

**JOINT LEGISLATIVE FISCAL COMMITTEE**

Legislative Office Building, Rooms 210-211

Concord, NH

Friday, April 15, 2022

**MEMBERS PRESENT:**

Representative Karen Umberger, Chair

Representative Tracy Emerick

Representative Jess Edwards

Representative Keith Erf

Representative Susan Almy (Alt.)

Representative Bob Lynn (Alt.)

Representative Joseph Pitre (Alt.)

Senator Gary Daniels

Senate President Chuck Morse

Senator Lou D'Allesandro

Senator Bob Giuda

Senator Cindy Rosenwald

(The meeting convened.)

**(1) Acceptance of Minutes of the March 18, 2022 meeting**

KAREN UMBERGER, State Representative, Carroll County, District #02 and Chair: Good morning. Happy Friday. Our first order of business is approval of the minutes from our March 18<sup>th</sup> meeting. Are there any changes that need to be done?

(Senator Gary Daniels and Senator Bob Giuda begin speaking at the same time.)

**\*\*** GARY DANIELS, State Senator Senate District #11: I'll move approval of the minutes.

CHAIRWOMAN UMBERGER: I'm sorry?

BOB GIUDA, State Senator, Senate District #02: I'll second it.

CHAIRWOMAN UMBERGER: Okay. Thank you. Any changes? Seeing none. Will -- please raise your hand? All those in favor? Opposed? Abstain? Okay. We have two abstentions. Okay.

\*\*\* {MOTION ADOPTED}

(2) Old Business

CONSENT CALENDAR

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

CHAIRWOMAN UMBERGER: We have several items that have been removed from the Consent Calendar. Uh -- FIS 22-125, FIS 22-129. FIS 22-140, if I'm not mistaken has been withdrawn. FIS 22-41 --

TRACY EMERICK, State Representative, Rockingham County, District #21: 141.

CHAIRWOMAN UMBERGER: 141, excuse me. FIS 22-139, FIS 22-148, FIS 22-149, FIS 22-150, FIS 22-152. Are there any other items to come off the Consent Calendar? Seeing none. Could I have --

\*\* SEN. GIUDA: Move the Consent Calendar.

(Inaudible.)

CHAIRWOMAN UMBERGER: Thank you. All those in favor of approving the remainder of the Consent Calendar, please raise your hand? I think it's 10-0.

Representative Merchant. We have currently tabled FIS 22-023, and Representative Merchant just wanted to give us a couple minutes on what is actually going on with this item. Please -- okay. Thank you.

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GARY MERCHANT, State Representative, Sullivan County, District #04: Thank you, Madam Chairman, and also the rest of the Committee, for giving me a couple minutes.

At the February meeting there was a discussion about the Prescription Drug Affordability Board of creating an account within the Department of Health and Human Services. And at that time it was requested to table it because the rules in place were not promulgated. So I wanted quickly give you folks an update of where we are with the rulemaking process. We're on track. We are hoping to have things finalized in a time to get the JLCAR by the August meeting. And I gave a handout to everyone as far as the timeline. If there's any questions on it at this point in time, we are actively working on the rules. We have a draft before us. We hope to finalize that draft by the April meeting which will be on April 25<sup>th</sup>.

CHAIRWOMAN UMBERGER: Okay. Thank you very much. I appreciate it, and I appreciate all of the work that you're doing to get the rules --

REP. MERCHANT: Thank you, and all have a great holiday.

CHAIRWOMAN UMBERGER: Thank you.

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

CHAIRWOMAN UMBERGER: Okay. We now turn to Tab 5, 22-125, from the Department of Education.

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

TAMMY VAILLANCOURT, Chief Financial Officer, Department of Education: Tammy Vaillancourt, CFO for Education.

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CHAIRWOMAN UMBERGER: Okay. I do have just a couple of questions. I know that you had sent something out, but I wanted to make sure that we all understand what is happening with the building you're in and the building that you vacated because of asbestos, et cetera, if you don't mind.

MR. EDELBLUT: Yep. No problem. So not specific necessarily to this, I suppose, although tangentially related. So presently the Department of Education is housed in three sites. One is at 25 Hall Street, which is the Granite State College Building, which they have for the most part vacated when Granite State College was assimilated into UNH. They still occupy one floor in that building.

We rent space downtown in Concord in an office tower there and that is where our Special Education Bureau is housed right now because we could not fit them into 25 Hall Street. And then we have several bureaus over in the Walker Building at the State. Most of the folks that have been displaced are those who are at 25 Hall Street at the Granite State College, or in the Downtown space, and formerly we were in Londergan. Where that project is -- so we don't actually manage because we don't own the buildings. That's managed by DAS and I don't know if Charlie wants to weigh in on this or not. But my understanding is where we are in that project is that we have mitigated the flooring. We have taken out asbestos in the ceilings in that building, and then those will have to be replaced or put back in and that is ongoing.

As well, there's a Capital Project to replace the rest rooms in that building. And so that is going to be scheduled while we're not in the building so it's not as disruptive, the fact that we're out of there. That work is scheduled to be completed sometime in late fall. Our lease at Granite State College, which we lease from the University System, ends on December 15<sup>th</sup>. So we provided a little bit of cushion there in case the project runs longer than expected. And we're just, you

know, we're just watching that project unfold and we'll see where it goes.

CHAIRWOMAN UMBERGER: Okay. And --

MR. EDELBLUT: Actually, can I mention one other thing? So because we were out of the building in Londergan, the Department of Education has been housed there a long time. And so we took advantage of the fact that everybody was out there to do a full purging of that building. And I may not get these right so I'm going to talk to Tammy, but which included going through every single document in that building. We had three 30-foot dumpsters that cleared out stuff, like we're talking attic stuff, everything. How many shredding trucks? Two?

MS. VAILLANCOURT: Almost 200 boxes.

MR. EDELBLUT: 200 boxes of items that were shredded. There were, you know, documents that had PII on it. So we cleared those out. So basically the building is completely empty at this point in time.

We also worked with the Bureau of Archives, as well the State Librarian, and we went through and anything that had historical value we preserved. And so, I mean, for example, we have educator records going back to -- credential records from 1906 that we preserved, so.

CHAIRWOMAN UMBERGER: Okay. And the other question is I know this is for air handling your 189, that was not included in the project?

MR. EDELBLUT: Correct, because the project was designed principally around asbestos mitigation.

CHAIRWOMAN UMBERGER: Okay. And so these dollars should cover your air purification requirements?

MR. EDELBLUT: They should.

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CHAIRWOMAN UMBERGER: Okay. Thank you. Could I have a motion to accept?

\*\* LOU D'ALLESANDRO, State Senator, District #20: So moved.

SEN. DANIELS: So moved.

CHAIRWOMAN UMBERGER: Okay. Thank you. Did you get that?

REP. EMERICK: Yes.

CHAIRWOMAN UMBERGER: Okay. Will the Clerk please call the roll.

REP. EMERICK: Roll call on 22-125. Representative Edwards.

JESS EDWARDS, State Representative, Rockingham County, District #04: Yes.

REP. EMERICK: Clerk votes yes. Representative Erf.

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

REP. EMERICK: Representative Almy.

SUSAN ALMY, State Representative, Grafton County, District #13: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

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CHUCK MORSE, STATE SENATOR/SENATE PRESIDENT, Senate District #22: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

CINDY ROSENWALD, State Senator, Senate District #13:  
Yes.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10 to zero.

CHAIRWOMAN UMBERGER: Thank you very much. We now move on to FIS 22-129, still in Tab 5, Department of Safety. Welcome.

STEVE LAVOIE, Director of Administration, Department of Safety: Good morning, Madam Chair, Members of the Committee. Steve Lavoie, the Director of Administration for the Department of Safety. And with me is New Hampshire State Police Sergeant Chris Storm who is the -- oversees the unmanned aircraft systems program.

CHAIRWOMAN UMBERGER: Okay. Someone have a question on this item? Representative Rose -- or Senator Rosenwald.

SEN. ROSENWALD: Thank you, Madam Chair. Hum -- as you know, there's a value of privacy in this state that is important to the public and the Legislature. And I'm wondering if you could just tell us what specific guarantees the public has that

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these drones will not be used in surveillance of private citizens.

MR. LAVOIE: Absolutely. Thank you for the question. Uh -- privacy is important, and it's something that's definitely considered within our program. The program's run in accordance with all federal and state laws. And I'll pass it over to the Sergeant to give you more details about how that's ensured.

SERGEANT CHRIS STORM, Division of State Police, Department of Safety: Thank you. So basically --

CHAIRWOMAN UMBERGER: Could you please state your name.

SERGEANT STORM: I'm sorry. My name is Christopher Storm and I work at Department of Safety, Division of State Police.

So we absolutely within our policy talk about the fact that we will comply with all parts of Article 1, Part 19 of the New Hampshire Constitution on top of, obviously, the 4<sup>th</sup> Amendment here in the United States. And we even go a little bit farther in our policy that if we are going to be doing anything as far as surveillance or anything like that, we will absolutely be applied for a search warrant prior to do anything to do with surveillance. Any exigent circumstances we will fall, obviously, within the rules of that, but we take privacy very important.

We also do not retain any of the information unless it is needed for prosecution. So we will immediately get rid of the video or anything that we captured that we don't need.

CHAIRWOMAN UMBERGER: Follow-up.

SEN. ROSENWALD: This policy, is it governed by statute or rules or just about policy?

SERGEANT STORM: Sure. A little bit of everything. We have stuff that absolutely curtails to certain laws, Supreme Court cases that have come across due to surveillance. We also have -- we've gone a little bit above and beyond that. Back when Representative Kurk was here, we sat down for a long time and talked about the different aspects of what we would want to have in our program back in 2017 when we were first initially doing that. And we sat down, actually talked with him about what kind of things would be needed to be in place within our policy for that.

CHAIRWOMAN UMBERGER: Are there any further questions? Representative Giuda.

SEN. GIUDA: Thank you, Madam Chair. Thank you for coming today. I would like to see a copy of a concise compendium of the written policies governing surveillance of private citizens and businesses, if that's okay, before I approve this. In that we can't put conditions on our votes, okay, I'll be voting against this until we receive such a document just to help us understand better. Thank you.

CHAIRWOMAN UMBERGER: Representative Erf. Sorry, Representative Edwards.

REP. EDWARDS: Thank you, Madam Chair. Hum -- so I -- I echo the concerns about privacy. I'm really glad that you guys have a policy. I'm looking forward to reading it when you provide it to the Committee. I -- I'm curious how -- what you considered to be a disaster. Because the term is -- is the term disaster defined somewhere on -- on when you can launch without a warrant?

SERGEANT STORM: Hum -- is it -- is it defined? I don't -- I don't know. I'm not sure if it is actually defined. Using that to basically map any kind of -- whether the disaster or the --

REP. EDWARDS: Could you speak into the microphone?

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SERGEANT STORM: Yes, sorry.

REP. EDWARDS: We're on YouTube so people need to hear you.

SERGEANT STORM: Sure. Whether it's a disaster or whether it's something that we're helping another state agency map, say like a flood, all those different things we're using them for mapping and to see the damage and do damage assessment with them.

REP. EDWARDS: Right.

SERGEANT STORM: Is there an actual definition that we've used or that I utilized to do that? I don't think I did. So I don't have a actual definition for you.

REP. EDWARDS: Follow-up.

CHAIRWOMAN UMBERGER: Follow-up.

REP. EDWARDS: So what you're picking up on is -- is that we have constituents who are extremely concerned about their privacy and from a cynical perspective would like to know exactly where the boundary conditions are. Do you think you're going to need an MOU with Fish and Games because that's another big scenario with them out with a lost hiker or something?

SERGEANT STORM: So we already have been utilizing them with Fish and Game to -- and give you an example. The other day when the gentleman was missing up in Monroe, we were helping Fish and Game for hours looking for that -- that lost gentleman.

REP. EDWARDS: All right. Thank you.

CHAIRWOMAN UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Thank you. If we were to table this item until we could see the written policies, would there be any emergent impact that we ought to know about?

SERGEANT STORM: Operationally, I don't think so. The -- where the source that we're trying to acquire these UAS's from there will be a price increase so that could be a problem. I know they have a June 1<sup>st</sup> price increase coming. So that could be -- that could be an issue for us.

SEN. ROSENWALD: Well, it's only April. Thank you.

CHAIRWOMAN UMBERGER: Senator Daniels.

SEN. DANIELS: Thank you. Is there any reason why we couldn't rent these as opposed to purchase them?

MR. LAVOIE: So renting wasn't really considered as a viable option because of the funding source. These are federal -- federal funds that have a grant period of performance that have to be spent within the two-year period of time. If we went into a lease arrangement, that could exceed three, five years, and that would shift these costs to the State costs. So, in this particular case, it makes the most sense for us to purchase these.

We're also not certain that there are a lot of options to lease these -- these aircraft, because they are aircraft. They have to be registered with the FAA. They're -- the liability and all the concerns surrounding the aircraft are tied to the owner and that brings up some unique -- some unique challenges. So, in this particular case, the purchase option was chosen.

SEN. DANIELS: Follow-up.

CHAIRWOMAN UMBERGER: Follow-up.

SEN. DANIELS: And is there a reason why we can't use manned aircraft to do this?

MR. LAVOIE: My understanding is that these provide us with -- these aircraft can -- can fly at lower levels. They can fly over areas that manned aircraft can't currently. They also can fly during conditions that manned aircraft can't fly through, higher wind speeds, and it takes away that risk of having an individual in a dangerous situation. I'll let the Sergeant expound on that.

SERGEANT STORM: I would concur with all that. The other aspect of this is a lot of the use is for mapping. So those cameras, we don't have that kind of camera system either on our fixed wing or on our helicopter to help us map serious motor vehicle collisions, crime scene disaster as the other Representative brought up. All of those things a lot of these UAS's are used for photography and for mapping.

SEN. DANIELS: Thank you.

CHAIRWOMAN UMBERGER: Representative Edwards, you have a follow-up?

REP. EDWARDS: Thank you. So kind of a two-part question. Do you have visibility into how many of these are owned by our counties or other government and like, for example, I know Rockingham County purchased one and our nursing home has an MOU with whoever purchased it so that if a patient wanders off, they can use it to help find the patient. So just makes me wonder is there sort of an inventory visibility to where not every state government agency needs their own drone, but we can have a pool of them shareable?

SERGEANT STORM: It's a great question. I don't know how many people actually have them. It is, obviously, an emerging technology that a lot of people are utilizing. We were one of the first groups to have them. I don't know the answer to who has them or if there is that ability to do that. We do have

a -- a statewide UAS users group that allows any entity to participate to see how there are. Currently, due to COVID, we haven't met in quite some time. I would say there's probably 15 to 20 entities across the state that were part of that. So I'm sure there's much more since COVID started.

REP. EDWARDS: (Inaudible).

CHAIRWOMAN UMBERGER: Follow-up.

REP. EDWARDS: So it just makes me wonder if we need sort of some legislation to go with this next year just to put somebody overall in the state in charge of these drones so that they can maintain an inventory and manage an inner agency sharing program. Because I hate to see us buy more drones than what we really need just because everyone is stove-piped and doesn't see to the left or to the right of them. So -- so I may want to come back to you and ask you who the lead agency for something like that might be.

SERGEANT STORM: Certainly.

CHAIRWOMAN UMBERGER: Senator Giuda.

SEN. GIUDA: Thank you, Madam Chair. How many additional -- how many drones do we have and how many additional will this appropriation authorize the purchase of?

