

JOINT LEGISLATIVE FISCAL COMMITTEE

Zoom Webinar

Friday, January 15, 2021

MEMBERS PRESENT:

Rep. Kenneth Weyler, Chair
Rep. Lynne Ober
Rep. Peter Leishman
Rep. Tracy Emerick
Rep. Karen Umberger
Sen. President Chuck Morse, Vice-Chair
Sen. Bob Giuda
Sen. Lou D'Allesandro
Sen. Cindy Rosenwald
Sen. Gary Daniels

(The meeting convened at 10:00 a.m.)

(1) Call In Instructions:

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: I'm going to record, just so you know, everything right now. This is a live webinar but I'm going to record as well, so.

KENNETH WEYLER, State Representative, Rockingham County, District #13 and Chairman: All right. We'll call the meeting to order for the Joint Fiscal Committee on January 15th, 2021. As Chair of the Committee of the General Court, I find that due to the state of emergency declared by the Governor as a result of the COVID-19 Pandemic, and in accordance with the Governor's Emergency Order No. 12, pursuant to Executive Order 2020-04, as extended, this public body is authorized to meet electronically. Please note that there is no physical location to observe and listen contemporaneously to this meeting, which was authorized pursuant to the Governor's Emergency Order. Or in accordance with the Emergency Order I am confirming that we are, A, providing public access to the meeting by telephone, with additional access possibilities by video or other electronic

means. We're utilizing Zoom video webinar for this remote meeting.

All Members of the Committee and the staff of State Agencies with agenda items have the ability to communicate contemporaneously during this meeting through this platform and the public has access to contemporaneously watch and/or listen to the meeting on Zoom or phone following the direction and links provided on the General Court web page at H-T-T-P, colon, slash, slash, dot, G-E-N-C-O-U-R-T, dot, state, dot, N-H, dot, U-S, slash, schedule, slash, daily schedule, dot, ASPX.

B. Providing public notice of the necessary information for accessing the meeting. We previously gave notice to the public of the necessary information for accessing the meeting -- (No Audio.) -- provided in the House Calendar -- House and Senate Calendars, the Fiscal Committee Agenda, and the website of the Office of Legislative Budget Assistant.

C. Providing mechanism for the public to alert the public body during the meeting if there are problems with access. Anybody has a problem, please e-mail LBA_Fiscal@leg.state.nh.us.

Adjourning the meeting if the public is unable to access the meeting. In the event the public is unable to access the meeting, the meeting will be adjourned and rescheduled. Please note that all votes that are taken during this meeting shall be done by roll call vote. Let's start the meeting by taking the roll call attendance. When each member states their presence, please also state whether there is anyone in the room with you during this meeting which is required under the Right-To-Know Law. Please call the roll.

KAREN UMBERGER, State Representative, Carroll County,
District #02: Yes. Representative Weyler.

CHAIRMAN WEYLER: I am in Kingston here in a room alone.

REP. UMBERGER: Representative Ober.

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LYNNE OBER, State Representative, Hillsborough County, District #37: I'm home alone. I have cats that wander in and out.

REP. UMBERGER: Thank you. Representative Emerick.

TRACY EMERICK, State Representative, Rockingham County, District #21: I'm home alone in my home office.

REP. UMBERGER: Representative Leishman.

PETER LEISHMAN, State Representative, Hillsborough County, District #24: Good morning, Karen. I'm home alone in Peterborough.

REP. UMBERGER: Okay. Representative Umberger. I'm home. My husband is in the house, and he may be wandering in and out.

REP. UMBERGER: Senator Daniels.

GARY DANIELS, State Senator, Senate District #11: At my home in Milford and I'm alone.

REP. UMBERGER: Senate President Morse.

CHUCK MORSE, State Senator and Senate President, Senate District #22: I'm in my office in Atkinson and I'm alone.

REP. UMBERGER: Shoot. Uh -- Senator Giuda.

ROBERT "Bob" GIUDA, State Senator, Senate District #02: Senator Giuda is at home with an errant grandson running around and a daughter who occasionally passes through.

REP. UMBERGER: Okay. Thank you. Senator Rosenwald.

CINDY ROSENWALD, State Senator, Senate District #13: Hi, Cindy Rosenwald from Nashua. I'm in my home currently alone.

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REP. UMBERGER: Senator D'Allesandro.

LOU D'ALLESANDRO, State Senator, Senate District #20: I'm Senator D'Allesandro from Manchester. I'm in my home and I'm alone.

REP. UMBERGER: Okay.

CHAIRMAN WEYLER: Thank you much.

(2) Acceptance of Minutes

CHAIRMAN WEYLER: The next item on the agenda is the acceptance of the minutes of the December 11th meeting.

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

CHAIRMAN WEYLER: And Representative Ober moves approval. Is there a second?

SEN. D'ALLESANDRO: Second.

CHAIRMAN WEYLER: Who made the second? Representative Emerick.

REP. EMERICK: Yes.

CHAIRMAN WEYLER: Thank you. The clerk will call the roll on the acceptance of the minutes.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Leishman.

REP. LEISHMAN: Yes.

REP. UMBERGER: Representative UMBERGER. Yes. Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Abstain.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Abstain.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: Eight yes, two abstain.

CHAIRMAN WEYLER: Minutes are accepted.

*** {MOTION ADOPTED}

(3) Old Business:

CONSENT CALENDAR

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

CHAIRMAN WEYLER: I don't believe we have any Old Business. So we're moving on to the Consent Calendar with one item, 21-018, Department of Transportation, authorized to transfer 571,500 in federal funds between various classes through June 30th, 2021. Does anyone have any question?

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

SEN. D'ALLESANDRO: Second.

CHAIRMAN WEYLER: Representative Ober approve.

REP. UMBERGER: Who was the -- who was the --

SEN. D'ALLESANDRO: I'll second it.

CHAIRMAN WEYLER: Senator D'Allesandro seconds. Seeing no discussion the Clerk will call the roll on accepting the Item 21-018.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Leishman.

REP. LEISHMAN: Yes.

REP. UMBERGER: Representative Umberger. Yes. Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: That's ten yes, zero no, Zero abstained.

CHAIRMAN WEYLER: The transfer is adopted.

*** {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:

CHAIRMAN WEYLER: Moving on to Consent Calendar under number five. Per Michael Kane that the Senate wishes to remove FIS 21-010 and 21-011. Any other Members wish any other thing removed from the Consent Calendar under Tab 5? Seeing none, we'll proceed with the Consent Calendar with the exception of 21-010 and 21-011.

** SEN. ROSENWALD: So moved.

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CHAIRMAN WEYLER: Senator Rosenwald moves to accept the Consent Calendar.

REP. OBER: Second.

CHAIRMAN WEYLER: Second by Representative Ober. Seeing no further discussion, the Clerk will call the roll on accepting the Consent Calendar with the exception of the two aforementioned items.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Leishman.

REP. LEISHMAN: Yes.

REP. UMBERGER: Representative Umberger. Yes.
Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Senator Giuda votes yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

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REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: The vote is 10 to zero.

CHAIRMAN WEYLER: The Consent Calendar is adopted.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: We now move to 21-010, which is on the Division of Forests and Lands, and we have someone on the line to answer questions.

SEN. GIUDA: Mr. Chairman.

MR. KANE: Sure, we'll pull someone over to answer a question. Senator Giuda, I believe. Sorry.

SEN. GIUDA: Mr. Chairman, I had requested this be pulled off to ascertain the degree of public utilization that will be afforded this tract that's being put into conservation. Again, to -- to ascertain the public's ability to use the land and what capacities or what way may be prohibited.

CHAIRMAN WEYLER: Thank you. Do we have someone from Forest and Lands to answer the question?

MR. KANE: Yes, we're just trying to locate them.

CHAIRMAN WEYLER: Oh, I guess they didn't hear the question then.

MR. KANE: They did. They're listening.

CHRISTOPHER MARINO, Chief of Administration, Department of Natural and Cultural Resources: Good morning.

CHAIRMAN WEYLER: Good morning. Who's on the line?

MR. MARINO: My name is Chris Marino. I'm the Chief of Administration for the Department of Natural and Cultural Resources.

CHAIRMAN WEYLER: Did you hear the question or shall Senator Giuda repeat it?

MR. MARINO: Senator, I did hear the question. I am trying to locate a representative of the Forest and Lands Division at the moment. This is a very specific question, and I myself cannot speak to that limitations that you've asked. Give me just one minute. Let me see if I can set up -- set them up.

CHAIRMAN WEYLER: Did any of the other Members have any questions about Item 21-010? We'll get those on the record so that they'll all be ready. I think Senator Rosenwald is speaking but you're muted. Senator Rosenwald, I think you're muted.

SEN. ROSENWALD: I'm sorry. I was just babbling to my husband who walked through.

CHAIRMAN WEYLER: Oh, no wonder you're muted. Thank you.

SEN. ROSENWALD: That's why I was muted. Sorry.

CHAIRMAN WEYLER: Thank you. Yeah, we didn't need to hear that.

SEN. ROSENWALD: He's trying to become a volunteer vaccinator.

SEN. D'ALLESANDRO: Good, good. I'll vote for that, Cindy.

CHAIRMAN WEYLER: I'm trying to remember the name of the person that does shots. It's not philatelist but it's something like that.

UNIDENTIFIED SPEAKER: Phlebotomist.

MR. KANE: I believe we do have someone.

CHAIRMAN WEYLER: All right. We have someone ready to answer the questions?

MR. KANE: I believe so.

CHAIRMAN WEYLER: Did you hear the question?

PATRICK D. HACKLEY, Director, Division of Forests and Lands, Department of Natural and Cultural Resources: This is Patrick Hackley. Can you hear me? This is the Director for the Division of Forests and Lands.

CHAIRMAN WEYLER: Yes. Mr. Hackley, did you hear the question?

MR. HACKLEY: Yes, I did, from Senator Giuda regarding public access.

CHAIRMAN WEYLER: Yes.

MR. HACKLEY: Yes, absolutely. I mean, that's -- that's a large impetus behind conserving these lands is to maintain public access for all types of recreation. So there are no restrictions on it.

CHAIRMAN WEYLER: So people can go on there with an ATV or a horse or hiking or whatever?

MR. HACKLEY: Yeah. At this time there's no -- that's up to the management plan of the owner. We are -- we are -- we're

going to be managing the -- monitoring the conservation easement on this property.

CHAIRMAN WEYLER: While they're still doing timber harvesting.

MR. HACKLEY: Correct. So all the traditional uses on this property will continue, you know, at the discretion of the private landowner. But our -- our role is to monitor the conservation easement.

SEN. GIUDA: Okay. Thank you.

CHAIRMAN WEYLER: Anything further, Senator Giuda?

SEN. GIUDA: No, thank you, Mr. Chairman.

CHAIRMAN WEYLER: All right. If there's nothing further, I'll entertain a motion to accept Item 21-010.

** SEN. GIUDA: So moved.

SEN. D'ALLESANDRO: Second.

CHAIRMAN WEYLER: Senator Giuda moves and Senator D'Allesandro seconds that we accept the item. The Clerk will call the roll on the vote to accept the item.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Leishman.

REP. LEISHMAN: Yes.

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REP. UMBERGER: Representative Umberger. Yes. Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: The vote is ten in favor, none opposed.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: The motion is accepted. We'll move on to FIS 21-011, and who has removed that? Senator Giuda. He's muted right now. Senator Giuda, unmute.

SEN. GIUDA: I apologize, Mr. Chairman. Is someone from Department of Ed available?

CHAIRMAN WEYLER: Department of Education. Who's available to answer questions?

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MR. KANE: We do have members on this call. I believe Tammy Vaillancourt and another member of staff. We'll allow them to speak.

MR. EDELBLUT: This is Frank Edelblut. Can you hear me?

MR. KANE: Yes, Commissioner.

CHAIRMAN WEYLER: The Commissioner's on as well.

SEN. GIUDA: Thank you, Mr. Chairman. Commissioner, this seems to be a well-intentioned program. My question is has the Department or does the Department consider integrating perhaps with the Department of Veterans Affairs under the National Guard or the Adjutant General which is also coordinating for family care for deployed veterans?

MR. EDELBLUT: So, in fact, this program does coordinate very closely with the New Hampshire National Guard and we have a representative of the National Guard that works in coordination with us to deploy this program. So it really is kind of a joint deployment, and we are the fiscal agent for that authority.

SEN. GIUDA: Thank you very much.

CHAIRMAN WEYLER: Okay. Any further questions on the item?

