

JOINT LEGISLATIVE FISCAL COMMITTEE

Legislative Office Building, Rooms 210-211

Concord, NH

Friday, July 22, 2022

MEMBERS PRESENT:

Representative Karen Umberger, Chair

Representative Tracy Emerick

Representative Joseph Pitre (Alt.)

Representative Peter Leishman

Representative Maryann Wallner

Senator Gary Daniels, Vice-Chair

Senate President Chuck Morse

Senator Lou D'Allesandro

Senator James Gray

Senator Cindy Rosenwald

(The meeting convened.)

(1) Acceptance of Minutes of the June 17, 2022 meeting

KAREN UMBERGER, State Representative, Carroll County, District #02 and Chair: You know what they say about hot mics. I thought I turned it off. I wasn't real successful.

Okay. I'd like to call the Fiscal Committee meeting to order, and the first order of business is acceptance of the meeting of June 17, 2022. Do I have a motion?

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

CHAIRWOMAN UMBERGER: Thank you, Senator D'Allesandro. Do I have a second?

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

CHAIRWOMAN UMBERGER: Senator -- yeah, I'm okay -- Daniels. Thank you. All those in favor, please say aye? Opposed? All right. That's done.

*** {MOTION ADOPTED}

(2) Old Business:

CONSENT CALENDAR

(3) 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: Okay. The following items are going to come off the Consent Calendar.

SEN. DANIELS: Do you want to mention the old business that we're not thinking about?

CHAIRWOMAN UMBERGER: That's fine. It's just -- FIS 22-244, FIS 22-255, FIS 22-256, FS 22-247, FIS 22-250, FIS 22-263, and FIS 264. Are there any other items to come off the Consent Calendar? Seeing none. Could I have a motion to accept the other items on the Consent Calendar?

** SEN. D'ALLESANDRO: Move the Consent Calendar.

CHAIRWOMAN UMBERGER: Representative Pitre and Senator D'Allesandro.

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

CHAIRWOMAN UMBERGER: Okay?

REP. EMERICK: Wanna call the roll?

CHAIRWOMAN UMBERGER: Oh, yes, you may call the roll.

REP. EMERICK: Okay. This is on the Consent Calendar. Representative Emerick votes yes. Representative Leishman.

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PETER LEISHMAN, State Representative, Hillsborough County, District #24: Yes.

REP. EMERICK: Representative Pitre.

JOSEPH PITRE, State Representative, Strafford County, District #02: Yes.

REP. EMERICK: Representative Wallner.

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

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

CHUCK MORSE, State Senator and Senate President, Senate District #22: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: 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-zero.

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CHAIRWOMAN UMBERGER: Thank you. Vote is 10 to zero. Items are approved.

***** {MOTION ADOPTED}**

CHAIRWOMAN UMBERGER: Turn now to FIS 244, Department of Health and Human Services. Uh -- you don't all have to leave, you know. This is probably one of the most exciting things you could do on a Friday morning. I know. A, I took a shower; and, B, I brushed my teeth.

NATHAN WHITE, Chief Financial Officer, Department of Health and Human Services: Good morning, Nathan White, DHHS, CFO.

PATRICIA TILLEY, Director of Public Health, Department of Health and Human Services: Good morning. Trish Tilley, Director of Public Health.

CHAIRWOMAN UMBERGER: Good morning. I'm glad you didn't leave. So thank you. Okay. Uh -- Senator Daniels, I believe you have some questions to start with.

SEN. DANIELS: Yes. Thank you, Madam Chair. Hum -- noticed in the explanation it talked about that -- uh -- that some money didn't -- you didn't get some money that you thought you were going to get or something. And can you explain a little bit about that in the process on how we ended up where we are?

MR. WHITE: Sure. So during -- during the Senate phase of the budget, the Department had requested to remove \$1.6 million in Federal funds from each year. At the time there were a number of unknowns relative to the Federal funds. We -- we didn't know whether the federal dollars would be going directly to some of the family planning centers and at that point in time - Director Tilley can speak better to this - but at that point in time there were also challenges relative to the Title X rules, whereas many of the family planning contractors, they were not

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willing to take those funds at that time. I don't know if you want to elaborate on that.

MS. TILLEY: Yes. So thank you very much for that. So, again, early in that Senate phase there was some conversation about whether we were going to both be able to expend those funds or if those funds were going to go directly to the vendors. One of the miscommunications that happened that time was around this notion of funds going directly to -- from the Federal Government directly to a vendor. That is the case for one agency, but the rest of the agencies that we contract with get our funds. The Department really put them out into contracts.

So we knew that when this happened that we would likely need to have to come back to Fiscal to remedy this. We knew we would also be getting a new award. So that -- that's part of the -- the confusion that happened back in the budgeting process.

This -- this item here today simply allows us to accept new funding that's been made available to us so that we can disburse it into the community.

SEN. DANIELS: Okay. And this new funding is on top of the funding that you had through the budget?

MS. TILLEY: Uh -- I'll let you answer that part of that and then I'll fill in.

MR. WHITE: Yes. We're asking to add -- add this federal grant award to the budget. Again, an error was made during the Senate phase where we requested that the 1.6 million be taken out.

Historically, those funds have always been budgeted through the budget process. In recent memory, I can't recall, nor was I able to identify any time at which those funds had been taken out. So this is really to -- to add the carry forward grant

funds, allow us to spend those funds and -- and the new grant award.

In a normal year this would have just been included in HB 1, and it already would have been budgeted. But, again, because an error was made at that time during the Senate phase, given the many unknowns we had requests that it be taken out.

MS. TILLEY: And the only thing I'll add on that from a programmatic side was, again, we're in a new award period with our Federal funder. So we had Federal funds in the beginning for State Fiscal Year 22. Those funds have now all been either expended or returned to the Federal Government. We have a new award that was awarded to us in April 2022. And so that's what we're accepting here is that new award that was awarded to us for a new five-year cooperative period.

SEN. DANIELS: Okay. So -- so how did we -- how did we make it through without these funds in the last round?

MS. TILLEY: Sure. Thank you. So part of the -- within our appropriation in the past Fiscal Year, even early back in the Fiscal Year, some of our agencies were not expending or didn't want to accept Federal funds. We added some Federal funds, I believe, in December at Executive Council. So some of those Federal funds were put into contract. We knew that we would need to amend those contracts this spring when we got a new award. So we just simply didn't spend down all of those federal dollars. We anticipate spending down this new award in full.

SEN. DANIELS: Okay. And with the Title X, did the change of the administration in Washington, did that affect any way New Hampshire's laws?

MS. TILLEY: I'll answer that this way. So yes, there was a change in the federal administration. Under the previous administration there were some rules attached to the Title X funds that made some of our historical partners in the community either ineligible, and then other entities did not choose to

participate in Title X, because of some of the rules that were a part of the Title X program back under the previous administration.

Hum -- in the fall of last year, November, some -- those rules changed and our partners in the community are willing to participate in the Title X program now.

SEN. DANIELS: Okay. How many -- how many agencies or organizations will be getting this money?

MS. TILLEY: That's a great question. I can tell you that we currently have four Community Health Centers. So places like Amoskeag Health in Manchester, Coos Family Health up in Berlin, the Belknap-Merrimack CAP in the Laconia area and Lamprey, I believe. Yep, Lamprey down in the Nashua area. Those are our current grantees.

Going to Governor and Council to add additional funds to -- because that's in procurement I can't tell you who's in that bucket. So when those go to Executive Council, we will be adding funds to agencies that have responded to an RFP that was back in the fall.

SEN. DANIELS: Okay. And one final question. Uh -- under Class 102, it indicates that the funds will be used to contract vendors to provide services required by Title X program; but we don't have any kind of a list as to what those things are, other than some ambiguous terms that could pick up many different things.

MS. TILLEY: Sure. I -- I can tell you what isn't funded, and then I can tell you what is funded. So abortion services are not funded through Title X services. No state nor General Funds are allowed to be used for abortion related services. So I'll put that over to the side.

What is funded is access to comprehensive reproductive health care, and that includes access to contraception. It

includes cancer screenings, cervical cancer screenings, and other screenings. It includes screening for sexually transmitted infections and treatment for those sexually transmitted infections. It includes other sort of education for even things like abstinence, safer sex. Those are the pieces that are included within Title X.

SEN. DANIELS: Thank you.

CHAIRWOMAN UMBERGER: Are there any further questions? No? Okay. Could I have a motion?

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

CHAIRWOMAN UMBERGER: Thank you --

REP. LEISHMAN: Second.

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

REP. EMERICK: Okay. Mic on? This is for 244. Representative Emerick votes yes. Representative Leishman.

REP. LEISHMAN: Yes.

REP. EMERICK: Representative Pitre.

REP. PITRE: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: No.

REP. EMERICK: Senator Morse.

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SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: 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 nine to one.

CHAIRWOMAN UMBERGER: Thank you. The vote being 9 to 1, FIS 22-244 passes.

***** {MOTION ADOPTED}**

CHAIRWOMAN UMBERGER: We now turn to FIS 22-255, Department of Military Affairs and Veterans' Services.

MAJOR GENERAL DAVID MIKOLAITIES, Adjutant General, Department of Military Affairs and Veterans' Services: Good morning, ma'am, Committee Members. For the record, Major General David Mikolaities, the Adjutant General, New Hampshire National Guard. And with me here today is Colonel Rich Oberman, the Director of our Wellness Program.

CHAIRWOMAN UMBERGER: And the uniform of the day is fatigues.

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MAJOR GENERAL MIKOLAITIES: Yes, we call it OCP. Was it Operational Camouflage Pattern?

CHAIRWOMAN UMBERGER: Yeah, whatever it is. Yeah, those -- those came out after I left the service. So I don't have a pair of those in my closet, but. So I'm sorry. Well, welcome. And, Senator Daniels, did you have a question on this?

SEN. DANIELS: Yes, I just had a question. The explanation on this seems like it should be something that fits more in the Department of Education than with Veterans Affairs. You know, when we're talking about increasing the knowledge and the skills of STEM. So I was wondering if you could just help me make that connection with the military.

