

**JOINT LEGISLATIVE FISCAL COMMITTEE**

Legislative Office Building, Rooms 210-211

Concord, NH

Friday, December 13, 2019

**MEMBERS PRESENT:**

Rep. Mary Jane Wallner, Chair

Rep. Kenneth Weyler

Rep. Susan Ford

Rep. Lynne Ober

Rep. Peter Leishman

Rep. David Huot (Alt.)

Rep. Erin Hennessey (Alt.)

Rep. Patricia Lovejoy (Alt.)

Sen. Lou D'Allesandro

Sen. Kevin Cavanaugh

Sen. Chuck Morse

Sen. Dan Feltes

Sen. Cindy Rosenwald

(The meeting convened at 10:01 a.m.)

**(1) Acceptance of Minutes of the November 8, 2019 meeting**

MARY JANE WALLNER, State Representative, Merrimack County, District #10: Okay. It is crowded in here. If there was any sort of emergency we would need to leave here very orderly through the door that's opened down there, and the door up here where the camera is now blocking. So I just want everyone to be aware that this is a lot of people in this room, very crowded, and my understanding is there are also a lot of people out in the hall. So if for any reason you want to leave the room, let's remember that we have to do it very orderly. And I do think that there will be some of the state -- of the security people who will come up to be here for us so that we can make room if we need to leave the room.

Okay. So I'm going to open Fiscal Committee, December Fiscal Committee, the last meeting of the year for the Fiscal Committee, and we all start with our agenda. And the first thing

on our agenda is the minutes of the November 8<sup>th</sup>, 2019, meeting. Do I have a motion?

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

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

CHAIRWOMAN WALLNER: Senator D'Allesandro moves the minutes of November 8<sup>th</sup> be accepted and Representative Ober seconds. Any discussion of the minutes? And Senator Feltes abstains because he was not and Senator Rosenwald abstains because they were not present at the meeting. And Senator Morse abstains. Okay. Let's see, anybody else? And Senator Cavanaugh. I apologize.

SEN. D'ALLESANDRO: I was the only one here. I represented the whole Senate.

CHAIRWOMAN WALLNER: On the Senate side, Senator D'Allesandro was here and represented the Senate very well. So all in favor of accepting the minutes say aye? Any opposed? Seeing none. The minutes pass.

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

**(2) Old Business:**

CHAIRWOMAN WALLNER: Now the next item we have is -- we have two pieces of business that are on -- that are on the table. The first one is Business Finance Authority. And, actually, I think we'll talk about that one when we come -- later when we come to the informational items. And moving on to Fiscal 19-301, Department of Education.

**\*\*** REP. OBER: I would move to take that off the table.

KENNETH WEYLER, State Representative, Rockingham County, District #13: I would second.

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CHAIRWOMAN WALLNER: Call on Senator Feltes for a motion.

**\*\*** DAN FELTES, State Senator, Senate District #15: I would move to remove FIS 19-301 from the table.

CHAIRWOMAN WALLNER: Thank you, Senator Feltes. Further motion?

SEN. FELTES: I would move to disapprove FIS 19-301.

CHAIRWOMAN WALLNER: Thank you, Senator Feltes. Would you like to speak to your motion?

SEN. FELTES: Yes.

REP. WEYLER: There was no second.

SEN. D'ALLESANDRO: I'll second.

CHAIRWOMAN WALLNER: Senator D'Allesandro seconds.

SEN. FELTES: Thank you very much, Madam Chair, and thank you to the Department, to everybody who's here today and everybody who's worked on this issue. This is a grant that in many ways I think there has been representations to existing charter schools that are not correct about what this grant would do. This grant is not for existing operations at existing charter schools. It doesn't support existing charter schools. We have over 1,000 open slots at existing charter schools, and we need to look at how we support existing charter schools and our existing traditional public schools before doing something like this.

Additionally, this is going to commit the State of New Hampshire to tens of millions of dollars down the road. There's varying estimates, but at a minimum there's going to be tens of millions of dollars of New Hampshire taxpayer money being committed by accepting this. That's not fiscally responsible in

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my view, Madam Chair. I don't think accepting this grant protects New Hampshire taxpayers, and I think it's done outside the budget process. I think we have to have more thoughtful policy conversation about how to support our existing charter schools, our charter school students, and New Hampshire property taxpayers. With that in mind, I'd be happy to relieve my time, whatever time I had. Thank you, Madam Chair.

CHAIRWOMAN WALLNER: And I will call on Senator Morse and then Representative Weyler.

CHUCK MORSE, State Senator, Senate District #22: Are we taking this off the table yet?

REP. WEYLER: We've not voted.

CHAIRWOMAN WALLNER: We have not voted to take it off the table. Thank you reminding me of that. So all in favor of taking it off the table? Any opposed? None opposed to taking it off the table.

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

CHAIRWOMAN WALLNER: And Senator Feltes made a motion to not accept the grant and was seconded by Senator D'Allesandro. Yes, Senator Morse.

SEN. MORSE: I have a question for the Commissioner.

CHAIRWOMAN WALLNER: Could the Commissioner join us? Thank you.

FRANK EDELBLUT, Commissioner, Department of Education: So, for the record, Frank Edelblut, Commissioner of Education.

CAITLIN DAVIS, Department of Education: For the record, Caitlin Davis, Department of Education.

CHAIRWOMAN WALLNER: Thank you.

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REP. OBER: Mic isn't on.

REP. WEYLER: Have to hold it down.

MS. DAVIS: Is it on?

CHAIRWOMAN WALLNER: Yes. Yes, Senator Morse.

SEN. MORSE: Commissioner, can you address Senator Feltes' comments to start?

MR. EDELBLUT: I can. And I would be happy to address those comments that you have offered.

I find it curious that you have identified and said that we have a thousand open seats in our charter schools. And what I would tell you is that that is a bit of flawed information in terms of the analysis. We actually have a waiting list of over 1,000. So, in fact, 1,357 students in New Hampshire are seeking a seat at one of our charter schools.

In the flawed analysis that you have provided, what you did is you took the authorized number of seats and subtracted the number of students who actually attend those schools. And what you'll find is that there are many schools who while they may be authorized for a certain number of students, that doesn't mean that they operate at that authorized level. They may not have capacity. An example of that would be a school that Senator D'Allesandro and I had an opportunity to visit this week in Manchester that serves, you know, needy and at-risk students. They are authorized for 200 students. They take 168 students, because that's the number of students that they can effectively serve.

And so what you'll find is across the board we have extremely responsible operators in our charter schools, and so they are meeting the needs of the students as best they can and not trying to overreach.