MR. KANE: Senator Rosenwald.

CHAIRMAN WEYLER: Senator Rosenwald, did you have a question?

SEN. ROSENWALD: I did, but I had a question for the Department of Health and Human Services, if they're available.

MR. KANE: We'll try to pull them in.

SEN. ROSENWALD: There's Kerrin.

CHAIRMAN WEYLER: Okay. Does anyone else have questions on that item? All right. We'll just wait till someone comes up. HHS.

MR. KANE: Trying to locate HHS right now. Kerrin, can you hear us?

CHAIRMAN WEYLER: It appears that she's muted.

MR. KANE: Yes. We've asked her to unmute. I would ask HHS if someone is on the line that can answer that question, if you please raise your hand, and we'll pull you over from the attendees' list. Let's see here.

UNIDENTIFIED SPEAKER: (Inaudible).

MR. KANE: I think I hear someone. HHS, are you there?

KERRIN ROUNDS, Chief Financial Officer, Department of Health and Human Services: Can you hear me?

MR. KANE: I have a member from HHS available.

MS. ROUNDS: Can you hear me, Mike?

MR. KANE: Yes. If you could just turn it up a little bit.

MS. ROUNDS: I actually need to unmute the phone line that I sent you an e-mail.

MR. KANE: Oh, perfect. We can hear you now.

SEN. ROSENWALD: Thank you, Mr. Chairman. Good morning, Miss Rounds. My question is about how -- how we're funding the Governor's Commission now. I remember that we had -- alcohol has a 5% of alcohol fund go to fund -- met the Granite Advantage Programs Substance Use Disorder Programs. And then there was a voluntary agreement from the hospitals to make a donation to backfill current contracts of the Governor's Commission. And I'm

wondering if that was just sort of a gentleman's agreement over a hand shake and just for the 18-19 budget, or if that has carried forward and we're talking about contracts that are -- have been in place for a number of years?

MS. ROUNDS: We have a five-year commitment from the New Hampshire Foundation of Healthy Communities to make a \$10 million donation a year. So that continues to be funded with those funds.

SEN. ROSENWALD: If I could, Mr. Chairman?

CHAIRMAN WEYLER: Further question.

SEN. ROSENWALD: Right. My question was not so much about the ten-years -- 10 million per year, but about the contracts that were in place, 'cause I remember the agreement was they would backfill the contract, the current contract. So are we still talking about contracts that were in effect three years ago or are there new contracts and there was another agreement?

MS. ROUNDS: There are new contracts. Every year, you know, unless the contract is for more than a year. But the 10 million donation goes to current contracts, not -- we're not paying past contracts with it.

SEN. ROSENWALD: And, finally, do we -- are we in the third year of that agreement with the hospitals?

MS. ROUNDS: I -- I seem to recollect it's the second year, but I would need to confirm or maybe the second year just completed. We might be in the third year. You might be correct. I'd have to confirm.

SEN. ROSENWALD: Okay. Thank you very much. Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Thank you. Miss Rounds, about how many military families do we have in the state?

MS. ROUNDS: I don't have the answer to that question. You'd probably want to speak with the National Guard. They now have the division that serves military families.

CHAIRMAN WEYLER: So most of these National Guard rather than active duty families?

MS ROUNDS: I don't know the answer to that question.

CHAIRMAN WEYLER: All right. Wasn't significant. Thank you. I just wondered if that was generally known. It's not important that I get the answer.

MS. ROUNDS: Okay.

CHAIRMAN WEYLER: If there's no other questions. Do we have a motion to accept?

** SEN. GIUDA: I'll move it.

SEN. D'ALLESANDRO: I'll second.

CHAIRMAN WEYLER: That was --

SEN. GIUDA: Senator Giuda.

CHAIRMAN WEYLER: Giuda. Is there a second?

SEN. D'ALLESANDRO: Senator D'Allesandro seconds.

CHAIRMAN WEYLER: Senator D'Allesandro seconds. There's no further questions, the Clerk will call the roll on accepting Item 20 -- 21-011.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

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REP. EMERICK: Yes.

REP. UMBERGER: Representative Leishman.

REP. LEISHMAN: Yes.

REP. UMBERGER: Representative Umberger. Yes.
Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Senator Giuda votes yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: The vote is ten yes, zero no.

CHAIRMAN WEYLER: And the motion to accept is adopted.

*** **{MOTION ADOPTED}**

(6) **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 9:16-c, I, Transfer of Federal Grant Funds:

CHAIRMAN WEYLER: We're moving on to Tab (6) which has a single item, FIS 21-002, of the Department of Environmental Services. Are there any questions on the item?

REP. UMBERGER: I'm sorry, Ken. Could you give me that number again?

CHAIRMAN WEYLER: It's 21-002. Tab (6), they got it organized that way.

** REP. OBER: I would move to approve, Mr. Chairman.

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

REP. EMERICK: Second, Tracy Emerick.

CHAIRMAN WEYLER: Emerick is the second.

REP. UMBERGER: Okay.

CHAIRMAN WEYLER: Further discussion. Further discussion. Seeing none, we have a motion to approve the item. Call the roll.

REP. UMBERGER: Yeah. I'm sorry. Could you give me that number again? I can't seem to find my sheet here.

CHAIRMAN WEYLER: All right. There's the whole bunch from Tab (5). The last ones would be like 23, 24, and then starts all over again with 002.

REP. UMBERGER: Okay.

CHAIRMAN WEYLER: Tab (6). Did you find it?

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REP. UMBERGER: That's okay, I can -- I'll find it later.

CHAIRMAN WEYLER: Well, we'll give you a moment. Might get confusing later if you try to figure out which one.

REP. UMBERGER: You think?

CHAIRMAN WEYLER: There's about 12 items on tab.

REP. UMBERGER: Okay, I've got it.

CHAIRMAN WEYLER: You found it? Okay.

REP. UMBERGER: Yep, yep.

CHAIRMAN WEYLER: The Clerk will call the roll on acceptance of the motion to adopt FIS 21-002.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Leishman.

REP. LEISHMAN: Yes.

REP. UMBERGER: Representative Umberger. Yes.
Senator Daniels

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

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REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: The vote is ten yes, zero no.

CHAIRMAN WEYLER: Motion to adopt 21-002 is passed.

*** {MOTION ADOPTED}

- (7) RSA 9:16-a, Transfers Authorized, and RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from any Non-State Source, and Chapter 346:223, Laws of 2019, Transfer of Funds for Operation of the Sununu Youth Services Center:

CHAIRMAN WEYLER: Move on to Tab (7) or Item 21-026 from the Department of Health and Human Services. Are there any questions?

REP. OBER: I have a question, Ken.

CHAIRMAN WEYLER: All right. Representative Ober has a question on Item 21-026. Human Services, is there someone there to answer? Is Kerrin Rounds still there?

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REP. OBER: Well, I'd like to speak to Director Ribsam, if he's available.

CHAIRMAN WEYLER: I see that someone has Director Ribsam on the line. Director Ribsam, are you up?

JOSEPH RIBSAM, Director, Division of Children, Youth and Families, Department of Health and Human Services: I'm here. Can you hear me?

CHAIRMAN WEYLER: Yes, thank you. Representative Ober has a question.

REP. OBER: Thank you for taking the question, Joe. I want to know where we are with this transfer. Have we given you enough money that you won't be back next month or in two months asking for another transfer? So have we made your budgets whole?

MR. RIBSAM: Uh -- thank you for the question, Representative Ober. Kerrin might better articulate, but I do believe that we anticipate that there's going to be further need in the coming month before the Fiscal Year is over.

REP. OBER: Is there any way that we can get advance notice before you spend the money?

MR. RIBSAM: It's incredibly difficult because the spending is based on utilization. Though we have children in care, we have children in families who have open cases like that and depending on what their individual needs are, the spending levels change and the services change. It's really, really quite dynamic.

In addition to that, the funding sources are all over the place. Some children and families qualify for federal IV-E funding, which is a federal entitlement program. Some of these services are funded through Medicaid based on eligibility of those families. Some of these services are funded through

General Funds when those other funding sources aren't available. So it does make projecting which funding sources are going to be tapped very, very difficult because individual eligibility for any child or family varies. You know, it's just quite a dynamic system to try to -- to try to pinpoint.

REP. OBER: Thank you.

CHAIRMAN WEYLER: Are there any further questions on Item 21-026?

MR. KANE: Senator Rosenwald.

CHAIRMAN WEYLER: Senator Rosenwald.

SEN. ROSENWALD: Thank you, Mr. Chairman. I have two questions actually. The first one is why this State Phase Down needs a transfer, why it has extra money to transfer out since I guess my question is, is the dually eligible caseload not rising like the rest of the Medicaid caseload? That's my first question. And my second question has to do with the ProShare.

MS. ROUNDS: The duly -- this is Kerrin, sorry. The duly eligible population we also get the enhanced F-MAP on that population. And the way that that gets paid is we get billed for the amount of that. So they show that as a credit on our bill. So we don't come and -- we don't go to the Governor to accept additional funds related to COVID because they credit us, and then we make a lower payment to them. So that is why there are additional funds there.

I'm not sure on the caseloads and, unfortunately, Director Lipman was not able to join us this morning; but I can look into that and let you know.

SEN. ROSENWALD: Thank you. My second question is why does the Department need more money for ProShare if for the nursing homes because -- and the reason I'm asking is that we budgeted

for 4100 persons per month and the caseload's consistently running over 200 fewer people per month.

MS. ROUNDS: Is there -- is there a page that you're looking at that I can -- where you're seeing that transfer?

SEN. ROSENWALD: I'm sorry, I didn't --

MS. ROUNDS: Is there a page number that you're seeing that transfer that I can look at?

SEN. ROSENWALD: Well, it's in the narrative, Page 8.

MS. ROUNDS: Oh, so what we're doing there we're required to budget funds for the Single Audit that KPMG comes and does for the State. And so we are just increasing the Federal funds there to pay for that portion of the audit. So those payments are not being made to any providers. It's the required budgeting line from Department of Administrative Services for that audit. And that's paid with 100% general -- hundred percent federal funds, I'm sorry, excuse me. It's paid with 100% federal funds and so that's the only thing that we did there.

SEN. ROSENWALD: I'm sorry. It says that the expenses were higher than the budget, and that's what I was confused about.

MS. ROUNDS: I see what you're talking about. Twenty-one -- the Accounting Unit 2164 is mislabeled. That Accounting Unit is not ProShare. That is -- I don't remember the name of the Accounting Unit.

SEN. ROSENWALD: It was Accounting Unit 6100 or a thousand that I was asking about.

MS. ROUNDS: So that one, 6100, the 21-6100, which is labeled Proshare, that's the one with audit set aside that I mentioned that we didn't budget it high enough. That's correct. And then the one below that is mislabeled. That one's not ProShare. 2164 is a different Accounting Unit.

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SEN. ROSENWALD: Mr. Chairman, if you'll indulge me. I just -- I see that you didn't budget enough, but we're also consistently under the budgeted caseloads.

MS. ROUNDS: This doesn't --

SEN. ROSENWALD: By a lot.

MS. ROUNDS: This doesn't have anything to do with caseloads though. The Department of Administrative Services, and I'm not sure if -- if Joe Bouchard is on the line who can speak to this, but we pay Department of Administrative Services for that audit as a percentage of the total federal funds spent on that accounting unit. So we just budgeted it incorrectly. It does not change based on caseloads. It's just based on what the federal funds budgeted in that Accounting Unit are.

SEN. ROSENWALD: Thank you.

MR. KANE: Mr. Chairman, if I may?

CHAIRMAN WEYLER: Yes.

MR. KANE: So yes. Just to verify what Kerrin is saying. So the audit funds set aside is that one-tenth of 1% that every agency that receives federal funds needs to set aside. HHS did budget for what they had as far as anticipated federal funds. What they're requesting now is to true-up that amount because it is a state requirement that they provide the proper amount, that one-tenth of 1%. So this -- I think it's about \$20,000. This will put them in line with state requirements.

SEN. ROSENWALD: Thank you.

CHAIRMAN WEYLER: Okay. Any further questions on the item? I'll entertain a motion to adopt the transfers.

****** SEN. D'ALLESANDRO: So moved.

CHAIRMAN WEYLER: Motion by Senator D'Allesandro.

SEN. GIUDA: Second.

CHAIRMAN WEYLER: Second by Senator Giuda. If there's no further discussion, the Clerk will call the roll on approval of the Item 21-026.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Leishman.

