

JOINT LEGISLATIVE FISCAL COMMITTEE

Legislative Office Building, Rooms 210-211

Concord, NH

Friday, March 18, 2022

MEMBERS PRESENT:

Representative Karen Umberger, Chair

Representative Tracy Emerick

Representative Jess Edwards

Representative Keith Erf

Representative Mary Jane Wallner

Representative Joseph Pitre (Alt.)

Representative Bob Lynn (Alt.)

Senator Gary Daniels

Senator Bob Giuda

Senator James Gray

Senator Cindy Rosenwald

(The meeting convened.)

(1) Acceptance of Minutes of the February 18, 2022 meeting.

KAREN UMBERGER, State Representative, Carroll County, District #02: Okay. Call the meeting to order. What is this? Fiscal Committee. Welcome all. And I hope you have not had -- not had as long days as your House Members have over the last three days. So we did finish up at 9 o'clock last night. That's why we're all here smiling, and we're looking forward to the things on the agenda today.

The first item on the agenda is the acceptance of the minutes of February 18th, 2022. Are there any corrections, additions, changes? Seeing none. Could I have a motion?

**** GARY DANIELS, State Senator, Senate District #11:** So moved.

BOB GIUDA, State Senator, Senate District #02: Second.

CHAIRWOMAN UMBERGER: Senator Daniels and Senator Giuda. All those in favor, please raise your hand.

JESS EDWARDS, State Representative, Rockingham County, District 04#: (Inaudible).

CHAIRWOMAN UMBERGER: Okay. Eight in favor and one abstention.

*** {MOTION ADOPTED}

(2) Old Business:

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

CHAIRWOMAN UMBERGER: Okay. Hum -- is there anyone that is interested in taking -- hum -- the tabled item off the table? Okay. Seeing none. We will move on to the audit topic recommendation from the letter from Senator Reagan. And the -- the audit that is being asked to be approved is efficiency and effectiveness of the Weatherization Assistance Program.

Uh -- as I understand it, we need one vote to approve this. So if there is anybody have any objections? Okay. Seeing none. Then Tracy will vote yes. Okay.

REP. EDWARDS: Madam Chair.

CHAIRWOMAN UMBERGER: Hm-hum.

REP. EDWARDS: On the previous item that was tabled, 22-023, would you share with us your understanding of the status of that? I know it's tabled, but is -- do we know if the Department is -- is working on addressing any of the concerns we had?

CHAIRWOMAN UMBERGER: Yes.

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REP. EDWARDS: Okay.

CHAIRWOMAN UMBERGER: They are working on the rules.

REP. EDWARDS: All right.

CHAIRWOMAN UMBERGER: Okay. All right. Hum -- you ready?

TRACY EMERICK, State Representative, Rockingham County, District #21: All set.

CONSENT CALENDAR

- (4) RSA 9:16-a, I, Transfers Authorized:
- (5) RSA 9:16-a, I, 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:
- (6) RSA 9:16-c, I, Transfer of Federal Grant Funds:
- (7) RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from any Non-State Source:
- (8) RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from any Non-State Source, and RSA 124:15 Positions Authorized:

AMERICAN RESCUE PLAN 2021

CONSENT CALENDAR

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

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

CHAIRWOMAN UMBERGER: Okay. Are there any items to come off the Consent Calendar? Okay.

CINDY ROSENWALD, State Senator, Senate District #13:
(Inaudible).

CHAIRWOMAN UMBERGER: Oh, let's do the whole -- everything. Okay.

REP. ROSENWALD: Off of number nine I would like to remove 117 and 116.

REP. EMERICK: There is no 117.

CHAIRWOMAN UMBERGER: Yeah.

SEN. ROSENWALD: Nine and 10. Sorry.

CHAIRWOMAN UMBERGER: No, which ones?

SEN. ROSENWALD: Off of item Tab 9, 116, and Tab 10, 117.

SEN. DANIELS: Page 3.

REP. EMERICK: Okay, I got it.

CHAIRWOMAN UMBERGER: Okay. Okay.

SEN. ROSENWALD: Thank you.

CHAIRWOMAN UMBERGER: Hm-hum. Are there any others?

REP. EDWARDS: I had some, but I think Representative Emerick has a punch list that --

CHAIRWOMAN UMBERGER: Yeah.

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REP. EMERICK: Do you want me to read the whole thing (Inaudible).

CHAIRWOMAN UMBERGER: Yes, would you mind?

REP. EMERICK: Madam Chair, the items taken off in pre-Fiscal meetings are Tab 7, 22-098, Tab 7, 22-100, Tab 9, 22-088, Tab 9, 22-099, Tab 9, 22-113, Tab 9, 22-116, and Tab 10, 22-117.

CHAIRWOMAN UMBERGER: Okay. All right. Uh -- can we have a vote to remove these from the Consent Calendars area? All those in favor please raise your hand. Opposed? All right. So, here we go.

***** {MOTION ADOPTED}**

REP. EMERICK: Madam Chair, we need a vote now to approve all the ones that are still on the Consent Calendar.

CHAIRWOMAN UMBERGER: Oh! Okay.

REP. EMERICK: The other ones.

CHAIRWOMAN UMBERGER: Yes. Could I have a motion to approve the remainder of the items on the Consent Calendar? Senator Rosenwald. Second? Senator Giuda. And we need a roll call.

REP. EMERICK: Okay. This roll call for the balance of the Consent Calendar. Representative Edwards.

REP. EDWARDS: Yes.

REP. EMERICK: Clerk votes yes. Representative Erf.

KEITH ERF, State Representative, Hillsborough County, District #02: Yes.

REP. EMERICK: Representative Wallner.

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MARY JANE WALLNER, State Representative, Merrimack County, District #10: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Gray.

JAMES GRAY, State Senator, Senate District #06: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 9-0.

CHAIRWOMAN UMBERGER: Okay. With the vote of 9 to 0, the remainder of the items on the Consent Calendar are approved.

***** {MOTION ADOPTED}**

CHAIRWOMAN UMBERGER: Okay. The first item that was taken off the Consent Calendar was 22-098 from the Department of Education.

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

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KELLY RAMBEAU, Administrator, Office of Nutrition Services and Programs, Department of Education: Kelly Rambeau, Administrator for Nutrition Programs and Services.

CHAIRWOMAN UMBERGER: Okay. Okay -- hum -- the question that we had on this is we're not exactly sure what this transportation part of this is all about. And how are we -- we just don't understand it. It's not -- we're not opposed to it. We just don't understand how and what is going on.

MR. EDELBLUT: So let me try and clarify that for you and otherwise Kelly can lean in on some of the details as well. But basically we've received an additional source of funds from the Federal Government for our Food and Nutrition Programs to be able to support our food programs throughout the state in some of the additional costs that they have incurred as a result of some of the supply chain issues that have happened across the country. So the difficulty in terms of getting, you know, food and supplies to the school to be able to do it, maybe they have to pay expedited charges or they've got additional costs associated with that. So these funds will essentially, other than a small part, be passed through to the Districts to be able to support the increased cost associated with supply chain, you know, constraints. That's it.

CHAIRWOMAN UMBERGER: Okay. So, basically, the schools will ask for reimbursement for these extra charges?

MS. RAMBEAU: Thank you for your question. So there is a certain amount, \$5,000, that gets disbursed to every SAU and then the remaining amount -- the remaining amount is disbursed based on the meal counts from (Inaudible) 21 and the schools can opt-in for this and they -- or they cannot choose to take the funds and, obviously, that would change the amount that and the formula that each school would get to.

CHAIRWOMAN UMBERGER: Okay. So it's based on meals served.

MS. RAMBEAU: Correct.

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MR. EDELBLUT: Other than the \$5,000 flat fee that everybody gets.

CHAIRWOMAN UMBERGER: Correct, hm-hum. Are there any further questions?

REP. EDWARDS: I have a tangential question, if I may?

CHAIRWOMAN UMBERGER: Certainly.

REP. EDWARDS: Thanks for coming in, Mr. Commissioner. I -- I started a conversation with DHHS a couple Fiscal Committees ago. I had a constituent call me up. She works in a nearby School District. And she hammered me as good as I've been hammered in a long time about the extra burden that the schools were bearing in order to keep up with all the COVID-19 reporting. And -- and I think that's primarily a Department of Health and Human Services task that's going to the schools. But I just wanted to make you aware of it and ask you if -- if you were aware of the schools complaining about what feels to them as a truly excessive workload around COVID reporting?

MR. EDELBLUT: And can I just clarify. Are you saying specific to food and nutrition programming or broadly?

REP. EDWARDS: No, this is tangential. It's completely different. It's about COVID reporting. I'm just using the fact that you're up here on nutrition to ask you about something you're completely unprepared for.

MR. EDELBLUT: No, actually, I'm -- I'm quite prepared for that so it's no problem at all because there was a significant amount of reporting that was taking place from our schools associated with cases and contact tracing. Over time that has come down and on February 23rd with the update of the recommendations by Public Health around some of the COVID protocols, the amount of reporting by the schools has been substantially reduced. And so there is some reporting that

continues, but a significant amount of that has been -- that burden has been taken away from them.

REP. EDWARDS: Thank you for the sidebar. I just ask because the constituent was so fired up.

MR. EDELBLUT: Yeah. So I think we've taken care of much of that. Thank you.

CHAIRWOMAN UMBERGER: Okay. Are there any further questions? Seeing none. Will the Clerk please call the roll.

REP. EMERICK: I need a motion.

CHAIRWOMAN UMBERGER: Oh.

REP. EMERICK: Trying to get done very quickly.

CHAIRWOMAN UMBERGER: Yes, I am.

** SEN. DANIELS: Motion to approve.

CHAIRWOMAN UMBERGER: Senator Daniels.

REP. EDWARDS: Second.

CHAIRWOMAN UMBERGER: Okay. Well, you know, these official -- these official things, you know, what do I know. Okay. Will the Clerk please call the roll.

REP. EMERICK: Roll call on 22-098. Representative Edwards.

REP. EDWARDS: Yes.

REP. EMERICK: Clerk votes yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Wallner.

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REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 9 to 0.

CHAIRWOMAN UMBERGER: The vote is 9 to 0. The motion passes.

***** {MOTION ADOPTED}**

CHAIRWOMAN UMBERGER: We now move to FIS 22-100, which is requesting 254 plus in federal CARES Act funding, so. My question on this is that I had thought that all CARES Act money had to have been allocated by 31 December. And so I was just a little confused as to what was going on with the CARES money -- CARES Act money.

KERRIN ROUNDS, Chief Financial Officer, Department of Health and Human Services: Yes. So I do believe that that

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applied to the CARES Act funds that were appropriated through GOFERR; but there were many CARES Act funds that were appropriated directly to the Department through that bill and with this grant it is good until September of '22. So it -- and the dates of when the grants expired from the CARES Act depended on where the funding -- where the funding was granted to and this one was directly to the Department. It was not through GOFERR.

CHAIRWOMAN UMBERGER: Okay. Representative Edwards.

REP. EDWARDS: It's kind of a two-part question. I'll ask it in one. It says that this is to support the survey and certification activities. And I was -- I was just curious if you could characterize what all goes into the survey. And then on the certification piece, what -- what -- what utility does that certification serve? Does it authorize receipt of funds from something or why bother with the certification?

MELISSA ST. CYR, Chief Legal Officer, Department of Health and Human Services: Thank you. For the record, my name is Melissa St. Cyr. I'm the Chief Legal Officer for the Department of Health and Human Services, and I oversee the Bureau of Licensing and Certification relative to this survey and certification question that you just had. (Inaudible) inspecting all aspects of quality and care that's provided to residents that live in nursing homes. So it's -- it's -- it's every aspect of medical treatment. It's all aspects of the environment, food service, every -- everything that they possibly could be receiving treatment or care for at the nursing home. So these surveyors go in and do that.

In doing so, if they found them in compliance of -- with CMS regulations, they then are certified. That facility becomes certified to provide services to Medicare recipients and Medicaid recipients. So that's what the certification is for.

REP. EDWARDS: So follow-up.

CHAIRWOMAN UMBERGER: Follow-up.

REP. EDWARDS: So what would be the impact if -- if they didn't get a certification?

MS. ST. CYR: If they did not get their certification they could lose all Medicare funding and not be able to provide services to Medicare recipients.

CHAIRWOMAN UMBERGER: Could I have a motion to accept FIS 22-100?

** REP. EDWARDS: I'd -- I'd like -- (Inaudible). I'd like to make a motion we accept 22-100.

CHAIRWOMAN UMBERGER: Okay, Representative, and Senator Rosenwald seconds.

CHAIRWOMAN UMBERGER: Will the Clerk call the roll.

REP. EMERICK: Roll call 22-100. Representative Edwards.

REP. EDWARDS: Yes.

REP. EMERICK: Clerk votes yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: Yes.

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REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 9 to zero.

CHAIRWOMAN UMBERGER: With a vote of 9 to zero, FIS 22-100 passes.

***** {MOTION ADOPTED}**

CHAIRWOMAN UMBERGER: Okay. Hum -- I see that -- thank you very much. Okay. We're gonna -- we're gonna go off on something else right now.

REP. EMERICK: There's still DHHS.

CHAIRWOMAN UMBERGER: No, no, no, no.

REP. ERF: (Inaudible).

REP. EMERICK: (Inaudible).

CHAIRWOMAN UMBERGER: No, I didn't forget about it. He wasn't here. Okay. Hum -- this is a perfect place to bring up our friend from DAS, Mr. Arlinghaus. Commissioner Arlinghaus.

At our last meeting, Commissioner Arlinghaus promised us that by this meeting he would have hired his three temporary

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positions for working to gain employees in the state. So that's my first question is how are we doing on that?

CHARLES ARLINGHAUS, Commissioner, Department of Administrative Services: Well, but -- well, so at our -- I'm going to -- I'm going to take issue - not really - but I said give me a month. Not a month from the date we were speaking, but a month from when we had permission, right? So -- uh -- our meeting was February 18th. The Governor and Council approval, which is required for this item, was March 9th. I can't post a position before March 9th. So we did a whole lot of work between the Council -- between this meeting and the Council meeting on the presumption. And, normally, I don't let people do work on this presumption. If it requires Fiscal and Governor and Council approval just keep your shirt on until they both approve, 'cause that -- because, you know, who knows what happens at Governor and Council.