MAJOR GENERAL MIKOLAITIES: Yes, sir. So you're referring to what's called Star Base. It's a Department of Defense funded program for youth-based initiatives. And so the funding comes through DOD, Department of Defense. We were the ones who took the initiative to apply for the application and to compete nationally for this program that increases STEM-based training for fifth grade students in local schools.

So once it's established, we'll collaborate with Department of Education to ensure whether the curriculum is learned everywhere or part of the education-based system that gets credit for in the school system. But because it's funded by DOD, we are the lead agent.

SEN. DANIELS: Okay. And I -- I think I kind of understand all that. I just -- I don't see the connection. I mean, you're helping out a fifth grader; but, you know, if you were saying this is going to help us recruit something later, I -- I just -- I -- I can't find that connection.

MAJOR GENERAL MIKOLAITIES: There are certain youth based programs that the Department of Defense funds. For example, there's something called Youth Challenge. So for underprivileged kids who are struggling to get through high

school degree, certain states run what's called the Youth Challenge Program where it's sort of like a one year military type boot camp where disadvantaged kids who might not get a high school degree come and it's run like a one year boot camp to get these kids to get a GED.

This is a sim -- this is a separate but program developed for a youth. So a lot of our technology in the Air Force, the Air National Guard at Pease, and some of our high tech stuff in the Army Guard here, our HIMARS Rocket Systems, require like a technical-based competency of which today's youth doesn't have. So they do their ASVAB test to try to take that initial enlistment test, the scores aren't there. So this is just an initiative to try to promote STEM-based topics in schools.

They won't say, but indirectly it exposes the youth to the military. So by us hosting it in Pembroke, it allows kids to come and see military personnel. Might put the connection, you know, if we have a helicopter there or something like that where they see the sort of correlation between getting a STEM-type education and how it correlates to sort of a military profession.

SEN. DANIELS: Thank you.

CHAIRWOMAN UMBERGER: Are there any further questions?

REP. PITRE: Right over here.

CHAIRWOMAN UMBERGER: Representative Pitre.

REP. PITRE Thank you, Madam Chair, and thank you for being here. I'm surprised that you haven't -- you don't work more with the Civil Air Patrol because they do a lot of this training, you know, through -- through their program. And, obviously, the Civil Air Patrol Auxiliary Air Force, so if you would.

MAJOR GENERAL MIKOLAITIES: Sir, we do. So we sort of partner Civil Air Patrol, Navy Sea Cadets and Boy Scouts BSA to support them. So, for example, Civil Air Patrol and Sea Cadets use our Concord Armory to host their monthly meetings. And so we typically open up our armories for no cost to any youth-based program if they need facilities to be used.

REP. PITRE: Right. Now, is there more coordination with what they do, you know, as far as the programs?

MAJOR GENERAL MIKOLAITIES: Yes, to the extent that we will typically meet with their leadership on an annual basis to see what synergy can be provided. So they will use our facilities for their, like, lack of a better term summer camp. So they will go up to Strafford, New Hampshire, where our training facility is and stay overnight or for the weekend and use some of our training facilities there.

REP. PITRE: Very good. Thank you.

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

SEN. D'ALLESANDRO: Thank you, Madam Chair. General, great to see you. Thanks for coming.

I'd like to know how you identify students that are at-risk? What's -- what's -- who do you -- how do you correlate this with the Education Department? Because some of these kids may fall into the category that needs special-education and things of that nature. But if you're going to improve skills for students at-risk in the 5th grade, that's a fairly significant task, and this isn't enough money in my opinion to do that. So how's it done?

MAJOR GENERAL MIKOLAITIES: So, sir, what we did was we reached out to the Department of Education and after that we went to the Manchester and Londonderry School Districts and

talked to their superintendent. And we described the program to them. They were all in.

Unfortunately, both Districts their superintendents have moved on. So we got to start anew from those two schools. But -- but they identified the lack of that STEM based. And what typically happens, and it varies slightly from state to state is, for example, a 5th grade student would get on his school bus, come to Pembroke and for one day for five days -- for five weeks, so one day a week for five weeks, show up to sort of a STEM computer digital classroom that this will fund both the classroom material and the teachers. To then just teach these kids almost sort of like an extracurricular activity to try to enlighten them and say, hey, look, this is what you can do in that type of environment.

SEN. D'ALLESANDRO: One further question. So you have to reach out to the School District. You create some kind of a rapprochement with the School District. The School District identifies students, places them in this program. Who does the follow-up?

MAJOR GENERAL MIKOLAITIES: Hum -- it will be the -- the contracted educators through this initiative that will then have to measure the metrics to prove that like it's -- it's improving their scores.

SEN. D'ALLESANDRO: Okay. Thank you, Madam Chair. Thank you, General. Nice to see you again. A Manchester Memorial High School Graduate, West Point graduate, distinguished Greek American. Thank you. Thank you, sir.

CHAIRWOMAN UMBERGER: So I would like this program in Conway.

SEN. D'ALLESANDRO: I think it's -- it sounds like a great program; but I think that the focus on getting to a School District and doing some kind of an arrangement with them and that's going to be interesting how that happens.

CHAIRWOMAN UMBERGER: Right. Okay. Are there any further questions?

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

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

SEN. DANIELS: Second.

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

REP. EMERICK: This is on 255. Emerick votes yes. Representative Leishman.

REP. LEISHMAN: Yes.

REP. EMERICK: Representative Pitre.

REP. PITRE: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: Yes.

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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 22-255 passes.

***** {MOTION ADOPTED}**

CHAIRWOMAN UMBERGER: We now turn to FIS 22-256 from the Department of Military Affairs. So no exercise this morning. Okay. Hum -- did someone have a question -- Representative Rosenwald. Sorry.

SEN. ROSENWALD: Thank you. Thank you, Madam Chair. I have two questions actually, but I don't know if the Department might not be better able to assist in the answer.

CHAIRWOMAN UMBERGER: The Health and Human Services?

SEN. ROSENWALD: Yeah, if they maybe could join Military Veterans Affairs.

LORI SHIBINETTE, Commissioner, Department of Health and Human Services: Good morning. Lori Shibinette, Commissioner of Health and Human Services.

SEN. ROSENWALD: Thank you.

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CHAIRWOMAN UMBERGER: Okay. Thank you.

SEN. ROSENWALD: I noticed in the narrative that there're not specific performance measures for the effectiveness of this proposed program; but there's a lot of interest in the Legislature in -- in making sure that our Substance Use Disorder Prevention and Treatment Programs have -- have quantitative measurable outcomes.

And we have another item later from the Department of Safety about the "No Safe" experiences. They have two really, I think, spot on performance measures. One is the reduction in the number of drug overdose deaths in young people, and the second one is the reduction and percentage of youth use of non-prescribed drugs. And so my question is what kind of performance measures is this program going to have? The narrative points towards it may reduce stressors which might reduce binge drinking. So we're not going to just look at stress reduction, are we? We're going to actually look at did the gym memberships and the fitness equipment lead to a reduction in substance use. And can you get that in a year?

MAJOR GENERAL MIKOLAITIES: So, ma'am, I'm going to try first. I'm going to pass it on to Colonel Oberman, our wellness director. So I'll give you context, first of all.

So I sit on the Joint Military Task Force, one of a Task Force for the Governor Commission on Alcohol and Other Drugs, and we advocate for service members' families in the veteran community. Typically, a majority of our advocacy is for our veterans because of the size of the population within New Hampshire. However, National Guard Bureau did a study of the health of the force for the Army National Guard for the 54 states and territory. In 2019, we ranked 45th in a bad way for the health of our force, and the biggest discrepancy was alcohol misuse. That apparently affects 7.9% of our force. And so what we did was this initiative will, hopefully, get after that.

So I think big, broad speaking, the annual performance metric would, hopefully, be the decline of substance misuse amongst our force. That's the broad and then do you want to elab --

COLONEL RICHARD OBERMAN, Deputy Director, Joint Staff, New Hampshire Army National Guard, Department of Military and Veterans Affairs: Thank you, sir. So that's one part of it. The other thing which is also difficult is this money is not just for the New Hampshire National Guard. I have to be very clear about that. This money is from the State of New Hampshire for all service men and women serving in the State of New Hampshire. Because of that, I don't have access to their metrics. So that's where we're consulting to do questionnaire support from a professional statistician to go ahead and write the proper questions to get after what you're asking for is how are we measuring the decline of substance use. And so that will be contracted out to that specialist, build that, and as part of the reimbursement process they will have to answer these questions so we can collect the data from all service members and have that piece of it.

Internally, what the Adjutant General just stated, we have unit risk inventories that we get on an annual basis that we can show for the New Hampshire Army National Guard, at least, whether this has caused a decrease in their use and that will be also reported. But because it's for all service members, I don't have a tool that I could get after what you're looking for without doing that questionnaire.

SEN. ROSENWALD: But I think you did answer that you're going to look at the end result, not just did it reduce the stressors.

COLONEL OBERMAN: Oh, absolutely.

SEN. ROSENWALD: Okay.

COLONEL OBERMAN: Absolutely, ma'am.

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SEN. ROSENWALD: And I think that's good. My second question has to do with the funding more. As -- as you probably, I hope, know the Governor's Commission funding is currently entirely directed towards the Medicaid Program, not other contracts. Those contracts have been backfilled by a five-year agreement with the hospitals. That runs out, I think, in another year. What is the plan for future funding and maybe Commissioner Shibinette wants to take this. Is this a one-time expectation or do you think we're going to look at ongoing funding after that agreement with the hospitals runs out?

MS. SHIBINETTE: I think that, you know, I'll speak directly to the hospitals' contribution for the -- for the Governor's Commission. I do expect that we will enter into negotiations to continue that contribution moving forward. As for this specific agreement, I'm going to have to let the General speak to that because I wasn't part of those conversations.

SEN. ROSENWALD: Thank you.

MAJOR GENERAL MIKOLAITIES: So, ma'am, I believe it's a three-year pilot program. So what we plan on doing is look after the data after the three years and seeing did it work. Hum -- and then from that point forward then decide is that the sort of number one priority for our service members.