REP. LEISHMAN: Yes.

REP. UMBERGER: Representative Umberger. Yes.

REP. UMBERGER: Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

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SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: The vote is 10-0.

CHAIRMAN WEYLER: Motion to adopt is approved.

***** {MOTION ADOPTED}**

(8) RSA 177:2, Closing of State Stores:

CHAIRMAN WEYLER: Moving on to Tab (8), FIS 21-020. This is the New Hampshire State Liquor Commission closing seven stores. I did have questions on it, but since I had the annual financial report I found the answers myself. So I don't -- I don't need to call up the Liquor Commission to answer them, 'cause it's all printed out here. Anybody else have any questions?

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

SEN. ROSENWALD: Second.

MR. KANE: Senator Daniels -- Senator Daniels has a question.

CHAIRMAN WEYLER: Okay. I have a motion from Representative Ober. I heard a second. Who was the second?

REP. UMBERGER: Senator Rosenwald.

CHAIRMAN WEYLER: Senator Rosenwald second. Thank you. Senator Daniels is recognized for a question.

SEN. DANIELS: Thank you. I just had a question as to when these stores that closed came into existence. How long have they been open?

MR. KANE: We will pull someone over from the Liquor Commission to answer that question.

JOSEPH MOLLICA, Chairman, New Hampshire Liquor Commission: This is Joe Mollica from the Liquor Commission, Chairman of the Liquor Commission. That's something we'd have to go back and look. It's a varied range, Senator. Some of those stores have been around a long time. They were extremely under performing and really not a representative of the brand that we have today. Off the top of my head, I don't know the years that those stores were open, Senator.

SEN. DANIELS: Okay. Thank you, Commissioner.

MR. MOLLICA: You're welcome. Thank you.

CHAIRMAN WEYLER: Commissioner Mollica, does the number on the store indicate, like is number one the first one opened and so on? Number 70, whatever the -- number 84 the last one or --

MR. MOLLICA: No, not necessarily, Representative Weyler, Mr. Chairman, because sometimes we reuse a number over the years. Our system, the older system only allowed us to have so many numbers. So we would reuse a number if we moved a store.

CHAIRMAN WEYLER: So will you renumber all of them after you close seven?

MR. MOLLICA: No, no, Representative, we won't.

CHAIRMAN WEYLER: Okay. Thank you. Just curious.

MR. MOLLICA: Thank you.

CHAIRMAN WEYLER: Anybody else have any questions on the item? I think I already had a motion to adopt.

REP. UMBERGER: Yes. Representative Ober made the motion and Senator Rosenwald seconded.

CHAIRMAN WEYLER: Okay. Any further questions? Clerk will call the roll on approval of the motion.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Leishman.

REP. LEISHMAN: Uh -- yes.

REP. UMBERGER: Representative Umberger. Yes. Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

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SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: The vote is ten yes, zero no.

CHAIRMAN WEYLER: Motion to approve is adopted.

*** {MOTION ADOPTED}

(9) RSA 228:12, Transfers from Highway Surplus Account:

CHAIRMAN WEYLER: Moving on to Tab (9), item -- the only item there is 21-019 with the Department of Transportation. Their motion is to transfer Highway Funds from the Highway Surplus Account to fund the winter maintenance. Are there any questions? Is there anybody from DOT?

MR. KANE: We do have a couple people from DOT if the Committee does have questions.

CHAIRMAN WEYLER: Well, I'd just like a statement. When you have group money out of a surplus account -- (interruption). Is that the Commissioner? Good morning, Commissioner.

VICTORIA SHEEHAN, Commissioner, Department of Transportation: Good morning, Mr. Chairman, Members of the Committee. Victoria Sheehan, Commissioner for DOT. And I believe our Director of Finance, Marie Mullen, is also available.

MARIE MULLEN, Director of Finance, Department of Transportation: This is Marie.

CHAIRMAN WEYLER: Good morning, Marie.

MS. MULLEN: Good morning.

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CHAIRMAN WEYLER: Representative Weyler. When I see money moved from a surplus account, I'd like to know what's left in the surplus account and would like to see that in the future. I think I looked that up it was about 17,000 -- 17 million rather, something like that. I looked it up in the Consolidated Annual Financial Report; but I think it should be in the item. That's my point. Thank you.

MS. MULLEN: Representative Weyler, we did include it in the item as an attachment. We had two graphs in the attachment.

CHAIRMAN WEYLER: Yes.

MS. MULLEN: The last page. This is the Surplus Statement that the Department of Administrative Services, the Comptroller's Office, took out. So it provides the balance at the end of Fiscal Year 20.

CHAIRMAN WEYLER: Which page is it shown on?

MR. KANE: I believe that's the fourth page. If you look at the DOT item, there is a graph after the request.

CHAIRMAN WEYLER: 28.5?

MR. KANE: Yes. It's 28.5 is what exists.

CHAIRMAN WEYLER: And then it comes down to 1.0?

MS. MULLEN: The actual is the second column over. That's the actual for the CAFR, Fiscal Year 20, so it's 35.9 million at the end of Fiscal Year 20.

CHAIRMAN WEYLER: Okay.

MS. MULLEN: Those last two columns were what the -- what was passed in the budget. So the projected was a million.

CHAIRMAN WEYLER: Very good.

MS. MULLEN: During the budget process. But as can you see, FY 20 surplus is slightly higher than what was projected in the budget right now, is that 35.9 million versus the 28.5 million in the budget.

CHAIRMAN WEYLER: Thank you very much.

MS. MULLEN: You're welcome.

CHAIRMAN WEYLER: Any further questions? Is there a motion to approve.

** SEN. D'ALLESANDRO: So moved.

CHAIRMAN WEYLER: Senator D'Allesandro moves to approve.

REP. OBER: Second.

CHAIRMAN WEYLER: And Representative Ober seconds. The Clerk will call the roll on the approval of the 21-019.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Leishman.

REP. LEISHMAN: Yes.

REP. UMBERGER: Representative Umberger. Yes. Senator Daniels.

SEN. DANIELS: Yes.

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REP. UMBERGER: Senator Morse.

CHAIRMAN WEYLER: He's muted.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Sorry about that. Spruce joined me in the room and he thought I should be muted. Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: The vote count is ten yes, zero no.

CHAIRMAN WEYLER: The motion is approved.

***** {MOTION ADOPTED}**

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

CHAIRMAN WEYLER: Moving on to Tab (10) which is Item 21-006 for the Department of Corrections. And does anyone have any questions?

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REP. OBER: I have a question, Mr. Chairman.

CHAIRMAN WEYLER: Representative Ober has a question. Mike, have we got anybody there from Corrections?

MR. KANE: We do. We'll move them over.

HELEN HANKS, Commissioner, Department of Corrections: Good morning, Honorable Members of State Fiscal Committee. It's nice to see you all well. This is Helen Hanks, the Commissioner at Department of Corrections. I do have with me our Director of Administration, Robin Maddaus, in case you ask a question that I'm not capable of answering today.

CHAIRMAN WEYLER: Okay. Representative Ober has a question.

REP. OBER: Good morning, Commissioner. Can you tell us where you are with hiring empty slots and the ongoing need for overtime, please?

MS. HANKS: Yes, Representative Ober. Happy to answer that question. We currently have a corrections officer vacancy rate of 26%. That leaves us approximately 131 vacant positions in the security side to recruit for. We have 62 vacant civilian positions. That gives us a vacancy rate of 13 percent on the civilian side out of 470 authorized positions. We are actually doing well on the recruitment side, Representative Ober.

Our challenge tends to be on the retention side and not associated with retirements; but, literally, individuals who upon exit interviewing are either leaving corrections for other law enforcement like positions or law enforcement positions in the state. We have people who say to us upon exit, no offense to the Department, you're a great agency, this just wasn't for me.

So we're doing a lot of surveillance and it really boils down to surprisingly during COVID we recruited as many as 35 new officers last Fiscal Year and this year -- Fiscal Year we've recruited 27 which, I think, consider all the odds in the

environment we're in, is doing well. In a good year we recruited as many as 54. But it's really that retention column not associated with retirements.

Our retirements tend to be between 12 and 17 over the last three Fiscal years. But we're losing as many as 28 in the security ranks for different reasons as I just described. So I can tell you whole-heartedly from looking at the data and having the data now we have a retention problem and trying to combat that retention problem. I hope that answered your question.

REP. OBER: It did. Thank you.

MS. HANKS: Thank you.

CHAIRMAN WEYLER: Senator Giuda has a question.

SEN. GIUDA: Thank you, Mr. Chairman. Commissioner, can you quantify whether the amount of money being spent on overtime, if instead applied to a pay raise, would improve the retention? Is your retention, is it related to pay as opposed to benefits?

MS. HANKS: Senator Giuda, very wise question. It's a combination of those things. I have five unions that I work with. The Teamsters has a bargaining agreement and they negotiated a raise. The other unions weren't successful in that regard, and that certainly creates some contention among the ranks. And then when you compare same certified law enforcement to State Police and other municipal police, which I've done in the past, there's still a significant pay difference. And we're making strides, but when you have a 10,000 per se pay difference between working in a correctional facility or working in a local municipality, it's hard to compete with the two. Because we're asking these certified law enforcement professionals to knowingly go into a correctional facility every day and work with felons versus municipal law enforcement who may have the pleasure of just helping us on a sidewalk or just as traffic stop and things of that nature.

So, certainly, salary alignment to other certified law enforcement in the state, I think, would make an impact. Hard -- it's hard to recommend that knowing the current state of our State's finances, but I do think it's something to examine.

And then it's also we need to try to build a robust employee wellness program, such that State Police have, to help our employees in Corrections to deal with the trauma and other issues that they're exposed to as well. And, again, I'm trying to make strides to that, but have to balance our last requirements with trying to build an employee wellness program. I think those two things help us in the agency and try to reduce the overtime and focus on the retention side of what is clearly the problem here in state corrections.

SEN. GIUDA: Thank you.

MS. HANKS: You're very welcome.

CHAIRMAN WEYLER: Commissioner, this is Representative Weyler. From history, I'd asked for like typical amount of overtime for a CO, and there's many jobs where talking with the people they expect overtime. And if they average four hours of overtime a week they're fairly happy. But if it was 10 or 12, then they might -- you might have a retention problem, because they'd be overworked. But I'd be interested in knowing on an average week what the time is for CO. Thank you.

MS. HANKS: Happy to get that answer for you, Representative Weyler.

CHAIRMAN WEYLER: Get it right now but in the long-term if you could dig that out. Thank you.

MS. HANKS: You're welcome. And I will confirm your analogy is 100% correct.

CHAIRMAN WEYLER: We have both been working at this awhile.

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MS. HANKS: Yes, we have, sir.

CHAIRMAN WEYLER: All right. Any further questions?

REP. LEISHMAN: I have one, Mr. Chairman.

CHAIRMAN WEYLER: Yes.

REP. LEISHMAN: Leishman here.

CHAIRMAN WEYLER: Representative Leishman.

REP. LEISHMAN: Kind of a follow-up to Representative Giuda's question as far as the discrepancy, if you will, between, say, State Police, municipal police and that \$10,000 figure you mentioned. Have you had any discussions with the Governor's Office to including any substantial adjustment or negotiating with the union how we can get to that \$10,000 difference?

MS. HANKS: Again, Representative Leishman, thank you for that question. I have engaged prior to bargaining. I'm not a member of the State's bargaining team and sharing that type of data to assist in bargaining. So an analysis, robust analysis, I did happen to share that with members on the Committee. I did also share that with Employee Relations and have articulated those concerns to Employee Relations and vis-a-vis through the Governor's Office.

REP. LEISHMAN: Thank you. Thanks, Mr. Chairman.

CHAIRMAN WEYLER: Thank you.

MS. HANKS: Thank you, sir.

CHAIRMAN WEYLER: Any further questions? I'm hearing something.

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

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CHAIRMAN WEYLER: Senator D'Allesandro moves that we approve the item.

REP. LEISHMAN: Second.

CHAIRMAN WEYLER: Second from Representative Leishman. Further questions? Seeing none, I'll ask the Clerk to call the roll on Item FIS 21-006.

REP. UMBERGER: Representative Ober.

REP. OBER: Yes.

REP. UMBERGER: Representative Emerick.

REP. EMERICK: Yes.

REP. UMBERGER: Representative Leishman.

REP. LEISHMAN: Yes.

REP. UMBERGER: Representative Umberger. Yes. Senator Daniels.

SEN. DANIELS: Yes.