Obviously, you're a very reasonable, wonderful body, and -- hum -- but them, who knows? And they're a reasonable, wonderful body, too, for the record, if somebody's taking notes. So that meeting was March 9th.

CHAIRWOMAN UMBERGER: We won't -- we won't put that in the minutes. Okay.

MR. ARLINGHAUS: Thank you. I appreciate that. So that meeting was March 9th, and we posted the position on March 10th, which is pretty good, I think. I mean, I suppose theoretically we could have gotten it up that afternoon but that's silly. Position postings in the state process require they be posted internally for a period of time, typically five business days, and that was yesterday. Hum -- and we're likely to extend the posting, although evaluate what we've so far, but extend the posting externally for five days. Days, it might be seven days. There's a -- it's a standard work unit and it might be seven days because it's five business days. At which point we have -- I actually asked somebody to pull this for me Wednesday.

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So there are three positions. We've received four applications. There are one or two of them that may or may not certify. They're reviewing it to make sure that they do. The certification process is moderately cumbersome in the state system, which is why we're probably going to go external. But we have in the meantime developed a recruiting and marketing plan, a general business plan, including metrics and goals. There is position work under way pulling positions across state government and vacancy rates to figure out which positions that we're going to target first. I would describe that as under way; but the -- the woman -- the analyst doing that work for us, Carolyn Russell happens to be her name, is fairly far advanced on that. When we talked about it a week ago, she seemed pretty clear on -- on at least about half the positions they're going to look at.

So I would expect that we will have hired all three positions within a month of the Governor and Council meeting.

CHAIRWOMAN UMBERGER: Okay. So you're tricking me.

MR. ARLINGHAUS: I'm really trying hard to, yes.

CHAIRWOMAN UMBERGER: Yeah, I -- I -- I got it. Okay. So next month in April.

MR. ARLINGHAUS: The next month I'll actually have names for you.

CHAIRWOMAN UMBERGER: Okay.

MR. ARLINGHAUS: So but -- and it's important, I know -- I know my opening was a little bit silly, but it's important to note that just because those three bodies have not been hired doesn't mean that a lot of work isn't being done by people who already have too much on their plate. And so, you know, this has been prioritized and is being worked on. I mean, frankly, not just by -- you know, Carolyn is a (Inaudible). She was instead of the rest of the Department because of the importance of this.

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But she has -- she has three other major projects that I'm constantly harassing her about. And the Director of Personnel is directly involved on this herself, and everybody else. The only person not directly involved on it is me. I just ask them what they're doing and they tell me.

CHAIRWOMAN UMBERGER: Okay. One of our concerns, and the reason I asked you to come up now, is because we have the Department of Justice looking for an employee. And we have -- was it HHS? Uh -- oh, the Department of Business and Economic Affairs looking for three people. And so that's four additional part-time people. And the concern that we have is that our vacancy rate, which I guess you had provided to us, you know, is -- this is just on full-time people, was at 18%. And I don't know that we know what our vacancies are on these part-time positions or not part-time but temporary positions.

And so I would venture to say over the last six months or so we've probably approved 25 or 30 and maybe more part-time or not -- I keep using that word -- temporary positions. And -- hum -- we have no idea where those are on the -- hum -- on the hiring process. Because every person that talked to us told us that if we didn't have these temporary positions we couldn't do the work. And so is the work stopped? Are we able to, you know, you just said that even though you don't have these people, the work is still going on. But that didn't seem to be the feedback that at least I was getting from the other agencies.

MR. ARLINGHAUS: Well, I -- I hate to say that it's complicated.

CHAIRWOMAN UMBERGER: Oh, I know it is.

MR. ARLINGHAUS: But I'm going to. So there's a couple things. First of all, you -- you -- Mr. Kane nicely provided me this sheet. So this sheet, you know, the vacancy rate is about 18% statewide, is much higher among Class 59's than it is among Class 10's, right. Your -- your full-time permanent positions

are -- is lower than that. The -- the nature of a Class 59 is it's going to be higher because it's approved. It takes a while to find somebody. When you're in a tight market, it takes a long time to find somebody.

Why do people ask for a position even though they have a vacancy? Because it's the state and you have to. You have -- so I'm going to use an example.

I have a vacant internal auditor and I made a decision for about three years not to fill it on purpose, even though it's funded. Because we had a lapse target we had to hit, and I needed to use that to hit the lapse target. I had to carefully look at and not fill.

Let's say for the sake of argument you had said no last month and you can't hire anybody to do recruitment. And I go, oh, you know what, I'm going to use the internal auditor to do recruitment. You're not allowed to. That would be illegal. I'm not -- I'm not actually -- I can temporarily assign people to do things, but I can't hire some -- I would hire somebody with an audit background because they have to have an audit background. That SJD has to be approved. The salary is set based on those duties, and you can't -- like I couldn't have a Building Service Worker being paid as an internal auditor. It's not permissible in the system. So I can't use that position for that. Some are more fungible. Some are less fungible.

It's very true on part-timers, too. You know, I have right now in our Department 48 or 49 vacancies among Building Service Workers, which are mostly part-time, unlikely to ever go down because, you know, why would you clean toilets for the state when you can work at Dunkin Donuts? And it's -- and that's a thing. It doesn't help me in some other areas. So some of when an agency asks you for funding is going to be based on that. That they can't -- they have positions that they can't repurpose for that.

In addition to that, for some of the grant funding and things like that, I want to hire somebody into a position that is a Class 59, not a Class 10, because it is going to go away when the funding goes away. And I don't want to create a permanent position. I can't create a permanent position based on temporary funding. And so, you know, there's an element where this is sort of a nice thing for the employee, too, that you're hiring someone in and you -- you're basically saying to them at the front-end I hope you understand that I'm being upfront with you that this is based on a grant. It's why it's called a full-time temporary. If you do a good job and we keep getting the grant, we'll keep you. But it might go away in two years and your position will go away in two years.

So some of it is about what position is what position. And -- and you look at it. There's also no agency, I suspect, sitting behind us who thinks I'm planning an 18% vacancy rate for the rest of it. Everybody's trying to fill positions, obviously. I mean, you know that. And -- hum -- and they think -- everybody thinks that next week I'm going to get lucky and, you know, next week this is actually going to happen. And that the resumes that came in this week are not indicative of what's going to come in next week. That suddenly something's going to happen and all those 26-year olds who have decided they don't want to work anymore, they're going to wake up and decide they want to work. And -- and I don't know that's all 26-year olds, but my understanding is that's a -- that's a demographic that's hurting us right now. And so you're pushing, and you're pushing, and you're pushing. You know, we have some areas where we've had a luck in filling positions, and I think to myself, you know, what hiring problem? And then we have a couple of areas where we're, you know, computer profession -- professionals, for example, where, WOW! This is really hard. So I think that's some of what goes on with positions if that helps at all.

CHAIRWOMAN UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Thank you. At a previous Fiscal meeting, and I don't know if it was last one or maybe the one before

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that, we were asked to approve eight non-classified positions for Hampstead Hospital and appropriate some ARPA funds, I think it was, and we did that. But now there's a piece of legislation moving through the Senate that wants to add six unclassified positions and doesn't appropriate any money. So I think the money we appropriate in Fiscal would pay for those six positions, but it feels to me like we over appropriated money and over created positions, because what happens to the eight non-classified positions we created?

MR. ARLINGHAUS: So I can talk about the generics of that admittedly very unusual and -- and rarely used process. But I suspect the specifics are -- and maybe we could ask Kerrin Rounds to come up. Oh, here she is.

MS. ROUNDS: Good morning. Kerrin Rounds, Chief Financial Officer, Health and Human Services.

Hum -- so the six non-classified positions that were created with that ARPA item as Charlie mentioned was a little bit of an unusual situation, right? We are purchasing Hampstead and need to stand up some of those positions even before we can get the Operating Budget to you. Those positions are currently posted.

Those six positions are intended to be replaced by the six unclassified positions. So those six non-classified positions would be eliminated. And if it -- it's, you know, makes people more comfortable to put right into the Senate Bill that these positions will replace those positions that the Department is completely agreeable to that.

The reason that the unclassified positions are so important is that the non-classified positions don't have a salary grading system. They are positions that are authorized by the Governor. And so we need to have the unclassified positions to go through the JCEC process and assure that we set the salaries at the appropriate place.

Now, we have a pretty good sense of where they will land, based on other positions in the Department; but we want to make sure that those positions are established appropriately through that unclassified process and that the salaries are established appropriately. So that's the reason that we've set those up now because we cannot create an unclassified position without going through the legislative process. So we are creating a non-classified position until the unclassified positions are created.

Now, I know that there was some suggestion that perhaps we could wait until the budget process to create the unclassified position. I think the -- hum -- the reason that I wouldn't suggest that -- uh -- is that the non-classified -- the unclassified positions once they're created will need to go through the JCEC process which can take several months. So if those are created now in this legislative session, sometime in the next Fiscal Year 23 we will be able to move those people into an unclassified position, eliminate the non-classified positions, and then they will be established and properly budgeted in the 24-25 budget.

As far as whether we double budgeted the funding for those, no, we won't be double budgeting them. We will make sure that when we bring forward the Operating Budget there is a balance between what we expect the unclassified positions to be completed by JCEC in the Operating Budget, and we won't be double budgeting those positions.

CHAIRWOMAN UMBERGER: You have a follow-up? No problem.

SEN. ROSENWALD: Thank you. That is helpful, and I'm sure you'll help us write an Amendment to Senate Bill 430. But aren't those positions the positions we created here were non-clinical and the bill's positions, I think, are clinical.

MS. ROUNDS: I don't believe so. They're intended to replace those six positions. I don't think they're specific in

the bill as to what the position titles are. Is that -- correct. Yes. So but yes, we will get you some language to add to that.

SEN. ROSENWALD: Excellent. I'm sure Senator Daniels and Giuda and I will appreciate that. Thank you, Madam Chair.

CHAIRWOMAN UMBERGER: Okay. Are there any other -- other questions for Commissioner Arlinghaus?

REP. EDWARDS: I have one.

CHAIRWOMAN UMBERGER: Okay.

REP. EDWARDS: Thank you, Madam Chair. Hum -- Mr. Arlinghaus, I -- I -- I'm looking at a document you may have seen, but it's essentially a spreadsheet of about 49 departments and subdepartments for which we have total and vacant full-time classified funded positions. It's something that Mr. Kane has handed out to us. Yes.

Okay. So back in the old days when I did some manpower analysis I kept track of the space availability next to it. And I'm -- I'm just curious what your process is for making sure that we have space to put these folks if we hire them all? You know, like do you keep a red, yellow, green kind of process where we're red if we just don't have a future place to put them and green if everything's okay or how do you do it?

MR. ARLINGHAUS: We -- so we typically haphazardly is probably a good answer. It's not literally true but -- hum -- space is assigned in buildings and -- and generally the way life works is the occupying army keeps the space that they've been assigned unless somebody has proof that they don't need it. I mean, once a department lays claim to a land area, it's sometimes it's hard to take it away from them. We -- we will make adjustments and statutorily that is my authority. And somebody said to me you can just kick them out of the building. I'm like, yeah, and then I got to find somewhere for them to go. And you take space away from somebody

and they completely freak out because there's nothing more traumatic than moving your desk, right?

And so we're -- we're careful about it. And so, generally speaking, you know, if you're -- if you're -- I'm going to use examples in the Annex. The Department of Agriculture has these rooms in this space and at some point if they started getting positions thrown at them in the budget, something might come up and we might have to look at and go, you know what, we're probably going to have to move Abandoned Property for the Treasury over here and move them here and kind of create a little bit of room for them. But until that happens where there's an issue we kind of let it go. We don't -- we wouldn't say -- we wouldn't keep such perfect track of their vacancies to say that, you know, based on what we're looking at you've got six open positions, and you have desk space for them. I'm going to take Human Rights Commission and move them in on you.

So we try not to do that. It's rare. It's -- what's typically the case is that an agency has enough space for the people they have and they may do some internal moving around to make that work. Somebody who thinks he or she is entitled to an office, not that any one's entitled, is in a cubicle or vice-versa. And sometimes it's like, you know, I got an office because nobody was using it and -- uh -- sometimes that happens. But it's sort of moving around.

We -- we're doing some work in the Annex or preliminary work now; but eventually it will be chaos and we're moving people around, and I had to take, for example, Judicial Council. You guys see Sarah periodically. We had to move them somewhere. There were only a few places to move them because we were doing asbestos remediation where they were. And so, actually, in my office and my assistant's office is where they are now. And I'm in a supply closet. It's not a supply closet. It's larger than that. There's a window so it's not really; but that didn't stop the Terry Pfaff and the Attorney General from mocking me last week from my office; but it's perfectly lovely.

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We did that because, all right, this works. You know, this is open and we can put the copier here instead of here. And -- and, you know, there's some fire suppression sensors on the wall. But, you know, I wouldn't mind knowing when there was a fire. And so you do some of that to sort of make it out.

So we keep regular track and when the budget passes, you know, somebody in Joe's team does a -- does a position summary on -- on where positions were added. And we keep track of that. And then we work with the people, our Plant and Property people will work directly with the agency to say, you know, what's going on and what -- and, you know, because sometimes they'll know. They'll know when the men's room leaks before we do. So -- hum -- and we'll fix that.

CHAIRWOMAN UMBERGER: Okay. Thank you.

MR. ARLINGHAUS: I know that sounds really organized.

CHAIRWOMAN UMBERGER: It is. Some of us have done that for a living. Anyhow. I guess that this vacancy rate for New Hampshire, that was put together by you initially, correct?

MR. ARLINGHAUS: Yes.

CHAIRWOMAN UMBERGER: Okay. Hum -- can we add to this temporary positions that --

MR. ARLINGHAUS: So this -- this sheet that I'm holding up -- oh, there's a camera. I keep forgetting there's a camera. It says full-time classified funded positions at the top. And this is Class 10 and 59. And I can get you data that breaks it down by the 10s and the 10s are the full-time permanent. 59s -- I mean, you're all the budget people. You're actually the people who know this. Hum -- the -- and the full-time temps. And I can break it down by those two. And you'll see the one is slightly lower because it's the 10s. The 59s are higher, in part, because there's a long -- occasionally a long lag after they're created before they're filled.