SERGEANT STORM: So, currently, we have two that we purchased back in 2018 was our purchase of them. Currently, we're with the grant applications applying for is 25, and it's a different -- basically, it's a different platform use. Back in 2017 we went with something called the Aeryon Sky Ranger which is a much larger platform. That company was then purchased by a company called FLIR and then Teledyne, and it's at its end of life.

So these are going to be a smaller drone that is far -- these are far more capable and it will also allow us to

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instead of having a central point, right now if someone needs to utilize them, we actually have to drive to Concord to the hangar at Airport Road and then deploy from there. This will give us the ability to have them in a lot of better distribution throughout the state. It also allows us to be able to be on scene quicker instead of people waiting for us to do things, waiting for roads to stay shut down for a longer periods of time, waiting for our K-9s not to be able to start a search and give them that ability.

So it's just a larger distribution and each pilot that will be piloting these aircraft will each be -- have three. They'll have a small indoor option to help with our SWAT and our tactical teams, and then they'll have -- basically a day and a night use, and then solely a one-purpose mapping drone.

SEN. GIUDA: Follow-up.

CHAIRWOMAN UMBERGER: Follow-up.

SEN. GIUDA: So with the current fleet of two, how often do you deploy these?

SERGEANT STORM: I have -- do we have our -- I would say once to twice a week we're using them for something in some realm, whether training, whether a call for service, whether another agency asking for help or within our own agency.

In the situation in Monroe, I can tell you we were up there flying at one point, and then we were down at the -- on the Everett Turnpike mapping a collision scene within the same day. So it varies day-to-day.

SEN. GIUDA: I would echo Representative Edwards interest in assimilating a centralized group of these and using them for other agencies around the state. I think because --

SERGEANT STORM: And we will absolutely -- I didn't mean to interrupt you. We absolutely and if anybody calls us we

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won't say no to go help them obviously. It's a group effort to make sure that this happens. If anybody needs us or needs us to respond, we're absolutely coming to help them.

SEN. GIUDA: Thank you.

CHAIRWOMAN UMBERGER: Representative Almy.

REP. ALMY: Thank you. It sounds like there're going to be a lot of people around the state making decisions about whether something is an emergency and is an authorized flight or not. Is there any kind of chain of command in your policy?

SERGEANT STORM: Yes, Ma'am. So for the -- the ability for these aircraft to deploy, it has to come through myself to make that decision, whether that's a deployable option. We also have a checklist that absolutely tells us when and when we can't deploy these type of aircraft. And then above, obviously, above my pay grade we have bosses and so forth that are immediately notified if that aircraft is going to fly. So if that aircraft's going to fly, there's a page that goes out to our command staff that says this is happening.

CHAIRWOMAN UMBERGER: Are there any further questions?  
Senator Rosenwald.

\*\* SEN. ROSENWALD: Thank you. Not a question, I'd like to move to lay this on the table so that we can see the written policy.

CHAIRWOMAN UMBERGER: Do I have a second?

SEN. DANIELS: Second.

CHAIRWOMAN UMBERGER: Senator Daniels seconds. Ready?

REP. EMERICK: Motion to table. Motion to Table 22-129. Representative Edwards.

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REP. EDWARDS: Yes to table.

REP. EMERICK: Representative Emerick says yes.  
Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10-zero to  
table.

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CHAIRWOMAN UMBERGER: Okay. The vote's 10-zero to table.

**\*\*\* {MOTION TO TABLE ADOPTED}**

CHAIRWOMAN UMBERGER: And, as you know, we generally meet the third Friday of the month. So as soon as we can get that it would be appreciated.

MR. LAVOIE: You'll have it today.

CHAIRWOMAN UMBERGER: Okay. I don't think there's anyone here that is necessarily opposed to the drones. We just want to make sure that we're doing the right thing for our people.

MR. LAVOIE: Understand.

CHAIRWOMAN UMBERGER: Thank you.

MR. LAVOIE: Thank you.

**(6) RSA 9:16-c, Transfer of Federal Grant Funds and RSA 124:15 Positions Authorized:**

CHAIRWOMAN UMBERGER: We're now moving to FIS 22-141 in Tab 6, and this is also for the Department of Safety. Steve. Sorry. That's okay.

MR. LAVOIE: -- me a trip. Thank you.

CHAIRWOMAN UMBERGER: Yeah. This is FIS 22-141. This is transfer of Federal funds and temporary full-time positions. Senator Rosenwald.

SEN. ROSENWALD: Thank you, Madam Chair. Thank you for taking my question. Hum -- your narrative says that the Department has taken on more responsibility and needs these positions. My question is did these positions come up during the

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budget process in either the House or the Senate when you knew about the responsibilities and did we say no or did you not request them?

MR. LAVOIE: Thank you for the question. These positions did not come up during the budget process. So we did not request them and nobody has denied them. The reason they didn't come up is because at the time the Division of Homeland Security and Emergency Management was -- was actively engaged in response to the COVID-19 pandemic, and the EOC was fully activated. And, unfortunately, while we submitted a complete budget request, the time spent on long-term needs, like these, just wasn't available to put forth these types of requests. So now that COVID has -- has -- the COVID emergency is no longer in effect, the agency was able to reconsider their structure, especially given their -- their responsibility since then and determine that these positions were needed.

CHAIRWOMAN UMBERGER: Yes, follow-up.

SEN. ROSENWALD: Thank you for that explanation. Will you be able to hire people and, if so, will all departments come to you for help?

MR. LAVOIE: Hum -- we -- we do believe we'll be able to hire people. Homeland Security has done a -- a good job. Well, we're all -- we're all struggling with -- with vacancies and hiring. The Homeland Security mission is something that we find people are interested in supporting, and the Director and her team have done a good job in filling vacancies. So we do believe that there's a desire for these particular positions and that we will be able to hire them. Homeland Security is always available and we'll be in that coordinating position for state disasters and needs.

CHAIRWOMAN UMBERGER: As you know, we are going to have a little briefing from DAS on hiring, so. Any further questions?

REP. EDWARD: Question.

CHAIRWOMAN UMBERGER: Yes, Senator -- Representative Edwards.

REP. EDWARDS: Thank you, Madam Chair. This is a little generic for the whole state, but since you're here I'm going to ask you. When we hire new people off the street into the temporary full-time positions, is there any encouragement that we do in that process to have them sign up for the 403b instead of our pension program? And if there's not, should there be so that we can start to transition more to the 403b programs?

MR. LAVOIE: I think that's -- that's a good question. At this point with our hiring challenges that we have, we're looking to hire individuals who are capable of doing the job and aren't, quite frankly, that focused on transitioning one way or the other. I do think that, I mean, if it's a statewide question, it's probably an Administrative Services response that you'll be looking for.

CHAIRWOMAN UMBERGER: And if you look -- if you look over your shoulder.

MR. LAVOIE: There we go. But as far as in the Department of Safety, all retirement options are provided to the individual. We don't necessarily encourage them to go one direction or the other. We're providing them with all benefits available to them.

CHAIRWOMAN UMBERGER: Commissioner.

CHARLIE ARLINGHAUS, Commissioner, Department of Administrative Services: Had a sense that I should say hello. Charlie Arlinghaus. I'm the Commissioner of Administrative Services.

On 403b, which is some people think of as the State's deferred comp plan, employees when they hire are encouraged to

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consider the deferred comp plan. It's a voluntary plan, obviously, and they're given information. We're -- we've started and I think we have 17 agencies now doing a day one orientation. And, actually, Craig Downing, the Executive Director of the -- of the Comp Commission, does a presentation at it to encourage that and we're encouraging more and more people to join. I want to just caution about something. It's not instead of. It's in addition to. It's like if you think -- if you know like the Federal Government, the Thrift Savings Plan, it's that kind of thing. It's not an addition to.

In terms of the State Retirement System, most of the people we're talking about are not optional state retirees. They're mandatory state retirees. They do not have the option not to join the state retirement plan system, whether they're in deferred comp or not. But deferred comp we push it fairly aggressively. And at every hiring process the 403b plan is pushed. Sorry.

CHAIRWOMAN UMBERGER: Are there any further questions? Thank you, Mr. Arlinghaus. Seeing none. Could I have a motion, please?

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

CHAIRWOMAN UMBERGER: Senator D'Allesandro moves. Do I have a second? Thank you, Senator Rosenwald. Will the Clerk please call the roll on FIS 22-141.

REP. EMERICK: Yes, ma'am. Representative Edwards.

REP. EDWARDS: Uh -- yes to pass.

REP. EMERICK: Emerick's yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

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REP. ALMY: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10 to zero.

CHAIRWOMAN UMBERGER: Thank you.

\*\*\* {MOTION ADOPTED}

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

CHAIRWOMAN UMBERGER: We now move to Tab 7, 22-139,  
Department of Health and Human Services.

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PATRICIA TILLEY, Director, Division of Public Health, Department of Health and Human Services: Good morning, Chair. This is Patricia Tilley, Director of the Division of Public Health Services at the Department of Health and Human Services.

KERRIN LUCAS, Chief Financial Officer, Department of Health and Human Services: And Kerrin Lucas, formerly Karen Rounds, Department of Health and Human Services.

CHAIRWOMAN UMBERGER: Changing her name, too. Senator Rosenwald, do you have a question?

SEN. ROSENWALD: I do. Thank you. Good morning, Miss Tilley and Ms. Lucas. Hum -- that's a lot to spring on us.

SEN. D'ALLESANDRO: This is phony testimony. That's all. Will the real Kerrin Rounds please stand up.

SEN. ROSENWALD: Thank you. I'm wondering how good the data we're getting from the pharmacies on vaccinations is now, particularly if someone has travelled to a pharmacy in another state. Because I know we were having trouble breaking down the vaccination rate into first shot, second shot, booster, and now second booster. How confident are we in what our vaccination picture looks like?

MS. TILLEY: Thank you, Senator Rosenwald, for that question. So things are getting better. We have brought on our pharmacies within the State of New Hampshire from December on. They are giving us new information from December on. So that's great. You know, I think there is still some question around how to count all those boosters. And part of that is because data -- the pharmacies sent their data, as we all know, last summer and early on directly to the Federal Government, did not send it to us. When we send our data to the Federal Government, we actually send de-identified data so there's no way to match at that point.

So I know how -- the number of vaccines that were given. I'm actually very quite confident in the number of doses that have been administered in the State of New Hampshire. It's less clear about how I can tie that to an individual that they received a first, a second, a first booster, and a second booster to understand how many people may be fully boosted at this particular time. It gets even more complicated when people received their vaccines in multiple states. My own daughter received -- was in college so she received part of her vaccination in Chicago. She received part of her vaccination here. It's because we don't send that identifiable data to CDC it's hard to match.

We did some work on our part to try and voluntarily get that information from folks. We did a phone calling system and texting to folks to say can you tell us, you know, it looks like you didn't have a completed series. Did you receive your vaccine elsewhere? Again, that was completely voluntary. But with any of those callback processes, you only get a small proportion of folks who actually pick up the phone and answer, you know, that are willing to answer in the first place, but pick up the phone and are able to share their information.

CHAIRWOMAN UMBERGER: Follow-up.

SEN. ROSENWALD: Thank you. So that doesn't give me a lot of confidence. But if I'm a member of the public, which I am, and I want to get a record of my own now four vaccinations, how do I do that?

MS. TILLEY: So you can do that in a number of ways. You can reach -- if you received your vaccines through a state-run site, you know, you went to one of the National Guard sites early on, or to one of our vendors, you can certainly call. There's a way to call the Department of Health and Human Services and we will share back the information for you -- with you.

If you received your vaccines in a pharmacy, we recommend people to not only call us, we may have some of that data. We may not. So it's good to go to the pharmacy themselves and get that information from the pharmacy directly. Or if you went to your own private physician to get that information. This is why a Vaccine Registry and having a complete and consolidated Vaccine Registry is so important because we know that many people want to make sure that they have all the information in one place, and that's where we're moving towards. But, you know, we know that there are pieces because we were having so many different ways that people got vaccinated, especially in those early days, that it's not always as straightforward.

SEN. ROSENWALD: Just quick follow-up.

CHAIRWOMAN UMBERGER: Certainly.

SEN. ROSENWALD: So if I lose my card and have gotten one vaccination in Massachusetts at one pharmacy chain, and another one in New Hampshire at a different pharmacy chain, am I hearing that there will not be a way for me to get that card replaced from the Department with all the information on it?

MS. TILLEY: I would recommend in that -- in the case of that scenario a person to call the Department of Health and Human Services. We will see what we have available to us. We know that the cross-state vaccine has -- has always been challenging. And so the next -- if -- if that information isn't fully there, we would give you recommendations of where to go next of contacting each of the individual pharmacies.

SEN. ROSENWALD: Thank you.

CHAIRWOMAN UMBERGER: I thought I'd put some light on the subject.

SEN. D'ALLESANDRO: Thank you very much.

CHAIRWOMAN UMBERGER: Quite welcome. Representative Edwards.

REP. EDWARDS: Thank you, Madam Chair. So, Miss Tilley, would you address the question or the concerns of the five to 10% of New Hampshire's population, which will see more Federal money going into our vaccine program and immediately worry about whether this creates a new privacy risk or whether we're going to be using this money to force the vaccine on kids?

MS. TILLEY: Thank you for that question, Representative Edwards. We are not forcing vaccine on anyone, including children. We have -- there is no school requirement for COVID-19 vaccine, nor do we anticipate that there will be. So that's a matter of choice for families. Families should do what is right for them and for their children given their own situations. Similarly, for adults, as an adults in the State of New Hampshire, no one -- the Department of Health and Human Services is not requiring COVID-19 vaccine for anyone.

I think to your other question of what are these funds going to be used for, these funds are going to be used to stabilize and enhance some of the connections of the data system that we have in place. It will further support that. It's going to improve the data quality that we have to answer Senator Rosenwald's question. It will give us more manpower to be able to do, you know, make sure all those historical data pieces fit together, as well as moving forward, that our data is as strong and robust and secure as possible. And it's also going to allow us to do things like purchase necessary equipment, like, refrigerators and freezers so that we can keep all our vaccines safe. So that when your child is getting their routine childhood vaccinations, we know that there is a chain of custody that has been safe and you know that that is the appropriate vaccine and it's been monitored well.

CHAIRWOMAN UMBERGER: Follow-up.

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REP. EDWARDS: So thank you for that. As you know from prior conversations, those are the kind of questions and accusations I -- I tend to get. So appreciate that.

Kind of a long-standing theme I've had in this Committee is that we continue to see incremental additions to our IT budget, and one of these days I'd really like to get around to having an entire discussion focused on the IT portfolio and all the projects flowing into it, and all the money that's flowing into it, because this one at a time kind of nature just makes me worry a little bit about the -- the Department's visibility into the entire project portfolio that you -- you guys must be carrying. So that's, again, just another heads up. And I think HHS oversight's going to be asking for something.

MS. TILLEY: Thank you. You know, the only comment that I would feedback is that we have been working hand-in-hand across the Department with our data governance in understanding that this is -- that to your point we've had siloed pieces of Federal funding supporting a larger system. I am confident that there is a leadership team within the Department that is managing those resources and ensuring that things are being efficiently used and that they are serving the infrastructure of the Department to the degree that is possible, as well as us working hand-in-hand with DoIT. Thank you.

CHAIRWOMAN UMBERGER: Are there any further questions? Seeing none. Could I have a motion?

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

CHAIRWOMAN UMBERGER: Thank you, Representative Erf. Do I have a second? Senator Rosenwald. Would the Clerk please call the roll.

REP. EMERICK: Roll on 22-139. Representative Edwards.

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REP. EDWARDS: Yes to accept 139.