REP. UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. UMBERGER: Senator Giuda.

SEN. GIUDA: Yes.

REP. UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Yes.

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REP. UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. UMBERGER: Representative Weyler.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: The vote is ten yes, zero no.

CHAIRMAN WEYLER: And the motion is adopted.

***** {MOTION ADOPTED}**

(11) Miscellaneous:

(12) Informational Materials:

CHAIRMAN WEYLER: We're done with the regular calendar. We have informational items under Tab (12). Does any of the Members wish to have any Department people come and answer any questions on the items? I don't see any, which would mean our next items would be the consolidated financial reports. And, Mr. Kane, do we have the Audit Division ready?

MR. KANE: We do. So, just for the record, all these reports have been previously released by the Fiscal Committee over the last couple of months. The first audit report I believe is the State CAFR, the Comprehensive Annual Financial Report, and we are going to pull over members from KPMG, as well as our audit staff to begin that presentation.

CHAIRMAN WEYLER: Okay.

SEN. ROSENWALD: Mr. Chairman, I tried to raise my hand.

CHAIRMAN WEYLER: Oh, I'm sorry.

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SEN. ROSENWALD: If we could afterwards go back to the Dashboard.

CHAIRMAN WEYLER: Okay.

MR. KANE: Would you like us -- I could hold off the audits. It's up to you, Representative Weyler.

SEN. ROSENWALD: I'm sorry.

MR. KANE: We could hold off.

CHAIRMAN WEYLER: Yeah, we'll hold off the audits. We're going to go back into the informational items.

SEN. D'ALLESANDRO: 21-025.

CHAIRMAN WEYLER: 21-025.

SEN. D'ALLESANDRO: Right.

CHAIRMAN WEYLER: All right.

SEN. ROSENWALD: I'm sorry.

CHAIRMAN WEYLER: We'll see if anyone is available.

SEN. ROSENWALD: Came forward in my book.

MR. KANE: Yes, and Kerrin is here, so.

CHAIRMAN WEYLER: Very good. All right.

SEN. ROSENWALD: I had a couple questions, if I could. The first is on the financial page that starts the Dashboard. It's pretty empty, and I'm wondering if the Department has an updated projection on the additional F-MAP. I know from the CAFR that through the end of September we've -- we've gotten an additional \$85 million for Medicaid F-MAP, and I'm wondering if you have a

projection at least through the end of December but, hopefully, going forward.

MR. KANE: Just ask Kerrin. She's on.

MS. ROUNDS: I am here. So we have just recently heard that they will be extending the Public Health emergency through the end of this Fiscal Year. So we are working on the enhanced F-MAP calculations for the quarter we're currently in, as well as the last quarter of this Fiscal Year. As far as our lapse for this year, currently, we're anticipating about a \$75 million lapse.

SEN. ROSENWALD: And I noticed that on page -- I'm not sure there's a page number, but in the DCYF staffing.

MS. ROUNDS: Okay.

SEN. ROSENWALD: That I remember we appropriated a lot of money to increase the number of child protection workers and the number of filled jobs has risen slightly; but the number of vacancies is way up. And I wonder if those employees have been subject to the hiring freeze or why we have so many additional vacancies versus filled jobs, if there's another explanation?

MS. ROUNDS: Sure. So I would ask Mike Kane to unmute Director Ribsam; but I would just tell you that they are not subject to the hiring freeze.

MR. RIBSAM: Hi! This is Joe Ribsam, Director of DCYF. Can you hear me?

SEN. D'ALLESANDRO: Yes.

MR. RIBSAM: Hi! Thank you for the question. So the -- the way this bill -- I'm going to mix up my numbers -- six was structured, a portion of the new positions started July of the year prior to last and a portion of them started July of 2020. Half of them came in one year and half came the subsequent year.

So when you look at the hiring data, a couple things occurred. That increased vacancy number you see is the new positions coming on board in July of 2020 that then had to be filled. At that same time, we also had -- we're grateful to have the opportunity to have a host of new supervisory positions created to support all the additional staff that were coming into the child protection agency at the front line. Those supervisory positions were built pretty rapidly with existing case workers. So those existing case workers then vacated their (No audio) creating additional vacancies.

We switched to a process that we call Job Fest to kind of centralize our front line hiring about a year and a half at this point. It's been successful in increasing our ability to hire staff. There's data that I have shared with this Committee a few times over the past couple years when requested that show kind of the trending on hiring versus exits, versus the number of folks who get promoted to supervisory positions. And our trend lines on increasing our staffing is growing. But that is, you know, there is a counterbalance similar to what Commissioner Hanks was just talking about around difficulties with retention.

We have some improvements. Our turnover rate was about 20% for the past few years for front line staff. It went down somewhat last year to about 17% when you exclude supervisory promotions. I've done an awful lot to try to improve support for staffing in the field focusing on, you know, kind of what we call a culture of safety. The idea that staff had well supported, that they have psychological safety to be able to speak and raise issues and try to improve the outcomes of their working conditions but also the outcomes of their cases.

We've had the opportunity through the last budget to hire a clinical support person whose sole job is to work on issues of secondary trauma that our staff experience working with high needs, high risk children and families, and we are seeing the benefits of that. But it's a, you know, it's slow -- it's a slow movement. Move to a place where I think our staff have the full support they need to be able to endure the challenges they face

on a daily basis and continue doing this work going forward. So I'm very pleased with the progress we've made; but yes, there are still a number of vacant positions that people are working feverishly to fill.

SEN. ROSENWALD: Thank you. My final question is the Department filled the back of the budget cut entirely in the first year through lapses, an additional lapses beyond what is estimated. And my question is can the Department provide us with a listing of what programs those lapses occurred in?

MS. ROUNDS: Yes.

SEN. ROSENWALD: Thank you.

MS. ROUNDS: You're welcome.

SEN. ROSENWALD: Thanks, Mr. Chairman.

CHAIRMAN WEYLER: (Chairman is muted.) All right. Is there any other questions on any other items? If not then, Mr. Kane, we're ready to discuss the Comprehensive Annual Financial Reports. I guess we'll start with the one for the whole state.

MR. KANE: Yes, we'll bring over members from Administrative Services and KPMG and our audit staff to speak.

CHAIRMAN WEYLER: Thank you.

AUDITS:

STEPHEN SMITH, Director, Audit Division, Office of Legislative Budget Assistant: Good morning, Mr. Chair. This is Steve Smith. Can you hear me?

CHAIRMAN WEYLER: Yes, Steve. Good morning.

MR. SMITH: Good morning to you, Members of the Committee. Again, for the record, Steve Smith, Director of Audits for LBA.

Before I turnover to KPMG, I'd just like to acknowledge KPMG, Department of Administrative Services, Liquor, Lottery, Department of Transportation, and just all the financial reporting staff around the state for the efforts they put forth this fall. As you can imagine with the COVID, a lot of the work had to be done remotely and presented a lot of logistical challenges we had to work through, but not only did the team collectively get it done but also got it done timely. So I just wanted to express my appreciation in my role but also acknowledge them before the Committee.

CHAIRMAN WEYLER: And on behalf of the Legislature, we really appreciate having everybody meet their deadlines. Thank you very much.

REP. SMITH: Joining us from KPMG on the line is going to be Brock Romano. He's the partner. And Karen Farrell, the Manager on the State CAFR Audit. And, also, I believe Dana Call and Joe Bouchard from Department of Administrative Services is also will be on the line as well. So for that I'll turn it over to Brock.

BROCK ROMANO, Partner, KPMG: Thank you, Steve. Just want to do a sound check. Am I coming through?

CHAIRMAN WEYLER: Yes, Brock, we hear you.

MR. ROMANO: Great. Well, good morning, Mr. Chairman, Members of the Committee. For the record, my name is Brock Romano. I'm the Audit Partner overseeing all of KPMG services, including the CAFR. And then also the audit of the federal programs under the Uniform Guidance that we plan to present to you later this winter.

So this morning I understand that you have been provided three documents: 174 page CAFR. You also should have our four page report on internal control over financial reporting. And then there's a nine page handout for the Fiscal Committee.

As part of our presentation this morning, we'll focus on the nine page handout to the Fiscal Committee which summarizes

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the required communications that we make when we meet with a governing body, such as the Fiscal Committee meeting, and we'll reserve some of the specific commentary on the CAFR for DAS when they make their presentation following KPMG.

But before I got into our handout document, I've asked my Audit Manager, Karen Farrell, to maybe share some of our observations about working during this last year's audit. Mr. Smith kind of noted the challenges of COVID-19, but I thought the Committee might -- might appreciate a little bit more detail on, you know, some of the challenges of working in a COVID-19 environment and, quite frankly, the successes of having navigated through it. So, Karen, are you promoted into a speaking role here?

KAREN FARRELL, Manager, KPMG: I believe so. Can you hear me?

CHAIRMAN WEYLER: Yes, we hear you.

MS. FARRELL: Okay. Great. Okay. Good morning. For the record, my name is Karen Farrell. And as mentioned, I'm the Manager on the State CAFR Audit but also the Turnpike Audit. So my comments will relate to the Turnpike as well. And, you know, we did think it was important just to take some time to talk about completing both those audits in a nearly 100% remote environment. KPMG technology and the state secure SharePoint systems were critical to allow us to use them for data exchange which allowed us to share documents with the State and the Turnpike staff and amongst our audit teams.

For the audit of sensitive documents, like reviewing tax documents and testing census data, we were able to leverage our relationship with the LBA who on our behalf performed certain procedures on-site using precautions. Also, even though management had lots of demands on them this year and had resources deployed to the GOFERR Office and other initiatives, they were able to provide us with full cooperation throughout the audit.

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As a result of the CARES dollars received, the Department of Administrative Services for full transparency set up a new Coronavirus Relief Fund, and we were able with the use of Zoom or Microsoft Teams able to work through some of the unique accounting, reporting, and audit issues. And also use those platforms to have frequent status meetings to keep us on target for the audit.

In the future, we will continue to use that because we did note that there were some efficiencies gained in the audit from using Zoom and Microsoft Teams meeting platforms.

As mentioned, I did just want to mention also that the State's proper planning and prioritization over issuing the CAFR and the Turnpike Annual Report allowed them to be able to issue their reports by December 31st, which really is notable in this environment. We have some other clients that maybe did not meet some of their deadlines and so we just wanted that to kind of stand out for them.

Those are really just my comments about working in the remote environment and would be happy to take some questions or turn it back over to Brock to go through our handout.

MR. KANE: Sure. If I may, Representative?

CHAIRMAN WEYLER: Go ahead.

MR. KANE: We just wanted to remind everyone you did receive a hard copy of the CAFR in the mail after that point. We did receive some communications which we e-mailed. I did just forward that e-mail again. I'm going to try to share my screen to follow along, if that's okay.

CHAIRMAN WEYLER: That's good. Because I was searching for that nine pages you mentioned and I didn't see it.

MR. KANE: Okay. I'm going to share it. Are you able to see a document entitled State of New Hampshire?

CHAIRMAN WEYLER: Yes, and it even looks familiar.

MR. KANE: Okay. Okay. So sorry, I didn't mean to interrupt, Brock.

MR. ROMANO: I'm glad you did that, because it's much easier, I think, with the visual up here. I wanted to just thank Karen for that summary, and I can't reinforce enough. I would say about half of my clients need to have some sort of extension from their previous timeline.

CHAIRMAN WEYLER: Yeah.

MR. ROMANO: And New Hampshire clearly prioritized and did not need any sort of extension. So I'm going to try and go through this relatively quickly and allow for some time for DAS; but this handout kind of summarizes our required communication. Mike, if I could get you to advance to Page 3, and this will just some of the highlights. Yep, just one more page. Just some of the highlights.

Again, I mentioned, Chairman, before you you have the 174 page CAFR. I think -- well, when I meet with audit committees or governing bodies I like to kind of put into context that audit opinion is three pages of that 174 page document. So management has great responsibilities and I'll talk about that in a moment. But -- and our responsibility primarily is to issue the opinion. You know, the headline news here it's an unmodified opinion or clean opinions, something that you would expect. I think I've mentioned to the Committee in the past if there were some other situation we would have messaged that to the Committee through the LBA Office well in advance of this particular meeting.

Just draw your attention to the bottom of this particular page. I mentioned earlier there's another handout that you should have received, our four page letter on internal controls

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and that's a byproduct of doing an audit in accordance with certain professional standard.