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The other flaw in the analysis stating that there are, you know, a thousand unfilled seats, is that it assumes that the schools and the students are evenly and ratably distributed throughout the state. And what you will find is that there are some communities that are not served by a charter school, and there are other communities that have a charter school. So just because there's an open seat in a community doesn't mean that every student has access to that.

And what you find in charter schools, and it was interesting at the State Board of Education meeting yesterday, we had one of our charter schools presenting. And I thought that he very eloquently described why a student is attending charter schools, a charter school in New Hampshire. Sometimes a charter -- a student will choose a charter school because they're going to something which basically means they're looking for a specific type of educational opportunity. It may be that they want to focus on STEM. It may be that they want to focus on the arts. It may be that they want to focus on project-based learning. What this, you know, executive director of a charter school also said though is that many students attend the charter school because they're coming from something. So these are students who may not have been successful in a traditional education setting and so they are trying to find a place where they can succeed.

We are surrounded by students who have made choices because they are trying to find success in their life. And someone mockingly as I was coming in referred to the fact that I talk about students' bright futures all the time. And yes, these students are seeking and deserve bright futures. And so that is how I would address your concern about the thousand empty seats.

Now, the other thing that you brought up is you mentioned that some of the analysis says that this will cost the State tens of millions of dollars. I assume that you are referring to the Reaching Higher analysis. And I will tell you as well that even as the composition of the thousand empty seats number was

flawed, the composition and the analysis that drove that number in the Reaching Higher study is flawed, because what it actually included was not a complete picture of the financing.

What they did is they took a portion of the State funding for public schools and a portion of the State funding for charter schools, and they did the math to calculate a number. But it would be inappropriate and, again, I'm an accountant so I do know something about financial analysis, it would be inappropriate to include only some of the State's support in that analysis. And, in fact, a proper analysis would include not only the full scope of the State's support that is afforded to both of these public educational opportunities, but it truly should incorporate all of the government and really taxpayer supported costs that goes into that education. And so if you -- if you're concerned about the cost, one of the questions that you should be asking yourself is, you know, what is the cost of educating a student.

The charter schools that are represented here today are able to educate a student at a cost of about \$8,600 per year. The cost of a student in my traditional, you know, public school is almost twice that at \$16,000. So I guess reflecting on those two items that you brought up in terms of trying to be responsive I would tell you that, you know, if you care about children and making sure that children have an opportunity for, yes, a bright future, a way and a place where they can thrive and succeed, then this is an appropriate thing for the State to do.

If you care about the New Hampshire taxpayer, and you want to make sure that the taxpayer has options, then you should support this grant. And then, finally, what I would tell you is that the education landscape is changing. The demographics are shifting. A lot of things are changing. And our public -- our traditional public school system knows this. Both Caitlin and I have been approached by superintendents across the state who are anxious to be able to access this funding to be able to create alternative programs so that students can find pathways in their

traditional environments and this grant is available to them. And they are making plans because they want to be able to access this.

I mean, I'm reminded, I see Representative Lovejoy is here who has a connection through her family to the VLACs Charter School. VLACs serves over 12,000 students in New Hampshire a year with great creative on-line opportunities for students. And so what we have to do is to continue to responsibly, and that's how we have operated charter schools in the state, to responsibly use and take this investment that we have from the Federal Government and invest it in education innovation in our state to help all of our public schools across the state to be able to be successful and to help students.

SEN. MORSE: Thank you, Commissioner.

CHAIRWOMAN WALLNER: Thank you. Further question? Yes, Representative Ober.

REP. OBER: Commissioner, good to see you this morning.

MR. EDELBLUT: Thank you, happy to be here.

REP. OBER: One of the questions I asked you and I'd like you to address this Committee, this grant came after the budget process, which many grants do, we -- that's why we have the Fiscal Committee. And my question to you was how would you continue all your budgeted programs, as well as use the money from this during this biennium, to move forward with the charter schools? If you could elaborate for all of us, it would be great.

MR. EDELBLUT: So -- and I'm happy to have some of our staff elaborate on this as well; but, essentially, this -- what we're looking for is really the first tranche of the grants. So it's a \$10 million, you know, tranche that we are setting up. The Legislature will have plenty of time to weigh in in the next biennium budget cycle in terms of the continuing receipt of this

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grant. And so I would hope that they would want to do that. But because we applied for this grant pursuant to a legislative mandate, right, you've passed a law and requiring me to apply for these grants, I did that. We were awarded the grant. That happens, the cycling of the grant happens between the biennium. So the amount of the grant that fits inside the biennium is what we are here asking to be able to access. The remainder of the grant will go through the normal budgeting process when that comes up. And so what we will do is that funding will really be focused in, you know, really four areas.

So one is that it will allow us to offer opportunities for new charter schools. So it may be someone like, you know, Jim Morse in Oyster River who is considering, you know, a comprehensive CTE type of a high school for some of his students. It could be Superintendent Goldhardt down in Manchester who is looking at, you know, dual language immersion programs or a comprehensive CTE Center opportunity at the Manchester Airport. So we will make those grants available to them to begin the work of standing up those new charter schools.

It is also available for expansion of high-quality programs. So if someone is running a high-quality school and wants to expand that school, so these schools behind you, which represent some of -- some high-quality schools, if they want to replicate that, to your point, Senator Feltes, perhaps they want to replicate that model in a community that doesn't have that opportunity, these high-quality schools would have that opportunity to replicate those opportunities there in those other communities, or even just expansion. There are schools, I mean I have one of the schools, the school that Senator D'Allesandro and I visited, right, we know that they are interested in expanding but are looking for the right opportunity to do that to serve more students.

So this would allow them to have those expansion opportunities. This would also allow us to do, and this is written into the grant, is to share the best practices. It was interesting again, I refer to the State Board of Education

meeting that we were in yesterday, and we had one of the charter schools that was there was describing how they are closely coordinating with and calling on a regular basis with the local high school saying, hey, we're seeing this kid. How do you help them? How do they go back and forth if they're going to go back and forth? How do we work together, right? Because we all have the same mission which is to help our kids advance or help our kids succeed. So it's really the best practices allows us the opportunity to make sure that in this incubator environment that we have here to try and come up with, you know, creative educational alternatives that meets the needs of all students, that they have the opportunity that those same best practices get shared across the system, whatever educational environment that might be. So those are the primary activities that the grant would be focused on.

REP. OBER: Could I have a follow-up?

CHAIRWOMAN WALLNER: Yes.