REP. EMERICK: Representative Emerick says yes.  
Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald. Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10 to zero.

CHAIRWOMAN UMBERGER: Thank you. Ten to zero the  
motion passes.

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\*\*\* {MOTION ADOPTED}

CHAIRWOMAN UMBERGER: We now turn to FIS 148, Governor's Office of Emergency Release -- Relief and Recovery. Commissioner Caswell. Oh, okay. I know. Yeah. No, Commissioner Caswell was here. Okay. Thank you. That's quite all right. You're flying solo, so.

TAYLOR CASWELL, Commissioner, Department of Business and Economic Development: Yeah. Thank you. I'm sorry. What -- Taylor Caswell here. Are we on a GOFERR item?

CHAIRWOMAN UMBERGER: Yes, we are.

MR. CASWELL: All right. Thank you.

CHAIRWOMAN UMBERGER: 22-148, which is the Community College expansion for LPNs.

MR. CASWELL: Yes.

CHAIRWOMAN UMBERGER: Would you like someone from the Community College to join you?

MR. CASWELL: Hum -- I'd be happy to.

CHAIRWOMAN UMBERGER: Okay.

MR. CASWELL: Is Mark here?

CHAIRWOMAN UMBERGER: Someone is.

MR. CASWELL: Oh, I'm sorry.

CHAIRWOMAN UMBERGER: Would you tell us who you are, please. No, you turned it off.

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EILEEN GLOVER, Department Chair for Allied Health, River Valley Community College: Thank you. Eileen Glover, River Valley Community College, Department Chair for Allied Health.

CHAIRWOMAN UMBERGER: Okay. Thank you. I understand there were some questions that people had. Senator Rosenwald.

SEN. ROSENWALD: Thank you. My question had already been answered but maybe only directly to me, and I've just been wondering what percentage of the graduates of this program stayed in New Hampshire to work and how we are tracking that?

MS. GLOVER: Thank you. Part of our data collection is to send out postgraduate surveys and stay in touch with our graduates to have them report back. Right now I would -- I don't have the exact numbers in front of me. I believe it was prepared that we have -- I would -- somewhere between 85 and 95% of our graduates stay in the state, are from New Hampshire and stay in New Hampshire.

CHAIRWOMAN UMBERGER: Thank you. Are there any other questions? Yes, Representative Edwards.

REP. EDWARDS: Thank you, Madam Chair. I -- I think this is a great program. I'm looking forward to voting yes. My question though is what do we do to make sure that students that aren't currently enrolled are aware of this financial opportunity so that they can use that information to go enter a program? I -- I just think there's a lot of kids, a lot of people that would like to become LPNs; but if we have this program, they may not ever become aware of it and, therefore, they don't have the resources to go. So how do we connect the dots?

MS. GLOVER: That's fantastic thing to bring up. We -- our Community College System workforce readiness, workforce development, work with our community partners, both in the high schools, the community education technical centers, and -- and other variety -- other ways to engage and connect

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with not only young people, but people who are coming back into the workforce to let them know about these programs.

Part of our outreach and development plans include all of that. I myself participate in workforce development all over the state and work with our partners to make sure that the existing staff that they have are aware of the support of the clinical sites and of the school and of the system to help people meet their educational goals, because the financial burden is challenging for someone who's trying to pull themselves up and build a career who maybe is coming from a different sector of the workforce or their first time entering the workforce.

CHAIRWOMAN UMBERGER: Are there further -- Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Madam Chairman. Thank you very much. Are there articulation agreements in place that allow for these LPNs to transfer all of their credits into a BSM program or an RN program?

MS. GLOVER: Absolutely. So River Valley ourselves has a very clear pathway for LPN to RN. We're also working with the other schools in the Community College System to help them develop seamless pathways for our LPN graduates into their RN program. And then the Community College System itself has articulation agreements with all of the four-year programs for nursing for those who are interested in a baccalaureate level education.

SEN. D'ALLESANDRO: Just one further question.

CHAIRWOMAN UMBERGER: Follow-up.

SEN. D'ALLESANDRO: And your program, does an LPN get an Associate Degree, also?

MS. GLOVER: An LPN is a certificate program.

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SEN. D'ALLESANDRO: Okay. Further question. How many credits are contained in a certificate program?

MS. GLOVER: Thirty-six for this particular program.

SEN. D'ALLESANDRO: Thank you.

CHAIRWOMAN UMBERGER: Are there further questions?

\*\* SEN. GIUDA: Move the item.

CHAIRWOMAN UMBERGER: Representative Almy.

REP. ALMY: Thank you. I know that Colby Sawyer is increasing its nursing program, also. I'm not sure quite on is that a bachelor degree?

MS. GLOVER: Colby Sawyer is a baccalaureate degree, yes.

REP. ALMY: Yes. And has an analysis been done of the need at each level of nursing which goes from pretty much cleaning up bed pans, all the way up to a Ph.D. so that we're training people to replace at the lower levels as well?

MS. GLOVER: Yes. I've been involved with the sector partnership in workforce development and the -- the constituents, the group working to increase entry level for LNA, the Licensed Nursing Assistant, because that is the entry level. And so there's -- there's groups out there working on increasing visibility for those programs to bring more people into the pipeline. And then once people are in the pipeline, we work with them to help escalate and help them meet their educational goals for each level. There has been data collected about each nursing level and the need in the state. Department of Labor has done, Sector Partnership has done all that research, and there is data out there to support the need for additional folks coming into the pipeline.

CHAIRWOMAN UMBERGER: Are there further questions?  
Senator Giuda.

SEN. GIUDA: No, Ma'am. Just move the item.

CHAIRWOMAN UMBERGER: Thank you. Do I have a second?  
Representative Erf. Will the Clerk call the roll.

REP. EMERICK: Roll call on 22-148. Representative  
Edwards.

REP. EDWARDS: Yes to 148.

REP. EMERICK: Representative Emerick votes yes.  
Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

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REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10 to zero.

CHAIRWOMAN UMBERGER: Vote's 10 to zero. The item passes.

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

CHAIRWOMAN UMBERGER: Thank you very much. I appreciate you're coming in today. Our next item is 22-149, and this is dealing with the Judicial Branch item. I assume that's someone --

MR. CASWELL: Yeah, for my next special guest.

CHAIRWOMAN UMBERGER: Yeah, for your next special guest that might be able to --

MR. CASWELL: I think we do have someone here from Judicial Branch. The hallway is a big suck out there. People go out there and they don't come back, so. Chief Justice is here to help. And -- Great. Thanks. Very good. Thank you.

CHAIRWOMAN UMBERGER: Thank you. We know you are the font of all knowledge, Commissioner. But I think in this case it's probably better that the Chief Justice talks. Welcome.

HON. GORDON MACDONALD, Chief Justice, New Hampshire Supreme Court: Good morning, Madam Chair, Members of the Committee. The two items before you do go together. There is, obviously, the item from GOFERR, and then later on in the agenda the item --

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CHAIRWOMAN UMBERGER: Would you please identify yourself.

JUSTICE MACDONALD: I apologize.

CHAIRWOMAN UMBERGER: Only because --

JUSTICE MACDONALD: My name is Gordon MacDonald.

CHAIRWOMAN UMBERGER: Thank you.

JUSTICE MACDONALD: I serve as Chief Justice of the Supreme Court.

Broadly speaking, these two items together will help the State make material advances in addressing the long-standing so-called emergency room boarding crisis.

Last year, the Supreme Court ruled that a patient for whom there is an involuntary emergency admission petition filed must have a probable cause hearing within three days of the signing of the certificate for admission. Previously, the hearings had been held upon the patient entering either New Hampshire Hospital or a Designated Receiving Facility. What makes the change in law important is now the hearings must be held within three days, and often those patients are in our local emergency rooms waiting for a bed at either the hospital or the DRF.

This cree -- creates a required reordering the way these hearings were held and basically the issue came down to ensuring that the patients and the attorneys who were appointed received notice on a prompt basis.

The Circuit Court has devised and engineered a system to ensure that these hearings are held within three days with the patient, often in the emergency room; but that has turned into a very, very intensive

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process involving clerks at many of our local circuit courts working closely with hospitals and clinicians, and as well as appointed counsel to ensure that the patient gets timely notice and a hearing is held.

I'm pleased to report that since our new process has been implemented on March 21<sup>st</sup>, there have been 176 hearings held and only two instances where the three-day deadline was not met and there was a dismissal, and that is a dramatic improvement from where we are.

The issue for the Circuit Court, however, is that this is not sustainable. We've had to divert both judicial and staff resources to make this work. In the proposal in these two items before you is to create a permanent, sustainable system for processing these petitions. And, essentially, what it involves is the creation of a statewide centralized docket at the Circuit Court to which we will devote two judges and four staff, and they will handle on a centralized basis all IEA petitions wherever they arise around the state. And we will -- we believe this will help us achieve the statutory and, indeed, constitutional mandate to ensure due process for our patients while also achieving, frankly, efficiencies in the system, instead of having eight separate circuit courts handling hearings on any given day. We're going to be doing it in one place with a specialized docket. So that, Madam Chair, is a summary of these two items.

The GOFERR item provides the funding for it, and the Judicial Branch item cree -- essentially creates the two new judicial positions. If you remember, Members of the Committee, I was before you -- we were before you in January seeking the conversion of a marital master position. There does exist authority within statute for us to seek approval of this Committee to convert marital master positions to circuit judges -- judge positions. So the Judicial Branch item would convert two marital

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master positions to circuit judge positions to facilitate the creation of our statewide mental health docket.

CHAIRWOMAN UMBERGER: Are there questions? Senator Giuda.

SEN. GIUDA: Thank you, Madam Chair. Chief Justice, good to see you.

JUSTICE MACDONALD: Likewise.

SEN. GIUDA: How many of these IEA petition cases are there on an annual basis?

JUSTICE MACDONALD: We estimate that the creation of this docket will involve 2600 cases and I would -- I think that's the right number, 2600, Senator.

SEN. GIUDA: And that was it. Follow-up. Thank you. Is that based on historical or --

JUSTICE MACDONALD: Yes.

SEN. GIUDA: Okay. Thank you.

CHAIRWOMAN UMBERGER: Are there further -- Senator Rosenwald.

SEN. ROSENWALD: Thank you, Madam Chairman. Good morning. There was a newspaper story this morning saying that you had sent a memo to the Fiscal Committee about your pilot test, and I never received it. So just wondering if you could resend it.

JUSTICE MACDONALD: I'm wondering if there -- I don't know what the article said, but perhaps it was referring to the item that we submitted. I don't know, but --

SEN. ROSENWALD: It referred to a four-week pilot program that you've been running. And when I reread the item, it didn't mention a four-week program. So I thought perhaps there was a separate memo.

CHAIRWOMAN UMBERGER: You're not the only one that didn't receive it.

SEN. ROSENWALD: Oh, okay. So it might be in your out box.

JUSTICE MACDONALD: May I look -- track that down, Senator?

SEN. ROSENWALD: Thank you very much.

JUSTICE MACDONALD: So, Senator, apparently, there were questions that came into GOFERR yesterday from the Committee, and I believe in response to those questions there was a memo that was submitted. So I got that correct?

CHAIRWOMAN UMBERGER: Well, obviously, it didn't get shared or if it did, it got lost in our inbox.

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Yeah, you received several e-mails from your pre-Fiscal questions. So it would be a response from GOFERR. But you should have received that yesterday afternoon. It wasn't a memo, more of an answer to the questions. But I'm not aware of any specific memo from the Judicial Branch relative to that pilot program. But I can -- I can absolutely search my inbox. Okay. Sure.

CHAIRWOMAN UMBERGER: Okay. Senator Daniels.

SEN. DANIELS: Thank you. Did I understand correctly that the funding requested in 149 would at least, in part, pay for the new positions that you were asking for?

JUSTICE MACDONALD: Yes.

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SEN. DANIELS: Okay. Follow-up.

CHAIRWOMAN UMBERGER: Hm-hum, follow-up.

SEN. DANIELS: Where you are using one-time money to offer to pay for this, with a notation that in the event the Federal funds are no longer available General Funds will not be requested. I thought I understood you to say that you were -- you were looking for this to be an ongoing thing. So how is that going to work?

JUSTICE MACDONALD: We would have to come and request General Funds.

CHAIRWOMAN UMBERGER: That's -- that's what --

SEN. DANIELS: That's my point is the notation says that you would not be requesting General Funds.

CHAIRWOMAN UMBERGER: I think he -- what he's -- if -- if I might? He's not -- with this -- the start-up of the program he would not be requesting General Funds. However, for continuation of the program, which is down in FIS 147, that would, in fact, be General Funds. It's a request for General Funds, and also would be budgeted for the future. But I'm not sure if the marital masters had -- had been funded in the current budget for '22 and '23, and that this would not cost anything for the next two years or the next year and a half but would be budgeted in '24 and '25. Is that sort of right?

JUSTICE MACDONALD: That's -- that's correct, Madam Chair.

CHAIRWOMAN UMBERGER: Go ahead. Oh! Are there further questions? Representative Edwards.

REP. EDWARDS: You both came across the main question I had. Given that we're going to be having to budget for this

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in the out years, could we get a sense of what we're talking about? Are we talking an extra million a year to your budget, a couple million?

CHAIRWOMAN UMBERGER: Uh -- let's wait -- let's wait until we get to FIS 22-147.

REP. EDWARDS: Yes, Ma'am.

CHAIRWOMAN UMBERGER: Okay. That's where we'll talk about the budget. Okay. Senator Rosenwald moves approval. Do I have a second?

SEN. D'ALLESANDRO: Second.

CHAIRWOMAN UMBERGER: Senator D'Allesandro seconds. Will the Clerk call the roll.

REP. EMERICK: Roll call for 22-149. Representative Edwards.

REP. EDWARDS: Yes to 149.

REP. EMERICK: Representative Emerick says yes. Representative Erf.

REP. EMERICK: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

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REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10 to zero.

CHAIRWOMAN UMBERGER: Vote being 10 to zero, this item passes. We'll look forward to seeing you in just a few minutes.

JUSTICE MACDONALD: Thank you, Madam.

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

CHAIRWOMAN UMBERGER: Okay. We now move to FIS 22-150, Department of Business and Economic Affairs, and I notice he doesn't have a helper with him this time.

MR. CASWELL: That's correct, Madam Chair.

CHAIRWOMAN UMBERGER: Okay.

REP. EMERICK: 150 was taken off.

MR. CASWELL: Thank you, Madam Chair. I think maybe what I might do, if it's okay with you, is just take one quick moment to give an overview of this particular item, which is a

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request to accept and expend a little over \$100 million to address the housing issue -- housing issues we're currently having in the state, which I'm sure you're all acutely aware of.

There aren't too many businesses in the state right now that are not having difficulty finding workforce. And this, in particular, is caused increasingly by the lack of available and affordable housing. And so this measure is designed to begin to assist in the alleviation of those problems by using this once -- really once in a lifetime opportunity to put this amount of money towards this issue here in the state.

We're currently looking at, as you may have heard last week, a reduction of our unemployment rate, again, to two and a half percent. And the statewide vacancy rate for two bedroom apartments right now in the state is at .6%. So that is very far from a healthy environment for available and affordable housing.

So this -- there are two main components to the item that's in front of you. The first is with regard to municipalities and their role in helping to move forward housing initiatives locally by giving them some funding that would be associated with the permitting of these rental units in their communities to the tune of \$10,000 per unit that they would then be able to have some flexibility in the use of those funds, whether it's for, you know, items in direct relation to the project itself or for anything else that -- that the community may feel the need to use those funds for.

