KURK: In that case we stand adjourned. Thank you all.

(The meeting adjourned at 11:16 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.

Cecelia A. Trask
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State of New Hampshire
License No. 47