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CHAIRWOMAN UMBERGER: Okay. Thank you. I -- I didn't realize. I don't think any of us realized that this included both.

MR. ARLINGHAUS: Oh, I'm sorry. Yes.

CHAIRWOMAN UMBERGER: Okay.

MR. ARLINGHAUS: So the reason I know it included both -- so I'm sure you know that I didn't do this myself. Actually, the person who did it is Carolyn Russell working with FDM. And I took our Department and tried to validate it to -- I thought, all right, what do I think our vacancy rate is. And I -- and I went through it and I'm like wait a minute, why am I getting a different number? And then said, oh, she's including the 59s. Okay. Here I am. And once I got there I thought, okay, this works because I know from hiring that it's actually right. I mean it's, you know, technically out of date every time we hire somebody, right?

CHAIRWOMAN UMBERGER: Right. Understand.

MR. ARLINGHAUS: But not much.

CHAIRWOMAN UMBERGER: Okay. Well, I thank you. So you'll be back next month.

REP. ERF: Madam Chair.

MR. ARLINGHAUS: I'm here every month whether you want me to be or not statutorily.

CHAIRWOMAN UMBERGER: Right, except you were late today, so.

REP. ERF: Madam Chair.

MR. ARLINGHAUS: I was at Ways and Means just for the record.

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REP. ERF: I have one more question.

CHAIRWOMAN UMBERGER: Oh, sorry.

REP. ERF: Thank you, Mr. Arlinghaus. So one of the things I couldn't find was the vacancy rate for part-time positions. You know, I have lists of part-time positions. Is that something that you track?

MR. ARLINGHAUS: It isn't and let me explain why. An agency, if it wanted to, could sort of do a part-time vacancy rate. But it's sort of for this reason. When you do budgets -- uh -- part-time positions are placed in Class 50, and you're not assigning positions. So -- so the -- so the budget that you do is budgeted by position. I mean, literally, if you go in the background of the system there's a -- there's a position module and there's a -- there's a specific number of positions assigned to very specific things. And those positions are created in the system. So they exist. Part-time functionally what you do is you say to -- to an accounting unit, here's a hundred grand for part-time workers, and there's a basis for that.

The agency in developing the budget will do -- will do sheets in the background to say, well, you know, Fred makes this, and Tony makes this. We do it, obviously, every accounting unit for Building Service Workers who are mostly part-time. And there's like, you know -- you know -- you know, Beth made 12 grand last year and Patty made 14.6. And -- and, you know, Kim, you'd go down that list. But, technically, I could hire two people at six grand instead of one person at 12. Again, you're -- what you're doing is appropriating money to me to spend on part-time workers, as many or as few as I want.

Technically, non-classified is the same thing, right? We -- you created non-classified positions. Well, in the budget, think of the Governor's Office which is really where the only non-classified positions are or were and will be again. You

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just give him a chunk of money and he can pay anybody whatever he wants because it's a week -- because it's, you know, because it's a political office, not a -- not an administrative office, right? And so I said to him once that you could -- this is when I worked there. I said you could pay one employee \$500,000 if you wanted to, not telling you which one it should be. But -- hum -- but that's technically true, right? It would be weird but it's true. And part-time is the same way that there's a part-time money allocated, not a position. So anything I told you would be vague.

REP. ERF: A follow-up. So when you create -- when we create these part-time positions in Fiscal, how do we ever know if they're getting filled and doing their -- what they're supposed to be doing?

MR. ARLINGHAUS: Hum -- I mean, in theory, when you're -- when you're going through and this typically happens, right, at the division level in Finance. When you're going through the Finance process, there's a lot of reporting. A lot of it you wouldn't necessarily know. You don't necessarily need to know on the part-time money, in particular. Because I -- I think the thought process in the -- in the past had always been I'm going to authorize you to do this. I'm going to authorize you to do it with part-time workers. And -- and the distinction really is that we're not paying benefits, right? It's not -- it's not really more complicated than that. And because of that I'm not really worried that you might be paying somebody too much money or out of whack because they're -- they are going to be created. They are going to have an SJD in the system and they are going to be part of that. So they'll match the system that way. I'm -- I just want to know if you're going to get it done, and it be too much to manage. So you've agreed to less oversight but you can always ask.

REP. ERF: Okay. Because I'm not worried about the money. I mean, I know it should be, but that's not what I'm talking about. I'm talking about the job getting done and these -- a lot of these ARPA positions are coming in and then we never

hear. Well, some of these -- some of these positions in that big spreadsheet are part-time. Maybe ARPA's the wrong thing but.

MR. ARLINGHAUS: So, I mean, we can get back to you periodically on position counts; but if you think about the vacancy sheet you have, for example, you know, the -- the 17.7%, you don't know exactly which position and -- and which person does it. So I think it's hard.

I think any time, you know, with any project, you know, I think we're in a system where any commissioner, director, or state employee would feel like a question from Fiscal is one they're required to answer, and -- and that would happen. And -- hum -- I know our sense on our ARPA stuff is that -- is that there will be a, not a day of reckoning. What's the right term for that? An accounting that we have to do for it, right? That we have to come forward and say this happened. And, you know, if I have a position, I'm going to try like hell to fill it. I mean, it's -- you know, I have a -- I have a -- I have a, you know, 400 people -- well, vacancies, so 300 and some who are working their tails off and struggling, right, to get, you know, I've talked to the cleaner on my floor every night and we have conversations about she hates the cleaning product we buy. She think it's colored water. We need something with acid in it.

I know more about cleaning products than I did five years ago. But because she's trying really hard to get stuff done, and she's like, well, we don't do that anymore on Wednesdays, because I don't have time. And so if I got a position, you know, there's nobody in state government who doesn't want to fill it, period.

CHAIRWOMAN UMBERGER: Okay. Thank you very much. And we will look forward to hearing from you in April.

MR. ARLINGHAUS: As will I.

CHAIRWOMAN UMBERGER: And I -- I really, really appreciate it because this is something that, obviously, concerns all of us that we are approving so many temporary positions to do specific work, and we have no clue as to whether or not it's getting done, so.

MR. ARLINGHAUS: We're -- we're from my -- just so you know, from our standpoint we're very eager about this, too. This is an area where I think, and I speak for everybody probably in HR in the state, but we think we can really make a difference in helping people. It's a struggle for everybody. Probably it's a struggle for every business in the state, right, right now, but it's a struggle for everybody and, you know, the pitch -- pitching ARPA on us the idea was to try to help people and it's -- and, you know, the thought was, you know, where can we make a difference for agencies and, you know, nobody sitting behind me is going to raise his or her hand if I say raise your hand if you found it easy to hire. So -- so we're very optimistic that good things will happen.

CHAIRWOMAN UMBERGER: Okay. Thank you. And the reason that I asked Commissioner Arlinghaus to come up is because although we have basically approved already 22-104 from the Department of Justice, they are looking to hire a temporary full-time position. And so I think we have a better understanding, hopefully, of -- of what's going on out there and, you know, don't be surprised over the next several months if we don't continue to ask questions about vacancy rates.

Okay. The next item is FIS 22-088, Tab 9. Welcome back.

MS. ROUNDS: Thanks.

CHAIRWOMAN UMBERGER: Representative Edwards.

REP. EDWARDS: Thank you, Madam Chair. I think this is going to be an easy one. In the middle of the first paragraph on the second page, it says that the activities supported under this award will include, and here's the key word, continued

development of streamlined approaches for the collection, blah, blah, blah, blah, blah. So my question there is it sounds like some streamlining has already taken place, and we're going to continue to streamline. Can you tell us how much, you know, how much more efficient has this first year made us and what do we think the potential for streamlining is in the second year?

IAIN WATT, Deputy Director, Division of Public Health Services, Department of Health and Human Services: Sure. Good morning. For the record, I'm Iain Watt. I'm the Deputy Director for the Division of Public Health Services. So, you know, in looking at our processes we're, obviously, always trying to be more efficient in both accepting information with our internal systems and how we aggregate that information.

The volume of data that we perceived throughout the pandemic has, obviously, exceeded anything that we have historically had to take on. So, you know, again, I can't speak to specific tactics we'll be taking moving forward, but we are always looking at how we utilize staff, how we utilize systems, and how we accept information.

You heard earlier from the Commissioner of Education that our -- the information we're getting is evolving, how much and the exact data that we're receiving. And so we'll continue to look at as we receive data reports how we accept them and how we use that data for our public dashboards and some of that de-identified data that continues to be useful for the public.

REP. EDWARDS: So I pulled that out because it just seems like it's an inherently hard thing to have performance metrics around. How much development have we done? How much more do we have to do? It's kind of hard to say. So I'm just -- I'm just curious if -- if how you're monitoring or measuring it so you feel like you're being successful in this area.

MR. WATT: Yes. So, you know, we receive case reports. This item specifically refers to travelers health, and I'm speaking more broadly when I speak to data. We receive case reports on a

daily basis through various forms. And, you know, our intent is to get through that data, aggregate it, and produce public information as quickly as possible. We have at various times in the pandemic, you know, had varying success just given the volume of cases that have come in. So, you know, our expectation going forward given the, you know, lessening of cases in the community, would be that we will be able to continue to meet that kind of semi-regular deadline, either daily or semi-daily, to be able to report a full case count and complete our reports.

We don't have a clock on ourselves in terms of an exact timeline to report that data. We try to be as efficient as possible with the staff that we have, obviously, relative to the case counts that we're receiving.

REP. EDWARDS: As I was reading the Department's set of materials here, one trend that I've seen and I don't know, Miss Rounds, if you're responsible for this, but I really appreciate that I think you all are anticipating the kinds of questions we're going to ask. And so I -- I just think in this document and the subsequent ones, I just appreciate that you guys are putting in the extra work to be clearer on -- on what you're doing. So thank you.

MS. ROUNDS: You're welcome, and the credit for that definitely goes to the program directors and the finance directors.

CHAIRWOMAN UMBERGER: Okay. I have one question, unless someone else has a question. Okay. Yes, go ahead, please, Senator Daniels.

SEN. DANIELS: Thank you. Can I get clarification under the requested action and they have the word mandated. When it says protecting the health of travelers and communities and global mobile world project as mandated by ARPA. Is it -- I'd like to understand how the word is used. Is it saying that ARPA is mandating that we need to have this program or is it saying

that -- that there's a program and that there's something within ARPA that tells how it's going to be used if it's accepted?

MR. WATT: Yeah. So thank you for the question. So this is language that we've used and has been used throughout the pandemic with funds accepted through ARPA. So should we accept this funding and activate this program, we're mandated to utilize it for the intentions the program as outlined in the Rescue Plan Act. So, you know, we're not mandated to activate the program. We're certainly mandated to use the money as intended by the federal law.

SEN. DANIELS: Thank you.

CHAIRWOMAN UMBERGER: We also had a discussion in our group and -- hum -- as we understand it, you go out and apply for the money, and then they either agree or disagree. And so, really, what we're doing is we are required to spend the money for what you have asked for or what they have sent or whatever. So from my perspective, it would -- it would seem to me that it is the -- the mandating is for the fact that you got the money and you're spending it. And, to me, mandating means they told you had to go and get it, which is not the way I understand the program works.

So from my perspective I would prefer a different word like required and not -- because it's not man -- you know, the only reason it's mandated is because you went and asked for the money, and you have to spend it, so. You know, you don't -- they don't -- when you come in for other non-ARPA money, I don't think you use the term mandated. I think, you know, so.

MS. ROUNDS: We can certainly make that adjustment.

CHAIRWOMAN UMBERGER: If that's okay. You know, it just -- it's one of those things that sometimes get people's hair on the back of their neck up.

Okay. Are -- oh, yes. I do have one question on this and not that it's a huge amount of money, but it says you're going to purchase the Canva software. And -- hum -- since this is all contract, I didn't understand why the Department needed to purchase the Canva software.

MR. WATT: Yes, the staff member identified in this item, you know, may have the need to develop some kind of quick graphics for our social media accounts or reporting or other public information. And the Canva account, which I believe is about a hundred twenty dollar annual license, will allow them to do that on demand without consulting.

CHAIRWOMAN UMBERGER: So this is not necessarily just for this program; is that correct? You're just financing it out of this program, I hope.

MR. WATT: Well, we would certainly utilize it for traveler health information that we disseminate over social media and otherwise.

CHAIRWOMAN UMBERGER: I got that.

MR. WATT: Hum -- it would certainly be extensible. The license isn't limited to just this work.

CHAIRWOMAN UMBERGER: Okay.

****** REP. EDWARDS: Madam Chairman, may I move to -- that we ought to pass on 22-088.

CHAIRWOMAN UMBERGER: All right. Do I have a second? Senator Rosenwald. Thank you. By the way, maybe I'll come over and attempt to use your Canva software. It sounds interesting.

MR. WATT: Please do.

CHAIRWOMAN UMBERGER: Pardon?

MR. WATT: Oh, I said please do.

CHAIRWOMAN UMBERGER: Oh, please do. Okay. Go ahead.

REP. EMERICK: Roll call on 088. Representative Edwards.

REP. EDWARDS: Yes.

REP. EMERICK: Clerk votes yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 9 to zero.

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CHAIRWOMAN UMBERGER: Thank you very much. On a vote of 9 to zero, FIS 22-088 is passed.

***** {MOTION ADOPTED}**

CHAIRWOMAN UMBERGER: Okay. Now we turn to FIS 22-099. Oh, we're in the same tab, Tab 9.

REP. EDWARDS: Did you give me permission?

CHAIRWOMAN UMBERGER: Not yet. Okay. Hum -- you have -- Senator Edwards --

REP. EDWARDS: Thank you.

CHAIRWOMAN UMBERGER: Representative Edwards, you have a question.

REP. EDWARDS: Thank you, Madam Chair. And this is sort of similar to the mandate question, are we using the right term. And I'm glad we had that conversation because this was the first time I noted it on this. But on the second page there's another word here that I -- I think may be improperly used in the context and that's the word infrastructure.

It says on the second sentence towards the end it says we're going to build and maintain infra -- infection prevention infrastructure necessary -- necessary to support law. So what -- to me the word infrastructure means we're going to buy something that's going to be persistent. And everything I read in this makes us feel like it's just temporary or transitory and it is we're going to get a temporary capacity perhaps, but I -- I -- the word infrastructure jumps out. Can you talk to that?