Within that there are two other programs. One is regarding the zoning process and the planning process to assist communities that would seek to have a review or an update of their zoning regulations. That is a program that's currently operates on a lower level, a Municipal Technical Assistance Grant Program administered by New Hampshire Finance Authority. This program would potentially be able to improve the ability for that program to provide those services to communities without a match to understand what their zoning options might be and what the development options, and how projects are funded,

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and how the process goes. I think that that would be in a lot of communities a welcomed -- a welcomed resource.

The last piece under the municipality component has to do with the demolition of buildings that are no longer habitable. There are a lot of situations where we have projects either that are under way or that would be under way if not for some older infrastructure that is effectively in the way without the resources to remove that structure. So that -- this program would be a grant program that would be available for those communities to take that action.

The second part of the funding is really project specific. This would be a total of \$60 million, 50 million of which would be aimed at a series of eligibilities. These would be funds that would effectively be last money in in a lot of cases to a whole host of different types of projects. Those projects would come with a demonstrated need to be able to establish a funding gap at the -- at the far end of the development process. And so just a quick overview would be that these are for multi-family projects, rental components -- rental projects, five units and above. The funds would be used exclusively for construction or other hard costs that are associated with the project.

The project itself must add to the housing stock that is available in the community. So we wouldn't be doing a lot of rehabilitations of existing units with these funds. All the permits would have to be in place, which sort of gets to my point of this being further along in the development process. And all the developers, from the small developers right on through this would be a dollar for dollar match program. So any award that was made, the developer would have to demonstrate a dollar for dollar match of investment in that project themselves.

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There is a cap of \$3 million per project. That is not going to always be a \$3 million grant. That is the upper echelon of what the project would be able to take from this program. We would envision probably regular -- regular funding rounds over the course of the next year from June of 2023. There would be a requirement that the projects be completed within 18 months of -- of the -- at least the funding. And, lastly, on that point, I would say an important one is that there are eligibility requirements that we have to contend with on the Federal side of this. So any of the funds that would be requested would be only paid out in a reimbursable basis after there was a review of eligibility and -- and appropriateness of the requested funds to fit into what some of the categories that I talked about there.

There are, obviously, other details that are going to need to be developed. I think this is a good sort of overview of where we are right now. You'll recall a couple of months - well, weeks ago now - we talked about some funding that would be associated with the hiring of some staff to come start administering and making this program operational. We're in the process of getting those into -- those jobs posted and, hopefully, individuals into those jobs soon to sort of start mapping out the final details as it relates to what I just provided to you. So I think maybe I'll just stop right there and if there's questions, of course, certainly happy to try to answer them.

CHAIRWOMAN UMBERGER: Senator Giuda.

SEN. GIUDA: Thank you, Madam Chair, and thank you, Commissioner, for your testimony. Several questions. Can you discuss the federal eligibility criteria?

MR. CASWELL: So we would be placing these funds into a bucket called revenue replacement, which gives us some degree of flexibility. But there are certain restrictions on how the program is used by the developer as it relates to things like 2 CFR 200 and the use of federal procurement rules. There are a few other eligibility components that we would need to consider for all of these, but the basic thrust of it is that of the -- with the layout that I just provided you, that's designed to fit within the box that we're -- we're designing -- we're working with.

CHAIRWOMAN UMBERGER: Follow-up.

SEN. GIUDA: So would it be safe to assume - dangerous word - that there are requirements for certain income levels to be appropriated with these projects?

MR. CASWELL: Income levels of the project you mean?

SEN. GIUDA: No, income levels of the tenants who will populate these.

MR. CASWELL: Oh. So -- hum -- not within these specific federal rules. But what the program is designed to do is to be able to help cover gaps, again, near the end of a project of a whole host of different types of projects. Most of those projects that we will see and that will -- that will be eligible coming forward will be projects that already have some affordability component built into it. So, in other words, they might be using low-income housing tax credits. Or they might be using some other public funded program through New Hampshire Housing Finance Authority. Those types of affordability commitments would already be in place for these, and then these funds would assist, sort of get us over the finish line.

SEN. GIUDA: Follow-up.

CHAIRWOMAN UMBERGER: Yes, go ahead.

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SEN. GIUDA: So do you have any sense of how many existing projects there are currently that might be eligible?

MR. CASWELL: I don't have a good sense of that right now. I can only tell you that my understanding and my recollection is that at least as it relates to projects that are being administered by the New Hampshire Housing Finance Authority that there's around 1500 units that are in construction process right now. Now, whether that's a regular churn, it's hard for me to say right at this point, but it's -- I would say it's at least in that category.

SEN. GIUDA: Thank you very much.

CHAIRWOMAN UMBERGER: Hm-hum. Senator Rosenwald.

SEN. ROSENWALD: Thank you, Madam Chair. Thank you for taking my questions. Hum -- as I understand it, we had two choices for how to use this money. The first way would be to follow HUD guidelines and that would have required that the money be used to build affordable housing for people whose incomes were up to 300% of the Federal Poverty Level. Or take -- to use it as revenue replacement in which there are no income -- there's no requirement for affordability standards.

So I'm wondering why we chose not to build affordable housing with these public funds and -- and I heard your previous answer that some of the projects that you think you'd be investing in already have some income standards. And beyond that, what are the specific guardrails that GOFERR will have to assure us that this money will be used to support affordable housing and not market rate housing? And what specific transparency measures will there be in the process?

MR. CASWELL: Thank you, Senator. A couple of questions there.

SEN. ROSENWALD: Yes, sorry.

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MR. CASWELL: You might have to help me work through them all. So on your first question on the transparency issue, this program would run no different from any other program that either GOFERR or BA has administered where there will be a great deal of transparency as to where the funds are, where they go, and what they're used for. That would not be any different for this program than any of the others.

With regard to the affordability piece, I think it's important, and I -- I acknowledge the issue here. I think it's important to -- to understand that what we're trying to do with this fund is to create a mechanism where we can accelerate the number of units that are coming on-line in the state. As I mentioned earlier, we are at a .6% unemployment -- vacancy rate across the state. That -- a healthy vacancy rate is somewhere between 3 and 5%.

I think it's -- you know, when we -- when we look at how do we move those projects forward quicker, we're looking at projects -- funding that comes late in the game, funding that is flexible enough to be able to fit a host of different projects.

So, for example, I had mentioned like the tax credit programs that are out there. If there's a gap that this -- that is being seen at the end of this project where they can't get the project to move forward, this would be an opportunity for that project to come forward to get it some additional money that would advance it.

I think to -- to take a situation where you already have affordability commitments in place under the rules and regulations the funding that they're already getting under the tax credit program, and then layer that on top of the subsidy that they're already receiving, either for the capital for the operating cost, would not represent the most flexible way to be able to -- to fund that project. So that's one.

I think the other piece is, for the most part, and -- and we would see a whole host of different

types of projects that would be coming to this type of program. They would be, as I mentioned, the affordable projects. They would be projects that have a zoning requirement that might be enforced by a locality, like an inclusionary zoning requirement. They might be projects that have mixed income within them. So there's a component that has an affordable piece to it, but then there's a market rate component to that. And they might be in a rural town where you have, you know, an old Victorian house that somebody is converting into five, six, seven units. Those are the types of projects that would be eligible.

So trying to build a program that allows us to get at all of those different pieces, recognizing that the funds that we are providing under this program are not in and of themselves going to be the only source of funding for any of these types of projects, because the cost of building these units far exceeds anything that's close to a \$3 million cap. So it's -- it's a -- it is, as we say, a capital fund for gaps in these types of programs.

So I would just fall back on the point that this is designed to be as flexible as we can recognizing that I believe that the vast majority of projects that we are going to see and, in fact, I'd be -- I'm -- I'm -- I'm anticipating that the first several rounds of this program would be -- would be held exclusively for our non-profit developers who are developing exclusively those types of affordable units, and for smaller units -- smaller unit projects. That's -- the goal was the flexibility component. So I hope I've gotten at that a little bit.

SEN. ROSENWALD: Thank you. So of all the units that you believe this money will help bring on-line, what percentage are you predicting will meet that HUD guideline of family income up to 300%?

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MR. CASWELL: I -- I -- I'm going to have to say it's impossible for me to be able to say that right now, Senator, exactly how many units of which type we're going to have under each category. But as I stated, there are a number of considerations that any developer is going to have to take into account when they consider using these types of funds. Larger projects, in particular, are going to fall within the realms of 2 CFR 200 where there are components around procurement and other types of programs that then would be applicable to their project as a result of utilizing this funding. So I think that there's probably going to be some degree of self-selection that goes on once this sits -- the actual marketplace that we're looking to influence.

SEN. ROSENWALD: One final. Thank you. Are you aware that the disability community has asked us to oppose this project because they don't believe it will really result in affordable housing and that people with disabilities are disproportionately impacted by the lack of affordable housing?

MR. CASWELL: Well, I'm -- I'm not aware of -- of that, Madam -- Senator, but I would say, again, this program is not designed to in and of itself be the sole source of funding for any project. That it is -- it is going to be in addition to multitude of other programs that are already available and operating in the State of New Hampshire for the purposes of affordable housing, for the purposes of housing for those with mental illness, those in an SUD situation or homelessness funding. Those programs are all still in existence.

I think as a whole when we look at the fact that we're, according to, again, New Hampshire Housing Finance Authority, somewhere around 20,000 units short of what we would necessarily need going forward for housing in the state. We need to be able to bring whatever resources we can to bear on all of those types of projects across the spectrum of the needs.

SEN. ROSENWALD: Thank you. Thank you, Madam Chair.

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CHAIRWOMAN UMBERGER: Are there further questions?  
Representative Almy.

REP. ALMY: Thank you. I've been working in housing in Lebanon for 25 years now. One of the thing with bankers -- mostly with bankers, one of the things that we learned through unfortunate experience was that when we built for the approximately 10% above median income in our area, we ended up with housing that -- that helped our growing economy, but it was all for at least 10% above median income, and it left -- and we were continuing to lose housing for the people below that level, which is 60% of the population. And which also includes the people that man our restaurants, that man our hospitals, that everybody who is moving in expected to be there. And -- and every time we would build at that level, we would see no impact on the 60%. And we would see after a few months no impact because our economy is growing. And in the other parts of the state where the Seacoast, particularly, were just -- just like a little piece of Seacoast, you get that same kind of effect.

So what I'm -- I'm really concerned with if there is any -- I'm concerned with there not being any close tie with housing -- New Hampshire Housing, which was created to do this kind of thing. I'm not sure why that happened. And I'd like to know specifically for this capital grant program, could you make a -- a grant to a developer that was building high-income housing, let's say \$5,000 a unit rent, required to payback his costs under -- under this program?

MR. CASWELL: Yes. Okay. Thank you, Representative. And yes, I completely agree with you, there is -- this is a situation where it's a -- it's an uphill battle in this market right now to address availability and affordability, whether it's the national increase in housing costs, whether it's the supply chain challenges that we're seeing. It is an all hands-on deck type of situation. And I think to your account, I mean, the

Upper Valley has got a number of businesses that are -- that are coming together to form a loan fund for this very purpose, and to be able to make investments in these types of projects to address the issue that you're talking about.

I will say that New Hampshire Housing Finance Authority has been very much part of the discussion in the development of this program. And, in fact, under the 60 million that is reserved for the individual project funding, 50 million of it would be for this particular program, and 10 million of those funds would go to New Hampshire Housing Finance Authority to implement into their existing programs, like, whether it's a home program or it's the affordable housing fund or whatever the case might be. So it is absolutely all hands on deck type of situation.

REP. ALMY: Follow-up.

CHAIRWOMAN UMBERGER: Yes, with a question.

REP. ALMY: Thank you. Yes. But the 50 million would -- could go to topping off for the developers that are building the highest level of rental housing in the state.

MR. CASWELL: I've been pretty clear. We have a very strong and we will have a very strong preference for what we refer to generically as workforce housing. And, again, I'm trying to walk a line here to be able to build a program that has the flexibility to address a multitude of different needs across the state. And while, you know, there might be extremely high costs in a community like Lebanon, there may be other more rural communities that -- that -- that where sort of those types of income restrictions might -- might not be what they're looking to be able to make an investment in.

So I will -- I will continue to say, though, that the projects that typically have these gaps are the projects that

will already have affordability commitments built into them and that is the real goal of the program.

CHAIRWOMAN UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Thank you, Chairman. And the -- I find it interesting where we're going right here because the -- in the budget we certainly continued with making sure that you got the 5 million a year to construct in New Hampshire. We put a lot more money into construction in New Hampshire and this hundred million, which I think it's great that we chose to use that part of ARPA money where we don't have the strings attached from the Federal Government, because one of the things that I see was picked up here, and I certainly fought for it, is the fact that we're going to work with communities that will get applications through in six months.

MR. CASWELL: Hm-hum.

SEN. PRESIDENT MORSE: Because isn't that the plan that we want these to start to happen in a way -- instead of fighting our local communities, now we're proposing let's work with them.

MR. CASWELL: Hm-hum.

SEN. PRESIDENT MORSE: I think that's the way to do this. I mean, we certainly have communities that don't want to work with us on developing. We're basically saying to the communities that do want to work with us, team up with developers locally, and let's get started. I think the interesting part is that you're going to start with non-profits and you're going to do that for the first couple of rounds applications.

My only concern is we're appropriating \$100 million right now. And what I'm hearing and this -- I'm just trying to find out because you did this with GOFERR. You had to re-allocate several times because the money didn't get spent

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under the time period that it had to be. I'm just concerned that just the calls I'm getting on transformers, you know, in the State of New Hampshire, are stopping development today.

MR. CASWELL: Hm-hum.

SEN. PRESIDENT MORSE: I mean, 60 weeks for someone that's permitted and ready to make the purchase for the transformers, that's how long it's going to take for them to work with the electric company, either of the two big ones that I've talked to so far. And I'm concerned that the 2026 deadline is going to at some point be affected and this is a lot of money.

MR. CASWELL: Yeah.

SEN. PRESIDENT MORSE: Is there some point where you're going to start to make decisions to come back and talk about shifting this?

MR. CASWELL: Yeah. Hum -- yes. All good points, Senator. I think, you know, without question as I mentioned earlier, developing any type of housing right now in New Hampshire is an uphill battle for many of the reasons that you've described, whether it's transformers, whether it's refrigerators, whether it's all wood products, whatever the building construction needs are. In addition to sometimes inability to find those products, there's also a cost component. And, again, that's the type of thing that we're looking to impart, be able to address, to move these projects forward to the extent that the funding is available.

With regard to your other question, yeah, I think -- I mentioned earlier we were having a deadline, the program deadline would be in a year. So June of 2023. So well before our obligation deadline of 2024. That gives us both the opportunity to work with projects in order to, you know, identify and to accommodate for any of the types of things that you're describing, but also gives us an opportunity to see where

the funding is at that point and then make any decisions that we would need to from there. This is, as you know, an accept and expend request. So doesn't mean that we are going to actually -- that we will spend all a hundred million, but I have every expectation given the state of the marketplace in New Hampshire right now that we are going to get as close to that as we possibly can.

SEN. PRESIDENT MORSE: I'm sure you have that expectation.

MR. CASWELL: Yes, sir, I do.

SEN. PRESIDENT MORSE: I think on this Committee we all have things that constituents are asking for us to fund right about now. You mentioned 1500 units in the pipeline. One of the things that came up earlier in discussing this was the dates where developers could use this money. If they're already in the permitting process, and have been through Planning Board, can they get involved in this program?

MR. CASWELL: Yes.

SEN. PRESIDENT MORSE: Okay. And does that have a lookback period to any point in time?