You know, for example, another -- another issue we have is child care. So it's another priority for us, but we're trying -- we're trying to get the Department of Defense fund a pilot program for that. So it's almost three years from now we'll sort of review this data. Say is it our number one issue for service members to try to reduce substance misuse and retain them in our force? Hum -- so.

SEN. ROSENWALD: The final question then, if I could? So if you're planning a three-year program, but we have maybe one or maybe two years of hospital backfill funding, would you fund the

third year or maybe the second and third year from within your Department's current budget or would you end this program?

MAJOR GENERAL MIKOLAITIES: So if I understand it correctly, ma'am, I think it's -- we will utilize this pilot program up to this dollar amount of \$500,000. So in the event it's underutilized, we will probably come to you and ask for an extension to just use the funds that have been allocated right now for the length of time of which the use is needed.

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

CHAIRWOMAN UMBERGER: Are there further questions? Yes, Representative Daniels or Senator Daniels.

SEN. DANIELS: Thank you. It's been stated that this is -- the purpose of this is to lower substance misuse. We have numerous programs out there through HHS now that deal with that. And -- and to my knowledge they haven't been overly successful because we continue to pour more and more money into it. Why aren't we just using those programs? I mean, why -- why -- it seems like we're giving the military which should be more the defense of the state of the country involved in these -- more of these social.

MAJOR GENERAL MIKOLAITIES: So, sir, I think an ancillary benefit to this program is the fact it will also work as a retention tool. So I tell people all the time there's no line at our door, right? This is the worst recruiting year since the end of the volunteer draft in 1973. And so the problem is no one's joining. So how do we retain our soldiers? Once they have a substance misuse issue, it's a physical fitness issue. The Army just rolled out a new fitness test called the Army Combat Fitness Test. It's a crossfit game, right? There's six events. When 75 percent of your force is part-time and you only see them two days a month, how do you keep them in shape so they can pass that test and retain them in your force?

So, I mean, it's primarily to get after the health of the force; but the ancillary benefit is the fact that if they're in our force, we have to figure out how to retain them. And it -- and then we only have two facilities that have 24/7 gym access. It's Concord and it's our Pease National Guard Base. So if I'm a part-time soldier in Keene, where does he work-out or train or exercise other than those two days a month where he doesn't have in this facility. So we replicated this state -- the State Employee sort of Anthem Blue Cross/Blue Shield sort of concept of trying to get reduced gym membership and sort of buying physical fitness equipment for their home in order to, hopefully, drive substance misuse down, fitness up, and retain a quality force that we can help our state and our nation.

SEN. DANIELS: So a few years ago I was in the National Guard.

MAJOR GENERAL MIKOLAITIES: Yep.

SEN. DANIELS: We didn't have any kind of this program. How'd we ever make it through?

MAJOR GENERAL MIKOLAITIES: Uh --

SEN. DANIELS: I mean, I think I heard you say that we were like 45th in health now.

MAJOR GENERAL MIKOLAITIES: Yes.

SEN. DANIELS: Have you got any kind of historical thing to show where we were in the last ten years?

MAJOR GENERAL MIKOLAITIES: They published an Annual Report. So we have the -- we have 2019 and 2020 with us. I can look back. So in 2019 we were 45th in a bad way and in 2020 we were 37th.

SEN. DANIELS: Okay. I just -- just curious because historically we didn't have to have this \$500,000 program to stay -- to stay in shape. But then what -- what -- what has changed? I mean --

MAJOR GENERAL MIKOLAITIES: You know, for example, today's youth has difficulty handling stress. So whether it's substance misuse, suicides, or any other stressor to today's youth, we have significantly more psychological health directors and staff to ensure the health of our force.

The fitness test has changed. It used to be push-ups, sit-ups, two-mile run. Now it's a deadlift. It's a shuttle run. It's the throwing a ball and it's like everything is more complex or more demanding. And I would argue that our deployment cycle has increased. So we just got off two years of COVID response, but we had over 800 soldiers and airmen activated. We are in the process of deploying another 450 soldiers out the door in the next 12 months. And so the pace of our -- our -- our op temple, operational temple of what we're doing has not like subsided. And I think when you look at the lack of the ability of our youth to handle stress, the smaller size of our force, and the operational demands of which we're placing upon them is creating this perfect storm.

SEN. DANIELS: Okay. One final question. This may be more for the Commissioner. If this -- if this program is successful where others in HHS may not be as successful, can we expect that there will be programs that will be dropped within DHHS in favor of this?

MS. SHIBINETTE: Any time we have duplicate programs that target the same demographic or the same audience, if we find one of those programs is more successful than the other, then obviously we would shift funding towards the program that has shown to be more successful. That is why we measure our success in all of our programs.

SEN. DANIELS: Thank you.

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

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

CHAIRWOMAN UMBERGER: Thank you, Senator D'Allesandro. Second?

REP. PITRE: Second.

CHAIRWOMAN UMBERGER: Second by Representative Pitre. Will the Clerk please call the roll?

REP. EMERICK: Roll call on 256. Emerick votes yes. Representative Leishman.

REP. LEISHMAN: Yes.

REP. EMERICK: Representative Pitre.

REP. PITRE: Yes

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Representative -- Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: Yes.

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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 ten to nothing.

CHAIRWOMAN UMBERGER: The vote on FIS 22-256 is 10 to zero. It passes. Thank you very much.

*** {MOTION ADOPTED}

AMERICAN RESCUE PLAN 2021

CONSENT CALENDAR

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

CHAIRWOMAN UMBERGER: We now turn to FIS 22-247 from the Department of Business and Economic Affairs. That's in Tab 5. Whoops! You need to push the button.

MARK LALIBERTI, Broadband Project Manager, Department of Business and Economic Affairs: Good morning. My name is Mark Laliberti. I am the Broad Band Project Manager at the New Hampshire Department of Business and Economic Affairs. Happy to answer any questions or go over this program as you like.

CHAIRWOMAN UMBERGER: Okay. Thank you. Representative Leishman, I see that your mic is on so you must have a question.

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REP. LEISHMAN: I have a few, Madam Chair.

CHAIRWOMAN UMBERGER: Okay. Just continue with your questions.

REP. LEISHMAN: Thanks, Mark, for appearing today. So you responded to a couple of questions we had prior to the meeting, and Mr. Shea was kind enough to get them to us, your answers. In one of the documents you suggested that we look at was the State of New Hampshire Capital Projects Fund Program Plan for Broadband contracts. So reading quickly through the document, I see there's a requirement for mapping, I think about \$800,000 in the request that you have before us today.

MR. LALIBERTI: Hm-hum.

REP. LEISHMAN: Has any of that mapping been done to identify those areas of the state that are really suffering? I think it said 30,000 homes or households don't have access to Broadband.

MR. LALIBERTE: That's exactly what we're doing. I think when we started this it was clear there was no real mechanism to determine what the unserved and underserved are, particularly with the new speed. I know that in question three the federal gov -- federal government is going to be requiring either 100/100 speeds, which is upload and download speeds or 100 upload, 20 down -- 100 download, 20 upload with scalability to those speeds.

There's no mapping out there at the federal or state level that show that. So when we were working on this we thought it was important to develop mapping and to put -- use some of our administrative funds that we have for that purpose. We thought that was going to be a benefit for this program and moving forward.

REP. LEISHMAN: Another question, if I could, Madam Chair? Thanks. Now, it says here that there's going to be like one

contractor selected to service the whole state. Am I reading that correctly? I'm just curious.

MR. LALIBERTE: For this part of the entire contract, yes. This is 40% of the money that we've received from the fed -- what we're going to receive from the federal government. We were approved for 122 million. The other approximately 65 to \$70 million is going to be in the Broadband matching grant initiative that was approved by the Legislature last year, SB 85, and we had to get it amended this year in Senate Bill 445. So the majority of the funds that come from this grant will be through that Broadband matching grant which is going to be a municipalities-based program. So ISPs and towns will work together to address those and that will be open to all providers.

We wanted to move forward with this other portion of it because as we were starting to go through this process we were seeing things like inflation go up, gas prices, supply chain. We felt that as fast as we could move forward as compared to other states, we felt like it would give us a better opportunity to get those supplies and get the Broadband built on happening before we had all the states working at the same time because, remember, there's also the infrastructure bill that's going to have at least \$100 million and for other states much, much more. So they're all going to be working at the same time to be doing build out.

So we felt it was important to try to get a jump on that and we felt that was the best mechanism to do that. So 40% of those funds will be through the RFP processes which is currently out there now with remaining majority of the funds in a very targeted one-on-one community, one ISP'er, however we -- however that works. So that's how we're going to move forward with that.

REP. LEISHMAN: And just one further, if I could, Madam Chair? Thanks. So now what guarantees are you going to have that these rates -- now you got a private company using public funds to develop better infrastructure for Broadband.

MR. LALIBERTE: Hm-hum.

REP. LEISHMAN: I see there was like a \$30 credit per month that would be given out, which doesn't seem significant when most bills are far higher than that for those that can't afford Broadband, period. So what guarantees is the State going to do to make sure the prices are reasonable? And I know that \$30 is federally set, I understand?

MR. LALIBERTE: Yeah, that's the federal program. It used to be 50, and then in the revised ARPA bill they changed the program, made it to 30. However, I -- they also are going to have some providers are also going to offer lower tiers, low cost-tiers that some of them will start as low as \$30. So, theoretically, if you meet certain qualifications, you wouldn't pay anything; but that's a federal program.

Those are questions that we're going to be asking to not only to the provider who would get the -- who would be the applicant for this RFP, also for BMGI's, and we're going to ask those questions. Are you participating in this program? Are you going to be participating in the low cost tier program? We are going to be asking a lot of questions on that. At least in BMGI and not this program per se. We can't mandate certain prices. That's in the State Law. So we can't say, well, can you do a price here, but this community you have to have a different price. We can't mandate that, but we can have a conversation, what are your pricing, what's your plan, and we can -- we can discuss that.

And then later on in infrastructure there's going to be mechanisms for areas that are considered high cost. And we're still trying to work through that. That's down the line in probably 2023, and there may be some mechanisms there to address more of the -- of the affordability issues there as well. So there are a lot of areas that we're going to be looking into to make sure that those -- that there's affordability built into all of this.