MR. WATT: Yes. So -- so in addition, you know, I think you make a good point. Certainly, the resources in terms of people would be kind of transitory or temporary. Public health education we consider a fairly durable good and part of, you

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know, the fabric of public health in the community and in these facilities in terms of infection control, management, and just information around COVID-19 and other transmissible diseases. So, you know, we consider that an infrastructure investment in these facilities that they would get on a long-term basis; but, you know, certainly point taken about kind of the physical assets and commitment that way.

REP. EDWARDS: All right. May I?

CHAIRWOMAN UMBERGER: Yes, follow-up.

REP. EDWARDS: Yeah. Sometimes budgeteers fall under using words that's being funded currently and infrastructure is a good hot word to fund. But if we could be precise there that would be better for me. But -- hum -- all right. So it says in the second paragraph that you're monitoring the indicators and so if I were to ask, I'm not asking, but if I were to ask for a list of the indicators that you -- that you monitor, could you produce such a list?

MR. WATT: Yes. So in, you know, putting forth similar program over the course of the Omicron surge and what we saw this past winter, you know, we monitor a number of patients, you know, patient throughput and the ability to care for individuals, how many people we can get out of hospitals efficiently to ensure the health care system is functioning. So we would have information like that regarding what this investment helped facilitate within these facilities and then, you know, in turn, how they helped the health care system.

REP. EDWARDS: All right. Thank you for the answers and thank you, Madam Chair.

CHAIRWOMAN UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Thank you, Madam Chair. Would you be able to include the Veterans Home in this -- in this capacity building work, Public Health?

MR. WATT: So I actually don't have that answer offhand. We have worked with both county facilities and private facilities and others. I don't have in front of me and I don't have that knowledge in my head, unfortunately.

CHAIRWOMAN UMBERGER: Okay. Could you please get that back to us.

MS. ROUNDS: Absolutely.

CHAIRWOMAN UMBERGER: Okay.

MR. WATT: More than happy to.

CHAIRWOMAN UMBERGER: Thank you. Just send it if you would to LBA and they'll get it out, because I think that's -- it's an extremely important area. Is there anything any -- Representative Erf.

REP. ERF: Thank you, Madam Chair. I had some sort of broad questions about the effectiveness -- effectiveness of the program. I understand that some -- some nursing homes didn't choose to participate, the reason being that there's a fear that they get these patients in out of the hospitals with the strike team, and then the strike team leaves and then they still have the patients.

So I'm curious as to how many nursing homes participated, both county -- I mean, broken up by county and private, and how cost effective has the program been in terms of actually getting patients out of the hospital into nursing homes, and then being able to continue to provide services -- the nursing homes continue to be able to provide services to those folks once the strike teams are gone, because I believe this is the second or third go-round of this type of program.

MS. ROUNDS: So I did receive your questions earlier this morning and chatted briefly with Chris Santaniello as did Iain.

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Unfortunately, she wasn't able to be here this morning, but she is preparing all that information to provide to you.

REP. ERF: Thank you.

MS. ROUNDS: You're welcome.

CHAIRWOMAN UMBERGER: Okay. That will be -- we'll all be interested in seeing that. Okay. Are there any further questions? Could I have a motion to accept FIS 20 -- excuse me.

REP. ERF: 99.

CHAIRWOMAN UMBERGER: Yeah 22-099.

** REP. ERF: So moved.

REP. EDWARDS: Second.

CHAIRWOMAN UMBERGER: Okay. Representative Erf and Representative Edwards. Will the Clerk please call the roll.

REP. EMERICK: Roll call on 22-099. Representative Edwards.

REP. EDWARDS: Yes.

REP. EMERICK: Clerk votes yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Gray.

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SEN. GRAY: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 9 to zero.

CHAIRWOMAN UMBERGER: Vote being 9 to zero, FIS 22-099 is approved.

***** {MOTION ADOPTED}**

CHAIRWOMAN UMBERGER: Okay. We now move to FIS 22-113, and that is in Tab 9 as well. Thank you. Uh -- questions.

REP. EDWARDS: I had a question. I just need to get my piece of paper out. You can come back to me if you're willing.

CHAIRWOMAN UMBERGER: Okay. Uh -- Representative Erf.

REP. ERF: So a few questions. Hum -- this runs through 2026, but I guess the funding is only through this biennium, the \$4 million, or whatever it is. I'm kind of curious, is this going to be a long-term we're going to have this huge space ongoing in the future or is this kind of a temporary thing, is it COVID related? It seems like a lot of money for a big space.

MR. WATT: So we have -- thank you for the question. So we have, you know, at this point a lot of durable items, PPE,

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testing equipment, durable medical goods, like ventilators, ventilator equipment on hand, and we have that on hand, you know, anticipating what we've seen this past winter. You know, we obviously don't know what the future holds in terms of COVID-19. We are in a very good place right now in terms of case counts.

We do anticipate case counts will increase in the future. We don't know to what level. We don't know on what frequency. So, you know, the idea of the stockpile of goods and this warehouse is to have us have supplies on hand that allow us to endure the same breaks in the supply chain that we've seen over the past two years. Obviously, in 2020, you know, we were in a position where we weren't able to get almost anything. We're getting kind of single goods one at a time. This winter we saw the same, you know, challenges related to gloves, related to N95 masks.

So the intent is to make sure that we can continue to provide a continuity of services to health care facilities, to schools, to correctional facilities and others, you know, to make sure that we continue to be able to operate life as normal here in New Hampshire.

In terms of, you know, long-term past the five years, our intent would actually be to be evaluating the space on an annual basis and that's included in the lease. I don't anticipate we would not have any space for the end of five years, and I can't project, you know, the past five years obviously not anticipating where we'll be with COVID-19 or any other challenges we may endure between now and then. But, certainly, it's a continuous evaluation on our part of what is necessary to, you know, to react to and be prepared for future events.

REP. ERF: Thank you.

REP. EDWARDS: I have my paper now.

CHAIRWOMAN UMBERGER: Representative Edwards.

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REP. EDWARDS: Thank you, Madam Chair. So -- so I had the same question about the long-term nature of the space and it's -- it's altogether about \$3.9 million, which just feels like a lot of money for two street addresses for a year. And so I'm guessing that because this was an urgent need, we didn't go out for bid, and I'd like you to confirm that and could you tell us who the -- the property owner is for this -- this piece of property? I assume it's one owner because it's 19 and 23 Terrell Park Drive in Concord.

MS. ROUNDS: So what I can tell you having been at the Emergency Operation Center when we first procured this space is that we did look at several different spaces at the time. You're correct that it didn't go out to bid because it was an emergency at that point. We had PPE coming in and needed a place to put it. But I can tell you that the price was competitive. I don't have the name of the owner, but I'd be happy to get you that information.

REP. EDWARDS: I -- I -- I'd appreciate it and, also, if you could give me some idea what the ballpark is on the cost per square foot for the rental --

MS. ROUNDS: Sure.

REP. EDWARDS: -- is? I -- I -- I have no clue how big these facilities are, but that just seems like a lot of money for a year lease.

MS. ROUNDS: Yes, we can get you that information.

REP. EDWARDS: Thank you, Madam Chair.

CHAIRWOMAN UMBERGER: Hm-hum. Are there any -- Rep -- Senator Rosenwald.

SEN. ROSENWALD: Thank you. So if you're going to keep this space through the next budget, are you going to be looking for \$8 million for the next budget?

MS. ROUNDS: Potentially. So that's something as Iain mentioned we'll be evaluating each year. I believe the letter said by May 1st of each year. So that does allow us to adjust the budget in the Senate phase if we needed to based on what we would need going forward. But I expect over the next six months we'll also have a better sense whether we see continued surges and what they look like, and like Iain said, what the needs based on the supply chain are. So I'm confident that before we're closing on a budget, we'll have a pretty good sense what is needed.

CHAIRWOMAN UMBERGER: Yes, please.

SEN. ROSENWALD: Thank you. So you're storing ventilators there that the State owns or do the hospitals own the ventilators and you're just storing them?

MR. WATT: So we have a variety of goods there. So in 2020, obviously getting ventilators was extremely difficult and the Federal Government out of the Strategic National Stockpile distributed ventilators to the states. So we accepted that equipment on behalf of New Hampshire and then distributed to facilities for their needs.

We have seen because, you know, some ventilators and some ventilator parts are not renewable. They need replacement or they need to be used, you know, one -- one off per patient. Excuse me. We have additional equipment, all of which actually was distributed during this past winter surge. Some of that equipment the hospitals may maintain for ongoing needs, you know, based on the demand that they've seen. Some of it we'll take back and store again for distribution should it be needed in the future.

SEN. ROSENWALD: Thank you.

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CHAIRWOMAN UMBERGER: Oh, yes, Senator Daniels.

SEN. DANIELS: Thank you. Karen, did I hear you say that it was expected in the next budget that you would be asking for -- for money for the storage?

MS. ROUNDS: Potentially. We would, of course, always first look to any federal funds that we might have available to continue to pay for it. As you know, we haven't even started the agency phase of the budget yet. So it's not something that I've, you know, sat down and talked with anyone about, but it's something we'll need to evaluate.

SEN. DANIELS: Follow-up.

CHAIRWOMAN UMBERGER: Yes.

SEN. DANIELS: So how do you reconcile your answer with the statement that in the event these federal funds become no longer available General Funds will not be requested to support the program?

MS. ROUNDS: So this request is only through the end of this biennium. So that is true for this biennium. When it comes to the contract when it goes to G & C, that contract would look differently. But with regards to this request for the funding for the next -- for this biennium, we would not request General Funds.

SEN. DANIELS: So for clarification, that statement then only pertains to this biennium, not the total amount of time that the Federal funds are available.

MS. ROUNDS: Correct, because you are approving the financial -- you are approving us spending these federal funds which we are saying we will not replace with General Funds. You're not approving the contract. We just provided information on what we anticipate the contract looking like.

SEN. DANIELS: Thank you.

CHAIRWOMAN UMBERGER: And it does say in here, Senator Daniels, that through December 2026 on the -- near the bottom of Page 2, because that's when the ARPA money runs out, I think, so.

SEN. DANIELS: Madam Chair, that's what I was talking about, but that's why I'm a little bit confused because what I'm -- what I'm hearing is that statement that -- that -- that no General Funds will be requested is only for this biennium.

CHAIRWOMAN UMBERGER: Right.

SEN. DANIELS: But you're talking about a date that is out in '26 and --

CHAIRWOMAN UMBERGER: Yeah.

SEN. DANIELS: -- you know, I'm just kind of curious as to -- to what happens when, you know, this one-time money drops off and we still got loads of stuff that's stored.

CHAIRWOMAN UMBERGER: Right.

SEN. DANIELS: How is it, you know, what are we going to do with it? How is it going to be paid for, things like that, if you're not asking for General Funds.

MS. ROUNDS: Yes. And we -- we -- as we had mentioned, we absolutely plan on evaluating this annually. And if we did need to reduce what is being kept to reduce the space that would require an entire plan which we would have.

CHAIRWOMAN UMBERGER: Anyone else? Yes, Representative Edwards.

REP. EDWARDS: I just want to say to you and you probably look at it the same way. I look at \$4 million a year as being

more than half of what we would want to spend on an adult dental Medicaid Program. And so buying -- renting space and taking -- and doing direct health care, I just want to keep our priorities straight that we minimize, you know, our investment and logistics, particularly when we're just renting -- renters.

MS. ROUNDS: Understood.

CHAIRWOMAN UMBERGER: Okay. Are there any further questions? Okay. I have a question. I know you mentioned, what's it called, the Federal Strategic Reserve, whatever it's called.

MR. WATT: It's the Strategic National Stockpile.

CHAIRWOMAN UMBERGER: Okay. Thank you. Does the State have a requirement to have a strategic stockpile?

MR. WATT: So -- so the Strategic National Stockpile actually it's part of a federal program that requires us to be a conduit should there be, you know, a major biological event or other event that requires us to distribute certain supplies. We have other facilities around the state pre-identified where we'd be able to stage and actually distribute to people in need of, you know, whatever it may be, medication or otherwise. So we have a space and this is something that predates the Pandemic as well. We have a requirement to have space available to accept that shipment.

CHAIRWOMAN UMBERGER: So we don't actually have to have anything on hand. We just have to be able to accept it from the national program.

MR. WATT: Yeah, the Strategic National Stockpile does not obligate the state to hold the stockpile.

CHAIRWOMAN UMBERGER: Okay. But it does obligate us to have a distribution center.

MR. WATT: It obligates us to have the ability to accept -- accept goods to be able to distribute them.

CHAIRWOMAN UMBERGER: Okay. Now, you may or may not know that I spent 28 years in logistics. And so this is a logistics question. What is your -- what are your inventory procedures and your in and outs and replacement? Do you have a system or are we just doing something. I don't know what.

MR. WATT: So that's a very good question Thank you.

CHAIRWOMAN UMBERGER: I don't -- I don't want to say that, because I know as a logistician I never did anything haphazardly.

MR. WATT: So we have, you know, obviously, the pandemic required us to stand up this capability to a scale that we had not previously executed in DHHS. We use an existing system call Juvare to manage our inventory. We have a full-time logistics coordinator who has been a part of our staff. I believe the position has been funded for about a decade, and that person is responsible for maintaining that inventory. They have three contract staff currently supporting them.

In terms of your point about ins and outs, you know, it is a question top of mind for us as well in terms of turnover of the equipment. You know, some of the equipment does have expiration dates. And we're actively looking at those questions now, partnering with the hospitals, you know, turning over equipment to them for their use so that we don't have stale equipment. So all the questions are certainly in mind and we're actively pursuing them as possible.

CHAIRWOMAN UMBERGER: Because I certainly don't want to end up in the situation that we did when the first part, you know, COVID pandemic where the stuff that was in the strategic stockpile was outdated, broken, whatever else.

MS. ROUNDS: And I just wanted to add to that we also have to provide an annual inventory for the ACFR formerly known as the CAFR to the Department of Administrative Services. We do that as well.

CHAIRWOMAN UMBERGER: Okay. You had a question? Yes.

SEN. DANIELS: One additional question, please. I know that we have State buildings that are vacant. Why can we not use those buildings as opposed to spending this money on renting?

MS. ROUNDS: Charlie.