MR. CASWELL: Well, we would at this point what we would do is probably have for the main program a date of the Governor's State of the State Address, February 18<sup>th</sup> I believe that was, that the permits would have to be applied for after that point.

SEN. PRESIDENT MORSE: Okay. And -- and -- and just something, and this is going to be a question, Madam Chairwoman, but I think the public -- the communities have to look at this in a way that can tie to a lot of things that are going on in the state. But this \$10,000 per unit that a municipality can get if they're bringing units into their communities would be a great start to trying to all these water projects that we're

doing in this state. Because we're at this point trying to tie together about a third coming from the communities and the other two-thirds coming from us. This is a great opportunity as developers are working with communities to cooperate. And when communities are saying we can't come up with the money, you know, 50 units brings you \$500,000. That's \$150,000 project that you could tie into. So I see there could be a plus here.

But I -- I guess what I'd be asking, and this is my final question, is it possible on that June 23<sup>rd</sup> that you report back to this Committee where we are with the money, because I do think there's places that could be shifted to that could react quicker.

MR. CASWELL: Certainly, and I'd be willing to do it even prior to that. You know, as we -- kind of a regular here these days. I'd be happy to give you updates as we go through the program and once it initiates.

SEN. PRESIDENT MORSE: Thank you.

CHAIRWOMAN UMBERGER: Are there -- represent -- Representative Emerick.

REP. EMERICK: Thank you, Madam Chair. Who's going to administer this? If I -- if I know a developer that might be interested, where -- where did that developer go to knock on the door and say I'm interested?

MR. CASWELL: The administration of the program will happen at the Department of Business and Economic Affairs. But any of our partners that we work in the housing space are going to be part of the day-to-day operation of the program.

REP. EMERICK: Like the New Hampshire Housing Authority?

MR. CASWELL: Yes, sir.

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REP. EMERICK: Okay. Thank you.

CHAIRWOMAN UMBERGER: Representative Almy. Okay. I mean -- all right. I only have two eyes. Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Madam Chairman. Just two questions, Taylor. Taylor, how do you address the concerns of the disability community that they're going to be -- they're not going to be positively affected by this? I think that's -- that's a concern. How do you address that? And, secondly, the municipalities receiving 40 million, don't you think that that -- there's some concern from the municipalities that the split is not fair for them? That they could do a better job if you allocated more of your resources in their direct -- in their direction? So the disabled situation and the way you allocated the funds. Those two questions, please.

MR. CASWELL: Yes, sir. So on the municipal component, you know, again, these are funds that are designed, as Senator Morse pointed out, to help incentivize communities that want to participate in some level of development in their community to receive funding that may be -- the funds -- the new project might impact the community in some way. They might want to use those funds to put the funding back into the project, whether it's for infrastructure, whatever the case might be. And it is really aimed at the issue that we have, which is we could have all of this money; but if you don't have any communities that are willing to, you know, use their zoning laws or participate in the -- in building communities and helping their local economies, there's no -- no way we can spend that resource. And so it's a necessary component here.

So whether it's the per unit piece or whether it's helping them review and plan for their zoning regulations or the demolition component, I think that that is a -- a worthy investment in an overall strategy to try to, again, accelerate with one-time money within a very specific window of time the maximum number of units that we can.

SEN. D'ALLESANDRO: Further question. Well, the -- people are going to gravitate to the urban areas, and that's where the rehab could take place. I mean, I -- I see many buildings in the area that I represent with the -- with the -- the Red Cross which calls for demolition and that's I think the reason why municipalities think that they should get more -- more money available to them, and that that's going to be a -- a -- a key issue all the way around. And the -- the vacancy rate, obviously, is de minimis. So the need -- the need has manifested itself. And so -- but there's the second question, I think, the disability situation. We have disability housing in Manchester and in years it's been -- it's been run by Crotchet Mountain. And there's a definite need for disability housing. And how's that going to be affected by this -- this plan that you have in place? The municipalities, obviously, would be the place where disability housing would be most effective because of the amenities that are available to disabled.

MR. CASWELL: Yes. Again, I think the way to think of this program is that it is one that is another tool in the tool box for people that are developing housing of all types in the State of New Hampshire. There are other types of funding that continue to be available for a multitude of different programs through New Hampshire Housing, or CDFA, or others. I would hope that by continuing to address the overall vacancy rate problem and the supply of housing in the state that that will have a ripple effect across all sorts of different types of programs.

CHAIRWOMAN UMBERGER: Representative Almy.

REP. ALMY: Thank you. I've got two questions. One of them is are you absolutely sure we can meet the revenue replacement criterion when the Federal Government starts auditing?

MR. CASWELL: Yes, Ma'am, a hundred percent.

REP. ALMY: Okay. And the other one is when we -- does the per unit grant program also have this restriction that the permit has to have been asked for in February '22, which -- or later, which would mean --

MR. CASWELL: Yes.

REP. ALMY: -- that they can't possibly get anything out of this start -- start working on the project until September.

MR. CASWELL: Hum -- my initial reaction is that it would be, but I -- I -- your point is well-taken. We have -- when we get to the point of sort of doing the final rules on this, I'll take a -- a second look at that, Ma'am, but you make a good point.

REP. ALMY: Yeah. I'd like to mention we have a 400-unit permitted building that is supposed to provide housing for the people mostly that are going to be hired anew by Dartmouth-Hitchcock, now Hitchcock Health or Dartmouth Health. And if -- and that is stalled at this point. And they're being very closed mouthed about it, but originally they said it was because they could not get a contractor to start working for four years to come, which means they're dumping 400 people into our housing market all at once, and they're trying to do something about it. But if -- I believe that went through awfully quickly. So I'm -- I'm personally interested in this so that Lebanon doesn't end up losing every house we had that people could live in that were under the 50% mark.

SEN. PRESIDENT MORSE: Madam Chair.

CHAIRWOMAN UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yeah, I just want to point out that the thought of starting a program like this when we started talking to the Governor about it was because of Dartmouth. Senator Hood, who's over there, was the first person I called

because I saw a business teaming up with a developer and that's where this concept started to evolve. And then the Governor took it a hundred miles further. But that's what this was all about, trying to get people to get creative in this state, and I think they've done a good job. I think this needs more work like anything else, but -- and I can assure you on the revenue side there's probably double that number available in New Hampshire, so.

CHAIRWOMAN UMBERGER: Okay. Senator Rosenwald.

SEN. ROSENWALD: Thank you, Madam Chair. We've been talking about affordable housing, but a few minutes ago you said it was your intention that we use this money to invest in workforce housing. Those two things are different in New Hampshire law. So what is this -- what is the commitment of this fund to affordable housing, which is the issue being raised by the disability community versus workforce housing which speaks to a higher income level?

MR. CASWELL: Hum -- well, as you know, Senator, linguistics of affordable workforce housing are -- are constantly in motion. Again, I -- the -- the program that we're -- that we're proposing today would be able to invest in programs that have affordability requirements in place. Now those requirements take a different form depending on the program that is used -- that is being used to fund the -- the project. So, again, if we were using low-income housing tax credit program, that would have a different affordability requirement or commitment built into it than a program that might use the Community Development Block Grant Program.

So while we're not necessarily stating a specific level that, you know, you have to meet this particular threshold in order to be funded to the program, what we're saying is that we want to be able to invest in all of those types of programs and not necessarily change the subs -- the underlying subsidy requirements that are in place for any particular project. So, again, it's the flexibility piece, this being a separate tool,

not the exclusive tool, that is important to bear in mind with the program.

CHAIRWOMAN UMBERGER: Are there further questions? I -- I happen to have one. I know you've talked about getting the rules, getting the program established. When do you think that's going to happen?

MR. CASWELL: Well, our goal right now is to have this program be available by June of this year.

CHAIRWOMAN UMBERGER: Okay. So that means you'll have whatever people need to know about it to apply.

MR. CASWELL: Yes, in May. Yeah.

CHAIRWOMAN UMBERGER: Okay. So we're looking at June.

MR. CASWELL: Yes.

CHAIRWOMAN UMBERGER: Okay. Pardon? Yeah, I am. I'm writing it down.

MR. CASWELL: Okay.

CHAIRWOMAN UMBERGER: There's a lot of -- I'll tell you there's a lot of interest in this program --

MR. CASWELL: Yes.

CHAIRWOMAN UMBERGER: -- from people that I have heard from, and that's been one of the major questions. So could I have a motion to accept?

\*\* SEN. DANIELS: Move the item.

SEN. PRESIDENT MORSE: Second.

SEN. GIUDA: Second.

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CHAIRWOMAN UMBERGER: Okay. Senator Daniels and Senator Morse. Will the Clerk call the roll.

REP. EMERICK: Roll call on 22-150. Representative Edwards.

REP. EDWARDS: Yes to 150.

REP. EMERICK: Representative Emerick says yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: No.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: No.

REP. EMERICK: Representative Umberger.

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CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 8-2.

CHAIRWOMAN UMBERGER: FIS 22-150 passes on a vote of 8 to 2.

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

CHAIRWOMAN UMBERGER: Don't go too far. No. You're going to come back, aren't you? Maybe not. Okay. He'll be in the hallway. All right.

REP. EDWARDS: Madam Chair. Madam Chair.

CHAIRWOMAN UMBERGER: Yes.

REP. EDWARDS: It sounded like you're asking for something to be written and delivered to us in June. Could we ask that they include a section on what we're going to do to make sure that there's a full and open competition for these grants? And -- and I -- when you're dealing with \$100 million, just curious to -- I'm just interested in making sure that this is a fair process and not a favored process, so.

CHAIRWOMAN UMBERGER: Okay. No problem, right? Okay. So we'll see what happens in June.

Okay. Now we move on to FIS 22-151, Department of Health and Human Services. You know -- actually, could we take a five-minute break, a five-minute recess? Okay. Thank you. We'll be back in five minutes.

(A recess was taken.)

(Reconvened.)

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

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

CHAIRWOMAN UMBERGER: We'll now turn to FIS 22-152. Oh, tab -- Tab 8. Excuse me. Did someone have a question on this? My only question is where are you going to find these 21 people and I will -- I know that Mr. Arlinghaus will come to grips with that for us in a little bit, so. Go ahead.

MS. LUCAS: So seven of -- only seven of the positions will not be filled with existing Hampstead employees. So all of the rest of the 21 will be filled with existing employees of Hampstead Hospital. So we only need to recruit for seven. And I agree, I expect that we'll be working with Administrative Services trying to fill those positions. I also think there are some advantages to the positions being in the southern tier of the state. It does draw a different population than Concord, so.

CHAIRWOMAN UMBERGER: Okay. Are there further questions on Hampstead? Okay. I have one other question. What are you anticipating the effect on the budget will be in 24-25?

MS. LUCAS: Sure. And I forgot to state my name again for the record. Kerrin Lucas, Chief Financial Officer, HHS.

The -- the effect on the 24-25 budget is still being determined. So if it was based solely on this item, then I would say that the request would be for \$9 million a year in General Funds. But what we don't know, because we're not operating the facility yet, is what the actual revenues will be. So what will class -- revenue class 009 look like when we are actually operating the budget. And I think, fortunately, we will have a little time. It probably won't be until the House or potentially even the Senate phase before we have a better idea. So the Agency Budget probably will look a lot like this. But the -- we'll be able to adjust that in later phases as we get a better sense of what the revenue actually is.

The other thing I just want to mention about this Fiscal item is this is a 12-month Fiscal item with the exception of one class line, class line 12, which is half of the anticipated budget because those positions are budgeted in the purchase item that we came with a couple weeks ago. The other reason I wanted to mention that this is a 12-month budget is the Department may be back with an additional item if the -- the close happens prior to 6/30. The reason that we are doing it this way is, one, we wanted to get an item forward to you because we need to bring a contract forward for the contractor as soon as possible; and, two, we wanted the picture to be 12 months. So you may see a smaller item come back from the Department a little later.

CHAIRWOMAN UMBERGER: Thank you. Uh -- could I have a motion, please?

\*\* REP. EDWARDS: I'd move the item.

CHAIRWOMAN UMBERGER: Thank you. Do I have a second?

SEN. GIUDA: Second.

CHAIRWOMAN UMBERGER: Senator Giuda. Will the Clerk please call the roll.

REP. EMERICK: Roll call for 22-152. Representative Edwards.

REP. EDWARDS: Yes to 152.

REP. EMERICK: Representative Emerick votes yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: Yes.

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REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10 to zero.

CHAIRWOMAN UMBERGER: The vote being 10 to zero, FIS 22-152 passes.

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

**(9) RSA 9:16-a, I, Transfers Authorized and RSA 9:17-a, Limitations:**

CHAIRWOMAN UMBERGER: Okay. We now move on to Tab 9,. And this is also Department of Health and Human Services. FIS 22-123. Okay. You didn't change your name since we talked last.

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MS. LUCAS: No, not yet.

CHAIRWOMAN UMBERGER: Oh, okay. Are there any questions that anyone has on this item? Seeing none. Could I have a motion to approve?

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

CHAIRWOMAN UMBERGER: Thank you. Second?

REP. EMERICK: Second.

CHAIRWOMAN UMBERGER: Thank you. Will the Clerk please call the roll.

REP. EMERICK: Roll call for 22-123. Representative Edwards.

REP. EDWARDS: Yes to 123.

REP. EMERICK: Representative Emerick says yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes..

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

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SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10 to zero.

CHAIRWOMAN UMBERGER: Thank you. FIS 22-123 passes on a vote to 10 to zero.

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

CHAIRWOMAN UMBERGER: Okay. Before everyone leaves today, and I know that -- what's the last name, Lang?

REP. EMERICK: What's that?

CHAIRWOMAN UMBERGER: What's her last name now?  
Lang?

REP. EMERICK: Lucas.

CHAIRWOMAN UMBERGER: Lucas. Okay. Before everyone leaves, I just wanted to thank Kerrin Rounds Lucas for all of her work as -- within the next month she will be leaving State employment. And I think that the State is going to miss her a great deal. And I wanted to personally thank you for all that you've done for the Fiscal Committee, as well as the House and Senate Finance Committee. So thank you very much.

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(Applause.)

CHAIRWOMAN UMBERGER: Yes.

SEN. D'ALLESANDRO: May I?

CHAIRWOMAN UMBERGER: You certainly may.

SEN. D'ALLESANDRO: Thank you, Madam Chair. I've been working with the former Miss Rounds for -- for a number of years, and I must say I was going to beat her up badly today on an issue but I caved, seeing that was her last -- her last time. I -- I still think the numbers are squashy, Roundsie, but -- I'll -- I'll support you.

I don't -- I don't think anyone has spent more time and effort over at HHS than Kerrin Rounds. I know I'm on the phone to her constantly trying to get answers and she's always there and working hard to deliver. One of our problems is retention in State Government. And if we don't start retaining people, like Kerrin Rounds and others, we're going to be in big trouble. And for that, you know, I -- I -- I sincerely -- sincerely worry about our future.

I wish you nothing but the best in your future, Kerrin; but I want to say no one has -- has done more to assist me individual than you have with regard to problems I had with HHS. So thank you very much for your service and Godspeed, good health and good job and, damn it, you doubled your pay.

CHAIRWOMAN UMBERGER: That's neither here nor there.

SEN. D'ALLESANDRO: Okay. Thank you, Madam Chair.

CHAIRWOMAN UMBERGER: You're quite welcome.

REP. EDWARDS: Madam Chair.

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CHAIRWOMAN UMBERGER: We'll have some opportunity because what was the last name again?

REP. EMERICK: Lucas.