REP. LEISHMAN: Thanks. Thanks, Madam Chair.

CHAIRWOMAN UMBERGER: Are there further questions? I do have one. Several years ago there were Broadband studies in the North Country, in particular.

MR. LALIBERTE: Hm-hum.

CHAIRWOMAN UMBERGER: And the major problem up there was called the last mile.

MR. LALIBERTE: Hm-hum.

CHAIRWOMAN UMBERGER: Are we -- is this Broadband thing going to go the last mile?

MR. LALIBERTE: Yes. And that's the preference of the programs we're working with. So every dollar that we're doing, all -- all 122, minus the administrative costs, will go towards last mile build-out, correct.

CHAIRWOMAN UMBERGER: Okay. Because that's -- that's the real problem, you know, not having six ISPs in your town. So, okay. Are there any further questions?

SEN. ROSENWALD: (Inaudible).

CHAIRWOMAN UMBERGER: Pardon?

** SEN. ROSENWALD: Move to approve.

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

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

CHAIRWOMAN UMBERGER: Thank you, Senator D'Allesandro. Will the Clerk please call the roll.

REP. EMERICK: Roll on 247. Emerick votes yes.
Representative Leishman.

REP. LEISHMAN: Yes.

REP. EMERICK: Representative Pitre.

REP. PITRE: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: 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. With a vote of 10 to zero, FIS 22-247 passes.

***** {MOTION ADOPTED}**

CHAIRWOMAN UMBERGER: We now --

MR. LALIBERTE: Thank you.

CHAIRWOMAN UMBERGER: Thank you. We now turn to FIS 250 from the Department of Environmental Services.

ROBERT SCOTT, Commissioner, Department of Environmental Services: Good morning, Madam Chair, Members of the Board. For the record, I'm Bob Scott, Commissioner for the Department of Environmental Services. I have with me Brandon Kernen who is the head of our drinking water section, a very busy section of late, to answer any of your questions.

So, Madam Chair, I can give a brief explanation, if you'd like, or we can just go right to questions. We're here at your disposal.

CHAIRWOMAN UMBERGER: Okay. Let's see what we have in the way of questions. I guess you answered them all.

MR. SCOTT: If I could, I would say we have a lot of great work going on in the Department.

CHAIRWOMAN UMBERGER: Yes, yes.

MR. SCOTT: I'm very, very proud of the group.

CHAIRWOMAN UMBERGER: And, by the way, I appreciate the e-mail I got yesterday explaining how the water mapping, whatever it's called, I know it has a name, for mapping your -- where your water lines are. And so that was -- that was a good thing. And I appreciate it and I'm sure that, hopefully,

some of the other folks in here got good news from -- from DES, so. Senator Morse.

** SEN. PRESIDENT MORSE: Move the item.

CHAIRWOMAN UMBERGER: Okay. Thank you. Senator Morse moves the item. Do I have a second? By Senator Rosenwald. Will the Clerk please call the roll.

REP. EMERICK: This is on 250. Emerick votes yes. Representative Leishman.

REP. LEISHMAN: Yes.

REP. EMERICK: Representative Pitre.

REP. PITRE: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: Yes.

REP. EMERICK: Senator Rosenwald.

SEN. ROSENWALD: Yes.

REP. EMERICK: Senator D'Allesandro.

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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 -- could you hang on just a second because I forgot to ask a question. But the item passes. Okay. That's not a problem. Yeah, we're talking about checking lead pipes. This is just in the main water system or is it the connection between the public water or the main water system and the house?

MR. SCOTT: So I'll defer to Brandon here, but it does -- the federal requirements and, therefore, what we're trying to help the -- the systems with are including not only the water main but the -- the connections that go to the house.

CHAIRWOMAN UMBERGER: Okay.

MR. SCOTT: Is that okay?

CHAIRWOMAN UMBERGER: All right. That's a good thing. Thank you very much. And we're not doing very well on this one. Representative Emerick.

REP. EMERICK: My question is a little bit just kind of on this topic but in general. I'm the Chairman of the Planning Board in our town, and we're confronting right now the groundwater re-mapping of the town and the aquifer protection zone. Come to find out the new federal mapping we have a closed dump that we capped about ten years ago. It's sits right in our aquifer protection zone as newly defined. Should -- should there be or is there a program to do PFAS testing for these capped dumps?

CHAIRWOMAN UMBERGER: Representative Emerick, I have -- I'm not sure if it got to Commissioner Scott or not, but I have asked at our September meeting that he come prepared to talk to us about the PFAS problems in local landfills.

REP. EMERICK: I'll look forward to the answer.

CHAIRWOMAN UMBERGER: And so that because when I read through the information that was in here, wells looked to be in great shape as opposed to where we stand on -- on landfills. So we'll be -- we'll be having that discussion in -- in September.

REP. EMERICK: I'll look forward to it. Thank you.

CHAIRWOMAN UMBERGER: Okay. And, hopefully, he can answer any questions we might have on that. So thank you very much.

MR. SCOTT: That could be a long meeting, Madam Chair.

CHAIRWOMAN UMBERGER: Well, that's okay. Obviously, I think we all know that the PFAS business is unending and we need to try to get a handle on it. So thank you very much. Sorry.

Okay. We now turn to FIS 22-263, and we're going to kind of do these in conjunction and 22-264. And --

CHASE HAGAMAN, Deputy Director, Governor's Office for Emergency Relief and Recovery: Good morning. Chase Hagaman, Deputy Director at the Governor's Office for Emergency Relief and Recovery.

CHAIRWOMAN UMBERGER: Oh, so Commissioner Caswell sent you here by yourself today, huh?

MR. HAGAMAN: I'm on my own.

CHAIRWOMAN UMBERGER: You're on your own. Okay. Where am I? Okay. Ah! Are there any questions on 263? Okay.

Mike, I did have -- I did have a question. And although you sent an answer, I think it's important that we all understand this. It says in there that utility or that rental assistance also receives funding for electricity and heating, whatever it is.

MR. HAGAMAN: Correct.

CHAIRWOMAN UMBERGER: And just speculating that most of the people that would be applying for rental assistance are in the category of being able to apply for LIHEAP. And so my -- my question is are we -- are we messing with the LIHEAP Program or do they get both or what kind of guidance has gone out on that?

MR. HAGAMAN: That's a great question. And as you mentioned, Madam Chair, we did provide a response. But for the record, as we understand it and as has been described to us by the Department of Energy, there is no negative impact on the LIHEAP Program by the Rental Assistance Program in terms of the reimbursement of utility costs. Getting emergency rental assistance for utilities doesn't pull someone out of the LIHEAP Program or the Fuel Assistance Program, and there's no double dipping. There are systems in place that help track who is getting what so that when one assistance is provided for a utility the other is not.

CHAIRWOMAN UMBERGER: Okay. Are we still in the phase where the renter has to apply?

MR. HAGAMAN: Yes. So as a basis of the program the renter applies. That's -- that's always been the case.

CHAIRWOMAN UMBERGER: Okay. And so as I looked at the figures, it doesn't appear to me that the renters are applying.

MR. HAGAMAN: Okay.

CHAIRWOMAN UMBERGER: And I don't know whether the landlords are just being kind and not kicking them out or if, you know, exactly where that is.

MR. HAGAMAN: So, in general, the demand for the program has sustained, if not grown, over the last year or so. So I'm not -- I'm not sure which numbers you're referring to where it appears that there is a reduction in applications. It actually has sustained, if not risen a little bit over time.

CHAIRWOMAN UMBERGER: Oh, okay. Okay. And is that run through CAP?

MR. HAGAMAN: Yes. So GOFERR basically sends money to New Hampshire Housing Finance Authority who works with the CAPs to facilitate the program, both rental assistance and utility assistance.

CHAIRWOMAN UMBERGER: Okay. Okay. Thank you. Senator Daniels.

SEN. DANIELS: Thank you. My understanding is that it's the renter that applies for it and that any assistance is sent to the renter.

MR. HAGAMAN: That's incorrect. The assistance goes directly to the landlord and the utility company to -- to pay the rent or the utility bill. Hum -- in limited circumstances the renter would potentially receive the money if the landlord is not particularly agreeable in terms of interacting with the program.

SEN. DANIELS: Are there -- are there any programs possibly under CAP, whatever, that the money is sent to the renter? Because I'm -- I'm dealing with a constituent who had somebody that had been renting; but now they're not paying their rent, but they can't kick them out. And that they had applied for money, but the landlord's not seeing any of it.

MR. HAGAMAN: On a case-by-case basis we're happy to help work with a landlord or tenant to resolve any particular issues, and we often do that. So cases will come into us with a particular issue or challenge to address, and we work with New Hampshire Housing Finance to see if there's a remedy. So I'd be a little reticent to speak to a specific situation without getting more detail in the applicant and the landlord situation.

Just to answer your question -- sorry. Hum -- I -- I would have to get additional information from the CAPs on any programs they have where money is sent directly to the tenant. I don't believe that is the case by and large in the area.

CHAIRWOMAN UMBERGER: I would imagine you'll have a call from Senator Daniels shortly.

MR. HAGAMAN: I imagine I will.

CHAIRWOMAN UMBERGER: Representative Leishman.

REP. LEISHMAN: Thank you, Madam Chair. Thanks for being here today. So I think it was after the fact, but the LBA did provide us with a copy of the Governor's Office of Emergency Relief and Recovery, and it shows the average contribution, I guess, if you will, to help with rental assistance for utilities and internet and so forth of \$9,300. Is that per year or for six months or --

MR. HAGAMAN: It would be over the -- excuse me -- over the life of the program based on households that are receiving the benefits. Then that spans all of the types of services, including rental assistance. Under ERA, under the Rental Assistance Program, households are able to receive funding. At this point, under the ERA-2 Program, which we'll get to in the next item, as -- as far out or as in total 18 months. They can only ask for three perspective months at a time, however. But over the life of the program, they could receive as much as 18 months in support.

REP. LEISHMAN: Okay. And just one further question.

CHAIRWOMAN UMBERGER: Certainly.