REP. OBER: Thank you, Commissioner. You mentioned when you first spoke that not every area of the state has access to a charter school. How would the money from this grant, the first 10 million, be used to ensure that some of the areas that don't have access might get access to a charter school?

MR. EDELBLUT: So as we receive applications, there is an evaluation and criteria that those schools would go through. One of the things that the State Board of Education, which is at the State level an authorizing agent, looks carefully at is the need. Like it is not our strategy in New Hampshire relative to charter schools to just replicate another school in a community, but to meet a specific need. And so that's something that is very carefully evaluated by the State Board of Education when they look at the charters in terms of, you know, authorizing them or not.

As well, you know, even throughout the state, we've got our traditional public schools and many of those schools in those

rural and potentially underserved districts want to start-up some creative programs. They want to do something innovative. They want to do something that meets the needs of all their students, and this would afford them the opportunity to be able to do that.

It was, again, interesting as I was, you know, getting some feedback yesterday at the State Board of Education meeting from an individual who had worked in the charter school space down in D.C., and what you find down there is it's a both end kind of an environment where it's typical -- it's not atypical in a traditional public school to also have a wing of the school be a charter school that's meeting specific needs of students and offering very, you know, tailored or mixed type of educational programming for those students.

So we have to move beyond this, you know, idea that somehow there are two systems. What we have is we have one system that's educating our kids, our kids are all different, and we need different educational opportunities for them. Did you want to weigh in on that at all?

MS. DAVIS: No.

REP. OBER: Thank you, Commissioner.

CHAIRWOMAN WALLNER: Further question of the Commissioner? Yes, Representative Weyler.

REP. WEYLER: I just wanted to say that I've been following charter schools ever since their inception in our state. And I have visited many of them and I have been amazed at the stories I hear from the parents and the students of what a change it has made for that student's experience in education.

Now, we know that one size does not fit all. So of the 160,000 students we have a mere 3,800 in charter schools and that is what they had the freedom of choice. I'd like to see that freedom of choice expand further because of the 160,000

still in public schools that are non-charter schools, there's about 20,000 that the education system isn't working for. And so they have IEPs and that's trying to make that system work for them. And those IEPs are probably costing \$30,000 apiece. So your financial argument is totally incorrect. We're spending so much more on students where the system doesn't work for them, they stay in the public schools, they get IEPs, we're spending all this money both locally and by the State. And so the idea that we're spending so much more by opening charter schools we are, in fact, saving money.

So your financial argument is false. You're not really thinking of the children and what they would like to have freedom of choice and their parents, and we would like to have options that could be used as laboratories of experiment where those ideas could be brought back to the public schools and they would help.

We've always seen this mismanagement of the money and false claims like, oh, we spent \$3,400 from the State for the public school student and 7800 for the charter school student. In fact, if you take all the money, we are spending over \$6,000 for every regular public school student, but you don't see that. You just look at the figure you want to see. And if we -- if we're all really spending \$16,000 in every public school student versus half that in a charter school, the idea of sending more children to charter schools would save the property taxpayers millions but you overlook that.

Also, the fact that of the monies that's spent in taxes by the citizens of New Hampshire, the billions of dollars, we get back about \$0.68 for every dollar we send in. This is some of that money being returned by very hard work of these people before us that did a lot of studying, a lot of work on how this can improve the charter school thing and how it can improve the overall education for the students in New Hampshire. You choose to ignore all of that. And this 43 million, if we refuse to take it, then you've also taken some of the return of dollars back

from our citizens who get very little return from the federal dollars that go to Washington.

I am upset that anybody would vote against this. This is an ideal thing. These people have worked hard. They have good uses for this money, and I would like to see this pass. And if you don't pass it, it's not money, it's politics, and you can't deny that. Thank you.

CHAIRWOMAN WALLNER: Further -- yes, Representative Leishman.

PETER LEISHMAN, State Representative, Hillsborough County, District #24: Thank you, Madam Chair. First, I'd like to thank the Commissioner, his staff, for their efforts to address the Committee's questions and concerns. This exercise to review a box full of information was, for me, a worthwhile endeavor. I have learned a great deal about our New Hampshire Public Charter Schools and would like to learn more.

Attachment 12 that the Commissioner provided us contained 24 of the most recent financial audits of the New Hampshire Public Charter Schools. I found some of the audits very informative and some not so much. I have become somewhat accustomed to the financial audits of the LBA which leave no stone unturned.

From the Charter School audits, I learned just how dependent New Hampshire Public Charter Schools are on New Hampshire State funding. It is not uncommon for these schools to receive more than 75% of their funding from the State. Some of the schools, however, identified aid as unrestricted grants without identifying the source. The conclusion for me is that without State Aid these charter schools all would quickly fail financially.

Madam Chair, as I continued to review the grant application, the responses to the Committee's questions, and the Attachments, I became increasingly concerned with the lack of

oversight of New Hampshire Public Charter Schools. The audits identified a common thread or a threat, lack of financial viability due to the difficulty with fund raising, enrollment declining, a trend traditional public schools have also faced, and the availability of additional State funds. One of the more informative audits of one of the schools noted a \$258,000 IRS obligation that continues to accrue interest and penalties.

Not all the information in the audits appeared to be factually correct. One audit stated, quote, New Hampshire still pays well below the per student Adequacy to charters, which receives \$7,047 per student, as --

CHAIRWOMAN WALLNER: Representative Leishman, can you speak into the microphone. We had a request.

REP. LEISHMAN: Oh, I'm sorry. It's not even on.

REP. OBER: Pull it up close, Peter. There you go.

REP. LEISHMAN: Okay. So not all the information in the audits appears to be factual. One of the audits stated, and I quote, New Hampshire still pays well below the per student Adequacy to charters which receives \$7,047 per student, as compared to approximately \$14,000 for public schools. If our traditional public schools were all receiving \$14,000 per student from the State, well, I think we'd all be very happy.

I was quite surprised to learn from the New Hampshire Department of Education's application to the U.S. Department of Education that except, and I quote, except as otherwise provided in law, charter schools are fully exempt from State laws and rules which otherwise apply to public or non-public schools or local school boards or districts.

The application further states, and I quote, New Hampshire Public Charter Schools have autonomy over enrollment, curriculum, staff recruitment, program design, facilities, finance, partnerships with stakeholders and district public

school, end of quote. Now I understand why 14 responses to our questions for data contained the following language, and I quote, this information is not part of the legislatively mandated data submission by schools.

I believe it should be a requirement to have information on school policy, programs of study, minutes of Board meetings, et cetera, available. After all, these public charter schools are receiving most of their funding from the State.