CHAIRWOMAN UMBERGER: Lucas. Miss Lucas will be back to talk to us.

**(10) RSA 106-H:9-I(e) Funding; Fund Established:**

CHAIRWOMAN UMBERGER: Hum -- okay. Moving on to FIS 22-133, Department of Safety.

MR. LAVOIE: Good afternoon, Madam Chair. Steve Lavoie, Director of Administration for the Department of Safety and with me is Mark Doyle, the Director of the Division of Emergency Services and Communications.

CHAIRWOMAN UMBERGER: Are there any questions on this item? Seeing none. Could I have a motion to approve? Senator Rosenwald.

SEN. DANIELS: Second.

CHAIRWOMAN UMBERGER: Senator Daniels. Thank you. Will the Clerk call the roll.

REP. EMERICK: Roll call for 22-133. Representative Edwards.

REP. EDWARDS: Yes to 133.

REP. EMERICK: Representative Emerick votes yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10 to zero.

CHAIRWOMAN UMBERGER: Thank you. The vote being 10 to zero, FIS 22-134 -- sorry -- 133 passes.

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

**(11) RSA 177:2, Closing of State Stores:**

CHAIRWOMAN UMBERGER: We now turn to -- thank you -- now turn to FIS 22-134, New Hampshire Liquor Commission. This is under Tab 11.

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\*\* SEN. D'ALLESANDRO: Move to table.

CHAIRWOMAN UMBERGER: I have a motion to table from Senator D'Allesandro, and a second from Senator Rosenwald. Okay.

REP. EDWARDS: Is there discussion around a tabling motion?

CHAIRWOMAN UMBERGER: No, no. Unfortunately, no. Okay. Will the Clerk call the roll to table, please.

REP. EMERICK: Tabled motion for 22-134. Representative Edwards.

REP. EDWARDS: No to table.

REP. EMERICK: Representative Emerick says yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: No.

REP. EMERICK: Senator Rosenwald.

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SEN. ROSENWALD: Yes.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes. FIS -- oh.

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

CHAIRWOMAN UMBERGER: The vote being 8 to 2, the FIS 22-134 is tabled.

**\*\*\* {MOTION TO TABLE ADOPTED.}**

**(12) RSA 490-F:7, III, Circuit Court Judges; Number:**

CHAIRWOMAN UMBERGER: We'll now move to Tab 12, FIS 22-147, the Judicial Branch. I know he's out in the hall. This is under Tab 12.

Welcome back. Are there any questions for the Chief Justice? I have one. I just want to make sure, are the current marital masters funded?

CHIEF JUSTICE MACDONALD: Uh -- there is one remaining marital master. Is that what you're asking?

CHAIRWOMAN UMBERGER: No. You're talking about converting two existing vacant full-time marital master positions and my question is were those funded in the budget?

CHIEF JUSTICE MACDONALD: No.

CHAIRWOMAN UMBERGER: Okay. Thank you. Are there any other questions? Seeing none. Could I have a motion to approve?

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

CHAIRWOMAN UMBERGER: Thank you, Senator D'Allesandro.

SEN. ROSENWALD: Second.

CHAIRWOMAN UMBERGER: Second by Senator Rosenwald.  
Will the Clerk please call the roll.

REP. EMERICK: Roll call 22-147. Representative  
Edwards.

REP. EDWARDS: Yes to 147.

REP. EMERICK: Representative Emerick votes yes.  
Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

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REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10 to zero.

CHAIRWOMAN UMBERGER: On a vote of 10 to zero, FIS 22- 147 passes.

\*\*\* {MOTION ADOPTED}

CHIEF JUSTICE MACDONALD: Thank you very much, Madam Chair.

(13) Chapter 90, Laws of 2021, Department of Administrative Services; Budget Footnote:

CHAIRWOMAN UMBERGER: Okay. Now turning to item number 13 -- sorry -- Tab 13, item number FIS 22-134. I'm having trouble with my two eyes. FIS 22-143, Department of Administrative Services. Are there any questions? Seeing none. Could I have a motion to approve?

\*\* SEN. D'ALLESANDRO: Move approval.

CHAIRWOMAN UMBERGER: Thank you. Second by Representative Erf. Will the Clerk please call the roll.

REP. EMERICK: Roll call for 22-143.

CHAIRWOMAN UMBERGER: Hm-hum.

REP. EMERICK: Right. Representative Edwards.

REP. EDWARDS: Yes to 143.

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REP. EMERICK: Representative Emerick votes yes.  
Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10 to zero.

CHAIRWOMAN UMBERGER: On a vote of 10 to zero, FIS  
22-143 passes.

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\*\*\* {MOTION ADOPTED}

(14) Chapter 91:121, Laws of 2021, New Hampshire Veterans Home; Transfer Among Accounts and Classes:

CHAIRWOMAN UMBERGER: We now move to Tab 14, FIS 22-132, dealing with the Veterans' Home.

KIM MACKAY, Commandant, New Hampshire Veterans' Home: Hello.

CHAIRWOMAN UMBERGER: Good afternoon.

MR. HENRY: Good afternoon. For the record, I'm Matt Henry, Director --

CHAIRWOMAN UMBERGER: Yeah, for the record you need to speak into the mic.

MR. HENRY: Thank you, Ma'am. Matt Henry, Director of Administrative Services.

CHAIRWOMAN UMBERGER: Thank you.

KIM MACKAY, Commandant, New Hampshire Veterans' Home: Good afternoon. I'm Kim MacKay. I'm the Commandant at the Veterans' Home.

CHAIRWOMAN UMBERGER: Well, welcome.

MS. MACKAY: Thank you.

CHAIRWOMAN UMBERGER: Both of you. Are there any questions on FIS 22-132. Seeing none. Could I have a motion?

\*\* SEN. DANIELS: Move the item.

CHAIRWOMAN UMBERGER: Senator Daniels.

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SEN. GIUDA: Second.

CHAIRWOMAN UMBERGER: Second by Senator Giuda. Will the Clerk call roll.

REP. EMERICK: Roll call for 22-132. Representative Edwards.

REP. EDWARDS: Yes to one -- yes to 132.

REP. EMERICK: Representative Emerick votes yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

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REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10 to zero.

CHAIRWOMAN UMBERGER: Vote being 10 to zero, FIS 22-132 passes. Thank you very much.

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

**(15) Chapter 469:61, Laws of 1983, and RSA 9:16-a, II, Transfers Authorized:**

CHAIRWOMAN UMBERGER: We'll now move to Tab 15, FIS 22-142, request from the Board of Tax and Land Appeals. Would you please introduce yourselves.

MICHELE LEBRUN, Chair, Board of Tax and Land Appeals: Good afternoon, Madam Chair. My name is Michele LeBrun. I'm the Chair of the Board of Tax and Land Appeals.

ANNE STELMACH, Clerk, Board of Tax and Land Appeals: Good afternoon. My name is Anne Stelmach. I'm the Clerk of the Board of Tax and Land Appeals.

CHAIRWOMAN UMBERGER: Thank you. Are there any questions? Representative Edwards.

REP. EDWARDS: Thank you, Madam Chair. So -- so this looks like it's an attempt to go ahead and contract out a review appraiser rather than using in-house talent. That's the way I read it. But is that -- is that accurate? And what's going to be the net effect of this year over year?

MS. LEBRUN: It's somewhat accurate. We've had a vacancy in that position for over a year now and have not been able to fill it. So it's an attempt to try and get some

qualified people through contracts to do some of the role that -- roles that are necessary for the Board to function.

REP. EDWARDS: Thank you. That's --

MS. LEBRUN: That's enough?

REP. EDWARDS: Yeah.

CHAIRWOMAN UMBERGER: Representative Almy.

REP. ALMY: Thank you, Madam Chair. I know we've got a major shortage of qualified assessors in this state now and it's getting worse. And are you going to have to contract from out-of-state from people that wouldn't know our systems?

MS. LEBRUN: We are hoping that we will not have to because we -- we think they should be qualified and know this state in order to function in the -- in the way that they should.

REP. ALMY: Good luck.

CHAIRWOMAN UMBERGER: Are there any further questions? Could I have a motion, please?

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

CHAIRWOMAN UMBERGER: Thank you, Senator D'Allesandro.

SEN. GIUDA: Second.

CHAIRWOMAN UMBERGER: Second?

REP. ALMY: (Inaudible).

CHAIRWOMAN UMBERGER: Representative Almy. Okay. Will the Clerk call the roll.

REP. EMERICK: Roll call 22-142. Representative Edwards.

REP. EDWARDS: Yes to 142.

REP. EMERICK: Representative Emerick votes yes. Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: (Inaudible).

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10 to zero.

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CHAIRWOMAN UMBERGER: Thank you. On a vote of 10 to zero, FIS 22-142 passes.

MS. LEBRUN: Thank you very much.

CHAIRWOMAN UMBERGER: You're quite welcome.

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

**(16) Miscellaneous:**

CHAIRWOMAN UMBERGER: I now turn to Tab 16 which is a late item from New Hampshire Fish and Game. Thank you. Would you please introduce yourselves.

SCOTT MASON, Executive Director, Department of Fish and Game: Madam Chairman, my name is Scott Mason. I'm the Executive Director of Fish and Game. To my right is?

TED DIERS, Administrator IV, Water Pollution Division, Department of Environmental Services: I'm Ted Diers. I'm with DES.

CHAIRWOMAN UMBERGER: Okay. Thank you very much.

MR. SCOTT: The lady handing out -- we're handing out two reports. One is a Governor's Commission that was commissioned to look at one specific hatchery, the New Durham Hatchery, and then also a report we did for the Governor's Office which gives kind of a pictorial vision and some data points on the current -- the current hatchery system as a whole.

CHAIRWOMAN UMBERGER: Okay. Thank you. Does anyone have a question for Fish and Game? Representative Edwards.

REP. EDWARDS: This tangential from earlier conversation. How many drones does Fish and Game own and how many do you intend to buy in the next two, three years? Do you have any idea?

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MR. SCOTT: Drones?

REP. EDWARDS: Drones.

MR. SCOTT: I'm not sure. I have no idea. Happy to look into it though.

REP. EDWARDS: Please do, because earlier we just approved funding to buy two more for the state.

CHAIRWOMAN UMBERGER: No, twenty-four.

REP. EDWARDS: Twenty-four, which is more than two.

CHAIRWOMAN UMBERGER: Yeah.

REP. EDWARDS: So okay.

CHAIRWOMAN UMBERGER: Are there any further questions? Senator Rosenwald.

SEN. ROSENWALD: Thank you. This -- well, two questions, if I could. This is not going to affect the hatchery in Nashua; is that correct?

MR. SCOTT: No, ma'am. Nashua is actually a federal hatchery that's not run by the State of New Hampshire.

SEN. ROSENWALD: Thank you. My second question is I -- I noticed that next week on the floor the Senate is being asked to eliminate the definition of brook trout.

MR. SCOTT: Yes, ma'am.

SEN. ROSENWALD: Are we going to be stocking fish formerly known as brook trout or what -- what kind of trout are you stocking?

MR. SCOTT: Well, we raise brook trout. Well, we raise Eastern Brook Trout. We also raise the Brown Trout. We also raise Rainbow Trout and also Landlocked Salmon in our hatcheries. Right now the Landlocked Salmon has historically been raised at the New Durham Hatchery and currently they start at the -- the federal hatchery has been working with us, and they start there and most of them will stay there and then some come to New Hampton for finishing before we stock them in the lakes.

CHAIRWOMAN UMBERGER: Are there any further questions? Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Madam Chair. Mr. Director, great to see you. We had a quick conversation outside, but I wish you'd share some of the details with the Members of the Committee. The condition of the hatcheries that we have right now, the cost to get those up to speed, and the decision-making process that will go into what we save and what we don't.

MR. SCOTT: Okay. When we started down the path at the New Durham Hatchery, one of the ideas that came up is we're either going to be forced to spend a lot of money on basically sewer treatment plants to attach to these hatcheries at some point.

The other option came up as a change of management technique. So right now most of our hatcheries are run with -- you've probably seen them, raceways or flat bottom tanks. So a newer methodology or actually they're a round tank. They look like our round tanks, but they have a cone at the bottom. The water goes in at an angle creating a centrifugal force in the water and that forces all of the solids to the bottom of the tank. It's a lot cheaper for us to remove phosphorous while it's -- whether it be spent feed or fish feces than it is once that phosphorous starts breaking down and -- and then it's a chemical that we have to remove.

So as we looked at the problems we're having environmentally, it became obvious that it would behoove us to upgrade our hatcheries that we have. The condition of the hatcheries, that report that we sent around, on the report we gave to the Governor on the hatcheries, you will see our hatcheries are old. The newest one we have is in Milford. It's about 50 years old. Our next one is 75. The next one is 90, and then we have three over 100 years old. And through time, you know, we've -- we've done maintenance, but we probably haven't kept up to the level that we needed to to keep these things going indefinitely, and it is time to, you know, between the issue of the maintenance and the issue of trying to improve the environmental footprint of the hatcheries and reduce the phosphorous that we're releasing into the streams, now is the time to make this investment.

CHAIRWOMAN UMBERGER: Thank you. Are there any -- do you have follow-up?

SEN. D'ALLESANDRO: Just -- just it -- we talked about -- we're talking about an investment, but we can't -- or can we -- we can't save all of them, can we?

MR. SCOTT: It would be expensive. We are doing a study right now, the entire system, and we will be looking at whether we can condense our operations down. I think we can, but we're not going to be making any decisions until we finish up that study as far as what the total number exactly where they'll be. What we'll start with these construction projects of the hatcheries that we know we're going to be continuing with and that we can get done.

As you're all well aware the two issues, the -- the -- the -- the two stumbling blocks or pinch points that we have with ARPA, you know, we have to have the funds in place by the end of '24 and we have to have them spent by the end of '26. And we just felt by the time we got done the entire study we would not be able to, you know, complete the project by the end of '26. So we're going to try to move ahead with two of

our hatcheries, and then we will come back probably before Capital Budget.

SEN. D'ALLESANDRO: One --

CHAIRWOMAN UMBERGER: Did you have follow-up?

SEN. D'ALLESANDRO: Yes. So what effect will that have on stocking as the --

MR. SCOTT: The goal is to, hopefully, maintain production throughout construction. We may get in a pinch where we're going to have to cutback temporarily during, you know, during construction. But most of our hatcheries actually have quite a bit of land. So the concept that we're trying to -- trying to look at is can we set over and build a new facility while the old facility's still being run. And then, you know, turn the water on to the new facility and when it's time for the, you know, fish to move.

CHAIRWOMAN UMBERGER: Thank you. Are there any further questions? Seeing none. Could I have a motion, please?

\*\* SEN. GIUDA: Move the item.

CHAIRWOMAN UMBERGER: Thank you, Senator Giuda. Do I have a second?

SEN. D'ALLESANDRO: Second.

CHAIRWOMAN UMBERGER: Seconded by Senator D'Allesandro. Will the Clerk please call the roll.

REP. EMERICK: Roll call on 22-153. Representative Edwards.

REP. EDWARDS: Yes to 153.

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REP. EMERICK: Representative Emerick votes yes.  
Representative Erf.

REP. ERF: Yes.

REP. EMERICK: Representative Almy.

REP. ALMY: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Giuda.

SEN. GIUDA: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. EMERICK: Representative Umberger.

CHAIRWOMAN UMBERGER: Yes.

REP. EMERICK: Madam Chair, the vote is 10 to zero.

CHAIRWOMAN UMBERGER: The vote being ten to zero, FIS  
22-156 passes. Thank you very much.

