

JOINT LEGISLATIVE FISCAL COMMITTEE

State House, Room 100

Concord, NH

Friday, August 20, 2021

MEMBERS PRESENT:

Rep. Ken Weyler, Chair
Rep. Karen Umberger, Clerk
Rep. Peter Leishman
Rep. Tracy Emerick
Rep. Jess Edwards
Rep. Joseph Pitre (Alt.)
Rep. Keith Erf (Alt.)
Sen. Gary Daniels, Vice-Chair
Sen. President Chuck Morse
Sen. Lou D'Allesandro
Sen. Donna Soucy
Sen. Bob Giuda

(1) Acceptance of Minutes of June 8, 2021, June 18, 2021, and August 3, 2021 meetings

KENNETH WEYLER, State Representative, Rockingham County, District #13, and Chairman: Good morning. It being 10 o'clock, I'll call the Fiscal Committee meeting -- the Joint Fiscal Committee meeting to order for this Friday, August 20th. And I note that -- I see a note here for Regina Birdsell, but I don't see her present. (Inaudible) President Morse. All right. All being present, the first thing on the items, acceptance of the minutes of June 8th. I'll entertain a motion from someone that was at the meeting.

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

CHAIRMAN WEYLER: Senator D'Allesandro moves to accept the minutes of June 8th.

ROBERT "Bob" GIUDA, State Senator, Senate District #02:
Second.

CHAIRMAN WEYLER: Second by Senator Giuda. Is there any corrections or discussions? Seeing none. Are you ready for the motion? All in favor say aye? Opposed no? The minutes are adopted.

*** {MOTION ADOPTED}

PETER LEISHMAN, State Representative, Hillsborough County, District #24: I'll abstain, Mr. Chairman, as I was not here.

CHAIRMAN WEYLER: And one abstention.

DONNA SOUCY, State Senator, Senate District #18: Two. Two abstentions. Mr. Chairman, I abstain as well.

(2) Old Business:

CHAIRMAN WEYLER: And Senator Soucy also abstains. Okay. We don't have anything under Tab 2 for Old Business. We do have more sets of minutes, however, from June 18th. We haven't voted on those yet.

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

CHAIRMAN WEYLER: Senator D'Allesandro moves the minutes of June 18th. Is there a second?

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

CHAIRMAN WEYLER: Second by Senator Daniels. Is there any corrections or additions or deletions? Seeing none. Are you ready for the vote? All in favor say aye? Opposed no? Any abstentions?

SEN. SOUCY: Abstain.

REP. LEISHMAN: Abstain.

CHAIRMAN WEYLER: Two abstentions. Senator Soucy and Representative Leishman.

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*** {MOTION ADOPTED}

CHAIRMAN WEYLER: And we also have minutes of August 3rd.

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

SEN. DANIELS: Second.

CHAIRMAN WEYLER: Motion and a second to approve the minutes of August 3rd. Any omissions, deletions or corrections? Seeing none. All in favor of the motion to adopt the minutes of August 3rd say aye?

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

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

CHAIRMAN WEYLER: Two abstentions. Three.

UNIDENTIFIED SPEAKER: Four.

CHAIRMAN WEYLER: All right. Senator Giuda, Senator Soucy, Representative Emerick and Representative Edwards abstain.

UNIDENTIFIED SPEAKER: (Inaudible).

CHAIRMAN WEYLER: So call that an acceptance of the minutes.

*** {MOTION ADOPTED}

CONSENT CALENDAR

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

CHAIRMAN WEYLER: All right. Nothing under Tab 2. We'll move on to Tab 3. There are three items. Does anybody wish

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to have any single item removed? Seeing none. I'll entertain a motion to adopt that Consent Calendar of Items 21-223, 21-230 and 21-238.

REP. EDWARDS: Mr. Chair, I'm a little slow on the uptake here. I thought we were going to withdraw 223 or maybe 230 from the Consent Calendar. That we discussed that?