Finally, Madam Chair, I know we are all greatly concerned about at-risk students whether they are at our traditional public schools or at our public charter schools. Wouldn't it make sense to apply for a federal grant to strengthen our existing public charter schools and also apply for a federal grant for our traditional public schools who are also in need of funding to help with their at-risk students, too?

With limited State funding available, declining enrollment due to declining school-age students, and the Department noted that in one of their responses, and one of the responses, I think it was Question 11, a prediction of 28% or 50,000 students could be lost from our school system by 2035. With that all said, Madam Chair, I don't believe the establishment of 20 new public charter schools is a well thought out choice for New Hampshire at this time. Thank you, Madam Chair.

CHAIRWOMAN WALLNER: Thank you, Representative Leishman.

MR. EDELBLUT: So I'm happy to respond to those questions. So I'll just take them. Peter, I was trying to keep track of them as you went through. So the first item I think that you talked about was the fact that 75% generally of the revenue at the public charter schools comes through the State Adequacy Grants. These are public schools. So it would be appropriate, I would think, that the funding would substantially come from the public funds, as that is. It's 75%. What you may want to consider is really the advantage that because it's 75% coming from the public means that 25% is coming from the community,

which basically means that our public charter schools because of their financial need to find other sources, continue to reach out to community partners and those are businesses, they reach out to non-profit organizations, they reach out to benefactors in their communities to support them. And the best kind of education is one that is connected to the community and not isolated. So, in fact, you know, as we look at that, I don't see that as a detriment as much as a reflection of the nature of what a charter school is.

It is discouraging to me that there are some charter schools that have not met all of their financial obligations. You point to the one that has a tax lien, in particular. I would point out that, you know, that financial irresponsibility is not isolated to our public charter schools. It was in a traditional public school not too many months ago where also a significant and sizeable tax lien was levied against a school district because of inappropriate fiscal management.

What I can tell you is that part of this grant continues to allow the Department and enhances our ability to monitor the activities of the school by affording us two positions to both support the schools that exist, as well as the additional schools that would come on-line. Just to be clear, that would be a 200% increase in the support staff at the Department of Education to be able to help charter schools, and it would reflect the fact that some of -- many of these schools have existed without State support; but this Legislature in the last biennium budget finally really afforded the Department a position so we now have a Charter School Coordinator to be able to effectively have oversight because I do not -- I agree with you a hundred percent that we want to have effective oversight, not only in our public charter schools but in our traditional public schools as well. I can tell you that those types of financial issues are not limited to the charter domain, and they exist in other domains in education as well.

The next thing I would point out to you is the comment and the statement that you made, you know, about our grant

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application. We talk about the fact that many of the -- the 306, Ed 306, which is our education rules that apply to the traditional charter schools, don't apply to -- or they apply toward traditional public schools, don't apply to our public charter schools is because they have a separate set of rules. And that's in RSA 194-b and that statute is very explicit and enumerates all of the reporting requirements that they are required to comply with. And I would advocate that that is a good set of requirements. It is a separate body of requirements because these are two separate sets of schools, and that is why that is laid out in that particular fashion.

One of the things that I often hear when we're talking about regulation, and I have this conversation in schools as well, is that oftentimes they say, well, the charter schools' regulatory schema, which has been set by this Legislature, is not as rigorous as the traditional public schools. We in the traditional public school could do more work we could be better at what we do if we didn't have so many regulations.

Well, the point is not to take unnecessary regulation in traditional public school and put it into the charter schools, but to find ways to eliminate burdensome and unnecessary regulations in the traditional public schools so that they can effectively do their jobs if we want to get and help students.

The next aspect that I wanted to address is as you talked about the schools, one has to keep in mind that the very essence of a public charter school is as an incubator, is as an innovation center, is as the opportunity to find ways to meet the needs of all students, and then propagate those best practices. That grant application that you refer to, and I'm sure you read the whole thing and you saw the section in there about the importance of identifying the best practices in our public charter schools and spreading those best practices across the education system in New Hampshire so that everyone is able to be able to succeed.

Finally, I just -- I want to take two more points that I want to talk about and one is you referred in your comments to, you know, there's at-risk students, you know, that you said our at-risk students and the at-risk students in the public charter schools. There are not two sets of students. We have one set of students in New Hampshire.

REP. LEISHMAN: Commissioner, I said that -- if I did I misread my notes here.

MR. EDELBLUT: Or maybe I misheard it then. Okay. But we have one set of students here in New Hampshire, and it is our collective responsibility to try and bring every one of those students to their best possible place, their best possible outcome.

And then the final comment that I want to make is as you refer to the demographic shift that is taking place. This demographic shift is not going to change because we will it to change. It is baked in because there are fewer children that are coming up through the system. And so as a result of that, we're going to find ourselves with increasingly challenging opportunities to educate our kids in terms of how we structure the system and how we move that system forward.

I will tell you one of the innovative ideas that is working its way in many other states and across the country are referred to called micro-schools, right? So rather than continuing to focus on consolidation when you reach a certain point of sparsity of student population, it's not effective to put students on buses for hours to get them to a centralized education hub.

So one of the things that you see developing, particularly in some of these states that have, you know, rural and remote population, are micro-schools. This grant would be an excellent opportunity for us to lean in and experiment with in some respects or try to innovate other ways to reach all of these students, because the early indicators are that these

micro-schools are not only able to basically be more localized in terms of how they do it, they are neighborhood schools in neighborhoods that don't have a lot of opportunity, but the educational outcomes as well are more effective for those students. Thank you.

REP. LEISHMAN: Thanks. Could I -- just one quick comment --

CHAIRWOMAN WALLNER: Yes.

REP. LEISHMAN: -- Madam Chair, if I could? Thank you. I did have a chance actually to even look at, for instance, the North Country Charter Academy, which is quite impressive and I've heard a lot about that school in particular. I remember Ray Burton speaking about it sometime ago. But I think what you may be missing or maybe I wasn't clear, I think all of us here, we voted to give New Hampshire Public Charter Schools additional funding, and I think there's broad support for that. My concern is after reading those audits that I would say most of these charter -- public charter schools are financially in trouble, because they're trying to raise money. There was notes in the audits the difficulty of raising money through fund raising, bake sales, whatever. And, again, my point is that I really wish you would seek a federal grant to try to shore up the schools we have now versus adding more to what, you know, may be troublesome or problematic. But thank you, Madam Chair.