I just want to make a quick comment on -- on that four page document which is our report on internal controls over financial reporting. There is one comment on there. It's related to credit carry forwards. That's a legacy comment that we spoke at some length with the Fiscal Committee last year. Be happy to speak more about it if the Committee would like; but I think the headline news that I wanted to communicate to the Committee this morning is that we have no new comments to report. We just have a legacy comment. And I think over time that comment will probably be less prominent as we kind of move forward in the discussions about the credit carry forward topic.

So the next three pages and, Mike, if you just want to stay on this one page, because I think I'll speak -- I'll speak directly towards the next three pages -- really outline the roles and responsibilities of all of us. And when I mean all of us, I mean KPMG, the Fiscal Committee, and management. And the next three pages kind of walk through in detail those responsibilities. I'll just highlight a few. Again, I think from -- from the perspective of management, they're responsible for all of the day-to-day responsibilities as it relates to financial reporting and internal controls.

In terms of the Fiscal Committee, you know, we look at the Fiscal Committee very much like we look at an audit committee for our private and our public companies. And as -- and at the bottom of the page, you know, basically it's a governing role, tone of talk, oversight responsibilities as it relates to financial reporting and internal controls.

And then, of course, there's responsibilities of KPMG that kind of are on the next few pages that might and, you know, those are, you know, somewhat extensive as well governed by professional standards, both Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards culminating in our audit opinion. And then, also, requirements

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for us to make certain communications with the governing body which we are going to do in the next few pages of the handout.

So, Mike, if I could get you to go to Page 7. And here we have our -- our reminder of KPMG's system of quality controls as it relates to independence. You know, the cornerstone of what this profession does, not just KPMG, is kind of independence in both fact and appearance. And so there's threats that can occur relative to independence, typically on services, so think about non-audit services. So any non-audit service that KPMG would propose for the State of New Hampshire has to be cleared by me.

So there's a tool and a mechanism for us to monitor that threat to independence. I'm happy to report that there are no non-audit services that would threaten our independence. And then, of course, there's what we call or what the profession calls a familiarity threat. That is long-standing relationships with certain individuals in an audit role. The firm can have a long-standing relationship and we do sometimes in some cases for a hundred plus years with some entities. But in terms of the personnel who provide the audit services, the firm has safeguards that limit our individual's role to ten years. That's actually over and above what the profession would require. But the firm has it as a way of making sure that fresh people, fresh ideas, are always working on the account. And we monitor that through various tools that are listed here that I won't -- I won't bore you with.

And then on the next page are actually the required communications, and I think the optimal, you know, adjective here is there's no significant matters that we would report to the Fiscal Committee at this particular time. We got great cooperation. Management is diligent in doing their exercises.

We list the required communications here for the Fiscal Committee. Happy to go into any in any sort of detail; but headline news is nothing that I would specifically call to the attention to the Committee.

And I'll wrap up, you know, my prepared remarks. The next page, Mike. As we typically do in this particular setting, we remind the Committee of the very prolific nature of accounting standards body. We did get relief this year because of COVID-19 and they delayed any new accounting standards, but it was just a temporary relief. You can see from this list there are quite a few standards that are coming up. I think the ones that will be most of interest to the Committee going forward probably are on the fiduciary activities. And then, of course, leases has garnered a lot of attention, both in the private company space and the governmental space. And we'll be working with management on each of these to make sure that, you know, they're properly implemented at the appropriate time.

Happy to go into any one of these in some detail; but, you know, unless you're kind of myopic accountant they don't hold a lot of interest to folks. So I'll defer on that in case the Committee has any particular comments.

So, with that, I'm going to wrap up my prepared remarks. Happy to answer any questions on this year's audit, both in terms of COVID-19 or any of the topics Karen and I have discussed. And then, again, DAS in a few minutes will kind of walk through the CAFR in a little bit more detail.

CHAIRMAN WEYLER: Thank you, Brock. We're delighted to have the stability we have in the LBA and the Administrative Services, and also your auditors that you're all getting along. We're able to get the answers out in a timely way and not run into road blocks. But I have a question about I remember the one that caused us to include the OPEB and things like that in our statements, which had been left out for years. Is there any other things of that nature that's going to cause a big change in our financial status or budgeting that you see coming up on these GASB standards? Because that was quite a shock of what we had to do with the changes we had to make for those things.

MR. ROMANO: Yeah. Mr. Chairman, you know, the pension and OPEB standards were very impactful because they took what otherwise were --

CHAIRMAN WEYLER: Yeah.

MR. ROMANO: -- large off balance sheet liabilities and put them on the reports of all governmental entities. And therein -- therein -- they're large dollars. I don't have the dollar number of the combined in front of me here. But, you know, very large numbers, very large liabilities. And by putting those liabilities on the financial statements, it caused a renewed focus on how those -- how those liabilities are being funded. So even though putting them on the books didn't -- was kind of a non-cash item, it did change the way those liabilities are viewed and in some cases had organizations start to accelerate their funding, especially as it relates to OPEB.

So that account -- those accounting pronouncements had real impact in terms of budgeting and fiscal oversight. I don't believe the upcoming accounting pronouncements are going to have that level of magnitude in terms of financial reporting and the way governments go about running their business. But they will -- but they will change dramatically the presentation. And when that happens, we'll walk through it.

I would -- I would highlight leases as something that's going to be dramatic in terms of presentation. Because what it's going to do is put a gross asset and a gross liability on the books for leases. But the impact on net position should be minimal. But you'll have what we call a puffing of the balance sheet for that.

CHAIRMAN WEYLER: Thank you.

MR. ROMANO: The other pronouncement if I could just for a minute that I think might be of interest and it might be more of an interest to the large authority, say the Turnpike Authority, is -- is GASB 89 on how interest costs are treated.

So right now interest costs that you incur, so the debt that you incur to build capital assets, that interest cost can be capitalized until that asset is placed into service. And but going forward that interest cost will no longer be capitalized. So highly leverage capital intensive authorities, think of the airports, think of transportation organizations that were able to defer an interest charge to their income statement will no longer be able to do that once that pronouncement goes into effect in 2022.

So probably more relevant to the authorities than maybe the, you know, the CAFR in particular. But I would -- I would highlight that to the Committee. And, again, I -- you've -- you've tripped into myopic topic so I gave you a long answer to a simple question because that's kind of what we do here in the accounting world; but I'll pause and see if there's other questions.

CHAIRMAN WEYLER: Thank you, Brock. Any questions from any other Committee Members? I don't see any. Okay. Thank you very much.

MR. ROMANO: Thank you.

CHAIRMAN WEYLER: Mike Kane, are we going to hear from Steve Smith on any of these?

MR. KANE: Steve and Administrative Services are on the line, too, if they want to make any comments.

CHAIRMAN WEYLER: Okay. So Joe Bouchard or the Commissioner?

MR. KANE: Would just ask DAS to unmute themselves.

CHAIRMAN WEYLER: Okay.

DANA CALL, State Comptroller, Department of Administrative Services: Okay. Try again. Hello. Dana Call. Can you hear me?

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CHAIRMAN WEYLER: Yes, Comptroller. Glad -- you've done some fine work here. Thank you.

MS. CALL: Thank you. Thank you very much. As always, I want to thank my team first and foremost 'cause while the audit was done remotely, our staff are also during a lot of this time frame were fully remote. So that presented two sides of the challenge, and we got through it. And we're also want to express that we've heard other states, you know, had similar difficulties and delays in their CAFR. And we were happy to be able to keep on track and meet our deadline. So I need to thank the whole team here at Admin Services, as well as the agencies, 'cause we all experienced the same level of difficulties being remote.

I wanted to just quickly Brock mentioned the 174 page CAFR which we're always proud to printout. And there are a few pages you might want to take a look at when you have time. We have the General and Education Trust Fund Surplus Statements that appear on Page 8. And these are always of interest and I know Mr. Kane has walked you through already sort of the -- where we ended up with FY 20 as compared to budget. So we are continuing to monitor that.

I'll also quickly have you turn, if you would like, to Page 35 and 37. KPMG mentioned that we created a new column in the CAFR this year to track the reporting specifically for the Coronavirus Relief Fund and that will continue as long as we have expenditures in that fund will most certainly continue in the next Fiscal Year and potentially one more year. So if you are interested, those accounting concepts are in that statement and that represents what was spent through June 30, 2020. So, obviously, after the close of the Fiscal Year there have been additional expenditures so you'll see that and next year's report.

CHAIRMAN WEYLER: Expect it in the next budget, I guess.

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MS. CALL: Yeah. I mean, I think most of the scheduled revenue is, obviously, coming in and spent as per the federal regulations require. So the reporting on that is being done officially by the GOFERR Office. They're reporting to the federal authorities on that, and we're showing that same level of reporting in our CAFR as well.

CHAIRMAN WEYLER: Thank you.

MS. CALL: And the only other thing I would point out if you're interested on Page 41 is where we report our Unemployment Compensation Trust Fund, which had significant activity this year, as everyone knows. They have -- they're reflecting unemployment benefit costs of over a billion dollars that would compare to about 45 million in the prior year. So a lot of additional activity there and I do need to thank my counterparts at the Unemployment Comp Trust Fund and, specifically, at New Hampshire Employment Security. As I mentioned, other states have had delays in reporting their CAFR simply because of the complexity at the audit of the Unemployment Trust Funds, and we did not have those issues here in the state. So I want to thank them as well and that's it. I will take any other questions -- any questions you may have on the numbers.

CHAIRMAN WEYLER: Very good. Any questions from the Committee Members? Seeing none. We have already accepted the report and placed it on file and released it in the usual manner. But, again, our compliments to your Department, your team, and meeting deadlines, especially with all the problems we've had in this past year. So we congratulate you.

MS. CALL: Thank you.

CHAIRMAN WEYLER: Any other comments from the Members? All right. So did we want to have -- Mike, did we want to talk also about DOT?

MR. KANE: Yes. Yes, the next item -- I'll turn it over to Steve Smith. The next item is the annual financial report from

the Turnpike System, and we do have members of KPMG, as well as DOT, available on this video conference.

MR. SMITH: Yes, Mr. Chairman. As was mentioned earlier, Karen Farrell is also the Manager on this audit, too, but the KPMG did have a different partner, Scott Warnetski, and I believe he will be on the line. And I believe joining us from DOT is going to be Chris Waszczuk and Marie Mullen. Move it over to Scott.

SCOTT WARNETSKI, Partner, KPMG: Thanks, Steve. Maybe get a thumbs up from the Committee if you can all hear me. Perfect. Okay. I find these days good to do a sound check --

CHAIRMAN WEYLER: It is.

MR. WARNETSKI: -- before you start going. So, first off, thank you for having me. I appreciate the opportunity here to debrief the Committee on KPMG's audit of the Turnpike System. And, you know, first, I'm going to start off by thanking Chris, Marie, and the entire Turnpike team for their assistance during this remote audit. You know, Karen was nice enough to give you a flavor of what it was, what it entailed to do a remote audit this year. You know, it's not only the State's CAFR team but also the DOT Turnpike team who worked hard and tirelessly with us to ensure that we got everything done timely.

You know, Brock talked a little bit about how, you know, the CAFR through all the hard work was ultimately, you know, issued timely and within all the deadlines. You know, the thing I will mention to the Committee is, you know, the State is kind of like a parent. And below that, you know, there are a bunch of organizations that roll up into the CAFR, and Turnpike is one of those. And, quite frankly, without those organizations, you know, underneath the state, if you will, that roll up into the State doing their job timely, you know, be almost impossible for the CAFR team to, ultimately, do their job timely. So kind of all starts with the different entities that roll up into the CAFR, the Turnpike System being one of those. And, you know,

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happy to say that, you know, we obviously met the deadlines for issuing the Turnpike's in a timely manner. In fact, I think it was early December this year which I was, quite frankly, very, very pleased with. And I think that's a testament to my team, as well as the folks over at DOT and Turnpike.

So moving forward with some of our required communications. And then, you know, have Marie on the line and the Turnpike team, they can talk specifically about some of the numbers if you do have any questions on those. I will reiterate some of the points that Brock made earlier. But the financial statements, in this case the Turnpike financial statements, are the responsibility of management. They're responsible for the completeness of the numbers, the accuracy of the numbers in those financial statements. It's KPMG's responsibility to audit those financial statements, though we do that. And, of course, two sets of auditing standards, both set forth by the ASCPA, as well as those set forth under Government Auditing Standards by the GAO.