CHAIRMAN WEYLER: I didn't have a notice down here; but if you wish to have it withdrawn, now is the time.

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Actually, Representative, if I could? Under Tab 3, 21-205 needs a motion. That's the topic for the Legislative Performance Audit Oversight Committee. Tab 3.

CHAIRMAN WEYLER: All right.

** SEN. D'ALLESANDRO: Move Tab 3.

CHAIRMAN WEYLER: All right.

SEN. SOUCY: Second.

SEN. D'ALLESANDRO: 21-205.

CHAIRMAN WEYLER: All right, 21-205. Sorry I skipped over that. This is a recommendation for an audit subject for the Performance Audit group to work on. Motion to accept that subject matter. Was there a second?

SEN. SOUCY: Second.

CHAIRMAN WEYLER: Senator Soucy. Any further discussions? Seeing none. You ready for the question? All in favor of approving that audit topic say aye? Opposed no? It is adopted.

*** {MOTION ADOPTED}

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

CHAIRMAN WEYLER: Now we move on to Tab 4.

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KAREN UMBERGER, State Representative, Carroll County,
District #02: (Inaudible).

CHAIRMAN WEYLER: Okay. For the records we need to know who moved to accept 21-205. Senator D'Allesandro, second was Senator Soucy. All right. So now we move to Tab 3 -- Tab 4. I recognize Representative Edwards.

REP. EDWARDS: Thank you, Mr. Chairman. I would like to remove Item 230 from the Consent Calendar so we could ask just a couple of small questions.

CHAIRMAN WEYLER: Okay. So that leaves Items 21-223 and 21-238 remaining in a Consent Calendar. Does anybody wish to move that?

** SEN. D'ALLESANDRO: Move it.

SEN. DANIELS: Second.

CHAIRMAN WEYLER: All right. That was Senator D'Allesandro, seconded by Senator Daniels that we approve 223 and 238. Any further discussion? Seeing none. Are you ready for the question? All in favor say aye? Opposed no?

*** {**MOTION ADOPTED**}

REP. EDWARDS: We have questions?

CHAIRMAN WEYLER: We're coming to now to 230. All right. So we have questions on -- Sorry. We have so much to go through.

REP. UMBERGER: (Inaudible).

CHAIRMAN WEYLER: Yes. Soucy.

SEN. DANIELS: Daniels.

CHAIRMAN WEYLER: Daniels. I thought I announced it. I was going to.

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REP. UMBERGER: (Inaudible) .

CHAIRMAN WEYLER: All right.

REP. UMBERGER: (Inaudible) .

CHAIRMAN WEYLER: All in favor. All right. We'll request somebody from the Department of Health and Human Services to come forward to answer questions on 21-230, brand new class line to reallocate Federal funds in the amount of \$6,700. Good morning. If you'd please introduce yourselves for the record.

KATJA FOX, Director, Division for Behavioral Health, Department of Health and Human Services: Good morning. I'm Katja Fox. I'm the Director of the Division for Behavioral Health for the Department.

MARY CALISE, Deputy Chief Financial Officer, Department of Health and Human Services: I'm Mary Calise. I'm the Deputy CFO for the Department.

CHAIRMAN WEYLER: Thank you. Representative Edwards is recognized for questions.

REP. EDWARDS: Thank you, Mr. Chairman. I'll just kind of wrap it all into one question, and that is we have a two-page justification here for a small amount of money, \$6,700 for out-of-state training. And it just seems like it would be natural to tell us what training is, whether it's required, how many people are going, where is it, that sort of thing.