REP. LEISHMAN: If I could, Madam Chair. Thanks. So at our pre-Fiscal meeting I have to give credit where I guess it's due. Representative Edwards raised an interesting point, I thought, that by providing rental assistance we're actually creating a problem by forcing rents up, perhaps, when if you didn't provide that assistance it would keep rents lower. Is there -- is that a supported theory?

MR. HAGAMAN: I -- I haven't specifically explored that in terms of data that might answer that particular question. There are limitations on what level of income a household can have to even get into the program. So in terms of the level of rents being driven up, I -- I would be hesitant to speculate; but, you know, I'm sure there's data out there that can be analyzed over time to see if that is the case.

REP. LEISHMAN: Okay. Thanks. And thanks, Madam Chair.

CHAIRWOMAN UMBERGER: Are there any further questions? Okay. Are there any questions on 22-264 separately? Obviously, this is just an extension of the plan. Okay. Seeing no additional questions, I'll take a motion on FIS 22-263.

** REP. LEISHMAN: Move the item.

CHAIRWOMAN UMBERGER: Thank you.

SEN. D'ALLESANDRO: Second.

CHAIRWOMAN UMBERGER: Representative Leishman and Senator D'Allesandro. Will the Clerk please call the roll.

REP. EMERICK: On 263 Emerick votes yes. Representative Leishman.

REP. LEISHMAN: Yes.

REP. EMERICK: Representative Pitre.

REP. PITRE: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: 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 22-263 passes.

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*** {MOTION ADOPTED}

CHAIRWOMAN UMBERGER: Could I have a motion please on FIS 22-264?

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

CHAIRWOMAN UMBERGER: Thank you, Senator D'Allesandro.
Second by Senator Gray.

REP. EMERICK: So we'll call on 264. Emerick votes yes.
Representative Leishman.

REP. LEISHMAN: Yes.

REP. EMERICK: Representative Pitre.

REP. PITRE: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: 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: The vote being 10 to zero, FIS 22-264 passes.

***** {MOTION ADOPTED}**

LATE ITEMS:

CHAIRWOMAN UMBERGER: Okay. We had, I believe, four late items that we will have to vote on. Uh -- the first one is FIS 268 dealing from the GOFERR Office requesting seven plus million for SUD related programming services and project investments. Are there any questions on this? Rep -- Senator --

SEN. ROSENWALD: Thank you.

CHAIRWOMAN UMBERGER: Yes, Rosenwald.

SEN. ROSENWALD: Thank you. There are two parts of it that equals about \$12 million for additional beds. How many beds are you talking about?

MR. HAGAMAN: Thank you for the question, Senator, and Chase Hagaman, Deputy Director at GOFERR again.

Just to clarify, Senator, the two parts that refer to increasing bed capacity I think only total 7 million. The proposed budgets for those --

SEN. ROSENWALD: Yes, sorry.

MR. HAGAMAN: Yeah, that's okay. Just wanted to be clear there. The short answer is it depends because we're still working with DHHS and the Governor's Council on Alcohol and Other Drugs to finalize the program itself, which will become publicly known posted on GOFERR's web page -- excuse me -- with all the guidelines necessary for that.

The purpose of the Detox Bed Program, however, is to expand bed capacity at various tiers of detox needs and there are, I think, four tiers, if I remember correctly. This program would focus on the top tier and there are a little over 60 beds in the state right now and the idea, obviously, would be to increase those number of beds. And we have some insight that there are projects being explored that could increase that significantly, but I don't know the exact number off the top of my head. It would, in part, depend on the construct of the program.

SEN. ROSENWALD: Follow-up. Thank you. Well, how did you arrive at the \$7 million then if -- if it's not by the number of beds we wanted.

MR. HAGAMAN: So the number is based off of what would be the purpose of the program, which is capital improvements and investments. Again, we've heard from other facilities and potential facilities coming on-line that could have capital needs costs that, you know, range from a couple hundred thousand to a couple million. So we wanted to leave room in the program to provide sufficient awards based on what becomes the eligibility and requirements of it.

If you notice in the item itself, we did request a little bit of flexibility on what ultimately becomes the final funding amount for some of these programs, because as we go on to finalize what we anticipate being the need, the number may need to change; but it certainly wouldn't go beyond the authorized amount requested overall in the item.

SEN. ROSENWALD: One final. Thank you. And will these -- both of these parts be available to the Medicaid Program?

MR. HAGAMAN: Yes. The purpose, especially on the detox side, is to make sure that these are beds that are available for Medicaid users.

SEN. ROSENWALD: Thank you.

CHAIRWOMAN UMBERGER: Are there any further questions? I do have a question.

MR. HAGAMAN: Yes.

CHAIRWOMAN UMBERGER: I'm not opposed to the program, but where we going to get the people to work in these facilities since we are -- right now we are, you know, we have nursing homes and hospitals that can't go to their full bed capacity because they don't have the staff to take care of it?

MR. HAGAMAN: It's always a great question, Madam Chair, and it's usually always the same answer. It depends on the, you know, the entity coming forward and applying and them having sufficient staff to run the program they're proposing.

As with all ARPA dollars, if for some reason this program is underutilized, those funds would come back for reallocation for other purposes. So the money would not go unused. It would eventually be used for something. But -- uh -- the whole state is experiencing staffing issues, including the State itself. So it's a tough -- it's always the question. It's always a tough one to answer.

CHAIRWOMAN UMBERGER: Okay. I don't have any problem with the program. I just -- I don't want to have this great program out there and the beds go empty. So we need to make sure that when you're asking them that they tell you how they're going to man it.

MR. HAGAMAN: And if I may, Madam Chair?

CHAIRWOMAN UMBERGER: Or woman it, whichever.

MR. HAGAMAN: I just want to point out the late items that came through for vote today are all interconnected relative to SUD initiatives and programs. So I just didn't want to leave any of the other agencies that are coming to the table late out to dry. They're all connected.

CHAIRWOMAN UMBERGER: Okay. Could I have a motion, please, on FIS 22-268?

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

CHAIRWOMAN UMBERGER: Thank you, Senator D'Allesandro. Second? Senator Gray. Clerk please call the roll.

REP. EMERICK: Roll call on 268. Emerick votes yes. Representative Leishman.

REP. LEISHMAN: Yes.

REP. EMERICK: Representative Pitre.

REP. PITRE: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: (Inaudible).

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

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REP. EMERICK: Senator Gray.

SEN. GRAY: 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 22-268 passes.

***** {MOTION ADOPTED}**

MR. HAGAMAN: Thank you very much.

CHAIRWOMAN UMBERGER: We now turn to FIS 22-269 from the Department of Health and Human Services. And this is to -- primarily to purchase and distribute Naloxone kits. Good morning.

KATJA FOX, Director, Division of Behavioral Health, Department of Health and Human Services: So good morning. For the record, I am Katja Fox. I'm the Director of the Division for Behavioral Health.

NATHAN WHITE, Chief Financial Officer, Department of Health and Human Services: Good morning. Nathan White, CFO, DHHS.

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CHAIRWOMAN UMBERGER: Thank you. Are there any questions from anyone?

SEN. DANIELS: Yes, I have.

CHAIRWOMAN UMBERGER: Senator Daniels.

SEN. DANIELS: Thank you, Madam Chair. Uh -- I'd like to see some sort of documentation on the success we have had. I mean, we continue to -- to provide funds for Naloxone but never seem to see any reports on, you know, whether the numbers are going down, whether they're going up, how the money's being spent, where it's being spent or anything like that. I mean, maybe you could shed some light on that.

MS. FOX: So thank you. And in one of the pre-Fiscal questions, this question did come up and we cited the research. We do have Dr. Ballard here who has looked extensively into the effectiveness of the different strategies for addressing, most importantly, the opioid epidemic. So he's available here to perhaps answer your questions, and we can also provide the research that we cited in that response.

CHAIRWOMAN UMBERGER: Okay. Why don't you ask him to come up.

DR. JONATHAN BALLARD, Chief Medical Officer, Department of Health and Human Services: Good morning. For the record, my name is Jonathan Ballard. I work as the Chief Medical Officer for the Department of Health and Human Services.

There's been extensive research on the approach to solving -- improving upon the opioid overdose problem substance use disorder, in general. As you're aware, New Hampshire's been faced --

CHAIRWOMAN UMBERGER: Could you move your mic a little closer. Thank you.

DR. BALLARD: New Hampshire had a significant -- significant escalation of opioid overdose deaths really starting in about 2014, and we hit our high in 2017. And so that led forth, you know, a very large multi-pronged effort to combat Substance Use Disorder and reduce opioid overdose deaths, Naloxone being one potential or one part of that overall package.

Since 2017, opioid overdose deaths in New Hampshire have declined year over year, and we're the only state in the country that has had year over year declines of opioid overdose deaths. In fact, during the pandemic, when all others -- most all other states, all the -- except four states had opioid overdose deaths significantly increase, including our neighbors in Vermont had very high year over year increases, New Hampshire did not.

So there's been studies, researchers who have looked at this. In the medical journal called *Public Health Reports* it's the Surgeon General's medical journal, an article came out last year that looked at why did New Hampshire and the three other states have a different outcome compared to the rest of the country, when really this is a world-wide problem of substance use disorder and opioid overdose deaths. In that report it said specifically that New Hampshire and these states had very common approaches of why they were so successful. It said that you have to have broad state policies. You have to improve treatment opportunities. You have to educate prescribers. You have to -- and they lay out particularly you have to have broad-based Naloxone distribution.

What New Hampshire did differently prior to the opioid -- the pandemic, was we made a shift in how we got Naloxone out to the public. Previously, there's a standing order that I write that anybody can pick up Naloxone. The Legislature allowed us to make that standing order that people can go to a pharmacy to pick it up. But that's not been successful in New Hampshire nor other states across the country. It has to be directly distributed, put into the hands of bystanders, loved ones, to allow for that opioid reversal agent to be available and work.

So that's -- so when we created the Doorways Program, we shifted distribution of Naloxone being from a centralized state program out through our partners, more local to the communities where individuals -- where the Doorways know their local nonprofit agencies. The nonprofit agencies and other partners are the ones now who are giving out Naloxone directly to the potential bystanders for an opioid overdose death. And we know Naloxone works in laboratory method; but what I think you're getting at, Senator Daniels, is how do we know it's getting to the right people and that it's being effective.