Now kind of cutting right to it. The results of our financial statement audit we issue an unmodified opinion on the Turnpike Financial Statements. And since we do audit the financial statements in accordance with Government Auditing Standards, we are also required to report any significant deficiencies in internal controls or material weaknesses in internal controls that we might uncover during our audit. And during our audit of the Turnpike financial statements we did not uncover any such items that we would be required to report to the Committee. So kind of a long-winded way of saying, you know, a very, very clean audit as has been in previous years and, quite frankly, has as I expect DOT and the Turnpike staff to operate based on my knowledge of kind of what they do.

So, you know, it's a, you know, all in all, a clean year. And, you know, I'm going -- there's one item that we are required to report to the Committee, similar to last year. I was going to turn it over to Karen to talk about our one uncorrected audit difference that, quite frankly, is a policy decision by

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Turnpike staff that will continue going forward; but, nonetheless, something we're required to report to the Committee. Karen.

MS. FARRELL: Yes. Thanks, Scott. Just briefly and this is an audit difference that we had last year as well. The State has two other post-employment benefit plans, trusted and non-trusted, and due to the materiality of the trusted piece the state has decided not to allocate down the liability to the different enterprise funds. And the Turnpike's portion of that was \$1.4 million. So that was not a difference that we identified that the Turnpike System did not correct. So the entire liability is sitting on the State's CAFR. And so that's, you know, we probably do recollect that from last year.

MR. WARNETSKI: All right, Karen. And just as a reminder, we set thresholds as far as when we identify audit differences and when we would report them to a Committee such as yourself. So in this instance this happened to float above our audit difference threshold. So required to report it to you. But it is below our materiality threshold, such that we are still able to issue an unmodified opinion on the overall Turnpike financial statements.

One other item I will point out to you, to the Committee, is that as part of our audit of the Turnpike financial statements we also issue debt compliance letters. So as -- as issuers of revenue bonds, the Turnpike System is required to maintain certain financial ratios and certain financial covenants as part of their operations of the Turnpike System. And those ratios, well, while there are various inputs to them, one of the key inputs into that is toll revenue and we all know what happened to toll revenue in the last quarter of the State Fiscal Year, particularly, let's say, March into April. Might have picked up a little bit more in May and into June.

But, nonetheless, you know, as part of our audit procedures this year that is something we are keenly aware of is the toll revenues and the impact on the ratios. And we wanted to, you

know, we perform procedures as we always do, but probably a little bit more skeptical this year to ensure that the Turnpike System was meeting their financial ratios, and we are able to issue, ultimately, our -- our debt compliance letter to say that, you know, there's nothing we are aware of that say that Turnpike System is not in compliance with their debt covenant ratios.

You know, the only thing, too, along those lines I will mention, and Brock alluded to it earlier, is the accounting standard regarding the accounting firm interest costs or capitalized interest costs in those cases. This is something we brought to the attention of the Turnpike System, you know, about a year or even two ago that, you know, this does have the ability to -- does have the ability, will affect the look of the financial cost reported on the income statement of the Turnpike System and, perhaps, might have an unintended or negative effect on those debt compliance ratios. So, you know, I can -- Turnpike management can speak to any detail steps that they're taking; but our recommendation to them along the way is you have to kind of explore this and see what kind of effect on your financial statements may be and, perhaps, even seek relief from your underwriters in -- in -- relief in terms of perhaps rewording some of the financial covenant ratios and things like that. Because when they were written, you know, they -- they were written with intent of capitalizing interest in mind. Now that you cannot capitalize interest your argument could be made you could potentially maybe get those to be redefined.

So as Brock mentioned, you know, that is a standard that does have some potential to affect particularly the debt covenant compliance when it comes to the Turnpike System. So I guess that's the end of my prepared remarks. I'm happy to answer any questions the Committee may have.

CHAIRMAN WEYLER: Okay. Any questions from the Committee?

REP. LEISHMAN: Yeah, Mr. Chairman, Leishman with a question.

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REP. BYRON: Go ahead, Representative Leishman.

REP. LEISHMAN: Thanks, Mr. Chairman. So I was looking I saw the E-ZPass receivables, the violations that are hanging out there are pretty significant. What's being done to get really a handle on all those people that fly through and don't pay these fines and fees that they receive in the mail for just using our system for free?

MR. WARNETSKI: So I will, you know, that I think is a question probably best answered by Turnpike management. But I will say from an audit perspective that is something we have noticed over the last couple of years and there's some changes in vendors and things like that that are affecting this. But, you know, we, obviously, take great attention when auditing that, particularly when it comes to estimating what, you know, what percentage of that will ultimately be uncollectible. That's something that management has to estimate and we have to audit. So, you know, I will -- if Marie's on the line, you know, she can give you some details as far as what Turnpike is doing to address this.

REP. LEISHMAN: Thanks.

MS. MULLEN: Yes, good morning, Representative Leishman. Thank you for the question. Marie Mullen, Director of Finance for New Hampshire DOT. So that is an area that we have been looking at closely due to COVID and some of the changes we've made in the system. So when COVID hit we, obviously, had a significant decrease in traffic, but -- so we had to make some changes, you know, related to that. So our third shift has gone to all electronic tolling so we don't have people collecting cash in the evening because the transactions were so few. We were actually spending more money paying folks than we were collecting in revenues. So that then increases the amount of invoicing we have to do in collection.

So we are focusing on that. As we speak, we have increased and added some part-time temporary staff to send out letters and go after these folks. There was a temporary hold on issuing DMV holds to drivers with more than ten violations due to COVID and the impact financially on folks. That was lifted back in October. So we have reinstated issuing DMV holds on the habitual offenders, those with more than ten violations. So we're pursuing that and we are seeing increased collections now related to those violations and fees as we're able to focus on that and start bringing in those revenues and start going after those folks.

REP. LEISHMAN: Great. Thanks.

CHAIRMAN WEYLER: Do they lose their license?

MS. MULLEN: I'm sorry, can you ask --

CHAIRMAN WEYLER: Do they lose their license with all these violations, their driver's license?

MS. MULLEN: No. The DMV hold they can't register their vehicle. So there isn't a rule that they lose their license, but they can't register their vehicle if they have these violations. They have to pay up all the tolls and the fines, and then they're able to register their vehicles again.

CHAIRMAN WEYLER: So it's the vehicles rather than the driver's license. Thank you.

MS. MULLEN: You're welcome.

CHAIRMAN WEYLER: Any other questions from the Committee? Very good work. Congratulations meeting the deadlines and getting the good grade. Good work. Thank you for your work.

MS. MULLEN: Thank you. And, obviously, the staff here, you know, was significant in that. So I'd like to thank my staff here at DOT and the Turnpike business office for really pushing

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through the challenges that they had in being able to get this done timely. So thank you very much.

CHAIRMAN WEYLER: Thank you. All right. Moving on. Which one's next, Mike?

MR. SMITH: Mr. Chair, the next one will be the State Liquor Commission. The next three audits were performed by the LBA. So the manager on the Liquor audit was Jim LaRiviere. He'll be presenting our Audit, and also I believe Chairman Mollica, I heard him earlier is on the line, as well as Tina Demers, the CFO of Liquor. So Jim, turn it over to you.

JAMES L. LARIVIERE, CPA, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant: Good morning, Chairman Weyler, Members of the Committee. For the record, my name is Jim LaRiviere. Can you all hear me all right?

CHAIRMAN WEYLER: Yes, Jim, we hear you fine.

MR. LARIVIERE: Okay. Very good. We're here today to report the results of our audit of the financial statements contained in the New Hampshire Liquor Commission's Comprehensive Annual Financial Report for the Fiscal Year ending June 30th, 2020. Our Auditor's Report and opinion dated December 18th can be found on Pages 6 through 8 in the financial section of the report.

As noted in the opinion paragraph on Page 7, we issued an unmodified opinion known as an unqualified or clean opinion on the financial statements. An important item to note is that no material adjustments to the accounting records were proposed as a result of our audit.

Similarly, as mentioned by KPMG during their presentation on the Turnpike System's annual financial report, and further explained in our handout letter, as a result -- excuse me -- as a result of the State's decision not to flow the New Hampshire Retirement System sub trust other post-employment benefit

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expense and liability down to enterprise fund financial statements, we identified a significant but not material uncorrected misstatement unstating the Liquor Commission's other post-employment benefit expense and related liability by approximately \$4 million. We assessed this amount for materiality and determined that even though a correction was not made on the Liquor Commission's financial statement, it does not affect our opinion on the financial statements.

The auditor disclosure KPMG included in their handout and discussed verbally also similarly pertained to the Liquor Commission. I will not go through them individually but would like to say during Fiscal Year 2020 the Liquor Commission did hire a CPA firm to assist them in the preparation of their financial statements. No further items are required to be brought to your attention.

We will be issuing a report on our consideration of the Liquor Commission's internal control over financial reporting compliance and other matters based on our audit of the financial statements which was performed in accordance with Government Auditing Standards. That report will be included in the Management Letter which will be presented to the Committee at a future meeting.

I would like to thank the Liquor Commission, Commissioner Mollica, Chief Financial Officer Tina Demers, and the finance staff, as well as the Department of Administrative Service for their cooperation and assistance throughout the audit. This concludes my part of the presentation and with your permission, Mr. Chairman, I would like to hand the presentation over to the Liquor Commission for any comments they may have.

CHAIRMAN WEYLER: Thank you. Commissioner Mollica.

MR. MOLLICA: Yes, Mr. Chairman. Good morning, Members of the Committee. For the record --

CHAIRMAN WEYLER: Good morning.

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MR. MOLLICA: -- the record -- thank you. Good morning. Joe Mollica, Chairman of the New Hampshire Liquor Commission and with me is our CFO Tina Demers. Just quickly.

I'd like to thank the LBA and, specifically, Jim LaRiviere and members of his team for their thoughtful and diligent audit. And, most importantly, I'd like to thank our CFO, Tina Demers, and her team for their hard work every day, not only during the audit, but every day on behalf of the Liquor Commission.

Briefly, I'd just like to say that the Liquor Commission as of 12 -- the end of December 2020, sales numbers are up 3.4% or 15.1 million. And our revenue is up 4.3% or 4 million and we'll be opening our first new outlet in Epsom at the end of January. That's all the comments I have at the moment, Mr. Chairman. If there's questions, Tina and I would be happy to answer them. Thank you.

CHAIRMAN WEYLER: Thank you, Commissioner. Any questions from the Committee? Seeing none. We're all delighted that your sales are up because somebody's got to start carrying the state as we're losing in other places with down on the gas tax and Turnpike and so on. So thanks for giving us some good news. Appreciate your fine work and looking at the way you're handling the stores, and I see you're closing the seven unprofitable ones and that's just good management. I'm proud of you for making those decisions. I know they're tough. Used to be that you got a lot of pressure from some of the legislators for why don't I have a liquor store in my neighborhood. And, hopefully, we're going to avoid that in the future. So --

MR. MOLLICA: Thank you very much, Mr. Chairman. On behalf of the Commission, everyone's doing great work and we appreciate your comments. Thank you.

CHAIRMAN WEYLER: Thank you. All right. Good work. So I guess we've got the Lottery next.

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MR. SMITH: Yes, Chairman.

CHAIRMAN WEYLER: Earlier report placed it on file and released it in the usual manner. I think Lottery brings us some good news, too.

MR. SMITH: Yes, Mr. Chairman. Again, from our office to present our work is Kimberly Bisson. She was the Manager on this audit. And I believe joining us from the Commission will be Executive Director McIntyre, as well as Jim Duris, the CFO. So Kimberly, go ahead.

KIMBERLY BISSON, Audit Manager, Audit Division, Office of Legislative Budget Assistant: Good morning. Can you hear me?

CHAIRMAN WEYLER: Good morning, Kimberly. We hear you.

MS. BISSON: Okay. Good. Great. Again, for the record, my name is Kimberly Bisson. I'm here today to present the results of our audit of the financial statements contained in the Lottery Commission's Comprehensive Annual Financial Report for the Fiscal Year ended June 30th, 2020. The financial statements begin on Page 36 of the Lottery's CAFR.

Lottery management is responsible for the preparation, their presentation of these financial statements in accordance with Generally Accepted Accounting Principles. Our Auditor's Report and opinion can be found on Pages 19 through 21 of the report. As described in the opinion paragraph on Page 20 we've issued an unmodified or clean opinion on the Lottery Commission's basic financial statements, which also include the notes and other supplementary information.

While our opinion speaks directly to the basic financial statements and notes, no matters came to our attention that caused us to believe that other information in the financial section of the report was inconsistent with the basic financial statements.