MR. EDELBLUT: So, Representative Leishman, so we make application for all kinds of grants that support our schools across the state. I mean, I can tell you this Committee approved a \$12 million grant that we won to help trauma in the schools, and that was just two months ago, right? So we're applying for all of these grants to help. It's not one or the other. And then the only other thing that I would reflect on is you worry about the financial viability and stability of our charter schools. I don't want you to forget that, you know, my traditional schools as well were in here during the legislative session explaining to you as well the difficult time that they were having with financial resources. So that is not a characteristic of a public

charter school. That is a characteristic of an education system that is doing everything it can to help bring students to bright futures.

CHAIRWOMAN WALLNER: Thank you. Further questions of the Commissioner? Seeing none, thank you, Commissioner. Oh, I'm sorry, Senator Morse.

SEN. MORSE: If you take a vote, I ask for a roll call.

CHAIRWOMAN WALLNER: No further questions. Thank you, Commissioner. Senator Morse has asked that we take a roll call, and I think that that's what we should be doing. Any further comment? Seeing none. I do want to take a minute before we go today and explain -- you can --

MR. EDELBLUT: I don't know if I can so we'll just hold for a second.

CHAIRWOMAN WALLNER: There's two seats right there for you. That's why I didn't want people sitting in the front, trip over the wires.

MR. EDELBLUT: Didn't trip.

CHAIRWOMAN WALLNER: Sorry about that. Before we go today, I do want to take a minute to explain why I will vote against accepting this federal grant.

First, I want to thank the Department of Education for appearing before us and answering the questions the Fiscal Committee had after our last Fiscal Committee meeting.

After our last meeting, I was hopeful that getting answers to the questions we asked the Department of Education would help me understand why this grant was necessary and how it would better public education here in New Hampshire. However, the answers the Department gave us led me to have more questions, not less, and cemented my doubts about the impacts of the grant

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on both currently operating charter schools and traditional public schools.

In the questionnaire the Commissioner filled out, he stated the student enrollment in schools of all kinds in New Hampshire will drop by an estimated 28% over the next decade. I think we're facing a real crisis and I think the Department of Education and all the schools in the state, both charter and traditional, need to start thinking further ahead and start thinking about what we will do to address that. It seems to me that it would be -- not be wise to double the number of charters we are currently operating knowing that it is -- what the landscape is. It raises real questions about the sustainability of not only the schools that will open under this grant, but the schools that are already open.

We already know that a study by the independent non-profit Reaching Higher shows that charter schools have 25% enrollment vacancy. If we double the number of seats and lose one-third of our students, how are currently operating charters expected to survive?

This grant is exclusively for planning and start-up, not ongoing operating expenses. Once one of these new charters open, they are on their own.

In 2007, a Charter School Review Commission by the Department of Education talked extensively about funding is a constant struggle and that public charter schools are under constant financial stress. Currently, the State provides charter schools with grants twice the amount per student to what our local public schools receive from the state. And this past June an article was written about the struggles of a charter school on the Seacoast to stay open due to financial struggles that were directly related to enrollment.

This led me to the question are currently operating charter schools supportive of this grant? Are they worried about decreasing enrollment or losing funding due to the rapid

expansion of charter schools? Has anyone expressed worries about their ability to fund raise in this environment? Unfortunately, the Department admits that they did not consult with any charter schools before applying for this grant so they were unable to obtain this information.

And, lastly, as a Fiscal Committee, it is our job to consider the financial impact of any grant not just on this Legislature but future Legislatures. We know this grant will cost the State tens of millions, if not hundreds of millions out of the Education Trust Fund in the future.

Another study by the independent nonprofit Reaching Higher puts that number at potentially \$104 million over the next ten years. We know our schools in New Hampshire, public, charter, and traditional, struggle to raise the funds to operate. Had this grant been aimed at shoring up our currently existing public charters and our traditional schools, perhaps the conversation would have been different; but that is not what has happened and been presented to us. For those reasons, I will be voting no.

At this point, I'd like to ask Representative Weyler to take the vote.

CINDY ROSENWALD, State Senator, Senate District #13: Madam Chair, could you remind us, please, of exactly what the motion is?

CHAIRWOMAN WALLNER: The motion is to reject acceptance of this grant.

SEN. ROSENWALD: Thank you.

CHAIRWOMAN WALLNER: And that motion was made by Senator Feltes and seconded by Senator D'Allesandro. I'll ask Representative Weyler to take --

SEN. MORSE: Madam Chair, may I make a parliamentary inquiry?

CHAIRWOMAN WALLNER: Yes.

SEN. MORSE: Madam Chair, if I believe that the Department just addressed everything that you stated, would I not take the fact that I believe we don't have enough charter school seats today that this is actually going to help the financial situation in the State of New Hampshire, that it's actually going to address what this whole Legislature started in addressing the fact that we wanted alternative educations to help those 20,000 that the Representative stated still need help, would I not vote against Senator Feltes' motion?

CHAIRWOMAN WALLNER: Representative Weyler, you ready to take that roll?

REP. WEYLER: On Item 19-301 the motion is to deny. Representative Wallner.

CHAIRWOMAN WALLNER: Yes.

REP. WEYLER: Representative Leishman.

REP. LEISHMAN: Yes.

REP. WEYLER: Representative Ford.

REP. FORD: Yes.

REP. WEYLER: Representative Weyler votes no. Representative Ober.

REP. OBER: No.

REP. WEYLER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

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REP. WEYLER: Senator Cavanaugh.

KEVIN CAVANAUGH, State Senator, Senate District #16: Yes.

REP. WEYLER: Senator Feltes.

SEN. FELTES: Yes.

REP. WEYLER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. WEYLER: Senator Morse.

SEN. MORSE: No.

REP. WEYLER: The vote is seven Democrats versus three Republicans. As I said, this is a political motion. You have fulfilled your duties to the Teachers' Union and not to the citizens of New Hampshire.

(Applause)

CHAIRWOMAN WALLNER: The vote was seven in favor of the motion and three opposed. The motion passes.

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

CHAIRWOMAN WALLNER: Thank you. Yes, Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Madam Chair. With all respect to my colleagues and great respect for all of my colleagues, if you vote your conscious, it's your vote whether you're a one party or another, it doesn't really matter. I think you put it in context of a party situation is to take it to the lowest of all situations. We're all human beings. We all care about our children. We all care about what we do here. And I think New Hampshire has been very fortunate in that we have kept this,

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quote, unquote, national politics out of our work here, and we have done things based on commitment to those we serve.