MR. ARLINGHAUS: We don't have State buildings that are vacant in that way. The State space that is habitable is all habited. There are some buildings on the campus, for example, that are relatively vacant. Think of Kent that's attached to the back of Main Building. But to give you an idea of what kind of building it is when I walked through it when I started -- first became Commissioner, the direction was don't look where you're walking, look at the floor, because you don't want to step on the holes. And be careful before you take a step to make sure it looks like it -- it looks like it'll hold. And the piles that look like bird droppings and raccoon droppings are.

So that building is vacant. It's not suitable for stockpiling medical equipment. There are -- there's a thought people have about how we have lots and lots of empty and vacant buildings. The State has since -- since Representative Calabro was on the -- from Litchfield was on the Committee in the late '90s has been aggressively looking at redoing buildings. For example, that campus, there's nothing vacant anymore that's -- that's structurally sound. There are some buildings are in the process of being converted. Bancroft is the only real example of this where, yeah, but it's not suitable for a -- for a warehouse. We don't have warehouse space. What we typically do is we convert -- anything we have that somebody can go in, we stick somebody in because we're currently renting - don't hold me to this number - but something like

250,000 square feet of office space around the City of Concord. So there -- so there aren't really vacant spots that anything could go in. When the -- during the pandemic, I know I don't know any of the details on this because I have very smart people who worked on it, and I don't know any of the details. But worked with HHS on finding warehouse space, and -- and we didn't have any of our own. We just didn't. Like I literally can't think of a big room somewhere that we could stick stuff.

SEN. DANIELS: No, I was just questioning and Bancroft came to mind because we were out looking at space when we talked about the psychiatric hospital and other things we got it regarding mental health. And I knew it wasn't being used. I mean, I'm not sure if it's -- if it's -- if it's not -- you say that it's not appropriate. I'm not sure why. It may be that it needs renovation to it. And then there's a question is, well, should we maybe take the money that we would be spending on renting and put that into renovating a building so that we've got something we can use for something else when we're done using it as a warehouse. So I'm just trying to look at the other options, and --

MR. ARLINGHAUS: I think -- I think that's actually not a bad thing to do, at some point look at that. It's a longer term rather than shorter term. That is to say it probably won't solve needs in the first year or two. But just Bancroft for an update, 'cause I know there's a lot of interest in Bancroft because of the nature of that building and people who have been to it. And I doubt anybody's been in it recently, but the last Capital Budget item secured it from the weather, right? In a -- in a building's life span it reaches a point where if you stop working on it, it's going to become like Laconia, let's say, where the question is how you tear it down, not if. And the policymakers made a decision three years ago to decide that we probably don't want to tear it down.

So we fixed the roof and we fixed the -- a lot of the, you know, things like caulking so that when you're, you know, when I toured Bancroft the first time it was a rain storm. And -- and

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the guys who were showing it to me, I remember Doug Burnham in particular. He had a -- he had a notebook with him and he was excited because he, aside from knowing where all the ghosts are he now knew where all the leaks were because it was raining. And he's like, okay, there's one there, there's one there. Hang on. Just let me finish this. Let me finish writing in the leaks before we talk. And -- uh -- so we fixed that. But in terms of like let's say you wanted to put a psychiatric facility in there, lots and lots of millions of dollars to turn it from, you know, because, you know, there's lead paint, and there are some holes, but it's externally protected to keep it from falling apart.

SEN. DANIELS: Thank you.

CHAIRWOMAN UMBERGER: Okay. Thank you.

REP. EDWARDS: (Inaudible).

CHAIRWOMAN UMBERGER: Certainly.

REP. EDWARDS: Thank you. I sort of was thinking about Senator Daniels' question. I think I read that it's the intent of the Governor to destroy -- plow under the Sununu Youth Development Center when it gets emptied. And -- and that's just a lot of building there that seems to have repurpose potential. Are we going to actually do a business case analysis on whether or not we can repurpose that building versus just destroying it?

MS. ROUNDS: Can we get that information back to you? The Director of DCYF isn't here today, and I think he would like to be part of that conversation.

REP. EDWARDS: That's fine. I don't think we're going to tear it down this week.

CHAIRWOMAN UMBERGER: Okay. Could I have -- are there any other questions? All right. Could I have a motion, please? Oh, I'm sorry, Senator Giuda. I didn't see you.

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SEN. GIUDA: Thank you, Madam Chair. Just based on the last set of comments, would it be appropriate to do a tabling until we can find out whether Sununu might be useable? I've toured that building. It's in pretty good shape for the most part, the parts that are not being used. And I'm wondering would it cause any harm if we were to table this until we got DCYF's answer and perhaps coordinating with Charlie?

MS. ROUNDS: I'm sorry, I didn't understand that Representative Edwards' question was could we use that space for warehouse space.

SEN. GIUDA: Right.

MS. ROUNDS: Hum -- I didn't -- was that -- that was what you were implying?

REP. EDWARDS: I was more generic in repurposing the building, 'cause it's got specialty spaces that might be good -- suitable for a similar use.

MS. ROUNDS: Although the square footage is, you know, significant in some areas of that building, I don't believe it would be conducive to storing equipment. There aren't elevators that go to the second floors of some of those areas. There are many, you know, small rooms. I'm not sure that that would make sense as a warehouse space. I don't think you're going to get a different answer from anyone else at the Department; but if you want me to provide it in writing, I can certainly do that.

SEN. GIUDA: My question is if -- my question is more to Members of the Committee, do you think it would be appropriate.

CHAIRWOMAN UMBERGER: Okay. If you want my answer it's no. Okay. But -- uh -- could I have a motion to approve FIS 22-113.

** REP. EDWARDS: So moved.

CHAIRWOMAN UMBERGER: Thank you. Second?

REP. EMERICK: I'll second.

CHAIRWOMAN UMBERGER: Okay. Don't all jump at once. Representative Emerick, will you please call the roll.

REP. EMERICK: Okay. Roll call on 22-113. Representative Edwards.

REP. EDWARDS: Yes.

REP. EMERICK: Clerk votes yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: No.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

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REP. EMERICK: Madam Chair, the vote is 8 to 1.

CHAIRWOMAN UMBERGER: Thank you. The vote being 8 to 1, FIS 22-113 is approved.

***** {MOTION ADOPTED}**

CHAIRWOMAN UMBERGER: Moving now to FIS 22-116 from the GOFERR office. Good morning. We have some questions on this particular item dealing with the veterans' camp. Hum -- I don't like that name. I think we ought to call it the veterans' air base or the veterans' ship. I don't know. Yeah, Senator Rosenwald.

SEN. ROSENWALD: Thank you, Madam Chair. I do have a few questions on this item. My understanding is we're not going to own this site, Easter Seals is. They already own it. There's not a competitive bid contract. We're going to spend \$23 million in a lump sum not specified.

So my first question is do you have any kind of plan you could share with us? And my second question is does this obligate the State, any State program in any way that's going to be a budget expense that we should be thinking about the ongoing operational cost or contract cost?

TAYLOR CASWELL, Executive Director, GOFERR: Well, to answer your question, this request today is the accept and expend so we can --

CHAIRWOMAN UMBERGER: Excuse me, would you identify yourself.

MR. CASWELL: I'm sorry. Taylor Caswell, Executive Director of GOFERR.

CHAIRWOMAN UMBERGER: No, thank you.

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MR. CASWELL: This is the accept and expense that we can continue to work with Easter Seals on the final provisions of this plan. But in concept this is a project that will be sort of the crown jewel of veterans' services and housing available on a single site, 15 acres in Franklin that Easter Seals does currently already own.

With regard to the competitive bid component to this, this site is ideal in every way for this type of a project. Any funding that ultimately makes its way into a contract, which would have to be approved prior to any of this actually being spent on this project, would still have to comply with all of the federal procurement rules, federal environmental rules and so on that are applicable under the American Rescue Plan Act.

SEN. ROSENWALD: Could I follow-up?

CHAIRWOMAN UMBERGER: Please.

SEN. ROSENWALD: Thank you. But these are essentially State funds because we're accepting them. So what is the State's oversight going to be on this project? And -- and then there was the second part of my question.

MR. CASWELL: Okay. So this, I mean, the way that this would work is these are federal ARPA funds that we would accept and expend, be available for us to continue to work with Easter Seals to make the final designs on this project which would ultimately come up with a contract, in which all of those issues would be addressed prior to any money being spent. And I would say that this is designed to be funding exclusively for the development and construction of this project and would not be used basically because due to the simple fact that we can't obligate funds beyond '24 and spend beyond '26. That this would all have to be done within that time frame.

So it does not envision in this particular component of the funding the operational cost that would go with this. And those would be exclusively on Easter Seals for the operation of that

project just as they do, you know, a lot of other projects around the state.

SEN. ROSENWALD: Thank you.

CHAIRWOMAN UMBERGER: Are there further questions? Senator Daniels.

SEN. DANIELS: Thank you. Uh -- in choosing the -- the property in which to put this camp, how do you go about competing with other projects the State has going on; for instance, relocation of Sununu Center?

MR. CASWELL: I'm not sure that there was an analysis that compared it to that particular site. I think this is a situation where we have an owner that has, you know, that we are well familiar with that has done housing development and services for -- for -- for different types of populations in the state that owns a site that meets a lot of the criteria that you would look for in a site like this. And so, as I mentioned, this would be on project that ultimately would fall under all of the federal competitive bid process for the actual construction of this project should we get to that point.

SEN. DANIELS: Thank you.

CHAIRWOMAN UMBERGER: If I could? So what -- what you're saying is that the -- the 23 million will be spent on the facility, but not until a contract is approved by G & C.

MR. CASWELL: Correct.

CHAIRWOMAN UMBERGER: Okay. So you're just getting the money upfront so that you can do something with the contract; is that correct?

MR. CASWELL: Well, yeah. I mean, it makes it a lot easier for Easter Seals to make commitments of their time and energy and resources if they know that the funding is available for the

completion of the project if it actually, you know, comes to that.

CHAIRWOMAN UMBERGER: Okay. Thank you. Representative Edwards, you had a question?

REP. EDWARDS: I'll withdraw it.

CHAIRWOMAN UMBERGER: Okay. Thank you. Are there any further questions?

** SEN. DANIELS: Move approval.

CHAIRWOMAN UMBERGER: Okay. Senator Daniels moves approval of FIS 22-116, seconded by Senator Giuda. Will the Clerk please call the roll.

REP. EMERICK: Roll call for 22-116. Representative Edwards.

REP. EDWARDS: Yes.

REP. EMERICK: Clerk votes yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: Yes.

REP. EMERICK: Senator Giuda.

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SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: No.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 8 to 1.

CHAIRWOMAN UMBERGER: The vote being 8 to 1, FIS 22-116 is approved.

***** {MOTION ADOPTED}**

REP. EDWARDS: Madam Chair.

CHAIRWOMAN UMBERGER: Yes.

REP. EDWARDS: May I ask Senator Rosenwald what her -- no?

CHAIRWOMAN UMBERGER: No. You can ask it afterwards.

REP. EDWARDS: It would be fascinating to know.

CHAIRWOMAN UMBERGER: Never mind. Later. Okay. All right. Now we move to Commissioner Caswell's other hat, which is 22-117, Department of Business and Economic Affairs. Someone from the Senate had some questions on this. Okay. Thank you. Senator Rosenwald, when you get yours --

SEN. ROSENWALD: Yes, I'm at the item. Thank you. And thank you again for taking my questions. My understanding is that you want to hire these three positions to work with the existing housing agencies, like New Hampshire Housing Finance Authority. I'm wondering, first, if your intention is to use -- use all of

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the housing money to provide workforce housing and would that be within the statutory framework that the State has for workforce housing?

MR. CASWELL: So in terms of the -- the programs that I think the Governor referred to in his State of the State Address, the hundred million dollar intention on that, the details of those programs are still being worked out and, in fact, I think some of what we're trying to achieve is to bring in someone who's going to be ultimately responsible for potentially running that program to assist in the final version of all of that. I think it's very much the stated intention of the Governor to have this funding be focused in the middle income category. There are many different sort of linguistic gymnastics that people perform when it comes to affordable housing, and I think our goal with this will be to accelerate and make more efficient the process of moving as many units as we can with this funding, the bulk of which we would -- we would want to see be in that middle income category.

SEN. ROSENWALD: Could I ask a follow-up? Thank you. And that leads to my next question of does BEA, is it your understanding that the Treasury rule allows that funding to be used for affordable housing and not only market rate housing?

MR. CASWELL: Yes, ma'am. We would -- we would be qualifying this program most likely under the revenue replacement categories, which would allow us to be able to have some level of flexibility in getting the funding into those types of projects?

SEN. ROSENWALD: Thank you.

MR. CASWELL: Hm-hum.

SEN. ROSENWALD: Thank you.

CHAIRWOMAN UMBERGER: Are there any further questions? Seeing none. Could I have a motion, please, to accept FIS 22-117?

** SEN. DANIELS: Move to approve.

CHAIRWOMAN UMBERGER: Seconded by Senator Rosenwald. And good luck finding those three people.

MR. CASWELL: Yeah. Yeah, I know.

CHAIRWOMAN UMBERGER: And you are another reason why Commissioner Arlinghaus was here. Because I'm -- I'm very, very concerned about all of these positions that we're approving month, after month, after month. So okay. That's my -- I know.

REP. EMERICK: Roll call on 22-117. Representative Edwards.

REP. EDWARDS: Yes.

REP. EMERICK: Clerk votes yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

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REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 9 to zero.

CHAIRWOMAN UMBERGER: Vote being 9 to zero, FIS 22-117 is approved.

***** {MOTION ADOPTED}**

REP. EDWARDS: Madam Chair.

CHAIRWOMAN UMBERGER: Yes.

REP. EDWARDS: We approved FIS 22-103 on Consent. I had a couple of questions if I could ask them even though it doesn't -- won't affect the vote.

CHAIRWOMAN UMBERGER: Uh -- is this something you personally want to know or is it something the Committee needs to know?

REP. EDWARDS: I -- I can't speak for the Committee. I think it's -- it's relevant to this program, though.

CHAIRWOMAN UMBERGER: All right, one question.

REP. EDWARDS: Okay. So -- so 103 is essentially a program that enhances our STD monitoring and remediation. And it's -- it's -- it's associated with the fact that because of COVID, it implies there's been a surge. And so my question is do we -- do we know what the correlation between STDs and COVID is because I -- I would think the opposite has happened, STDs have gone down in social isolation.