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Auditing standards require we make a number of disclosures to you. These disclosures were previously discussed by KPMG and are also included in our handout. In the interest of time, I will not go through each of them individually; but we can say that we were satisfied with the cooperation of the Lottery and the progress of the audit, and there's nothing that we need to bring to the Committee's attention related to any concerns with those required disclosures.

Also included in the back page of the report is a multi-page letter that presents the results of certain agreed upon procedures which we performed over the Lottery's operation of its Lucky for Life Game. All states that offer the Lucky for Life game are required as a condition of their participation to have similar agreed upon procedures performed with the results reported to the other participating state lotteries.

In accordance with Government Auditing Standards, we will be issuing a report on our consideration of the Lottery's internal control over financial reporting and non-compliance and other matters as a byproduct of our audit of the financial statements. That report will be included in the Management Letter which we will be presenting to this Committee at a future meeting.

This concludes my presentation. I'd like to thank Executive Director McIntyre and the Lottery staff for their assistance during the audit, and with your permission, Mr. Chairman, I'll turn the presentation over to Director McIntyre who can provide Management's perspective on the Lottery and their report. Thank you.

CHAIRMAN WEYLER: Thank you very much. Good morning, Director McIntyre.

CHARLES MCINTYRE, Executive Director, New Hampshire Lottery Commission: Good morning, Mr. Chairman. Can you hear me?

CHAIRMAN WEYLER: Yes, I do.

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MR. MCINTYRE: Okay. Good morning, Members of the Committee. This is Charlie McIntyre at the Lottery. Happy New Year. With me here is our Chief Financial Officer Jim Duris.

I'd like to start off by thanking the good folks at LBA led by Kimberly in terms of this audit. They were remarkable in their professionalism under very difficult circumstances. And I really thank them for their efforts, as well as our CFO, Jim Duris and his staff, which as you can imagine this is not easy times to do business, but we managed to get it done under the wire so want to thank those folks.

And, as you can imagine, we're thankful to have a very good year. I think, to date, we're over transfer by \$6.1 million and right now we have dueling jackpots, Mega Millions and Powerball. See which one goes higher. Tonight Mega Millions is \$750 million. So if you buy a ticket, we'd appreciate it and those listening. So we expect to have a good December as well. So, with that, Mr. Chairman, happy to answer any questions the Committee may have.

CHAIRMAN WEYLER: Questions from the Committee. Senator Giuda. Senator Giuda, unmute. There you go.

SEN. GIUDA: Thank you, Mr. Chairman. Charlie, how is the sports betting performing?

MR. MCINTYRE: So in our first Calendar Year, so we started December 30th but -- of '19, but I'll say '20 was our first year really. Our profitability was approximately \$11 million for the first year. Take into account the fact that four months didn't exist. So there was virtually no sports to bet on March, April, May, and June. And so our profitability was approximately \$11 million. It's not exact yet. It's about 11 million.

So I'd estimate a full year of sports normalized would be higher than that because we missed out on one of our sort of premier sports betting events, the NCA Basketball Tournament

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didn't happen in March and April. So I would estimate the state would of profit higher than 11 million going forward and that will be reflected in our revenue estimates going forward.

SEN. GIUDA: Thank you.

CHAIRMAN WEYLER: Anybody else? I enjoyed on Page 11 the New Hampshire economy description and all the positives in it. Who wrote that? Was that you?

MR. MCINTYRE: It would be our Chief Financial Officer and sort of my Chief Administrative Assistant who ends up being our air traffic-controller, so was those two.

CHAIRMAN WEYLER: Very interesting. Thank you. Congratulations on all the things you've introduced and how profitable we have been, and I'm glad to see you have so many outlets now for Keno. That was a battle just getting that introduced, but you did very well and you were the number one salesman on getting the towns to accept it.

MR. MCINTYRE: Still working, Mr. Chairman. Still working at it.

CHAIRMAN WEYLER: I knew you would be. Any other questions? Okay. We've already made a motion to accept the report, place it on file, and release in the usual manner. But we are, under the circumstances, you were able to deliver and you adapted to all the challenges. Thank you very much, Director McIntyre.

MR. MCINTYRE: Thank you.

CHAIRMAN WEYLER: Did good. I think, Steve, we have got one more audit left or the financial audit on the New Hampshire Hospital.

MR. SMITH: Yes, Mr. Chairman. Thank you. This is unrelated to the CAFRs, but it is an audit of ours that we wrapped up. And just to remind the Committee did vote to accept and approve

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back in November this particular audit report and tabled the presentation. So Jim LaRiviere will join us again. He was the manager on this audit and I believe we have at least a few folks from HHS, Joe Caristi, the CFO, and I believe Heather Moquin, the CEO, is available for questions as well. So, Jim, go ahead.

MR. LARIVIERE: Good morning, again, Mr. Chairman Weyler, and Members of the Committee. For the record, my name is Jim LaRiviere, and we're here to present the report on our financial audit of the Department of Health and Human Services New Hampshire Hospital for the nine months ended March 31st, 2019.

This report is presented in two sections. First section, the Management Letter section, is the auditor prepared section of the report and it contains our report on internal control over financial reporting on compliance and other matters, along with 17 audit observations. This section also contains the current status of prior audit findings reported in our audit report of the hospital for the nine months ending March 31st, 2011.

The second section, the financial section, contains our independent Auditor's Report, followed by the hospital's prepared financial statement, notes, and supplementary information. Our report disclaims an opinion on the statement of revenues and expenditures general fund because we were unable to complete the audit due to the effects of COVID-19 Pandemic, which became the sole focus of all the hospital staff, including hospital finance.

The focus of my presentation will be on the Observations and Recommendations. However, we would be happy to answer any questions you may have regarding any part of this report.

If you turn to the Table of Contents, this report includes 17 internal control comments, all identified as significant deficiencies. The hospital fully concurs with 14 of the Observations and does not concur with three of the Observations.

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None of Audit comments suggest legislative action may be required.

The discussion of the Observations and Recommendations begin on Page 3.

Observation No. 1 discusses risk assessment which is one of the five recognized components of internal control. The comments notes the hospital does not have a formal risk assessment process in place for its financial obligations. We recommend the hospital establish policies and procedures, along with a formal risk assessment process, for recognizing, evaluating, and responding to risk related to its financial accounting and reporting functions, and include an information technology security risk assessment to ensure hospital information technology systems are adequately protected.

Observation No. 2 on Page 4 reports that the hospital does not have its own dedicated internal audit function to effectively monitor controls, identify risks, and ensure management objectives are being carried out as intended. Many of the observations noted throughout this report may have been identified and addressed earlier, had a dedicated internal audit function in place. We recommend the hospital establish an internal audit function and work towards the implementation of standard internal audit industry practices.

Observations number 3 through 5 starting on Page 5 deal with internal control deficiencies over patient services, revenues, and accounts receivables. We recommend in Observation No. 3 that the hospital develop formal policies and procedures over its reconciliation process for patient services receipts.

In Observation No. 4, we recommend the hospital establish formal billing and collection policies and procedures to support its significant accounting and financial reporting activities. And in Observation No. 5, we recommend the hospital improve its policies and procedures for compiling and tracking its year end accounts receivable.

Starting on Page 9, Observations number 6 and number 7 describe control deficiencies related to the Department's contract with Dartmouth-Hitchcock on behalf of New Hampshire Hospital and six other Department service areas for physician, clinical, and administrative services staffing. Observation No. 6 identifies contract requirements for psychiatrists to account for a minimum of 40 hours per week through appropriate recordkeeping. During the audit period, neither the hospital nor the Department had established a system for tracking hours worked by Dartmouth-Hitchcock staff, who provided services under the contract.

We recommended the hospital improve accountability over its contracted staff to ensure it's receiving the services specified in the contract.

Observation No. 7 notes that New Hampshire Hospital was paying Dartmouth-Hitchcock for contracted staffing services provided to the Department's Division of Behavioral Health and to the Glencliff Home. We recommend that the hospital ensure expenditures charged to its appropriations are only for those associated with the hospital's operations and activities.

Observations number 8 and number 9 starting on Page 11 are related to the hospital's operate cafeterias. In Observation No. 8, we noted that a cash receipt control intended to maintain accountability over cash draws and sales activity was not adhered to, and the need for the Hospital to develop adequate controls to ensure that all cafeteria receipts are deposited. And in Observation No. 9 we recommend the Hospital establish a formal business plan and pricing policy for its cafeteria operations.

Observations No. 10 through number 12 beginning on Page 14 report on payroll related risks. Observation No. 10 recommends the hospital consider the feasibility of implementing an automated timekeeping system to help eliminate redundancy, improve accuracy, and decrease the risk of errors and fraud.

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Observation No. 11 recommends the Hospital work with the Department of Administrative Services to develop and implement procedures to properly account for employees scheduled to work on paid holidays to ensure those employees are compensated in accordance with the Collective Bargaining Agreement and state policy.

In Observation No. 12, we propose the Hospital pay weekend pay differential to the nursing staff as negotiated in Collective Bargaining Agreement.

Observation No. 13 on Page 18 points out that the Hospital does not have an effective controls to accurately account for and track pharmaceutical inventory of non-controlled substances and that duties performed in the pharmacy are not effectively segregated.

We recommend the Hospital improve controls over its pharmaceutical operations to ensure proper accountability over its non-controlled substances.

Observation No. 14 on Page 21 discusses the need for the Hospital to develop policies and procedures for reviewing and monitoring workers' compensation expenditures recorded in the Hospital's accounts.

On Page 22, Observation No. 15 recommends that the Hospital develop policies and procedures over its review and payment of campus security services provided by the Department of Safety and determine if an update is needed to its Memorandum of Understanding with the Department of Safety for those services.

Finally, in Observations number 16 and number 17 beginning on Page 23, discuss information technology issues, including system access permission and disaster recovery plan for critical information systems. We recommend routinely and regularly reviewing and evaluating employee and contractor access to its critical information technology systems and implementing a

comprehensive and tested disaster recovery plan for its mission critical information technology systems and assets.

The current status of prior audit findings is located beginning on Page 28, just after the first tab. As noted on Page 31, of the 33 comments contained in the prior audit report, 13 were resolved, eight were brought in process of remediation, seven remained unresolved and five were not applicable during the current audit.

The financial section of the report follows with our independent Auditor's Report in which we disclaimed an opinion as mentioned earlier on a statement of revenues and expenditure general fund due to the circumstances resulting from the progression of COVID-19 Pandemic.

This concludes my presentation. I would like to thank the Department's Commissioner Lori Shibinette, Heather Moquin, New Hampshire Hospital's Chief Executive Officer, Joe Caristi, Chief Financial Officer, Donna Ferland, Financial Manager, and the other hospital finance staff for their assistance and cooperation during the audit. Thank you, Members of the Committee.

CHAIRMAN WEYLER: Thank you. Commissioner Shibinette, any comment?

MR. KANE: I believe Kerrin's here. We're going to pull a couple people over.

CHAIRMAN WEYLER: Okay.

MR. KANE: Just a little louder.

LORI SHIBINETTE, Commissioner, Department of Health and Human Services: Good morning, it's Commissioner Shibinette. Can you hear me okay?

CHAIRMAN WEYLER: A little low in the volume.

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MS. SHIBINETTE: Okay. I'm going to defer to Joe Caristi who is the Chief Financial Officer at New Hampshire Hospital for any comments.

JOSEPH CARISTI, Chief Financial Officer, New Hampshire Hospital, Department of Health and Human Services: Good afternoon, Committee Members. Can you hear me?

CHAIRMAN WEYLER: Yes, good level of volume.

MR. CARISTI: Perfect. My name's Joe Caristi. I'm the CFO down at New Hampshire Hospital. Just wanted to take a moment to thank the LBA for being pretty flexible with the hospital throughout this audit. COVID-19 showed up, kind of towards the back end of the audit, and certainly made it challenging for us to coordinate on responses thereafter. So we certainly appreciate our LBA colleagues for being flexible with that, and we're happy to answer any questions that you may have.

SEN. D'ALLESANDRO: Mr. Chairman.

CHAIRMAN WEYLER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you. Thank you, Mr. Chairman. This is, I guess, for the auditors or for Mr. Caristi. Observation No. 6. That's something that concerns me in the fact that a similar comment was noted in our prior audit report. What's been done to deal with that -- that observation? That's very significant in my eyes. I find that to be a bit worrisome to be honest with you. We have -- I mean we bring people in to perform services. If they're not being done in the appropriate manner, what's the accountability?