I have great respect for Representative Weyler. We have worked on items for a long period of time. But to categorize a vote based on your party affiliation, I think, was totally -- totally inappropriate. You're either voting yes or you're voting no as a person, as a person who serves on this Committee and who serves the people of the State of New Hampshire. That's why I'm here, that's why I've been here for most of my adult life. I've got children. I've got grandchildren. I've got great grandchildren. Their education is of maximum importance to me. How they get that education is the choice of their parents and, indeed, that should be done. To categorize anything to political means is upsetting to me. It's totally against the collegial relationship that I have with my colleagues who sit around this table. We're colleagues. We're colleagues in trying to do the right thing. Thank you, Madam Chair.

CHAIRWOMAN WALLNER: Thank you.

MR. EDELBLUT: Madam Chair, I think -- you guys going to be exiting? I didn't want to disrupt if you wanted to do --

CHAIRWOMAN WALLNER: Okay. Let's do that. And we'll exit through those -- through that door that's open there. We'll do it quietly, and I do want to thank everyone for your attention and how orderly everything was and how quiet everybody was. You were great.

MR. EDELBLUT: You guys were great.

CHAIRWOMAN WALLNER: Thank you very much for being here. We'll let everybody to have a few minutes to get settled. We're going to have a five-minute recess.

(Recess was taken at 10:52 a.m.)

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(Reconvened at 10:56 a.m.)

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

CHAIRWOMAN WALLNER: I'm going to call the Fiscal Committee back to order. Let's continue on with our agenda today. So now we move into -- now we move into the Consent Calendar, Tab 3. And I have had a request that we take 19-322, Department of Health and Human Service item off of -- off the Consent. Is there a request for either the other two? No. Okay.

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

CHAIRWOMAN WALLNER: So we have a motion to move the Consent Calendar.

REP. OBER: Second.

CHAIRWOMAN WALLNER: Senator D'Allesandro moves and Representative Ober seconds that we move the Consent Calendar except for Item 19-322. Any discussion of that? Hearing none, all in favor? Any opposed? None opposed. The items pass.

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

CHAIRWOMAN WALLNER: And I would ask Kerrin Rounds --

KERRIN ROUNDS, Interim Commissioner, Department of Health and Human Services: Good morning.

CHAIRWOMAN WALLNER: -- the Interim Commissioner to join us, because I know there are -- there are questions on this item. So we are on Item 19-322. Questions for Miss Rounds. Somebody wanted it off Consent so are there no questions? Representative Weyler.

REP. WEYLER: I've heard information -- I heard information that this move is necessary because those organizations that normally were funded for family planning under the change to

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Title X have to say they do not do abortions. But since they do abortions, they removed themselves from eligibility for Title X, and now we are expected to pay for it through General Funds. Is that the truth?

MS. ROUNDS: So I think this item specifically is -- is related to an administrative change that we need to make. These General Fund dollars were appropriated in the House and Senate phase of the budget. They were appropriated to supplant the Federal funds that would no longer be available to some of the agencies that we work with. The requirements of Title X require us to separately account for the General Funds that supplant those Federal funds. And since the Federal funds are currently in Class 102, we are creating a Class 103 and moving those funds to Class 103.

One thing I would mention, I know Representative Rogers is not on Fiscal Committee, she had a provision added to HB4 to ensure that these General Funds, if they were not used for this purpose could not be used for any other purpose. I did review that provision in HB4, and it does apply to the Accounting Unit level, not to the Class line level. So moving these funds would not affect that restriction.

REP. WEYLER: Still an end-run around the Title X.

MS. ROUNDS: Is there a question?

REP. WEYLER: The Title X was to deny family planning funds to those who did abortions. So this is an end-run around that.

MS. ROUNDS: These are General Funds that were appropriated in the House and Senate phase to supplant the Federal funds.

REP. WEYLER: You have your version, I have mine.

CHAIRWOMAN WALLNER: Representative Leishman.

**\*\*** REP. LEISHMAN: I'll move 322, Madam Chair.

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SEN. ROSENWALD: Second.

CHAIRWOMAN WALLNER: Representative Leishman moves and Senator Rosenwald seconds to accept this item. Any further discussion or any further questions of Interim Commissioner? Seeing none. All in favor? Any opposed?

SEN. MORSE: No.

REP. WEYLER: No.

REP. OBER: Opposed.

CHAIRWOMAN WALLNER: Sounded like three opposed.

REP. WEYLER: Three opposed.

CHAIRWOMAN WALLNER: Let's show hands. All in favor? Seven in favor. Opposed? And three opposed. The item passes 7 to 3.

\*\*\* {MOTION ADOPTED}

**(4) RSA 9:16-c, I, Transfer of Federal Grant Funds:**

CHAIRWOMAN WALLNER: Moving on to Tab 4. I have had a request to take off 19-308 and anyone -- are we okay with the other one? Okay.

\*\* SEN. D'ALLESANDRO: I move the items.

REP. WEYLER: Who removed it?

CHAIRWOMAN WALLNER: 19-308.

\*\* SEN. ROSENWALD: I'd like to remove that item. I'd like to remove it.

CHAIRWOMAN WALLNER: Senator Rosenwald moves to remove that one. And Senator D'Allesandro moves to accept the rest of the items.

REP. OBER: Second.

CHAIRWOMAN WALLNER: And Representative Ober seconds. Any discussion? All in favor? Opposed? Item passes.

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

CHAIRWOMAN WALLNER: Now we'll move on to 19-308, and it is Department of Business and Economic Affairs item. Is there someone here who could speak to that?

CHRISTOPHER WAY, Deputy Director, Division of Economic Development, Department of Business and Economic Affairs: One second, please.

CHAIRWOMAN WALLNER: Seems they stepped out.

MR. WAY: One second. She just went out.

CHAIRWOMAN WALLNER: All right. Thank you. We'll wait till someone comes in to speak to that one. Yes, come on up. Introduce yourself to us.

MR. WAY: Good morning. For the record, my name is Christopher Way. I'm Deputy Director of Division of Economic Development.

TINA KASIM, Program Manager, Division of Economic Development, Department of Business and Economic Affairs: I'm Tina Kasim, Program Manager at the Division of Economic Development.

CHAIRWOMAN WALLNER: Thank you very much. And Senator Rosenwald, I believe, has a question.

SEN. ROSENWALD: I do. Thank you, Madam Chair. Good morning.

MS. KASIM: Good morning.

SEN. ROSENWALD: Is this the same grant that in the past has allowed New Hampshire's businesses to attend, for example, the Dubai Health Fair?

MS. KASIM: Yes, it is. This is the eighth round of the funding that we've received.

SEN. ROSENWALD: May I follow-up?

CHAIRWOMAN WALLNER: Yes.

SEN. ROSENWALD: Thank you.