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MS. ROUNDS: So I think it would be best to get you that information where the -- most of the Public Health folks have left, unless you have that direct information.

ANN LANDRY, Associate Commissioner, Department of Health and Human Services: Hi. Thank you. For the record, Ann Landry, Associate Commissioner at DHHS. Thank you so much for your question. I would agree with Karen that we can provide that information in more detail. I know there's a lot going on right now to update some of our information that's come in on -- on STD rates. But just tangentially there are some that have increased; but then as you predicted some took a dip in 2020 because people weren't seeking care because of the pandemic during, you know, the stay at home and -- and that piece. So now some of those numbers are starting to rise as well. But, as you know, Director Tilley has all that information inside and out, and she'd be happy to provide a detail if we -- if we can send that to you in writing.

REP. EDWARDS: Well -- well, thank you for that. I just -- what my concern there is is that we're staffing up for what may be a period of decline in STDs and then with the COVID gone, we may expect STD rates to go up, and then these positions are going away. So it just seems like our workload and manpower capacity may be out of sync here.

MS. LANDRY: So thank you. That -- completely understand your point. So, again, with these funds as Director Tilley has explained I think before the disease investigation that's traditionally done by those investigating STDs is the same practice that was needed by Covid-19. So a lot of these funds allow us to flex up and down so we can continue our traditional work around STDs. And then as COVID variants come in and out as we see happening, you know, throughout the last two years and as the papers are reporting now, this will give us the flexibility to staff up and down as needed; but it won't take away from our traditional work around STD investigation.

REP. EDWARDS: All right. Thanks for the answer. Thank you, Madam Chair.

(11) RSA 9:16-a, I, Transfers Authorized and RSA 228:12 Transfers From Highway Surplus Account:

CHAIRWOMAN UMBERGER: Yes. No problem. Okay. We now move to Tab 11, FIS 22-105, request from the Department of Transportation. Are they hiding out there? Oh! Yes, you were hiding out there.

MARIE MULLEN, Chief Financial Officer, Department of Transportation: Hello! Marie Mullen with the Department of Transportation.

CHAIRWOMAN UMBERGER: Okay. Hum -- we have to actually vote on this because it's not on the Consent Calendar. Are there any questions regarding the transfer of this money for winter maintenance? We're actually happy that winter maintenance is almost over. We hope. Okay. Seeing none. Could I have a motion, please?

****** SEN. DANIELS: Move to approve.

SEN. GRAY: Second.

CHAIRWOMAN UMBERGER: Senator Daniels and Senator Gray. Is that correct? Okay. Will the Clerk please call the roll.

REP. EMERICK: Roll call 22-105. Representative Edwards.

REP. EDWARDS: Yes.

REP. EMERICK: Clerk votes yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 9 to zero.

CHAIRWOMAN UMBERGER: Vote being 9 to zero, FIS 22-105 is approved, and that's probably the easiest time you will ever have here at Fiscal.

***** {MOTION ADOPTED}**

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

CHAIRWOMAN UMBERGER: Okay. We now turn to Tab 12, FIS 22-110, a request from the Judicial Council for 2.3 plus million dollars from funds not otherwise appropriated. Pardon?

NINA GARDNER, Chair, Judicial Council: I'm still alive.

SARAH BLODGETT, Executive Director, Judicial Council: Good morning, Madam Chair and Committee Members. I'm Sarah Blodgett, Executive Director of the Judicial Council with Nina Gardner, the Chair of the Judicial Council.

CHAIRWOMAN UMBERGER: Amazing who shows up.

MS. GARDNER: Right.

CHAIRWOMAN UMBERGER: Okay. Are there any questions for Miss Blodgett? Okay.

SEN. ROSENWALD: Thank you. Can we expect that the salary increases will be -- have to be made permanent and will be rolled into the next budget?

MS. BLODGETT: Thank you.

SEN. ROSENWALD: Will it be really temporary?

MS. BLODGETT: Thank you for that question, Senator Rosenwald. This request is -- is quite unique, as I'm sure all of the Committee Members see. And one of the reasons that it is so unique is the recent formation of a union at the Public Defender Office. And we really have just started that process. There is no agreement in effect. Negotiations have not even begun. So our next request for the upcoming biennium is going to depend on those union negotiations. So it is certainly possible that what will be included in our request but at this point we just can't say.

SEN. ROSENWALD: Thank you.

CHAIRWOMAN UMBERGER: Are there any further questions? Uh -- yes, Senator Daniels.

SEN. DANIELS: Thank you. So for clarification we're using one-time money, but your answer is you're not sure if it's going to be for ongoing expenses or not.

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MS. BLODGETT: Thank you, Senator Daniels. That is exactly correct.

SEN. DANIELS: Okay. Thank you.

CHAIRWOMAN UMBERGER: Are there any further questions? I just have one quick statement that I think everyone knows the Public Defenders are in very bad shape. Not physically but fiscally. And so -- so this is extremely important to try to keep the Public Defenders we have and, hopefully, be able to hire some new people, so.

MS. BLODGETT: Thank you, Madam Chair, and I just want to mention that we have had incredible support during this crisis from the Governor's Office, from the Supreme Court, and from the Department of Justice. We're very lucky to have such wonderful partners in this.

CHAIRWOMAN UMBERGER: Thank you. Could I have a motion? Senator Rosenwald. Second by Representative Erf. Will the Clerk please call the roll.

REP. EMERICK: Roll call 22-110. Representative Edwards.

REP. EDWARDS: Yes.

REP. EMERICK: Clerk votes yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: No.

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REP. EMERICK: Senator Gray.

SEN. GRAY: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: No.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is seven to two.

CHAIRWOMAN UMBERGER: On a vote of 7 to 2, FIS 22-110 is approved. Thank you very much for coming in.

MS. BLODGETT: Thank you very much, Madam Chair.

***** {MOTION ADOPTED}**

(13) Miscellaneous:

CHAIRWOMAN UMBERGER: Okay. We now turn to the Miscellaneous items. And I understand we have a request from LBA to hire someone.

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Yes. Thank you, Madam Chair, Members of the Committee. Pursuant to the administrative procedures of Fiscal, when the LBA wants to -- the LBA Office wants to fill a position they need Fiscal approval. We actually had a recent vacancy. We had someone move over to the Department of Safety to help out with Road Toll. Our auditors were able to find someone, a current student at UNH that is -- has agreed to

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join our office contingent upon Fiscal approval after graduation in May. So we would ask for your approval to fill that position.

CHAIRWOMAN UMBERGER: Could I have a motion to approve the hiring of --

MR. KANE: Financial auditor.

CHAIRWOMAN UMBERGER: A financial auditor.

** SEN. DANIELS: So moved.

SEN. GIUDA: Second.

CHAIRWOMAN UMBERGER: Second. Senator Daniels and Senator Giuda. Okay. I'm very happy that someone actually came in with a prospect prior to asking for hiring. So thank you for that work. And if anybody else needs financial auditors out there, you can chat with Mr. Kane and he can give you some pointers on how to hire those people. So, okay. Oh, wait, we need to vote.

REP. EMERICK: On roll call.

CHAIRWOMAN UMBERGER: I guess we don't need a roll call, do we?

MR. KANE: It's up to you. It can be voice or roll.

CHAIRWOMAN UMBERGER: Okay. All those in favor, please raise your hand? Opposed? Motion passes.

REP. EMERICK: Nine-zero.

*** **{MOTION ADOPTED}**

MR. KANE: Okay. Thank you.

CHAIRWOMAN UMBERGER: I think there are only eight of us.

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(14) Informational Materials:

CHAIRWOMAN UMBERGER: Okay. The next item that I do have a question on is the Department of Education on FIS 22-092. This is preventing childhood lead poisoning and paint from water quarterly report, blah, blah, blah.

Okay. Hum -- I read the report and my only concern is that it doesn't appear that all schools are cooperating in this testing and I just want to know A, why; and B, what are you doing to fix it?

AMY CLARK, Department of Education: Sure. So for the record, my name is Amy Clark, and I'm with the Department of Education and School Facilities; and I brought along with Brandon Kernen.

BRANDON KERNEN, Administrator, Department of Environmental Services: Hi, and I'm the Administrator of the Drinking Water/Groundwater Bureau at the Department of Environmental Services.

CHAIRWOMAN UMBERGER: Great. Okay.

MS. CLARK: So we work -- we work collaboratively together on this item, obviously, and the report it looks like non-compliance perhaps, but it was the results of the testing that I think that you're looking at. So on that table in Appendix A, so keep in mind the standard is that 15 parts per billion which requires schools to remediate for lead and these are the results of those samples. So what it's -- what it's saying is 36% of the schools tested exceeded the limits, but then they were required to remediate. And so we actually have almost 93 percent of our schools reporting those results to us.

CHAIRWOMAN UMBERGER: Yeah, I got that.

MS. CLARK: Okay.

CHAIRWOMAN UMBERGER: But what about the 7% that aren't reporting, and what are you doing to fix that?

MR. KERNEN: Sure. There's a lot of work ongoing right now to improve the management of this program. Essentially, there was a law passed in 2018 that required these schools to sample without a system in place and without a budget in place at the time. We've since received EPA grants, pretty substantial grants, and developed work plans that involved hiring a contractor to administer in outreach to the schools, and also a temporary part-time position.

Unfortunately, right when those got approved, COVID occurred and there was sort of a freeze on new contracts and also hiring new staff until people kind of figured out what the consequences of COVID at the time.

Since that time we have hired the person who's now developed the RFP. We've hired a contractor and they are now, you know, proactively outreaching to these schools letting them know about the statutory requirements to sample and to mitigate if there's exceedances. And so that work's ongoing. There's a database Dashboard being developed so the public in a very transparent way can see what schools have sampled, which ones have issues, and which ones have addressed the issues. And so, essentially, there's been a couple year delay; but the program is very much on its way to gaining compliance.

I should note that sort of parallel to all that and, again, this is largely a lot of outreach and voluntary compliance with schools. There's not a system in place for enforcement. There are legislative initiatives under way that address this area of statute. One is Senate Bill 452 which is still in the Senate. I believe it goes to Finance next, and the other is House Bill 1421 which was heard by the Senate Education Committee this year.

Combined they substantially change what's in the statute, essentially create a pretty overarching regulatory process for

schools to comply with. And when we talked with the -- the Education Committee this week, DES really painted a picture of what could happen if both House Bill 1421, which seems to have pretty broad support, and Senate Bill 452, if they in tandem were both to pass. One lowers the standard from 15-5 so you have a lot more non-compliance, like double the number of non-compliance, which might be appropriate but it creates work. And another provision of one of the bills, House Bill 1421, would actually require that we administer these requirements and fine people if they don't comply.

And so we painted a picture to the Education Committee whereby we would be regulating 1500 entities between schools and child care facilities, 20 to 30,000 sampling points as your every fixture that's available for drinking water has to be tested and tracked and just told them what it would take. You know, sending out sampling schedules. You know, requiring samples, processing samples, doing violations if samples aren't collected. Doing violations if you don't mitigate samples. A really big regulatory regime for entities Environmental Services usually don't work with, schools that buy water from a water system.

So we suggested that we have a work session and Senator Ward was receptive to that and asked DES to prepare some materials to look at maybe another path. The thought being that in schools, especially in child care facilities, people aren't going to every single sink generally to get their drinking water. There's water fountains and bottle fill-up stations.

So using available grant programs or to get more grant funds to maybe establish a program where schools really focus on having points of people -- for people to get their potable water and that those be tested, and that those bottle fill-up stations be state-of-the-art and maybe go even beyond lead and have ability to filter other things as a way to maybe give schools and child care facilities a more streamlined process to make sure their water meets standards opposed to tracking 20 to 30,000 sampling points at these facilities where people might

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not be drinking from the janitor's faucet or, you know, the sink in the English room.

So Senator Ward just asked us for more information on other ideas and we're preparing that this Wednesday. So both -- we have two tracks going. One to gain compliance with the current statute. I guess three tracks. Three, to create a comprehensive regulatory regime, which DES thinks we have a lot of concerns about and we think regulated entities will have a lot of concerns about once if it got into place. And then maybe a third option that's really just focusing on the points where people drink their water and making sure that water is really safe to drink.

CHAIRWOMAN UMBERGER: Okay. So is -- is that going to -- your third point, is that going to get into an amendment?

MR. KERNEN: Yes, I believe that's Senator Ward's intention. She asked us to combine 1421, House Bill 1421, and Senate Bill 452 which, again, when put together have a lot of different effects than apart, and then to work in this third option as well so that there's not this whole new regulatory regime that's created.

CHAIRWOMAN UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Thank you. Of the -- my question is of the \$1.6 million that we appropriated four years ago now or three and a half, has only \$144,000 been encumbered? And, if so, why so little when a third of the schools are testing above the allowable amount?

MR. KERNEN: So those numbers are correct. A large part of it has to do with, one, there's been no system in place and no staffing in place until the last six months really to reach out to schools and connect them with the results and to the available funds. Another option might be that these are fixtures that aren't really used for potable water and so they put up a

sign, instead of applying for a \$5,000 grant or something to mitigate it.

The data you see here is pretty coarse. What we really can't connect those results to is exactly how often those sources are being used for drinking water at this point. And that's what's being fixed with Trapani, the contractor, that's now been hired, and then the temporary part-time position. The data is going to mean a lot more over the next year and you're going to see a lot more use of those funds. And we may go back to the Trust Fund and ask them to change those parameters to also allow child care facilities to be eligible because they have to comply with this requirement. Right now only schools can. And maybe to even entertain these bottle fill-up stations, you know, focus points of drinking water opposed to mitigating only fixtures that are over the action level.

CHAIRWOMAN UMBERGER: Representative Emerick.

REP. EMERICK: Thank you, Madam Chair. Would I be naive to think that a town -- I live in Hampton. We have private water but if -- for the whole town. Would I be naive to think that if you just tested the water supplier you wouldn't need to test every location in every school?

MR. KERNEN: For most contaminates your suggestion is correct but not for lead. Lead is a plumbing-based contaminant. It comes from the pipes or fixtures.

REP. EMERICK: Okay. Thank you.

CHAIRWOMAN UMBERGER: Yes, Representative Edwards.