MR. CARISTI: Sure, I'm happy to take that question from the Department side. So we do have a certain level of oversight over our contracts with Dartmouth-Hitchcock in ensuring that staffing as contracted is provided. I think the key nuance here in this finding is that our contract states we are contracting for 40

hours a week and that the contractor shall provide us essentially time cards stating such hours are being provided. That is, I think, more of a flaw of the contract language per se. It's not industry standard practice to track physician time on an hourly basis and fundamentally on -- from a clinical care provision, we're not so much concerned with, you know, having somebody in this building for a concrete eight hours a day. We want to make sure that the patient care that needs to be rendered is rendered and that patients assigned to specific physicians or providers are receiving that care.

So in that context, we do track staffing at what we call the full-time equivalent level, the FTE level. Staffing is reported every single day in a hospital safety huddle and that information is distributed house-wide every single day so we know who is here and who is not. And then in the rendering of clinical care throughout a day it would be readily apparent if a provider was not available to provide documentation, orders, consults, referrals, things of that nature.

So the hospital feels confident that the services that have been rendered -- I should edit that statement. The services that have been paid for have been rendered. And we also just want to note we've been actively working in this contract when there is a known vacancy for greater than 30 days. We've been exercising a provision of this contract to reduce our invoices. And in Fiscal Year 20 that saved us, I believe, close to \$400,000. So we do have a pretty active management of this contract and oversight and provider staffing is something we review on a daily basis in a hospital-wide initiative.

SEN. D'ALLESANDRO: You know, thank you for that answer. My concern is that the service is rendered and as you say, we send people to New Hampshire Hospital. New Hampshire Hospital is the only place that we have in the state and if, indeed, the service is being rendered, that's really what it's there for. As I said, I don't -- I don't know about this -- about a 40-hour week; but the contract should be structured, in my opinion, so that it's the service required that's -- that's observed. It's

dispensed and you, indeed, have the oversight to make sure that that happens. This indicates that that's not the case.

MR. CARISTI: In our response in our concurrence on this we actually -- we state that we agree the wording of the contract could use some improvement, and we would intend to improve that in a future amendment or something of that effect.

SEN. D'ALLESANDRO: Great. Because those contractual arrangements go through the Finance Committee in both the House and the Senate, because they're part of the Operating Budget that -- that's brought forward for the biennium. So we'll -- I think we'll pay strict attention to that as we move into that process.

MR. CARISTI: Of course.

SEN. D'ALLESANDRO: Thank you.

CHAIRMAN WEYLER: Mr. Caristi, were you aware of the previous audit from 2011?

MR. CARISTI: Yes. Yes, I am.

CHAIRMAN WEYLER: Because some of those things, I think, still seven that haven't been resolved, and that should be priority. We'd like to hear back within six months what the progress is on those. And I recall from the previous audit we were getting problems with Dartmouth. Wish there was somebody else we could contract with and at that time we were having psychiatrists that were billing NHH where they were billing someone else for the same hours in a different location. So yes, maybe physicians don't like to be tracked by the hour, but I know Medicaid and Medicare do the same, even by the minute. So I'd like a little bit sharper track of those expensive hours that we're not seeing carefully kept. And it's problematic still here since 2011. So until there's someone else we can contract with.

MR. CARISTI: And I fully intend and our team has been working as time allows on correcting all of these findings, 2011 and this current audit report. And I certainly appreciate the need for significant oversight of this contract. It is a large contract. We want to make sure that the services paid for are being rendered and I -- I certainly agree with that. And I think the practicality of asking physicians to do time cards is the challenge. It's not so much that they don't like to do it. It's, you know, providers are on-call on a regular basis. They're often doing documentation outside what you would consider a regular business day and it's -- it poses a lot of significant challenges.

And, additionally, the physicians are compensated really on a salary basis. So they don't track this for their own institutions. And so, you know, but I certainly understand the concern about billing New Hampshire Hospital for working on somebody else's time and that is something that I take very seriously. And I think over this past year we have significantly ramped up our oversight of this contract, and I continue to do that -- continue to hope to do that moving forward.

CHAIRMAN WEYLER: We hope to see some results in six months. Senator Giuda has a question.

SEN. GIUDA: Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Then Representative Umberger.

SEN. GIUDA: Given the -- given the amount of money that's involved, might it be appropriate to increase the interval to every 90 days as far as an oversight? We can certainly track trends in less than six months.

MR. CARISTI: Just to clarify, Senator, are you -- is your question could we have hourly time tracked in a quarterly level?

SEN. GIUDA: No, the question is your report back to this Committee is supposed to be done every six months. I think it

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may be appropriate to shorten that interval, and certainly to get a lid on this thing and to make sure that whatever system you put in place, you know, is effectuating the necessary oversight.

MR. CARISTI: Sure. I think, you know, I would be happy to -- I guess I just want to clarify. We do have a process in place where we have oversight. We do review, you know, as I said, staffing on a daily basis. I also review staffing as provided with invoices compared to what we have internally that's been tracked. It's just not at a 40-hour week level. It's at the full-time equivalent level. So we do have tracking mechanisms in place, and we do have significant oversight of this contract.

SEN. GIUDA: I would just suggest my thoughts for the consideration of the Committee.

CHAIRMAN WEYLER: Is that a motion, Senator?

** SEN. GIUDA: Yeah, that's a motion, to have 90-day reports.

CHAIRMAN WEYLER: Is there a second?

REP. LEISHMAN: I'll second Senator Giuda's motion.

CHAIRMAN WEYLER: Representative Leishman seconds the motion to have a 90-day report from New Hampshire Hospital. Is there --

REP. OBER: I'd like to ask a question.

CHAIRMAN WEYLER: Who else had a question?

REP. OBER: Representative Ober. I raised my hand.

CHAIRMAN WEYLER: Representative Ober has a question.

REP. OBER: As Senator Giuda was asking his question, I was trying to work out in my head if the Hospital feels that they're

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actually doing what they're supposed to be doing as opposed to not having the oversight, and if we could just have a clarification. Do you actually feel that you have adequate oversight, that the wording is just incorrect?

MR. CARISTI: That is correct.

CHAIRMAN WEYLER: So I guess the motion before us and --

REP. UMBERGER: Wait.

CHAIRMAN WEYLER: Representative Umberger.

REP. UMBERGER: Yeah.

CHAIRMAN WEYLER: You have a sheet for that?

REP. UMBERGER: Yes. I've got one here, but that's -- I do have a question, if I could.

CHAIRMAN WEYLER: Go ahead.

REP. UMBERGER: It seemed to me that the way the contract was written was part of the problem. So I guess that what my question is is if it's part of the problem, how long is it going to take to amend the contract to fix whatever is going on here on tracking hours?

MR. CARISTI: So we can certainly start working on an amendment and have that brought forth through the G&C process. Typically, amendments like that, you know, I would hesitate, maybe to defer to Kerrin on timing just because our contract's teams, I'm not sure the time frame to turn something around at this moment. But, you know, in terms of action on the Hospital's side, we could certainly start that tomorrow.

CHAIRMAN WEYLER: Okay. Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you. Thank you, Mr. Chairman. I think that really makes sense. If the contract -- if you have seen that the contract is not adequate in terms of services, et cetera, the provisions must be changed in that contract. Because that contract will become -- will become part and parcel of the budget process which is in the making now. I mean, the Governor's preparing his Operating Budget for the next biennium. So those contract changes should be included in that presentation if not sooner, from my standpoint.

CHAIRMAN WEYLER: Thank you.

REP. UMBERGER: I concur.

CHAIRMAN WEYLER: All right. Senator Giuda again.

SEN. GIUDA: Thank you, Mr. Chairman. Given that information, and with the affirmation of Mr. Caristi that they will immediately begin seeking to provide contract language that doesn't create this problem, with the concurrence of the second, I'd be willing to withdraw my motion.

CHAIRMAN WEYLER: Okay.

REP. LEISHMAN: I'll second that. I'm fine with that, Mr. Chairman.

CHAIRMAN WEYLER: All right. Senator Giuda withdraws the motion. Representative Leishman withdraws the second. There's a relief for you, Karen.

REP. UMBERGER: Yeah, thanks.

CHAIRMAN WEYLER: Don't have to do another roll call. Anything further?

I do want to compliment Jim LaRiviere for his fine work again. I appreciate abbreviations listed so I can -- don't have to keep looking back to what they mean. And, also, I'm delighted

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that I don't have to file legislation as a result of this audit. Quite often --

MR. LARIVIERE: Thank you, Representative Weyler.

CHAIRMAN WEYLER: -- someone has to file legislation. I seem to be the constant volunteer. All right.

SEN. GIUDA: I do have --

CHAIRMAN WEYLER: I guess -- yes, anything else?

SEN. GIUDA: One question, Mr. Chairman, and that is where are you that the sky is blue and the clouds are puffy?

(Laughter).

REP. LEISHMAN: He's in the Caribbean.

CHAIRMAN WEYLER: This is my favorite environment. You know that.

SEN. D'ALLESANDRO: He's flying. He's flying. He's flying. He's flying, Bob.

CHAIRMAN WEYLER: I left it years ago, but in my mind I'm still there.

SEN. D'ALLESANDRO: In this his mind he's still flying for American Airlines.

CHAIRMAN WEYLER: Still flying. What a job.

(13) Date of Next Meeting and Adjournment

CHAIRMAN WEYLER: All right. I think we've got to figure out the next meeting. Mike Kane, is that the next on the agenda?

MR. KANE: Yes. The last and I believe the third Friday in February is February 19th.

CHAIRMAN WEYLER: Is that a problem for anyone?

REP. OBER: No, perfect.

REP. LEISHMAN: I'm good.

SEN. D'ALLESANDRO: I'm good.

CHAIRMAN WEYLER: All right. So we will plan our next meeting --

SEN. ROSENWALD: I'm good.

CHAIRMAN WEYLER: -- on the 19th. Anybody speak up? I'm sorry. Did I block anybody out?

MR. KANE: No, you did not.

CHAIRMAN WEYLER: Mike Kane, thank you for providing us with such efficient schedule, and all your fine work from your folks in the LBA, as they're not to their 20-hour schedule as we get to the budget yet.

MR. KANE: Thank you.

CHAIRMAN WEYLER: You get a little bit of extra time to get stuff together. And thank you for the Members of the Committee for their diligence in reading all the material and coming up with questions because we know this is an important part of government, that we have the oversight. As someone said -- as the auditor said we are the equivalent of an audit committee in a corporation, and we have to make the things that work and the way they should because we do the budget, all of us, and these are big bucks. If we catch some mistakes, sometimes it saves a lot of money for the taxpayers and that's what we all got elected for, to make sure things are done efficiently.

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So I appreciate all the Members' cooperation and all the study we've done on this material. So we'll see us all on February 19th, if not sooner, and thank you all for your good work.

MR. KANE: Good, thank you.

CHAIRMAN WEYLER: Nothing else, I move we adjourn.

SEN. D'ALLESANDRO: I'll second that.

CHAIRMAN WEYLER: Raise your hand.

SEN. DANIELS: I think we have to take a vote.

CHAIRMAN WEYLER: A vote on adjourning?

SEN. DANIELS: Yes.

REP. UMBERGER: Well, it says here I can do it by consensus.

CHAIRMAN WEYLER: All in favor of adjournment raise your hand.

REP. OBER: Oh, absolutely in favor.

(On the video, all Members raised their hand.)

CHAIRMAN WEYLER: I don't see Senator Rosenwald.

SEN. D'ALLESANDRO: I'm sure she's okay.

CHAIRMAN WEYLER: There she is raising her hand and Lynne Ober said she's in favor.

REP. OBER: Yes, absolutely.

REP. UMBERGER: Who seconded that motion?

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SEN. D'ALLESANDRO: Peter you need a haircut.

REP. LEISHMAN: I know.

SEN. D'ALLESANDRO: All right. So long everybody. Have a great day.

SEN. D'ALLESANDRO: Thank you. Have a great day everybody. Thank you.

REP. UMBERGER: Bye.

SEN. D'ALLESANDRO: Peter, I'm watching you.

REP. LEISHMAN: I know. I'm watching you, Lou.

SEN. D'ALLESANDRO: Okay. Thank you.

(The meeting adjourned at 12:18 p.m.)

C E R T I F I C A T I O N

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a transcription from an audio recording on said date and was transcribed to the best of my ability, skill, knowledge and judgment.

Cecelia A. Trask, LSR, RMR, CRR
State of New Hampshire-LSR #47

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