CHAIRWOMAN WALLNER: I don't know if your microphone is on. Just hold the blue button down when you speak.

SEN. ROSENWALD: Thank you. Could you tell us how -- what or how many, may be more appropriate, small businesses with a definition of what you consider a small business have participated in this grant, let's say in the most recent round, and how many new contracts have been awarded to New Hampshire businesses from the last round of this? Thank you.

MS. KASIM: So in the probably the most recent, 'cause we're in the midst right now of the seventh round of funding. We're just about to close out the sixth round of funding. So that probably has the best kind of figures for you. We've had -- the way we set up our program is to have kind of mini grants that allow companies to tell us how they want -- how they need to spend the money, where they need the assistance, and that includes going to various trade shows. And within those activities we also have kind of State Pavilions at specific international trade shows.

So for the number of grants that have been awarded or the mini grants that have been awarded, we're talking about 30 companies, and the return on those has varied with a 5,000 or \$6,000 grant. Some have come back to us with contracts of two million -- worth \$2 million and some have come back to us with contracts worth \$150,000 for the various activities that they've done. And some of those are trade shows that they've attended and some of those are specific sales missions that they've carried out in specific markets for their industry.

Under the State Pavilion concept for year six we attended the Farnborough Airshow in the U.K. when we hosted four New Hampshire or five New Hampshire companies under the Pavilion. Those results in terms of contracts have yet to come in. However, this was a prime opportunity and a prime market for our companies to be able to be in one location to touch base with existing clients, to market to new potential clients, and to introduce themselves to foreign military delegations in one location. So those results for that particular trade show under the State Pavilion are still coming in.

SEN. ROSENWALD: One more follow-up, if I could?

CHAIRWOMAN WALLNER: Yes.

SEN. ROSENWALD: So the 30 companies that you said participated in the sixth round --

MS. KASIM: Hm-hum.

SEN. ROSENWALD: -- do you know what percentage were successful in bringing in new businesses?

MS. KASIM: I don't have an exact percentage. I can come back to you with that.

SEN. ROSENWALD: Approximately.

MS. KASIM: I would say close to probably 90% have been successful. They've used those mini -- those mini grants in various ways. So whatever their level -- their measure of success was, then we consider them successful.

\*\* SEN. ROSENWALD: Thank you. Move approval.

CHAIRWOMAN WALLNER: Further question.

REP. FORD: Second.

CHAIRWOMAN WALLNER: Senator Rosenwald moves approval of the item and Representative Ford seconds. Any further discussion of the item? Seeing none. All in favor? Opposed? The item passes.

\*\*\* {MOTION ADOPTED}

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

CHAIRWOMAN WALLNER: Moving on to Tab 5. Thank you.

MR. WAY: Thank you.

CHAIRWOMAN WALLNER: I have had no request to take any of those items off Consent. So seeing none, do we have a motion on --

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

CHAIRWOMAN WALLNER: Senator --

REP. OBER: Second.

CHAIRWOMAN WALLNER: -- D'Allesandro moves the item and Representative Ober seconds. Discussion? Seeing none. All in favor? Any opposed? Seeing none. Item passes.

\*\*\* {MOTION ADOPTED}

- (6) 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 9:16-a, Transfers Authorized:

CHAIRWOMAN WALLNER: Moving on to Tab 6. Do we have a motion on Tab 6?

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

REP. OBER: Second.

CHAIRWOMAN WALLNER: Senator D'Allesandro moves and Representative Ober seconds. Discussion of the item? Seeing none. All in favor? Opposed? Item passes.

\*\*\* {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 9:16-c, I, Transfer of Federal Grant Funds:

CHAIRWOMAN WALLNER: Moving on to Tab 7. This is the Department of Education item.

\*\* REP. LEISHMAN: Move the item.

REP. OBER: Second.

CHAIRWOMAN WALLNER: Representative Leishman moves. Representative Ober seconds. Any discussion? All in favor? Opposed? Seeing none, item passes.

\*\*\* {MOTION ADOPTED}

- (8) RSA 14:30-a, VI Fiscal Committee Approval Required for

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**Acceptance and Expenditure of Funds Over \$100,000 from  
Any Non-State Source and RSA 124:15 Positions  
Authorized:**

CHAIRWOMAN WALLNER: Moving on to Tab 8. This is also -- this is Department of Safety item. Do we have questions about this item?

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

REP. OBER: I have a question.

CHAIRWOMAN WALLNER: Okay. Senator D'Allesandro moves the item.

SEN. ROSENWALD: And I'll second.

CHAIRWOMAN WALLNER: And Senator Rosenwald seconds and Representative Ober has a question.

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

REP. OBER: Good, morning Steve. Could you just give us a summary of how many departments, police departments are actively using this, what they're using the system for and how many are not but have plans to come onto the system?

MR. LAVOIE: Sure, yeah, absolutely. So we have 30 agencies across the state that are currently using the full complement of E-services. That includes E-citation for your motor vehicle citations, E-complaint for criminal complaints, and then the crash, E-crash portal. We also have another 28 agencies that have one or two of those but not the full complement.

We have another 105 agencies that are interested that we're looking to pull onto the system. This grant funds the VPN design, development, and implementation, which is the first step

in connecting with the local municipalities so they can connect to the system.

REP. OBER: Thank you.

CHAIRWOMAN WALLNER: Further question? Further questions? Seeing none. Thank you very much for coming up.

MR. LAVOIE: Thank you.

CHAIRWOMAN WALLNER: Do we have a motion? Senator D'Allesandro moved and representative -- and Senator Rosenwald second to accept the item. All in favor? Any opposed? Seeing none, item passes.

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

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

CHAIRWOMAN WALLNER: Moving on to Tab 9. This is from the Office of the Governor and it's Public School Infrastructure Fund. Do I have a motion?

**\*\*** REP. FORD: So move.

SEN. D'ALLESANDRO: Second.

CHAIRWOMAN WALLNER: Representative Ford moves and Senator D'Allesandro seconds. Any discussion of this item? Seeing none. All in favor? Any opposed? None opposed. The item passes.

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

**(10) RSA 604-A: 1-b, Additional Funding:**

CHAIRWOMAN WALLNER: The Judicial -- next we move into Tab 10, the Judicial Council. Do I have a motion on this item?

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

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CHAIRWOMAN WALLNER: Senator D'Allesandro moves.

REP. OBER: Second.

CHAIRWOMAN WALLNER: Representative -- was that Representative Ober?

REP. FORD: Ober.

CHAIRWOMAN WALLNER: Ober seconds. Any discussion of this item? All in favor? Any opposed? None opposed. The item passes.