REP. EDWARDS: Thank you, Madam Chair. As I understand it, we have a compliance problem with children being tested for lead poisoning. You may know that there's two age points where they're supposed to get lead tested and one is very early after they've been born. The other one, I guess, is before they go into the school system. Are -- are you the right people to -- to

work with the DOE to develop an educational program for parents -- intended for parents so that parents know why they should seek out lead poison testing for their children or who -- who might be accountable for developing testing that would make our public smarter about why we want them tested?

MR. KERNEN: The Department of Health and Human Services has a whole program that oversees the childhood testing. And so I don't know if anyone here is able to speak to that from HHS, but certainly that agency that takes the lead and they collaborate with us. You know, to the extent they have a child with high blood levels, they'll work with us to get the water tested. And I'm sure if it's a school concern they work with the Department of Education but they're definitely the lead.

REP. EDWARDS: And I just -- I just want to say with the Commissioner of Education in here, one proposal that we have in legislation is to expect the schools to be more of an enforcer on parental compliance with lead testing. And I'd much rather see us go down the education role than the coercion role.

CHAIRWOMAN UMBERGER: Well, that's why they're getting Canva. Sorry.

Okay. Are there any further -- I had no idea this was going to open up so much information when I asked my question; but I really thank you for that, and -- and for your work. And I know that sometimes getting non-State Agencies to cooperate and to do the things they need to do is -- is difficult. So keep on them. Okay. Thank you.

JOSEPH PITRE, State Representative, Strafford County, District #02: Madam Chair, I had a question.

CHAIRWOMAN UMBERGER: Oh, I'm sorry. Yes, go ahead. Pull your microphone close.

REP. PITRE: My first question is how do they remediate this because there's miles and miles of plumbing in the schools

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and do they go through you to get a grant to remediate the problem?

MR. KERNEN: To remediate the problem there's several options. You can often replace an older fixture. Older plumbing components are allowed to have more lead in the wetted area of the fixture so that can be an option. You could also put an inline filter. That removes the lead as well. And then yes, there is right now a grant program that pays 50% of the remedial cost for schools, not for child care facilities, and the Department of Education administers that.

REP. PITRE: The administration. Thank you very much.

CHAIRWOMAN UMBERGER: Okay. Thank you. Oh, wait. We've got one more question.

SEN. GIUDA: Thank you, Madam Chair. Can you clarify whether there's any legislation coming forward to add child care facilities to this program?

CHAIRWOMAN UMBERGER: It's already there.

MR. KERNEN: The statute requires child care facilities sample, but they don't have access to the \$1.6 million grant right now from the Trust Fund. And so, yeah, we are working to find options. It could be we go back to the Trust Fund, which is legislators and appointed members of the public, or potentially there's ARPA dollars allocated for drinking water that we might be able to use, and then even Health and Human Services has some options. They're the ones that oversee child care facilities that might be able to help with that.

SEN. GIUDA: So is there any legislation coming forward to address the fact that they can't access these funds, the drinking water funds?

MR. KERNEN: Not at this time. I don't think the mechanism is necessarily a legislative action though. I think it's tweaking or making decisions with available funds.

SEN. GIUDA: Thank you.

CHAIRWOMAN UMBERGER: Okay. Can we move on? All right. Thank you very much.

The Governor's Office for Emergency Relief and Recovery is -- provided us last month with the status of CARES funding. And this month he's going to talk to us -- they're going to talk to us about what goes on with ARPA. What has gone on with ARPA. Welcome back.

MR. CASWELL: Happy to be here.

CHAIRWOMAN UMBERGER: I knew it.

MR. CASWELL: Getting nice outside, I think. Again, good afternoon, everybody. I think we wanted to come back. Last month we got a chance to talk a little bit about CARES Act and sort of where things stood with that. I wanted to come back today and give you sort of an update on where things stand with the ARPA funding and, in particular, the portion that GOFERR has some -- a good degree of involvement with, which is with the state and local fiscal recovery fund dollars which I can get into it a little bit more as we go along here.

A couple things. First, with regard to dates and importance in timeline, because this is obviously setting a little bit of the stage for where we are with -- with ARPA. And, again, and I'll mention this again later probably is the fact that this is a program that is fundamentally different from the CARES Act. CARES Act funds were really there for relief purposes. These funds have been provided in the context of recovery. And if you sort of take a moment to think about what that distinction is, it does help drive some of the types of projects that we're

seeing coming through and that you all are seeing as -- as they get to you.

The American Rescue Plan was signed into law just about a year ago, March 11th of 2021. And then subsequently in May of 2021 we got what's called the Interim Final Rule, which was a document of about 40 or 50 pages that gave us a good sense in terms of where the General Funding should be used, how it should be used. Different buckets and expenditure categories were provided and laid forth sort of the reporting requirements that were going to go with these resources. We have been and we continue to operate under the IFR.

In January of this year, Treasury came back with a -- the no longer Interim Final Rule but the final -- final, final rule and that document exceeds 400 pages and gave us a significant -- significantly more detailed sense of where these funds, how they expect us to report and the data that they need in order to complete the program and so on and so forth. And we've spent a good amount of time going through all of those. And I will say that, you know, for the most part that's a lot of what you see coming to you are projects that are fitting these increasingly new categories and -- and reporting requirements.

And, lastly, of course, as you all know quite well, there are two important dates with all ARPA projects and the first is December 31st, 2024. That's the date by which we have to obligate these resources under Fiscal Recovery Fund, and then December 31st, 2026, which is the point at which we have to have spent all of those resources.

Again, going as I mentioned the state and local Fiscal Recovery Fund, this is one portion of the American Rescue Plan funds that have come to New Hampshire. I mentioned that we are certainly subject to all the federal regulations under this program. The total that has been designated by the fed -- Federal Government under, again, FRF is specifically \$994,555,878. And we are -- I think in your documents that we

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provided it gives you an update as to where we stand in the obligation of those resources at this point.

A lot of the major requirements that I mentioned under -- under the federal guidance, under federal rules, defines specifically the types of eligibilities. They generically fall under categories like Public Health, negative economic impacts and infrastructure. Everything that we provide and everything that -- that we end up getting approval to move forward with has to fall in and align with these expenditure categories that are lined out in the final rule.

I would also mention that in every case these funds -- well, it -- in some cases it depends on the level of the expenditure but in almost all cases federal procurement rules are required to be followed as our federal labor laws, things like Davis-Bacon and environmental rules, all need to be complied with by the end user of these projects -- of these funds I should say. And I did mention the deadlines that shows up many times here in my notes.

GOFERR's responsibility primarily in a lot of cases has been both to do the reporting and the data analysis and all of the required submissions to the Federal Government. But we also work very closely with all other State Agencies and with other recipients of these resources on a regular basis to make sure that the data they're collecting is adequate and it's going to meet the reporting requirements, and there's a lot of work that goes into that end of the business.

As I mentioned, there are a number of programs that you are seeing requests for as we go through here that are not specifically under the state and local federal recovery funds. I thought I'd mention a couple of those.

The Rental Assistance Program that we've talked about many times is separate from that. The Capital Project Funds, which we will start seeing some more activity over the next couple of months, this is primarily the broadband funding that is

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available. That total allocated to New Hampshire that we have not yet deployed is \$122 million under the Capital Project Fund. Again, that's separate from these FRF dollars. The Housing Assistance Fund, this is a program that we talked about I think just a few weeks ago and is just now getting started up to assist for homeowners as opposed to rentals. And then it also does not include all the funding that will start flowing under the infrastructure bill that Congress passed subsequently and that's, obviously, going to be run primarily with the Department of Transportation. So as that money starts to flow, I imagine we'll see Commissioner Sheehan here more regularly as well.

And, of course, HHS has also seen a significant amount of resource that they're putting forth toward a number of different obvious Public Health and health related vaccine programs.

On the -- where we are right now, of course, we provided you the most recent update as to the list of the programs that have been obligated and approved here at Joint Fiscal Committee. They're really falling into a number of pretty large categories. There's, obviously, the water and sewer infrastructure. That was done pretty early on. Then most of that, at least under FRF, is being run by Department of Environmental Services. Those funds, as you'll recall, we moved pretty quickly just because of the time horizon that is necessary for those types of projects. And, you know, that we do have to have this money spent by 2026, which seems like a long way away, unless you're trying to permit and move a lot of these projects all at the same time.

Mental and behavioral health, obviously, continues to be an area where you're seeing a lot of these programs. The COVID-19 response at least so far has been a continuing number. We hope that we're going to continue to see those numbers start to fall off a little bit and then, of course, in the economic relief and development area.

GOFERR is in the context of in addition to all the reporting that goes on, we spend a significant amount of time reviewing proposals from different agencies and from other

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parties around eligibility and the cost of those programs and looking for areas where there may be duplication and overlap among existing programs that we seek to avoid.

As you've heard me say many times, the primary function and purpose of these dollars, hopefully, in most cases, is to be able to make those like one-time investments in initiatives and programs and infrastructure that are going to carry us forward for a long period of time and not necessarily get the State into a position where we're going to have ongoing operational costs as a result of these investments.

And, of course, as you well know, everything that ends up making its way through that process we end up talking about in one form or another here in this forum.

So I -- that's -- that's kind of where we are right now. And, of course, I'm always -- any questions that you might have and I just wanted to say, you know, we certainly appreciate all of you working on these items as they come through on a regular basis and really appreciate all the time that you're putting into taking a look at what we've -- what we've been able to do at least thus far.

CHAIRWOMAN UMBERGER: Are there any questions? Yes, Senator Daniels.

SEN. DANIELS: Thank you. In addition to the mandates that come from EPA regarding water and wastewater, are there any other mandates that ARPA money could cover?

MR. CASWELL: I guess -- you talk about regulatory mandates that --

SEN. DANIELS: Right. I'm saying like in our town, you know, we're looking at 8 to \$10 million worth of federal mandates that are placed on us for water or wastewater. And so I'm just -- I'm always looking at what the Federal Government is placing on us for mandates and asking, you know, are they

supplying the money. Well, in this case here some of the money is being supplied and we may be able to use that water and wastewater money that comes in to take care of some of those mandates. But on the other categories that you have identified, I'm wondering if there are any other mandates in there that we could go back and tell our constituents we've got federal money that's going to cover that?

MR. CASWELL: Well, I guess it would be hard to say without knowing specifically the case. But I guess what I would say, Senator, is that we are not seeing that there is necessarily relief from those federal mandates in the use of these funds. So in those instances where DES is having to move these resources out into our communities for water and sewer upgrades or projects, we continue to have the same requirements and permitting requirements that are required both by the State and Federal Government. In fact, you might recall, I think we had an item some time ago for DES to add staff for the permitting office, specifically for that purpose, and that this was going to generate some additional pressure on that office to -- to move those projects quickly.

SEN. DANIELS: Thank you.

CHAIRWOMAN UMBERGER: Are there any further questions? Yeah. Yes, Representative Wallner.

REP. WALLNER: Thank you. I did notice in a couple of categories there are -- you refer to personnel cost. Can you talk a little bit about how you're using these dollars around personnel? I know the workforce is -- is really an issue for so many areas.

MR. CASWELL: Well, I mean, leaving the workforce issue aside and finding people to fill these positions, which is another issue that I know you've talked about already today. I was going to ask Michael Kane where he was getting his person from. How much are you paying them? But to your question, all of the -- all of the requests that are coming through for these

types of funds for staffing, and my Department, my other Department included, are for 90 positions. So these are temporary jobs that are tied to the funding that ultimately they'll be dealing with. So the intention is not to necessarily extend beyond the life of the ARPA funds with these dollars for the temporary staff that typically is coming in front of you.

REP. WALLNER: A follow-up?

CHAIRWOMAN UMBERGER: Yes, please.

REP. WALLNER: I was looking at one. It's on Appendix 2. It's the wage enhancement for the licensing of nursing assistants. And I was wondering about that kind of a program and how that -- that kind of program is working.

MR. CASWELL: Oh, I'm trying to remember.

CHASE HAGAMAN, Deputy Director, Governor's Office For Emergency Relief and Recovery: Would you mind just mentioning the item you're looking at?

REP. WALLNER: It's wage enhancement for licensed nursing assistants, LNAs.

MR. CASWELL: Do you know?

MR. HAGAMAN: I can talk about it, yeah. Chase Hagaman, Deputy Director at GOFERR. So that's probably a poor characterization of what that program did. It was actually a -- a -- an amount of money given per bed at that facility. The facility could then use as it needed, and it may have used it for assisting with wages to retain or acquire staff.

REP. WALLNER: Thank you.

CHAIRWOMAN UMBERGER: Are there any further questions? Okay. I do have a -- I have a further question. I'm looking at your first page that's got the little blue thing, and it's

showing that we have \$497 million left, and we have four years to allocate it and spend it.

MR. CASWELL: Yes. 2026, yeah.

CHAIRWOMAN UMBERGER: Yeah. So when are we going to get something on the other 497 million? I mean, we're chipping away at it; but I think like today, what, we have 23 million? That doesn't chip away very much. So and --

MR. CASWELL: It's not as easy to spend a billion dollars as you might think.

CHAIRWOMAN UMBERGER: But I -- I -- you know, my concern is, okay, that as we start getting into, you know, budget season next year and all of the mess that goes along with that that, you know, we on the Fiscal Committee are basically all tied up in that stuff and -- and I know that, you know, the people in the various departments are starting to think about preparing budgets and, you know, I just -- I'm just concerned that we need to try to figure out how to --

REP. EMERICK: How to spend it quicker.

CHAIRWOMAN UMBERGER: -- you know, where we are. You know, and I guess I could say if anybody has any wonderful ideas, they can either talk to Commissioner Caswell or myself. But, you know, I just -- you understand where I'm coming from.

MR. CASWELL: Yes, ma'am.

CHAIRWOMAN UMBERGER: And it's -- and no, we cannot give it to each one of us for enhanced salary for our positions.

REP. PITRE I've already tried that.

CHAIRWOMAN UMBERGER: Yeah, good.

MR. CASWELL: Even if we doubled it, I'm not sure that would spend much.

CHAIRWOMAN UMBERGER: I think you're right. Are there any -- yes, Representative Wallner. You're looking for the pay raise?

REP. WALLNER: No, I'm not looking for the pay raise. I think we're paid adequately here, \$100 every year. I was wondering so you're setting aside money for each of these projects.