If we look at our AMR ambulance companies reports from Manchester and Nashua, you see last year a very significant change happened. It used to be most Naloxone was being delivered by the ambulance, the truck when it arrives to a -- to a scene of an opioid overdose, and now it's switched. They were finding that more Naloxone was being arriving and administered by a bystander compared to the ambulance. So that was a very key data point we're tracking about that.

We're also tracking where the Naloxone is going, you know, through the Doorways. We -- we keep good records on where it's happening, you know, where -- which -- how much it's going to. We've embarked this summer on reaching out and connecting, visiting the Doorways. They're telling me that it's being adequately -- it's being used but they need more. What's happening with the border and more Fentanyl coming into the country has been in the recent news over the last few months of some increase in spikes across the country with more exposure to Fentanyl has required more Naloxone to combat this, and that's partly why this is -- is really critical now that we shore up, make sure that -- that the supply of Naloxone as part of the overall larger program that we have that's been so successful for New Hampshire compared to other states. So I hope that answers your question.

SEN. DANIELS: Thank you. Follow-up.

CHAIRWOMAN UMBERGER: Yes, go ahead.

SEN. DANIELS: Do we track -- uh -- any -- have any data to indicate if the recipients of Naloxone are entering a treatment program?

DR. BALLARD: We do, in the fact that they enter into the Doorway System. So when the Doorway -- when they come through the Doorways we -- we do an intake process and we -- we're making those referrals, warm handoffs, care coordination trying to close the loop. You know, substance use disorder though is a, you know, remitting, relapsing, disease. And so we see it's all parts of recovery that some -- some people will not -- uh -- uh -- you know, would not successfully maintain their sobriety of the illness essentially, maintain in recovery for treatment and will have relapses. Ultimately, there will be some individuals who may be revived more than once; but what that does is allows that person to still be alive and still have a chance to -- to achieve recovery through our partners.

SEN. DANIELS: Thank you.

CHAIRWOMAN UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Thank you, Madam Chair. Good morning. I'm glad you brought up Manchester and Nashua, because while the statewide opioid deaths may be down, Manchester and Nashua are both on track this year to have an increase of about a third versus a year ago. So something is -- something is wrong in our two largest cities.

What improvements is the Department going to make with the Doorways to bring Nashua and Manchester down in opioid deaths as the rest of the state seems to be doing?

DR. BALLARD: Thank you, Senator Rosenwald. So just recently I had an opportunity to visit the Doorway there in Manchester and see the good work that's being done. And they're really, you know, doubling down on shoring up the linkages that they have

with community partners, such as Farnum and others, to -- to get more people transitioned earlier, more timely into these treatment programs.

We're also wanting to make sure that we have adequate levels of Naloxone in those communities. And then part of it though is beyond the treatment system. Part of it is beyond drug pattern -- pattern problems as well. I think there's others here as well that could speak to, you know, the non-treatment aspects of it that may be contributing to that particular patterns we're seeing.

CHAIRWOMAN UMBERGER: Are there further questions? Seeing none, could I have a motion on FIS 22-269?

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

CHAIRWOMAN UMBERGER: Thank you, Senator D'Allesandro. Second?

SEN. GRAY: Second.

CHAIRWOMAN UMBERGER: Thank you, Senator Gray. Will the Clerk please call the roll?

REP. EMERICK: Roll call on 269. Emerick votes yes. Representative Leishman.

REP. LEISHMAN: Yes.

REP. EMERICK: Representative Pitre.

REP. PITRE: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

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SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: 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 ten to nothing.

CHAIRWOMAN UMBERGER: The vote being ten-zero, FIS 22-269 passes.

***** {MOTION ADOPTED}**

CHAIRWOMAN UMBERGER: We now turn to FIS 22-270 from the Department of Safety.

STEVE LAVOIE, Director of Administration, Department of Safety: Good morning. Steve Lavoie, Director of Administration from the Department of Safety, and with me is Lieutenant Joe Villers from New Hampshire State Police.

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CHAIRWOMAN UMBERGER: Oh, so he didn't get the memo on the uniform of the day, huh?

MR. LAVOIE: Apparently not.

CHAIRWOMAN UMBERGER: Okay. Sorry. Are there any -- any questions on -- for Safety on this program? It sounded -- it sounds to me like it's going to be a very good program, so. Could I please have a motion?

** REP. LEISHMAN: Move the item.

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

SEN. D'ALLESANDRO: Second.

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

REP. EMERICK: Roll call on 270. Emerick votes yes. Representative Leishman.

REP. LEISHMAN: Yes.

REP. EMERICK: Representative Pitre.

REP. PITRE: Yes.

REP. EMERICK: Representative Wallner.

REP. WALLNER: Yes.

REP. EMERICK: Senator Daniels.

SEN. DANIELS: Yes.

REP. EMERICK: Senator Morse.

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SEN. PRESIDENT MORSE: Yes.

REP. EMERICK: Senator Gray.

SEN. GRAY: 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 22-270 passes.

***** {MOTION ADOPTED}**

CHAIRWOMAN UMBERGER: Now, don't think you're going to get away with such easy things in the future. Okay, Steve? Thank you very much. Okay. We now turn to FIS 22-271 from the -- the GOFERR Office.

REP. EMERICK: We don't vote this.

CHAIRWOMAN UMBERGER: Oh, it's an information item. Okay. Oh, does anybody have any questions on this item? Okay. Thank you. All right. I'm sorry. Okay. Thank you, Tracy.

(7) Miscellaneous:

(8) Informational Materials:

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CHAIRWOMAN UMBERGER: Uh -- turning to the Informational items, I just want to mention that FIS 22-257 on State Employee Health Insurance, DAS will provide us a little presentation in September on how we manage health insurance for the employees. And I've already mentioned that on 22-260 the concern that I had there was on the PFAS and the landfills, which Representative Emerick also brought up. Okay. So we now move to the audits.

Audits:

CHAIRWOMAN UMBERGER: This is that big book that -- that you all received. Yeah. Good morning.

STEPHEN SMITH, Director, Audit Division, Office of Legislative Budget Assistant: Good morning, Madam Chair, Members of the Committee. For the record, Steve Smith, Director of Audits for the LBA.

These two reports, the Single Audit Report, the big one, and then the small Management Letter, are product of KPMG. We retain them from the Single Audit and the Management Letter is a by-product of both the State ACFR audit, as well as the single audit.

Joining us from KPMG is Brock Romano, the Partner on the engagement, and with him is Bryanne Orisko, Senior Manager. And then from Department of Administrative Services is Commissioner Arlinghaus and Dana Call, our Comptroller.

So I believe Dana has a couple of opening remarks, and then she'll turn it over to KPMG.

DANA CALL, State Comptroller, Department of Administrative Services: Good morning. Dana Call, State Comptroller. My office is responsible for working with both teams to get this document put out for you. We are a little later in the cycle than normal for this is an FY21 document and we're closing FY22 right now as we speak; in fact, today. So we are -- we were

allowed the last two years due to the Covid pandemic, we were allowed a little extra time to get the Single Audit work done.

Typically, it is out, so after the Fiscal Year closes, we usually have nine months to get it out so it's usually the following March. They provided an extension all the way out -- excuse me -- until this September. However, we were striving to get it done by June 30th. So that was our goal and similar to the last year.

So you have a handout. There are a couple little tweaks on the finding numbers. We put the handout together a few weeks before we had sort of finalized the categories of findings. But, in general, the total findings are portrayed for you as a 36 -- 35, 36. That's about where we're at for in total for material weaknesses and significant deficiencies. And based on I gave you sort of the total federal dollars that are subject to audit, not everything gets audited every year. There's a cycle for determining and the auditors will let you know how -- how they do that. But, basically, the Federal funds have, as you are aware, continued to climb. We were typically for year, after year, after year about 2.3 billion. We went to 3.6 billion, and now 4.3 billion, soon to be another billion. So we're counting billions now which is a little scary.

This -- what we had through Fiscal 21 doesn't reflect any ARPA funds. So what we reflect through Fiscal 21 was essentially the CARES Act money that came, the Coronavirus Relief Fund, the first billion. And then, obviously, a lot of programs, like education, and Medicaid, and others got other funding sources, in addition to the Coronavirus Relief Fund that was administered through the GOFERR Office.

So really it's -- you're seeing between this year, between Fiscal 21 and Fiscal 22, what we'll present to you a year from now is sort of the wrap-up of the first billion, the Coronavirus, the first 1.25 billion, which is the Coronavirus Relief Fund. And then subsequent to that you'll start to see the ARPA funding coming through these reports. So there's a big

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delay in terms of when something is provided to the state, when we've allocated it to whomever is going to spend it, and then when it actually gets spent. So just keep that mind.

But the good news is even with the extensive additional federal funding, our audit findings, we believe, are manageable. Similar themes. A lot of it with compliance findings is a technicality. Unlike the ACFR audit where we have some level of materiality in terms of determining whether findings that get presented to you, how significant they are, compliance findings are reported essentially regardless. So it tends to be higher number of findings, but we look at sort of the material weaknesses and try to keep that in check.

So I guess I want to thank my team in Admin Services because, again, we've -- we're doing this with our existing staff. And we're hoping, you know, again, to expand that as the ARPA funds come through because there's a lot of -- a lot of audit work that gets done sort of at the tail end, so. But we have it under control and the Commissioner has anything to add. No. He's here for questions. So we'll be happy to answer questions after KPMG does their formal remarks.

BROCK ROMANO, Partner, KPMG: Thank you, Dana. For the record, my name is Brock Romano. I'm the Lead Audit Partner, both on the ACFR, as well as the Single Audit. Bryanne Orisko is joining me today. She's one of two Senior Managers who help with the Uniform Guidance or the audit of federal awards, given the complexity of it.

So what I want to do this morning is maybe just make a few brief comments on the telephone book that's in front of you, and then ask Bryanne to kind of go into some -- some level of detail, and then happy to go into more detail if there's questions that the Committee has.