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

**(11) Miscellaneous:**

CHAIRWOMAN WALLNER: Now, Mr. Kane would like to come up and talk to us for a few minutes.

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Good afternoon, Madam Chair, Members of the Committee. My name is Michael Kane, the Legislative Budget Assistant. This is the time of the year our office looks forward to. This is the time that the Comprehensive Annual Financial Report for the State for Fiscal Year 2019, as well as those reports for the Turnpike System, Liquor, and Lottery need to be completed by December 31<sup>st</sup>. Since the Committee will not meet until January, I'd like to request to publicly release those reports once they become available.

CHAIRWOMAN WALLNER: Thank you, Mr. Kane. And I think that Representative Weyler, you have an official motion, right? You have an official motion?

**\*\*** REP. WEYLER: Yes, I move we accept the reports, place them on file, and release in the usual manner.

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CHAIRWOMAN WALLNER: He has that memorized. Very nice, very nice. Representative Weyler moves that we accept the reports and place them on file and release when they're finished. All in favor?

(The court reporter interrupts.)

CHAIRWOMAN WALLNER: Representative Ober seconded.

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

**(12) Informational Materials:**

CHAIRWOMAN WALLNER: Now we move into Informational items. I know that we're going to go down to the Business Finance Authority and Representative Ober is going to move to take that off.

**\*\* REP. OBER**: Yes, I would move to take the item that is in Tab 2 off the table.

SEN. D'ALLESANDRO: Second.

CHAIRWOMAN WALLNER: Representative Ober moves to take the Business Finance Authority item that is tabled off the table, and Senator D'Allesandro seconds. All in favor? Any opposed?

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

REP. OBER: And then, Madam Chair, we have 19-315 which is the report we were waiting on and the reason we had tabled the item.

CHAIRWOMAN WALLNER: Yes. So we will continue -- we will take this off the table and they have met their obligation. I believe we'll see another item from them for information in six months?

MR. KANE: Yes. Typically they'll come back, depending on the actions of the Legislature. When the -- I'll come up to the table. And I believe we -- I believe we do have someone from the Business -- I'm sorry -- the Business Finance Authority here. When the Authority came in March, they had mentioned they would come in around September time frame to update the Committee on their status. That was right around the six-month term.

Due to the budget, the delay in passage of the budget, as well as the conversation of this program during the budget, it was delayed coming forward. But within the next couple -- few months or several months there should be an update, but you will note that in their report they do state that they're waiting for further direction from the Legislature. So depending on what happens during the upcoming session, it may or may not delay their next update; but someone is here from the Authority if you do have specifics.

CHAIRWOMAN WALLNER: Thank you. Does anyone have specific questions they'd like to ask from the Authority? Seeing none. Thank you. Thank you for being here.

And I know that Senator Rosenwald, I think you had some questions of the Department of Health and Human Services.

SEN. ROSENWALD: I do.

CHAIRWOMAN WALLNER: Okay. Thank you.

SEN. ROSENWALD: Thank you, Madam Chair.

CHAIRWOMAN WALLNER: This, I assume, is around Item 13 -- 316.

SEN. ROSENWALD: Yes. In that it's relevant, I think, to the \$25 million back-of-the-budget cut that was contained in House Bill 3.

MS. ROUNDS: Four.

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SEN. ROSENWALD: Four.

MS. ROUNDS: Oh, no, you're right. It was in three. It was at the end of three. You're correct.

SEN. ROSENWALD: See.

MS. ROUNDS: Yep, you were correct.

SEN. ROSENWALD: The language was not incredibly specific. The Department is required to come forth by December 31<sup>st</sup> with a plan.

MS. ROUNDS: Hm-hum.

SEN. ROSENWALD: But it didn't lay out what that plan meant. I'm just wondering, I'm not asking what items the Department is going to be recommending in a couple weeks that we could cut, but how specific you are planning to be?

MS. ROUNDS: So one of the difficulties I would just say is that because this reduction didn't come about until the end of the CR, we've only had two months to really think about this. And, you know, two months doesn't sound like a lot -- it sounds like a long time, but it really isn't when you're looking at \$25 million and some kind of impact to the budget.

So the other difficulty is that we're in a time of transition as you know. So our Commissioner, Commissioner Meyers, left last week, and I am serving as interim and a new Commissioner, hopefully, will be in place the beginning of February, which will not be me. I'm not asking to be considered. So I'm put in a place of submitting a report to commit a future Commissioner, which I am not entirely comfortable doing.

So I think that we're still developing the letter. I think that you're going to see more generalities than specifics

because it's, like I said, it's something I'm not comfortable committing the next Commissioner to.

And I would also just mention just nuance, but you said recommendations for you to cut. It actually directs the Department to make the cuts. So we, ultimately, have to make those decisions.

CHAIRWOMAN WALLNER: Further questions of Interim Commissioner Rounds? Seeing none. Thank you. Thank you for coming up with that information.

MS. ROUNDS: Thank you.

CHAIRWOMAN WALLNER: Any further business to come before us? Yes, Senator D'Allesandro.

SEN. D'ALLESANDRO: To all of -- all of my colleagues, unfortunately, we lost a wonderful, wonderful member of our staff. Joyce Phinney passed away very, very suddenly and all of us around this table knew Joyce, having cared deeply about Joyce, and terribly saddened by her passing. Nobody worked harder, spent more time helping people than anybody I know. I mean, that was her goal in life was to help people and to make our stay here more comfortable, regardless of your political persuasion.

Joyce's wake is this afternoon between four and seven here in Concord. And, you know, I ask my colleagues just to spend a moment of silence in her memory and to, hopefully, bring in our lives to be as successful and as giving as Joyce Phinney's life was to each and every person who sits around this table. Thank you, Madam Chair.

(Moment of silence.)

CHAIRWOMAN WALLNER: Thank you, Senator D'Allesandro. I think that was wonderful for us to remember Joyce and all the great things she's done for the House and the Senate. She will

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be very much missed I know in this building, and we will all miss working with her and having her -- having her here with us. Thank you.

Any -- the only other business I think we have is to set the date of the next meeting. The next meeting, the meeting date that we had set previously was January 10<sup>th</sup>, Friday, January 10<sup>th</sup>, and if that still works for all of us we will meet again on Friday, January 10<sup>th</sup>, and hope everyone has a wonderful holiday and a Happy New Year. See you January 10<sup>th</sup>.

(The meeting concluded at 11:22 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, LSR, RMR, CRK  
State of New Hampshire  
License No. 47