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

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(17) Informational Materials:

CHAIRWOMAN UMBERGER: Okay. We now move to the Informational Items. Are there any questions on any of the Informational Items? Okay. Seeing none. I would like to call up Health and Human Services who's going to give us a little bit of an update on ARPA, and you have at your seat a sheet that looks -- a sheet that looks like this.

MS. LUCAS: Great. First of all, thank you. I certainly appreciate all of the kind words, and I probably can't say much more than that without tears coming. So I'm just going to stick with that. So thank you.

SEN. GIUDA: It's only because you changed your name.

MS. LUCAS: No. Just creating a little confusion. Senator D'Allesandro will tell you that that's just part of what I do, create a little bit of confusion.

So this document that I provided, I know the Chair asked for a presentation and this is not a presentation per se, and I want to explain why, and then talk about how I'd like to move forward with it or how the Department will move forward with it.

We have about 75 plus grants that have come to the Department directly in ARPA funding that are not through GOFERR. So none of what is reported here are grants that came through GOFERR.

As you all know, I don't like to reinvent the wheel. So what I did is we started with the document that the LBA has created for all funds that have been accepted, either through the Governor's emergency powers or through your Committee. And Governor -- Governor and Council asked for an update on spending about a month and a half ago. And so we took the LBA's document and added a spending column, and that is what we provided to

Governor and Council. You'll note that the date on this is as of January 13<sup>th</sup> and that is why because I used that same document I provided to Governor and Council.

What I did for your Committee is then also have my staff add a Fiscal narrative column to go through what each of them are. And then you'll be -- get a sense of what the spending has been on. And I think what makes the most sense is to give you all some time to digest this. I know that this was just given to you this morning, and then ask the Department to present on grants of interest, things that you're interested in understanding better, what the money was spent on or what it will be spent on.

Just one caveat. The expended column is truly expended. So if it's been encumbered, meaning that there's a contract already in place that Governor and Council's approved for spending those funds that is not represented in that column. It is only if we've paid the vendor. So you may see a couple that you read the description and you say why have they not spent that money? It's likely just we have not yet been billed by the vendor. So that is just something to keep in mind.

But that -- that was how I decided to approach it rather than creating a 75 slide PowerPoint and sitting here for an hour and a half walking you through each of them and having each director come up. I thought you might appreciate having, you know, a more -- a more succinct approach to the things that you were interested in.

CHAIRWOMAN UMBERGER: Representative Edwards.

REP. EDWARDS: So -- so you're right. I've -- I've not digested this document yet. So I'll just ask my standard question which is is there a summary of all of the disparate IT requests so that we understand just in kind of a nutshell all the moving parts under the IT upgrades?

MS. LUCAS: So that was not specifically called out on this document. If that's something you're interested in that is something we can prepare for you and tell you which of these grants are being used for IT projects.

REP. EDWARDS: Well, and it's not just that the full grant is being used for an IT project. As I recall, a few of them the IT was embedded within a grant and so -- so the idea of tracking it gets to be a little bit more complicated because it's not at the top level. It's buried within. So just so I'm consistent I'm -- I'm going to say that I've been concerned that on the good side of things you now have money to do all the IT refresh that we know of. But I just am concerned that we're not able to have visibility into them as a set of IT projects. So -- so I don't know how to form that in a request other than to continue to say I -- at some point I would really like to see what the IT portfolio looks like.

MS. LUCAS: I think in the interest of my favorite term not reinventing the wheel, you had suggested that you were going to bring a request forward to the Health and Human Services Committee which Director Wieters attends on a regular basis, and so that's probably the better venue for that question and getting that information sort of wholesale rather than piecing out what's in these ARPA grants and then you want to know the bigger picture, because I think that would create some double work for us.

REP. EDWARDS: I hate double work. I -- I -- I've asked the Chairman of HHS oversight to schedule this particular topic. I don't know how Mr. Wieters would do it without your help or whoever is replacing you. You can't be replaced, but whoever it is in your seat, so. But okay. I hear you.

MS. LUCAS: And I certainly appreciate you saying that. And you're giving me an opportunity just to say one thing that's very important to me. I am truly just a face in this Department. Every piece of information you've received is from somebody on my staff. And I have seen every single one of them

grow exponentially in the past four years, and so I am entirely confident that you're going to still receive good information. You'll just see a different face here.

REP. EDWARDS: And I have to say to that that your leadership, I think, is critical. Because I've sensed nothing but integrity coming from you and your staff. And that's a -- that's a personal attribute that has been passed onto the staff and I'm going to, hopefully, not miss that.

MS. LUCAS: You will not. I am certain of it.

CHAIRWOMAN UMBERGER: Okay. So if -- Senator Rosenwald.

SEN. ROSENWALD: Thank you. Would you be able to e-mail this document so that we could blow it up and search it?

MS. LUCAS: Yes. I thought of you immediately when I printed it this morning. I'm like Senator Rosenwald's going to be so mad about my small type again. Yes, I will have it sent over to Mike Kane.

SEN. ROSENWALD: Thank you. Thank you, Madam Chair.

CHAIRWOMAN UMBERGER: Okay. Just in case you know, we're -- we're going to ask that the Department reformat the Dashboard.

MS. LUCAS: Yes. So, actually, that is a project that the Department has been working on. I have been working on that project with Mary Calise who many of you know is the Deputy CFO and Nathan White who's the Director of Contracts. And we have a follow-up meeting with the Senior Executive Team at the Department next week. So I do anticipate that you will see a draft of that Dashboard towards the end of the Fiscal Year, but we are actively working on that and making a much nicer and easier to read Dashboard.

CHAIRWOMAN UMBERGER: Yeah. The other thing is maybe you could get rid of this font and then that way they wouldn't be able to use it. So if -- if I understand correctly, the Department would like us to read through this and figure out which of these projects are ones that we're interested in?

MS. LUCAS: Yes.

CHAIRWOMAN UMBERGER: And that we should get that back to you by when?

MS. LUCAS: Whatever works for the Committee. I don't --

SEN. PRESIDENT MORSE: I'm kind of thinking June.

SEN. D'ALLESANDRO: Or late May.

MS. LUCAS: After May 5<sup>th</sup>? No. No, really, truly whatever works for the Committee I'm happy to, you know, work with the team to, you know, put together. Like I said, I think a PowerPoint is totally appropriate. I just didn't want to do 75 slides. So I suspect there are certain grants that people are more interested in than others.

CHAIRWOMAN UMBERGER: Okay. So if I task you to have something to Michael by May 5<sup>th</sup>, is that enough time or do we want more time? Okay. May 5<sup>th</sup> it is.

MS. LUCAS: You can send that to Mary.

CHAIRWOMAN UMBERGER: Okay. Thank you.

MS. LUCAS: Thank you very much.

CHAIRWOMAN UMBERGER: Oh, yes.

REP. ERF: May I ask a question?

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CHAIRWOMAN UMBERGER: Surely.

REP. ERF: Thank you.

MS. LUCAS: Yes.

REP. ERF: So you showed \$6 billion looks like in total grant funding.

MS. LUCAS: So I don't think I totaled --

REP. ERF: Last page -- on the second last page.

MS. LUCAS: Yes. But I think that's all the grants on this document. I don't think that's just the grants that went to DHHS.

REP. ERF: Okay. So I shouldn't ask a question about what the non-grant funding represents what's on the very last page?

MS. LUCAS: No, you could ask the LBA that. That part is their document. Like I said, I tried to keep it in a format that you all have seen before to try to make it a little bit easier. But the ones that don't have an amount expended or a fiscal narrative are not DHHS grants.

REP. ERF: Ha!

CHAIRWOMAN UMBERGER: Okay. So we all have a task, and then HHS will have a task, so.

MS. LUCAS: Okay. And if you don't mind, we are going to head out unless there was a question that we should stay for the audit item. Okay. All right. Thank you very much for all your time.

CHAIRMAN UMBERGER: All right. Thank you.

MS. LUCAS: (Inaudible) see you again.

CHAIRWOMAN UMBERGER: Yep. Okay. We now have DES. And they have provided some information for us. You need to turn the mic on.

ROBERT SCOTT, Commissioner, Department of Environmental Services: Good afternoon, Madam Chair, and Members of the Committee. My name is -- for the record, my name is Bob Scott, Commissioner with the Department of Environmental Services. I have with me Susan Carlson, the Chief Operating Officer for the Department.

As the Chair mentioned, you should have before you two documents. One is a -- basically a verbal recitation of the different programs that we've -- that we are running that apply to the \$150 million in ARPA grants that we received. And the other table is -- set of tables is the status and the offers that have gone out to the different systems, both wastewater and drinking water. And, any case, I'll -- so this for your edification.

Both these documents when we're done here we'll send those to you electronically, and my intent is to briefly walk through the narrative here. So by way of background, our estimate, not including water contamination issues and future growth, our understanding of the need for water and wastewater infrastructure work is in the -- for New Hampshire is in excess of \$2 billion.

With that in mind, we were very -- very pleased to be able to use, you know, last year you -- you were gracious enough to allocate \$150 million in ARPA funds to us. What we have -- had done at that time and by way of background, historically, we run this for clean water and when I say clean water that's wastewater, storm water, and drinking water, State Revolving Loan Program. So that's an annual program that we run. And, with that, we do an annual solicitation for pre-applications. So anticipating that there would be ARPA

funding coming, staff signaled to the usual parties, if you will, that's more likely we will see that the ARPA funding to be coming from.

So within that -- with that mind, last June submittal for applications for these loans was in excess of a billion dollars that we received for applications. And we use that -- that process in the first round to -- to basically augment the existing process we have for awarding funds for the State Revolving Loan Fund. So what -- what -- what staff was able to do is use the same criteria. You -- a lot of the system sent -- had applications into us and we were able to send off letters to them.

To the extent, good news, you've gotten a State Revolving Loan Fund that you asked for. Better news, instead of this amount it's going to be X amount of loan and X amount of ARPA funding to go with that. Once we ran out of the -- the amount of money allocated for State Revolving Loan Fund offers, then there was further monies that were allocated for ARPA grants. So those letters look to the extent that, obviously, I'm paraphrasing. Bad news, sorry, you didn't qualify for an -- an SRF loan this year. However, you've been awarded a 20% grant for your project for ARPA. And if you're able to put the rest of the project funding together, you'll have this money, so.

And the reason why I mentioned offers so a couple items on this. So we don't just write a check if you've been awarded. It's work that you have to meet milestones, understanding that ARPA has very definitive guidelines, and I think we all agree we do not want to be giving money back to the Federal Government. The money needs to be obligated by the end of '24 and the project associated needs to be completed by December of 2026.

So it's important also recognize that we put on these offer letters we put milestones in. For instance, often town meeting is required to do approvals. And so it's -- it is

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possible as you look through this list that some of these projects don't happen. They're not able to meet the milestones that we put forth, and we'll be in a mode where we'll need to re-allocate if they haven't met the milestones so that we can make sure a deserving project is able to get done and the money is not sent back to the Federal Government.

So, with that, if you look at the -- the package came with the narrative, Table 1 gives you an idea of the monies that have been offered so far. So far we've offered for 231 projects. You know, I'll explain the different categories here as we go through. So that the main category is what I just described is utilizing our existing State Revolving Loan Fund Programs, both for wastewater treatment, storm water, drinking water, and development of new water supplies. The ARPA grants associated with those range from 20 to 50%.

We are doing another set of round of applications for that to do the same type of thing. And that -- that will be -- the applications will be received up to June 1<sup>st</sup> of 2022. So that's a fairly typical thing we do. So that's an ongoing thing. So that will add to the list that you see on the first table.

The other program we put together using the ARPA funds is we're calling it assistance for disadvantaged communities, and this has to do with residential-owned communities, manufacturing home cooperatives or co-ops. So we have monies, grant monies for them. They're typically not able to leverage loans like some of the bigger systems. So this has been a big help.

We out of the first solicitation from last year for SRF loans we were able to pick eight projects that met the criteria. We have a second -- a first solicitation directly for these type of communities with applications due on 1 June '22. So we expect more for that.

The third category is planning long-term sustainability grants. So we have a category here for, you know, as you may imagine, especially the wastewater systems but drinking water systems as well. These things don't -- don't come out of nowhere. They require a lot of planning upfront to make all the pieces work. So we were able to provide some funding for that. And the other part of that is we're calling it system sustainability. So asset management which it sounds easy, but you'd be amazed at the number of systems that don't know what their assets are, where they are, or the condition of them. So, obviously, if we're going to be funding a project that's pretty important for them to have that kind of information. So we have typically funded out of SRF that type of activity, and we will do that also and have been doing that with the ARPA funds. Energy audits, water audits, and a new thing is cyber security work, which I'll talk about in a moment.

So the cyber security work is we are working with U.S. Department of Homeland Security. We're recognizing that these systems nationally and certainly within the state, too, are vulnerable to cyber security vulnerabilities. So we work with EPA. They have a contractor in U.S. Department of Homeland Security and we're offering free assessments for these systems. Once they have the assessments done, they basically get a checklist of recommendations for things to do. And for those systems we're offering grants up to \$50,000 for per drinking water system or wastewater system. So far we've received five applications. That may sound like not a lot; but, again, you have to get the -- the assessment done first. So that will be an ongoing effort for us. That's being looked at nationally as a -- as a best practice, by the way.

Another area we're able to get at with the ARPA funding that we typically haven't been able to do with SRF money because there's so much demand is flood risk. So funding projects for flood resilience, storm water management planning, and assessment work, as well as implementation. So, you know,

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that includes projects on the coast, obviously, but also, obviously, the western part of the state last year had a lot of flood -- flood damage and that type of thing. So we're -- we're able to with this expanded pot of money, we're able to actually get at some of the funding for those type of projects, also.

And then, unfortunately, it seems like I can't have any discussion without the four letter word of PFAS. So we're also able to leverage some of this money as a grant program that leverages the loan program that the Legislature was able to do a few years ago. They allowed us to bond up to \$50 million to fund PFAS remediation for those systems. So we're able to match some of that money, also.

And the last category we are calling it that we've been funding is we're calling it strategically important water supply projects. And so we've so far funded four of those projects. Those are on the table, also. One of them was the scoping project for the fish hatcheries you just talked about. And, excuse me, my voice is failing. And one is also to help the Town of Londonderry. They are the largest concentration of private drinking water wells in the state right now that -- that have been addressed for PFAS contamination. So we're working with them on some planning money on how to best -- best scope out, hopefully, a water system to replace those drinking water wells that are contaminated.

So, with that, certainly happy to answer any questions. I realize it's late in the day, also. Again, our intent is to send out these materials also electronically, especially this one has a lot of links on it. You will note when you see that our website is basically talks about everything that I've been talking about is on our website. So, with that, I'd be happy to take questions to the extent I can talk. Excuse me.

CHAIRWOMAN UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yeah, I'd just like to point out so there's no surprises on the House side. The Commissioner reminded me when he came in today we will have to put money to match the SRF money that's coming right now to the state for '23. So I think it's '22 and '23, actually. So we'll be putting an Amendment on something and sending it over to the House so that we can take the additional money that Washington has right now on SRF.

CHAIRWOMAN UMBERGER: Okay. Excuse me. So we put our SRF money in -- in the budget. But because of the new money, we have to add to the SRF. Am I understanding?

SEN. PRESIDENT MORSE: So in the chart that I've been following that Mike has, we actually have it on there and the SRF funding is on there, the additional SRF funding, so.

CHAIRWOMAN UMBERGER: Okay. Well, some things come with good news and some things come with bad news.

SEN. PRESIDENT MORSE: Well, the only thing is as we talk about who can have the money that is for the poorer communities, not for the wealthier communities. So there's a couple things going on there, so. But it does have a high level of forgiveness with it, so.