So just in terms of -- of the telephone book, just to kind of give you an idea of the contents, there's multiple tabs in here and I just want to talk briefly about those tabs. So

there's a tab for the financial statements. And so that -- that section is actually the ACFR, and that was presented to the Fiscal Committee back in -- in January of this year.

The next section is -- is our reports on inter -- on compliance of internal controls. There's actually two reports in there. One of them is a report on internal controls related to the ACFR and, again, that's reproduced here but that was presented to the Committee back in -- in January of this year. And then the other report is a -- a report on internal controls on federal programs. Not an opinion but a report on internal controls. And then we actually give a compliance opinion -- excuse me -- we give an audit opinion on compliance for those largest programs that we audit and, you know, Bryanne will get into that in a little -- in a little more detail as well.

And then there's a section called the SEFA, the Schedule of Expenditures of Federal Awards. Think of that as the equivalent of a financial statement. So this is where we would list all of the 300 or so programs that the State of New Hampshire spent during the year. And there's a -- there's a summary page that I want to flip to later on that I'll let you see that visually and maybe a page or two instead of trying to digest 27 pages. And then there's a section on current year findings. So there's 36 total findings. One of them relates to the ACFR which, again, was presented and reproduced here, and then there's 35 findings relative to your federal awards. Again, Bryanne will go into a little bit more detail on that; but just -- just to give the Committee a sense of the contents.

Then the last tab is a section of status of prior year findings. And so findings basically stay in that section until they're resolved and/or the Federal Government expresses no further action. Usually that happens after a period of time, two or three years.

I might just make the general comment that when we do our audit, when we identify a finding, we're typically well into the

next Fiscal Year. So the life cycle of a -- of a compliance finding typically has two years. So, you know, don't be alarmed if you see a finding that maybe, you know, spans two audit reports; but you might want to pay attention to findings that stay on three, four, that are more chronic, and Bryanne will mention a little bit of that.

So now if you'll indulge me, I'm going to actually have you flip into a page or two. So just beyond the Table of Contents after the introduction letter there's a page number B-2 and B-3. And so I point this page out because this -- this let's you see in two pages all in a summary fashion the \$4.6 billion that New Hampshire spent.

Dana had mentioned it and it's broken out by something called Type A programs, which are basically your largest programs. State of New Hampshire typically has, you know, less than 30 of those largest programs, with just a handful Medicaid, unemployment this year, Coronavirus Relief Fund, you know, making up the majority of the spend. So rather than go through -- through 26 pages of detail, this allows you to see in a quick snapshot kind of, you know, what the spending would look like. Again, trying to be high level here. If we want to go into more detail happy to do it.

And then the next page that I might ask you to flip to is -- is in the tab called Current Year Findings and Questioned Costs. That first page F-1 is for folks of my generation. I call this the cliff notes version of the Uniform Guidance Report. It summarizes on just a couple of pages, basically the audit results.

And so the top of the page is reserved for the financial statements, again, reproduced, we've already discussed it. The middle of the page talks about the federal awards. That's kind of what we're here to talk about, and it lets you know that we identified some findings that have material weaknesses. Again, most severe category of control findings. Some findings had significant deficiencies, the middle category, if you will. And

then it lists the programs where we actually detail out the programs that had a qualified opinion. Qualified in the sense that there was some compliance elements that they -- that wasn't materially adhered to. Think about allowability, think about Federal reporting, think about subrecipient monitoring. Those are the types of compliance areas that we test, and if there's a big enough problem in that area we would qualify. So here's the programs that had a qualification. The remaining programs we looked at were unqualified.

And then on the next page it -- on the next page it shows the 18 largest programs that we looked at. So that's kind of a real high level of -- of what the telephone book has. We do want to pull you down into a little detail. I've asked Bryanne to kind of prepare some comments about some things that might be of interest to the Committee. And, with that, I'd like to turn it over to her and let her walk through that.

BRYANNE ORISKO, Senior Audit Manager, KPMG: Thank you, Brock. Good morning. For the record, my name is Bryanne Orisko. As Brock mentioned, as part of the 2021 Uniform Guidance Audit, we focused on 18 of your largest programs. The Uniform Guidance Audit does not require us to look at programs every single year. There's some risk assessment guidance that we're allowed to apply looking at prior year audit results, dollar spends, as well as certain programs that the Office of Management and Budget designates as what are called higher risk programs.

So for 2021, OMB did designate the Medicaid Program as a higher risk program. This program is higher risk every year by OMB. They also designated some of the Covid programs as higher risk, Education Stabilization Fund, Coronavirus Relief Fund, and the Emergency Rental Assistance Programs were three of those programs that were designated higher risk that we looked at as part of the audit.

The 18 programs that we focused on constituted about 3.9 billion of the total 4.6 billion reported on the SEFA or about 85% of your total spend. Six of the 18 programs were also

audited as part of the 2020 audit, last year's audit, and were required to be audited again because of the severity of the findings identified during 2020. Those included Medicaid, the Unemployment Program, Title I, Temporary Assistance, Foster Care and Opioid. So programs managed across a couple of the State's different departments. And then one of the programs, the Coronavirus Relief Fund, was also audited as part of 2020 and re-audited as part of 2021 simply because it was designated higher risk. There were no findings identified as part of the 2020 audit.

Brock and Dana both covered this a little bit. There were a total of 36 findings; one for the ACFR, 35 for the Uniform Guidance. Sixteen of the 35 were considered to be material weaknesses, and 19 of them were considered to be significant deficiencies. And of the 35 findings that were reported for 2021, seven of them were repeated comments of those that were also included in the 2020 report.

So based on the results of our audit, we issued an opinion on each of the 18 programs that we audited, which are summarized for you on that page F-1. For nine of the 18 programs we issued a qualified or a modified opinion. That included the Supplemental Nutrition Assistance Program, SNAP, the Unemployment Program, the Coronavirus Relief Fund, the Emergency Rental Assistance Program, the Education Stabilization Fund, the Epidemiology and Laboratory Capacity Grants Program, the Temporary Assistance Program, the LIHEAP Program, and the Medicaid Program. Each of these nine programs had findings that were considered to be material instances of non-compliance, and in some cases material weaknesses and internal control.

The Medicaid Program additionally has a scope limitation noted as part of the 2021 audit, which is consistent with the 2020 audit.

Of the nine programs that we issued a qualified opinion for, three of them also had qualified opinions as part of the 2020 audit. That includes Unemployment, TANF, and Medicaid. And

TANF and Medicaid have had qualified opinions for at least the past three years. The 11 remaining programs had an unmodified or a clean opinion for 2021.

The findings themselves begin on Page F-7, beginning with finding 2021-002. 001 relates to the financial statements and was presented to you previously.

And, finally, each of the findings that is included in the report, Management is required to provide a response to the finding, which is noted at the bottom of each of the findings. And they're also required to provide a Corrective Action Plan to resolve the matters that are identified. The Corrective Action Plan are -- they are included within the report.

And then as outlined in our opinion, the State is responsible for preparing a Corrective Action Plan. And the State's responses and what was included in those is not subject to our audit opinion, and so we do not express an opinion on the Corrective Action Plan.

Is there any questions I can answer on the 2021 Audit Report?

CHAIRWOMAN UMBERGER: Senator Daniels.

SEN. DANIELS: Thank you. How does a program earn a designation of high risk?

MS. ORISKO: The high risk programs are designated by the Office of Management and Budget. So each year when they put out the compliance supplement, they designate certain programs to be higher risk. Typically, it includes only the Medicaid Program. It's always a high-risk program. With the outflow of funding related to Covid, they started designating some of those programs that get a significant amount of COVID dollars as higher risk as well, but that designation is given solely by the Office of Management and Budget.

SEN. DANIELS: Okay. And just could you elaborate a little bit more. High risk of what?

MS. ORISKO: It's programs, I think, where OMB has determined that there's a high risk of non-compliance with federal regulations. So if you think about the Medicaid Program, for example, there's very complex eligibility requirements to depend on are you eligible for Medicaid. And if you are, which benefit span or eligibility program are you, in fact, eligible for? It's a complex calculation. Many things go into it.

So I think because of that for one example, OMB feels that Medicaid is a higher risk program and feels that there could be a high risk of non-compliance or misuse of federal dollars.

SEN. DANIELS: Okay. Thank you. And final question?

CHAIRWOMAN UMBERGER: Yes.

SEN. DANIELS: It was mentioned earlier that some of -- some of the times you see after two or three years that things just drop-off. Is there a reason for that or is that the federal government decides this isn't important anymore and we've wasted our time for two or three years or --

MS. ORISKO: I think the answer would be two-fold. So in most cases by the time we identify a finding as part of the audit, you're well into your next Fiscal Year. So by nature of having identified it halfway through your next Fiscal Year, it would live likely again on our next audit report, just given the timing of when the audit happens.

In the case of things kind of falling off, in some cases federal departments will write directly to say your Department of Health and Human Services and say the audit finding that KPMG noted in their report from X year had to do with this. We feel that you have provided sufficient documentation since then to resolve that item. And federal HHS will say we now consider this finding to be closed. So in that case, we would review that

letter and make sure that we agree that that finding is, in fact, closed.

SEN. DANIELS: Thank you.

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

REP. LEISHMAN: Thanks, Madam Chair. Is it all right that we venture to the Management Letter or are we still on the phone book?

MS. ORISKO: No, please.

CHAIRWOMAN UMBERGER: They're shaking their head yes.

REP. LEISHMAN: All right.

MR. ROMANO: Maybe before we just leave this I just -- we threw a lot of stuff at you and your head's probably spinning. Let me try to put some of this in context.

So I've worked on several statewide single audits, California, New York, Massachusetts, New Hampshire, Illinois. The results here I would say are middle of the pack, right? There are other states that -- that have many more findings, more severe findings, lots of questioned costs. There are some states that, quite frankly, have less findings, less qualifications than you do. But my experience having worked on -- on several states, you're kind of middle of the pack in terms of the states that I kind of mentioned. And -- and so I -- you hear all these things material weakness, qualifications, and your head must be spinning, you know, what's -- what's happened?