MR. CASWELL: I'm sorry?

REP. WALLNER: You're setting aside money for each of these projects or funds for each of these projects.

MR. CASWELL: Yes.

REP. WALLNER: But as we get closer to 2026, some of these projects probably won't spend down all that you set aside.

MR. CASWELL: Yep.

REP. WALLNER: So there will be some funds left. Will the Federal Government allow us to have any access to that -- those funds after 2026?

MR. CASWELL: I'm not sure there's been an official answer to that question. But to your point, in a lot of cases, particularly in the larger number cases that we know are going to go on for a period of time, we actually build in an expiration date in the contracts well before we get to the end with the ability to extend. But it gives us that opportunity to make sure that we're not just leaving everything until December 30th, 2026, and saying let's see how much we got left. I mean, we don't want to be in that position. So yeah, we're very cognizant of that and under very specific orders to make sure we don't leave any money on the table if we can.

CHAIRWOMAN UMBERGER: That's why we had that CARES Act thing that, you know.

MR. CASWELL: The waterfall.

CHAIRWOMAN UMBERGER: Yeah. We got a little close to the end on that.

MR. CASWELL: Yeah.

CHAIRWOMAN UMBERGER: And making sure that we got that money approved.

MR. CASWELL: That was like an eight-month program remember initially.

CHAIRWOMAN UMBERGER: I know.

MR. CASWELL: We already didn't have a lot of time for that money.

CHAIRWOMAN UMBERGER: Okay. Thank you very much. I appreciate it. And I know that if anyone has any questions they can always give you a call.

MR. CASWELL: Absolutely.

CHAIRWOMAN UMBERGER: Okay. Thank you.

MR. CASWELL: Thank you, Representative.

CHAIRWOMAN UMBERGER: I would like to point out just before we have just a couple things to finish up, but we are going to be asking the departments to come in and talk to us about their ARPA funds that have not come through GOFERR. And there are lots, and lots, and lots of dollars out there. And we're going to be starting next month with HHS and DES coming in to talk to us about that. Because I think that, you know, we as the keeper

of dollars, so to speak, need to be sure that we are holding our folks responsible for that money. So we'll see what happens, you know, but we'll -- we'll rotate it around so that every Department that's received offline ARPA money, I know that's the wrong term, but other ARPA money will be in to see us. So looking -- so looking forward to that time. All right. All right.

SEN. DANIELS: (Inaudible).

CHAIRWOMAN UMBERGER: Well, we'll see what happens. Okay. Let's see, I think our -- our -- I think our next thing is Audits. Is that correct? Yes.

MR. KANE: Yes.

AUDITS:

CHAIRWOMAN UMBERGER: Always our favorite time.

STEVE SMITH, Director, Audit Division, Office of Legislative Budget Assistant: Us true -- excuse me -- us, too, Madam Chair.

Good afternoon, Members of the Committee. For the record, Steve Smith, Director of Audits. And with me here our first report is the Lottery. And Kim Bisson who's going to present the Management Letter as a result of our financial statement audit for Fiscal 21. And joining me is Director McIntyre and Jim Duris, the CFO, for any questions that the Committee may have.

KIMBERLY BISSON, MSA, CPA, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant: Good morning, Madam Chair, and Members of the Committee. Again, for the record, my name is Kimberly Bisson. I'm here today to present the Management Letter which is a byproduct of our audit of the Lottery's Fiscal Year 2021 financial statement, which were previously presented to this Committee at the January 21st meeting.

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If you turn to the Table of Consents, you will see that the report includes three internal control comments, one of which is considered to be a material weakness. The Lottery concurs with all three comments and none suggest legislative action is required. The Observations begin on Page 3.

Observation No. 1 discusses several deficiencies in internal control which combine to result in a material weakness in the Lottery sports betting revenue and contract monitoring processes. To address this, we recommend that Lottery take steps to formally document its policies and procedures covering the major areas of its sports betting operations, and to amend its contract to require the sports betting vendor obtain a Service Organization Control report specific to New Hampshire Lottery on an annual basis.

We also recommend that Lottery implement policies and procedures to assess risks related to outsourced services, including identifying when Service Organization Control reports should be written into Lottery contracts.

Turning to Page 7, Observation No. 2 recommends the Lottery enhance its financial accounting and reporting staff by establishing a Director of Finance or similar position in order to support the ever-increasing scope and complexity in Lottery operations, and to mitigate the risk of relying on the performance of one employee for all financial accounting and reporting activities.

Additionally, Lottery should take steps to formally document policies and procedures that address the significant aspects of its financial reporting process, including but not limited to the development of significant accounting estimates, completion of monthly reconciliations, preparation of year-end adjusting and accrual entries, and the compilation of its Annual Comprehensive Financial Report.

Finally, Observation No. 3 beginning on Page 9 recommends that the Lottery administratively attached Council for Responsible Gambling implement formal policies and procedures to ensure all invoices are adequately supported in accordance with contracted terms and ensure duties within the Council are appropriately segregated to allow for an independent review of its invoices prior to submission to the Lottery Commission for payment. It should be noted that the Council also concurred with this comment.

The Appendix located behind the tab on Page 11 reports the current status as of December 16th, 2021, of Observations contained in the Fiscal Years 2020 and 2019 Lottery Commission Management Letters. I've noted at the bottom of Page 13 seven comments were resolved, one was in the process of remediation, and one remains unresolved.

Page 14 reports the current status of Fiscal Year 2019 comments resulting from the work of an IT specialist engaged to perform a review of Lottery's IT systems. As noted at the bottom of the page, two comments were resolved and two are in the process of remediation.

This concludes my presentation. I would like to thank Executive Director McIntyre and Lottery staff for their assistance and cooperation during the audit. And with your permission, I will now turn the presentation over to Lottery.

CHARLES MCINTYRE, Executive Director, New Hampshire Lottery Commission: Thank you and good afternoon. My name is Charlie McIntyre. I have the privilege of being the Director of New Hampshire Lottery. With me is our Chief Financial Officer Jim Duris as previously noted.

I'd like to thank the folks at the LBA staff. As always, a thorough audit and the recommendations they have forwarded are already being implemented as we speak. So happy to answer any questions you might have.

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CHAIRWOMAN UMBERGER: Does anyone have any questions?
Uh -- the only question I have is do we get feedback on when these things are corrected?

MR. MCINTYRE: Well, certainly we're audited every year and so they'll be back probably next month. So I always say I'm going to miss if you never leave. And I may say that kiddingly. But certainly they'll be back in June for their audit. And so like our example, the SOC-2 report request I've already signed an agreement with Draft Kings. They'll have that. It's already being implemented as we speak.

CHAIRWOMAN UMBERGER: Okay.

MR. MCINTYRE: As you can see, three findings is not bad and one of them is not me or us really. So I think two is pretty good. But yeah, if you wanted a separate update, Madam Chair, happy to do that for you; but they -- they're back in June, so.

CHAIRWOMAN UMBERGER: Hm-hum.

MR. MCINTYRE: They'll keep tabs on us.

CHAIRWOMAN UMBERGER: Yeah, I guess we just -- yeah. And -- and maybe, you know, I don't need anything really formal. I just want to make sure that on each of the audits that we are making progress and not just letting it hang around.

MR. SMITH: Yes. If I may, Madam Chair? As you know, we audit the Lottery Commission every year.

CHAIRWOMAN UMBERGER: Right.

MR. SMITH: So you have three years' worth of Observations in front of you with the status of them. So, for example, the 2019 when we come back in for the Fiscal 22 audit, excuse me -- yeah, Fiscal 22 audit, if those remain unresolved, more than likely they're going to make it into the body of the Management Letter next year. So we -- we evaluate as what the

status is based on working with the commit -- with the Commission. So in this particular case, we won't let them just fall away without --

CHAIRWOMAN UMBERGER: Well, you know, because there was one -- one that you said, you know, hadn't -- nothing had been done on it and that was from, what, two years ago or something? A year ago?

MR. MCINTYRE: Yes. It actually was specifically to a -- our sports betting vendor partner not providing a SOC-2 report. I signed an agreement, a change order with them I think in January. So going forward we'll be getting that every year. So that's the one that was unresolved. And that had to do with Draft Kings changed out a significant portion of its business. It had previously contracted for market creation services through a company called Camby. They ended up buying a company called SB Tech. So they changed out the transmission while the car was still running, essentially. So getting a SOC-2 report previously wouldn't make sense.

CHAIRWOMAN UMBERGER: Okay. Thank you. All right. Appreciate it. And keep up the good work. And keep sending money to the Education Trust Fund.

MR. MCINTYRE: Doing our best. Thank you, Madam Chair, Members of the Committee.

MR. SMITH: Our next Management Letter is for the Liquor Commission. And joining me from our office is Jim Lariviere. He was the Manager on this -- on this audit this year. And joining us from the Commission is Chairman Mollica and Tina Demers, CFO.

JAMES L. LARIVIERE, CPA, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant: Good morning, Madam Chair, and Members of the Committee. Again, for the record, my name is Jim Lariviere. We are here to present the Management Letter, a byproduct of our audit of the Liquor

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Commission's Fiscal Year 2021 Financial Statements which were previously presented to the Committee at the January 21st meeting.

If you turn to the Table of Contents, you will see that the report includes one internal control comment, classified as a significant deficiency. The Commission concurs with the comment and no legislative action is required relative to this comment.

The Observation on Page 3 identified where significant errors detailed in items numbers 1 and 2 of the Observation were made, detected, and corrected, but lacked documentation explaining the cause of the errors and the adjustments made to correct system accounting records, and lacked evidence of Management's review and approval.

We recommend the Commission establish formal policies and procedures for adjusting system accounting records. The policies and procedures should detail the processes to be performed, who performs each process, and adequate -- and addresses adequately documenting the error and corrective actions. All adjustments should be reviewed and approved by an appropriate level of Management, independent of the posting and correction process.

The Appendix located behind the Tab on Page 5 reports the current status as of December 17th, 2021, of the Observations contained in the Fiscal Year 2020 and Fiscal Year 2019 Liquor Commission Management Letters. As noted at the bottom of Page 8, ten comments were fully resolved and eight comments were in the process of remediation.

This concludes my presentation. I'd like to thank Chairman Mollica and Chief Financial Officer Tina Demers and the Liquor Commission staff for their assistance and cooperation throughout the audit.

With your permission, Madam Chair, I'd like to now turn the presentation over to the Liquor Commission's Chairman, Chairman Mollica.

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CHAIRWOMAN UMBERGER: Before you do that, can I just ask a question on the finding?

MR. LARIVIERE: Certainly.

CHAIRWOMAN UMBERGER: You show two examples here of one of 48 million and the other one of 1.4 million, and then you recommend that every error should have some sort of supervisory signature on it. And I don't know -- I don't know that we -- I would hope that we would give the Liquor Commission people some sort of author -- you know, without going up the chain for, you know, some amount of money that, you know, there's an error. You know, I mean, it could be a typo. You know, it could be something else. But I would certainly think that, you know, if I made a thousand dollar error that I caught at the end of the month, I should be able to fix that without going three steps up in supervision. Where if over time I find that I've got a \$1.4 million thing, then, yes, I think we need to -- we need to check that out and figure out what's going on in our processes.

So I just ask that the comment that says everything needs to be approved that we look at -- we just look at that between the -- the two of you to figure out what does that really mean. Because I don't think we want to do a \$25 error, okay, for, you know, for -- so that -- that's dealing with the audit, and, you know, what -- what you've come up with. So thank you and I'll let you guys work it out, okay, whatever it is.

MR. LARIVIERE: Thank you.

CHAIRWOMAN UMBERGER: Please.

JOSEPH MOLLICA, Chairman, New Hampshire Liquor Commission: Good morning, Madam Chair, Members of the Committee. For the record, Joseph Mollica, Chairman of the New Hampshire Liquor Commission, and CFO Tina Demers is with me as well today.

I'd like to thank the LBA for their fine work. They've always done a great job and we appreciate them coming in and looking at our organization to make sure that it's running properly. But Jim and Steve and (Inaudible) we appreciate their work.

Most importantly, I'd like to note that I appreciate the work that Tina, our CFO and her staff does. Because in '19 we had 12 Observations and today we only have one, and that's due to the work of -- that Tina's organization and everyone that works for Tina. I'd just like to have that on record. Thank you, Madam Chairman.

CHAIRWOMAN UMBERGER: Absolutely. And I have one request from you. Hum -- I don't know exactly when I was reading it or where I was reading it, but it -- in your audit it says everything is being fixed by the Risk Management Plan. And I would like a copy of that Risk Management Plan so that we can, you know, we can see where that's going. And I just -- that's all.

MR. MOLLICA: Absolutely. We'd be happy to provide that to you.

CHAIRWOMAN UMBERGER: All right. Thank you very much.

MR. MOLLICA: Thank you.

CHAIRWOMAN UMBERGER: Okay. You're done? Everybody's done, including us? No. Okay. Representative Emerick.

****** REP. EMERICK: Madam Chair, I would move to accept both audits, place them on file, and release to the public in the usual manner.

CHAIRWOMAN UMBERGER: Do I have a second?

SEN. DANIELS: Second.

CHAIRWOMAN UMBERGER: Thank you, Senator Daniels. All those in favor aye? Opposed? All right. Motion passes.

***** {MOTION ADOPTED}**

CHAIRWOMAN UMBERGER: Now they tell me that I'm supposed to set the next meeting. Is that the last thing I have to do?

MR. KANE: Yes.

CHAIRWOMAN UMBERGER: Which I forget to do most of the time. So -- uh -- looking at what we normally do -- hum -- our next meeting would be on April 15th, which is tax day. And I know everyone has done their taxes, so, except for me. So without any objection or whatever, we'll plan on it for April 15th of whenever. April 15th. So is there any other business to be brought before the meeting? Seeing none. Can I just adjourn? There you go. Thank you very much.

(The meeting adjourned.)

CERTIFICATION

I, Cecelia A. Trask, a Licensed Shorthand Court Reporter in the State of New Hampshire, do hereby certify that the foregoing transcript was transcribed by me from a YouTube recording. I was not physically present at this meeting, and I have transcribed the recording to the best of my ability, skill, knowledge, and judgment.

Cecelia A. Trask, RMR, CSR
NH Licensed Shorthand Reporter #00047

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