CHAIRWOMAN UMBERGER: That's great. Are there -- I -- I really -- I really appreciate this, and I think that you have summed this up very well in your -- in your presentation. Are there any other questions? Oh, I'm sorry. Senator Giuda.

SEN. GIUDA: I'd just like to request a couple minutes with you after we're done, assuming we're done fairly shortly. Thanks.

MR. SCOTT: That's fine. I'll try not to cough on you.

CHAIRWOMAN UMBERGER: But this is the -- this is the kind of thing that I think it's important for us to know how we're spending this money, wherever it is. So seeing no further questions, thank you very much. And I now turn to -- well, I'm going to turn to DAS. How come -- did I miss that on here?

MR. KANE: No, it was not on the agenda. You had asked the Commissioner to come back and update the Committee the following month.

CHAIRWOMAN UMBERGER: Yep.

MR. ARLINGHAUS: Hi.

CHAIRWOMAN UMBERGER: Hi.

MR. ARLINGHAUS: I'm Charlie Arlinghaus. I'm the Commissioner of Administrative Services, but maybe you knew that. So I'm here to talk to you as much as you want about vacancies. I passed out -- I didn't pass out, Mike did actually, but I handed it to him, four sheets of paper which give you a sense of what -- I think I want to give you every month the sheet that says vacancy rates for the State of New Hampshire and then the total by Department.

Page 3 is a list where we broke it out based on some things people were asking about. The Class 10's and the Class 59's are separate. So you can understand both by Department, et cetera how those look. I think those charts are self-explanatory.

Hum -- the Page 4 I gave you is -- is we've started looking trying to do some data analysis on trends and understanding what's going on, when it started, when it's stopping, et cetera. And this is just a quarterly snapshot for you. You look at the numbers at the bottom you can see how they're growing, although they appear to have ticked down .1 percentage point in the last eight days, which I suppose is nice. But I want to mention the Chairman had a specific question

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about Class 59 positions and we've created about 104. Actually asked our data people to do this. This is -- this is close but not exactly the same thing probably because sometimes some positions aren't stood up right away and there's -- so there's probably an overlap issue.

But since July 1<sup>st</sup> we stood up about 106 positions and 77 of them are filled. And that's -- for your -- for your question about whether we're filling positions or not, whether we're taking care of them or not, that's a more useful data point than the 185 or 407 positions are filled.

I want to mention a couple things. Are we losing ground? Yeah, we're losing ground. Our goal the whole reason as we started this standing up a statewide recruitment unit is to stop losing ground. And -- and I think that's going to happen. We hired three very, very good people.

CHAIRWOMAN UMBERGER: Congratulations!

MR. ARLINGHAUS: Yeah. Well, we do what we can.

CHAIRWOMAN UMBERGER: Yeah.

MR. ARLINGHAUS: So, in fact, one of them behind me or probably behind Joe, I'm going to do this without turning around, Cassie Keane is our Deputy Commissioner and you know Cassie, Lori Rudis, the Director of Personnel. But we hired Kate Mulleavey who's over here, and she comes to the state service from the military. So I'm gonna say nice things about her or she could probably kill me, which we're against, just broadly speaking. But Kate is heading that unit. I'll be meeting with her regularly. I did on her first day which was a week ago, and we're -- we're doing things.

For example, you know, it's a week. So I don't, you know, don't expect every -- everything to turnaround in a day. You know, the Queen Mary doesn't pivot. It gradually turns. But we did some work on -- we did an e-mail blast to LNAs. You know,

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this is -- this isn't brain surgery, right? You get a list of the LNA's from licensing. And then you e-mail them and say do you know the State's hiring? And we had -- we had ten interviews within 24 hours. And so it's little things like that that this is going to happen.

I -- I want you to understand that in -- in -- if you look at the current Fiscal Year, just to put things in perspective for you, it's easy for us to look at the number of vacant positions as a snapshot in time. Oh, my God, we can't hire anybody. Well, I would tell you this. We hire -- we've hired in the state about 4,000 people in the last nine months. And so -- and I -- I got at this, I started looking at my own Department. You know, some of those are from other agencies, about half, right? But we've hired 1900-ish, 1911, I think. Don't hold me to that. People from outside, new hires or rehires which is just a term for someone who worked for the State six months ago or 20 years ago, but 1900 new people coming in.

We have people leaving and that's an issue. And the goal is to -- is to get that to change. Are -- are people leaving in greater numbers than they used to. Preliminary look is that it doesn't look like it, and I'm trying to compare apples to apples which turns out to be harder than you think.

But -- and so part of this is there's going to be a lot of data analysis over the next month going, and I'm -- I'm actually going to try to do a lot of that myself. I sort of like data. And it seems like it be an interesting thing to do and makes it easier for me to talk about when I've actually looked at it directly, but we hire a lot of people. And -- and so it's not that people aren't interested in the State as an employer. They still are, 2,000 people who didn't used to work here do work here again. But we've lost ground in -- in recent time, but the idea is to -- is to -- is to push that and turn it slowly and get there.

And I think -- I think that's the point that sometimes we fall back on -- we fall back on a narrative, right? That you -- this is sort of a newspaper level analogy or not newspaper level, headline level, right? The, you know, "Hiring Impossible". And in our heads we draw a picture of, you know, I post a position and no one applies and nobody interviews and I can't get anybody.

I spend half my life interviewing. Every final interview, I mentioned this to you before, usually Cassie and I do. And -- hum -- because I think it's important for the culture of the Department. But I feel like I'm doing them all the time. It's not true, it's a few a week. But there's a lot hiring going on. People are posting positions regularly. Obviously, at 20% vacancy rates you post positions a lot. We get applicants. We get a lot of very good applicants. I'm not hiring mediocre people when they come to the door. I'm hiring very good people. We often leave that interview saying not something like -- like, hm, they seem like they might be okay, but, well, I really liked her. She was great. And -- and I want a lot of that and let's hope I'm right, right? That, you know, she seemed great, but there's a lot of that going on.

But a big piece of it is that there's a lot -- there's a lot to do. A high vacancy rate does a couple things. Gives you a lot of opportunity to rebuild your team and to do new things with your team. But it also means that -- that there's a lot of work that goes on before and there's a lot of work that goes into that. And one of the -- I think one of the hardest things for hiring managers, I'm trying to develop sympathies for hiring managers is hiring's a job. It's a lot of work. And it's particularly a lot of work in a system like ours which involves a lot of paperwork and things like that.

I'm not suggesting that a lot of it's not important because we, you know, taxpayer protections, et cetera. But it's a lot of work and sometimes you're thinking to yourself I've got a job I can barely keep up with, and now I got to devote ten hours a week for a few weeks to doing something that's not,

quote, unquote, my job, but helps me do my job. So there's a lot of that.

And -- and I think a big piece of what we're going to try to do is to help people along with that. And, you know, we're not going to -- we don't have a statewide recruitment unit to help with every position. But we have a recruitment unit to help everybody and everybody get further down the road. And I think that's what's gonna happen. We really are trying to turn the Queen Mary around, not -- not to donuts in the parking lot. I think that works as an analogy. Yeah.

CHAIRWOMAN UMBERGER: Are there any other questions? Representative Edwards.

REP. EDWARDS: Thank you, Madam Chair. When -- when was the last time our public facing website, the application, when was the last time it was updated? And -- and the genesis of this question is about three years ago I went and played around with the -- the job from -- from the public's perspective. If I knew I wanted a job with the State, the search function was just horrible. It was one of the worst web sites I've ever seen.

MR. ARLINGHAUS: Hm-hum.

REP. EDWARDS: And so I talked to Denis Goulet about it and he said the good news is that the application underneath that was free. So I suggested to him that we probably wanted to spend some money so that we can improve our public facing search engine so that they can find jobs that they are qualified for. So -- so back to the question. When was the last time that software that faces the public was updated, do you know?

MR. ARLINGHAUS: We're -- so we're in the process of redoing it regularly. As you may know, the Governor had a very similar experience in late 2017, early 2018, and expressed himself in fairly similar terms -- terms from his playing around on it. And I forget how he described his assessment of the

performance of it, but there's probably words I can't use. Hum -- so we've looked at that.

The latest iteration probably went up about -- I'm going to say a year and a half ago but don't hold me to that. It might be -- it might be just before COVID or it might be just in the beginning of COVID. That's not to say that we updated and looked pretty good. We made some improvements to it. There's underlying functionality with the system that's problematic. The system, as you probably know, our -- our system is run by Infor. Our enterprise resource system is run by Infor, and it was developed in sort of a hybrid fashion. The bid was won 10 years ago, 12 years ago, whenever, 16 years ago, Joe, maybe by a company called Lawson. And a lot of the underlying technology comes from Lawson which is a company that Infor bought and a lot of that technology, I think people call it the S3 side, is mediocre. And it was a company that won. They were the low bidder. And somebody once said, well, you got what you paid for.

There's another side of it which is more developed with Infor. Infor has been updating their product. We're -- we're looking -- we've been meeting regularly with Denis actually over the last, I don't know, six, eight weeks and -- and I know Cassie can shake her head behind me if I have the timing wrong. But we had big meeting to talk about what do we do? Do we get a whole new system and keeping in mind that the job function is integrated into the system for -- for management reasons.

Do we get a whole new system? You know, we -- Oracle and Work Day and everybody else bids on it and how much does that cost? Do we do nothing which is the State approach of the '80s and '90s? We did nothing and GHRS and IFS eventually disintegrated to the point where nobody could fix them anymore, and we had to re-procure. Or do we do the next iteration of Infor, which includes moving from land-based to cloud-based, and a significant upgrade which they call Cloud Suite which is different from being on the Cloud. I think that's where we're going to land, but it's an expensive, long proposition. That

will improve things, but we can't wait for that to improve things.

The application is mediocre or the application process is mediocre. For example, when I interview people I hate it when the -- so what happens is our managers give me resumes to look at and I want a resume. I don't want her application. And that tells me something, right? The fact that I hate the State application. And it's the State application we do means it's bad.

So we're -- we're trying to improve it. Some of it is written into the rules. And so we're in the process of doing a rules upgrade. I actually have a -- have a very preliminary draft of personnel rules upgrade and one of the goals is to take, you know, in a lot of ways to do rules but one of them is you specify every line item and the rules will just decide, you know, what's in Box 12, what's in Box 13, which I think is insane, and we're going the try to get away from that if the -- if the office of rules lets us, and we're gonna -- so we're gonna change our rules.

So we're going to get there, but a big piece of recruitment is to make this -- is to make it easier to apply, one.

Well, first of all, easier to find out about a job. Two, easier to apply. Three, easier to certify for a job. We've made some significant progress in that. Some, I think, very important rule changes that actually other states are adopting now. And then easier for a manager to hire you and get the -- that processed so that you can get in the door. Because everything that extends the time I apply for three jobs, and I get an offer from, you know, DECA in four days, I'm not going to wait a month for the State to get back to me. So we've updated recently, but we have a long way to go.

CHAIRWOMAN UMBERGER: Did you want to follow-up?

REP. EDWARDS: Yes. Very comprehensive answer. Glad to hear that you have visibility of it, because I do think one of the reasons we have trouble hiring people is people can't try to be hired very well. So the other part I just would ask you to keep your eye on is that a lot of our jobs we're able to offer veterans preference. And, as I recall the application, there was no way to search to say I'm a veteran. Tell me which jobs are available for which a veteran would have preference? So -- so that was a specific functionality that I thought should be included. But --

MR. ARLINGHAUS: Oh, I'll look into that. I know I looked at veterans' preferences a while ago, and I don't remember the outcome. I think when it was originally developed it was -- it was the structure of the law was predicated upon examination-based positions which we have very few of anymore and so let me look into that.

CHAIRWOMAN UMBERGER: Okay. Senator Daniels.

SEN. DANIELS: Thank you. We're seeing numerous bills come through the Legislature and through this Committee numerous requests for establishing new positions. To what extent is DAS approving the establishment of new positions as opposed to looking at the vacancies that exist and changing those vacancies over to positions that wouldn't -- would not establish new ones?

MR. ARLINGHAUS: A couple things. The quick answer to that is new positions are approved by the Legislature, not by -- not by administrators. So I have an administrative function, not a policy function. So you approve positions. I don't. I process them. So that's one thing.

Secondly, the repurposing of vacant -- of vacant positions is a difficult thing. It's meant to be difficult, right? The budget is approved on a position basis. You approve the expenditure of money for a specific purpose. You may hire 14 electricians. You can't say, ooh, I got them to approve 14 electricians. Now I'm going to convert them all to accountants,

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'cause that becomes a policy decision. And I end up going before Committee and Senator Morse says, oh, I didn't say you could do that, and then I'm in trouble.

So, however, you know, there are elements of 21-G that suggest that managers are meant to manage, that you're supposed to run your Department the way you're supposed to manage it. And there's a re-classification process that's outlined in the rules. It's a fairly cumbersome process and it anticipates you taking an individual position, filling out paperwork to convert it, but our job as a -- as our regulatory function, personnel's regulatory function is to look at the paperwork you -- you do as a department. Let's say you're an agency. You do as an agency and make sure that the position you're creating is appropriately classified, that based on the job duties you outlined that as an Administrator II it's not a project manager for or whatever the classifications are, and that you've selected the appropriate pay range, and that when that paperwork is done it meshes in the grid. It is not our role, responsibility, or authority, frankly to guess whether that's a legitimate business need of yours or not. That is a discussion between you as an agency head and the Legislature and the Governor. Our job is merely to -- is a ministerial function as opposed to an approval function. I don't have policy authority in that sense.

CHAIRWOMAN UMBERGER: Are there any further questions? I do have one comment. Hum -- Mr. Bouchard, what makes you think you can retire? I mean, I had this discussion once already today. But I would just simply like to congratulate you for your years of service and everything that you have done to help DAS over the years. And I -- I know that I'm appreciative of it and I'm sure the other folks that are still here are. So we wish you the best of luck in retirement. And will you be back one more time?

JOSEPH BOUCHARD, Assistant Commissioner, Department of Administrative Services: (Inaudible).

CHAIRWOMAN UMBERGER: I didn't think so. Okay. Yes, Senator D'Allesandro.

SEN. D'ALLESANDRO: First of all, thank you, Madam Chair. And I know it's been a long meeting but, you know, I -- I say over and over -- I say over and over again that life's all about relationships and I think the relationship that all of us have with Joey Bouchard is something very, very, very special.

I've been around here, Joey, for 50 years. So I haven't met many people here that hit the high standard you do. You're a remarkable guy, great worker; but, more important than that, you're -- you're a human being who has great concerns for everybody that you serve. And I can't say that with -- with greater enthusiasm than this. Just greater significance. If we could do a model of Joey Bouchard, we'd be way ahead in terms of State Employees. Let me tell you that.

So, Joey, thanks for everything you've done for me and for the state, and I -- I say it, truly, even though you're from Maine, and the maniacs are tough, you're just a great, great American, Joe. And -- and thank you for all -- thank you for all your -- thank you for all you've done. Truly appreciate it. Thank you, Joe.

(Applause.)

CHAIRWOMAN UMBERGER: Okay. Is there anything -- anything else to come before the Fiscal Committee?

MR. KANE: Just the date of the next meeting, Madam Chair.

CHAIRWOMAN UMBERGER: Oh, whatever the third --

MR. KANE: May 20<sup>th</sup> is the third Friday.

CHAIRWOMAN UMBERGER: Okay. Does that work? Works for me. Okay. Thank you.

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MR. KANE: Thank you.

(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 the 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