It is very hard to run these programs with these levels of complexity, without some degree of hiccups. And -- and really what we look for is the -- is the adjudication of those items, right? Are they rolling off? And -- and we've been satisfied,

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both with the Department response, as well as the supervision from DAS and the LBA that, you know, New Hampshire's got a very good handle on its federal program.

So I don't want to dwell on the Uniform Guidance, but I also want to try to put some of that into context for the members. And I apologize. Happy to go to the Management Letter next.

CHAIRWOMAN UMBERGER: No problem. No problem whatsoever.

REP. EMERICK: (Inaudible).

CHAIRWOMAN UMBERGER: Yes, you may.

REP. EMERICK: I have a 30,000-foot question because I'm a new kid to this Committee. This is only my second year, so I'm learning. It seems to me that this audit is really done for the Federal Government.

MR. ROMANO: Correct.

REP. EMERICK: Okay. Then -- then I'm -- I got my feet on the ground again. Because I was trying to figure out who's auditing who and why. And it looks like this is our report through you to the Federal Government about how we're handling their funding.

MR. ROMANO: They want some -- some -- oversight of their spend just like you want oversight of your spend and that this product does it for them.

REP. EMERICK: And just as a curiosity, do they fund this?

MR. ROMANO: They -- they allow the audit cost to be funded. Oftentimes, the grant dollars are capped and they would rather use grant dollars for direct assistance than put audit costs in front of programmatic dollars. So yes, they're

allowable but not always utilized. That's a fair statement to Dana and --

MS. CALL: Right. Yes. But when you approve an item through this mechanism, you'll see an audit fund set aside budget. That's -- that covers this cost.

REP. EMERICK: Okay. Thank you.

MS. CALL: For the most part. And I was going to add that the federal cognizant agencies can audit our agencies directly as well. This was -- this is meant to be sort of a comprehensive look; but they'll come in individually and audit a program on their own as well, and those -- those sort of happen few and far between, but they do happen, so.

CHAIRWOMAN UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Thank you, Madam Chair. So my question really is is that interplay between this audit and the program specific audits. So, for example, recently the three-year audit of the opioid treatment programs where we have to pay the Federal Government back like almost \$8 million, is that captured anywhere in these or is it because it goes back a few years it's not?

MS. CALL: That's the opioid. It will come up in an audit depending on the timing. So the same types of things that that federal agency found, if it's one of the programs that KPMG audits they will likely find similar findings, I guess, is what I would say. That particular one that you talked about was -- came out after this audit was complete.

CHAIRWOMAN UMBERGER: Okay. Are -- are you moving to the Management Report or are you still in the --

REP. LEISHMAN: I'm whenever we're --

CHAIRWOMAN UMBERGER: -- telephone book?

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REP. LEISHMAN: -- to the letter, the Management Letter here.

CHAIRWOMAN UMBERGER: Okay. All right. So go ahead.

REP. LEISHMAN: Thanks, Madam Chair. Thank you all for being here.

So Representative Edwards had a question. He couldn't be here today, so he asked me to ask the question. So on Page 3 down where you have recommendations it says Management should reinforce policies and procedures. There's an implied, I guess, feeling there that there are policies and procedures, but do you folks go and look at those policies and procedures that you're recommending that be followed?

MS. CALL: You want to start?

MR. ROMANO: Yeah, thank you for that question. So the answer is yes we do. We first -- we have to audit to something and normally we audit to the existing policies and procedures. If there aren't adequate existing policies and procedures, we would then look to our best practices across our client base.

And so in this particular case for this particular finding the policy of deprovisioning somebody who is terminated is when the IT Department is notified. And -- and we compare that against -- so that's kind of a passive policy, right? We wait to be notified and once we're notified we will deprovision somebody. And we looked at that whether that's kind of adequate or maybe they should be more proactive, should they be doing something to try to gather that information as opposed to waiting for it to come in? And we felt that that policy was -- their policy was adequate given the -- the technology and the users of that technology, because they weren't as decentralized.

So, for example, if we were talking about NHFirst, which would be the statewide accounting system, multiple departments, multiple agencies sitting back and waiting for notification might not be a best practice for that policy, whereas for New HEIGHTS, even though it's dealing with a large federal agency, we thought that policy was adequate. So that's a long answer to a simple question; but, hopefully, it addressed the question that you asked.

REP. LEISHMAN: I think it probably did. Thank you. Thanks, Madam Chair.

CHAIRWOMAN UMBERGER: Are there any further questions?

SEN. D'ALLESANDRO: Just a --

CHAIRWOMAN UMBERGER: Yes, go ahead.

SEN. D'ALLESANDRO: Thank you very much, Madam Chair. Just a quick comment. Brock, I've been around for these audits for the last 24 years. It's been -- it's been a wonderful experience. I remember the bad audits that we heard.

MR. ROMANO: Yes.

SEN. D'ALLESANDRO: The very bad audits that we heard from your entity vis-a-vis State Government. I think what I've seen in the last few years is a significant improvement change. High-level work on the part of the state, and high-level work on the part of -- of your organization in terms of the report. The reports are better, they're more consistent, they're well done and well-articulated. So I compliment you and I compliment the Comptroller.

You know, many years we went without a Comptroller, and that was a -- a very difficult period for us here in the state. We couldn't fill those jobs. Hopefully, we have a lasting Comptroller, as we speak. But I just want to point out to the Committee there's been a -- a dramatic change over the years.

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These audits, from our standpoint, are much better, and I think we're doing a much, much better job. I can remember deficiencies that were pointed out in -- in -- at other times that were very costly to the State of New Hampshire. So kudos to you for the job well done.

MR. ROMANO: Not to me. It's the State, for sure.

SEN. D'ALLESANDRO: Thank you.

MS. CALL: I know Charlie wanted to mention if we're wrapping up questions we just want to acknowledge that Brock is rolling off the State Audit, and we're going to have a new KPMG partner. Marie Zimmerman is coming back. So a familiar face, but we -- it's been a great working relationship with Brock. So we will miss him.

SEN. D'ALLESANDRO: Kudos to Brock. No question.

MR. ARLINGHAUS: I have to say something. So Brock has been involved in the audit or the Single Audit for the State since like the 1940's, I think? Something like that, but for a very long time. But it's very rare that you enjoy your relationship with your auditor. It's sort of like saying I have a great proctologist. But -- but in this particular case we did enjoy it and the State is, although there's a -- there's another great auditor coming, but the State is going to miss Brock and you're going to miss Brock and -- and I can't promise, Senator D'Allesandro, that we'll have another Italian either. So on behalf of the State of New Hampshire and all of its people, thank you so much.

(Applause.)

MR. ROMANO: Well, I'm embarrassed and uncalled for; but I will just say I got more than I gave in the 20 or so years I've been here. It's been a great pleasure and truly enjoyed working with people. And I -- I ascribe a lot of my technical skills to having learned from my colleagues at the LBA Office, right, when

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I was a young staff person and a young manager. So State of New Hampshire has -- should be very proud of its people and its departments, and it's been my pleasure to -- to be here. Wish you best of luck. And maybe you don't get rid of me so easy. Maybe I show up at another meeting for some -- some unforeseen reason, unforeseen reason.

MS. CALL: (Inaudible).

MR. ROMANO: Yeah, might.

CHAIRWOMAN UMBERGER: By the way, you're welcome any time.

MR. ROMANO: Thank you very much.

SEN. D'ALLESANDRO: Madam Chair.

CHAIRWOMAN UMBERGER: Isn't -- isn't that what you always say to auditors?

SEN. D'ALLESANDRO: Yeah, always.

CHAIRWOMAN UMBERGER: You're welcome any time.

SEN. D'ALLESANDRO: Any time. We want to -- we want to extend a grazie mille!

MR. ROMANO: Thank you. Thank you very much.

CHAIRWOMAN UMBERGER: Okay. And what does that mean?

SEN. D'ALLESANDRO: Many, many thanks.

CHAIRWOMAN UMBERGER: Oh, okay.

SEN. D'ALLESANDRO: A million thanks.

CHAIRWOMAN UMBERGER: A million thanks. Okay.

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SEN. D'ALLESANDRO: I'll give a billion.

CHAIRWOMAN UMBERGER: All right. Great.

SEN. D'ALLESANDRO: (Inaudible).

CHAIRWOMAN UMBERGER: Great. Steve, is there anything else from you?

MR. SMITH: No.

CHAIRWOMAN UMBERGER: No?

MR. SMITH: Do we need to accept?

CHAIRWOMAN UMBERGER: Okay. Oh, did -- did you get that? Okay. Go back in here. Okay. Could I have a motion to accept the audit report, place it on file, and distribute it in the normal way?

** SEN. D'ALLESANDRO: So moved.

CHAIRWOMAN UMBERGER: Did I do okay?

SEN. D'ALLESANDRO: Perfect.

REP. EMERICK: Second.

CHAIRWOMAN UMBERGER: Okay. I think we need a roll call on this, right, or not?

CHRISTOPHER SHEA, Deputy Legislative Budget Assistant, Office of Legislative Budget Assistant: (Inaudible).

CHAIRWOMAN UMBERGER: Okay. All those in favor say aye? Okay. Opposed? Okay. Seeing none.

*** (MOTION ADOPTED)

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(9) Date of Next Meeting and Adjournment:

CHAIRWOMAN UMBERGER: Then our next meeting is August 10th at 10 o'clock. And we're going to be discussing with the Attorney General the procedures that he has put together for YDC. And I -- I expect it will not be a short meeting; but, please, if you have questions, make sure that you contact the Attorney General to try to work them out so that we're not spending eight hours here. Okay.

Well, in that case, thank you all for interrupting your summer, and I'll see you next month. Oh, Chris, you have something?

MR. SHEA: I just wanted to clarify that the August 10th meeting is a special meeting for that one purpose.

CHAIRWOMAN UMBERGER: Right.

MR. SHEA: That there's a regularly scheduled meeting September 9th for regular Fiscal Committee business.

CHAIRWOMAN UMBERGER: Right.

MR. SHEA: I just wanted to get that on the record.

CHAIRWOMAN UMBERGER: Oh, okay. Yeah, this very special, only one item. Okay. Thank you all. Have a good afternoon, and I'll see you in August.

(The meeting concluded.)

CERTIFICATION

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

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

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