MS. FOX: Sure. I'd be happy to do that. So the grant provides for travel and for training. And the key part is training. The travel is secondary to that. And so as many of you know and you've been part of, we have been transforming the children system for behavioral health under what's known as the system of care. And so this grant provides funding for training. So we have staff attending the National Conference on Addiction Disorders in Denver, and that's this month. And then there is an additional training with the Children's Residential Centers Conference. And that's a key component because as you may know, we have 16 contracts. There's one more. We had 15 contracts

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approved at Governor and Council to transform and to develop our residential treatment for children. And I think we talked about this during the budget process. We have different levels of care, Levels 1 through 5, and so it's really important that our staff as they gear up to oversee those residential treatment contracts to have the necessary tools to be able to do that oversight. And so this was originally, as you can imagine, when we were budgeting there was COVID was rampant, and the out-of-state travel was not going to be possible. Now it is possible, and so that's why we're asking to transfer these funds into this line.

REP. EDWARDS: Follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. EDWARDS: So it's kind of one follow-up round off; and that is I didn't hear the number of people that would be travelling. I assume it's either three or four, but I don't want to assume. And, more generally, I think this conversation is similar to ones I've heard in pretty much every Fiscal Committee I've attended where the justifications are not answering anticipated questions and everything would go much more smoothly if we could anticipate some of these things which just included in the two-page justification.

MS. FOX: So for the latter, absolutely. We will do a better job of that. I know that's something that we strive to do but doesn't always happen, and so we will do that in our explanations so that we can dispense with any questions and answer your questions before they even come to mind. I don't have the number who are travelling. I will get that.

REP. EDWARDS: Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Any questions from anyone else? Seeing none. Thank you very much.

** REP. EDWARDS: Mr. Chair, I'd like to move that we pass Item 230.

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CHAIRMAN WEYLER: All right. So Representative Edwards moves to accept 21-230. Is there a second?

SEN. SOUCY: Second.

SEN. D'ALLESANDRO: Second.

CHAIRMAN WEYLER: Second by Senator D'Allesandro. Okay. Any further discussion? Seeing none. Are you ready for the question? All in favor say aye? Opposed no? The motion is adopted and we'll move on to Tab 5.

*** {MOTION ADOPTED}

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

CHAIRMAN WEYLER: Tab 5 has several items. Unless there's any Consent Calendar, I have requests to remove 21-210, 21-213, I believe 21-216, 21-221, and 21-232. Are there any further ones? All right. Seeing none. I would entertain a motion to adopt the rest of the items under Tab 5 for Consent Calendar.

** REP. EDWARDS: Mr. Chair, I move that we accept the items on Consent, other than the ones that you just removed.

SEN. GIUDA: Second.

CHAIRMAN WEYLER: Okay. That was moved by Representative Edwards, second by Senator Giuda, to approve the remaining items. Any further discussion? Seeing none. Are you ready for the question? All in favor of that motion say aye? Opposed no? The motion is adopted.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: We'll move on to the ones we have removed, starting with looks like 21-210, the Department of Education. We'll look for someone to answer those questions. Good morning.

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TAMMY VAILLANCOURT, Chief Financial Officer,
Department of Education: Good morning. Is it on?

CHAIRMAN WEYLER: When you push it down and you see a red light. There it goes.

MS. VAILLANCOURT: Hi! My name is Tammy Vaillancourt. I'm the CFO for the Department of Education.

AMY CLARK, Administrator, School Safety and Facility Management Program, Department of Education: And Amy Clark. I'm the Administrator for the School Safety and Facility Management Program at the Department.

CHAIRMAN WEYLER: All right. Who was it that had the question on this one?

SEN. SOUCY: I did, Mr. Chairman.

CHAIRMAN WEYLER: Senator Soucy and Representative Umberger. Senator Soucy.

SEN. SOUCY: Thank you, Mr. Chairman. My question is regarding the lead abatement and the 1.6 million that had been allocated to this. I'm wondering if you could tell us how much has been spent to date and how many schools that impacts?

MS. CLARK: Sure. About -- only about 4% of the grant has been spent at this time. So that's -- I think it's about \$70,000 has been spent. We have pending projects that will take up to about 11% of the grant which is somewhere in the ballpark of another \$103,000 pending for projects.

CHAIRMAN WEYLER: Further question.

SEN. SOUCY: And that's an additional hundred --

MS. CLARK: Correct, an additional.

SEN. SOUCY: Okay.

CHAIRMAN WEYLER: Further question.

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SEN. SOUCY: Yes, and how many schools?

MS. CLARK: Correct. So that's an additional -- that's approximately -- we track by district, but that's approximately 43 schools that have had lead abatement projects in them.

SEN. SOUCY: Thank you.

MS. CLARK: You're welcome.

CHAIRMAN WEYLER: Representative Umberger for a question.

REP. UMBERGER: (Inaudible).

CHAIRMAN WEYLER: I thought you indicated. All right.

SEN. D'ALLESANDRO: Could I have a follow-up, Mr. Chairman?

CHAIRMAN WEYLER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman. That money was appropriated I think, what, three or four years ago? All right, four years ago. So in four years what we've done is we've got 4% spent, and it looks like we have another 105 -- \$103,000 ready to go. Why is it taking us so long?

MS. CLARK: That's a good question. Well, first of all, the 1.6 was just based on an estimate. We didn't have lead testing results done at that time. So schools have now fully tested, about 90 -- a little more than 90% of schools have done their lead testing.

What we didn't anticipate with that is a lot of schools just shut off their drinking water sources, rather than -- and brought in bubblers, rather than doing an abatement project, which I think a lot of schools will now be looking to do abatement projects. Then COVID hit which required them to shut off a lot of their bubblers anyway. So we will kind of know throughout this next coming year what will happen with some of those projects.

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In addition, DES has put an RFP out, and they're looking to hire somebody with some Federal funds to start tracking and working with not only schools but daycares as well in what they're actually doing with their lead abatement or perhaps they don't need any lead abatement. We have another round of testing coming up. Testing's required once every five years, and so they have another round of testing coming up. Some schools will be testing starting this coming year as well.

SEN. D'ALLESANDRO: Quick further question.

CHAIRMAN WEYLER: Follow-up.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman. I understand all that and thank you for that. But, indeed, this is such -- this was such a high priority that we went and asked the Trust to give you the money. Excuse me. And, indeed, it just seems to me that if they shut off the water, you got to turn the water back on. They'll use the water, and the situation is going to exacerbate and that concerns me.

MS. CLARK: That is -- those are good concerns. So it depends on what the district wants to do with their -- they're required -- once they get their lead testing results back, some of those hits were low enough so that they don't need to abate. Some of them are high enough so they needed to either disconnect that water, bring bubblers in, or like portable water stations in. So what we did not do is we didn't track which schools simply addressed their issues by posting do not drink or posted that they're -- shut those water fountains off altogether. So we really don't have an idea how many schools solved their problem by not doing an abatement project, which DES' new staff will be able to start tracking that. Or did they -- a lot less schools need to provide -- to do abatement projects and some of those abatement projects could be just replacing a bubbler which is about \$500 versus doing a whole lead re-piping project, which could be 100,000 plus dollars.

SEN. D'ALLESANDRO: I just wondered -- one further question, Mr. Chair.

CHAIRMAN WEYLER: Follow-up.

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SEN. D'ALLESANDRO: If, indeed, if you're going to get back to this Committee or get back to the Education Committees in both the House and the Senate as to the progress of this project. It's -- health is a significant part of the need of good health practices perform K through 12 are significant because they'll carry over. So, indeed, is there going to be a mechanism where you report, either reporting basis or semi-annual basis as to the progress that's taking place with regard to this, the expenditures that have been taking place and what you have left in the account?

MS. CLARK: Is there -- so are you asking if the Department is going to be reporting those quarterly?

SEN. D'ALLESANDRO: Yes, exactly.

MS. CLARK: We don't currently report that quarterly. We can work with DES to get any information that you would like out to Fiscal or whomever.

SEN. D'ALLESANDRO: I -- I think -- yes.

CHAIRMAN WEYLER: Yes, we would like to see some information come to Fiscal.

MS. CLARK: So would you like to see that quarterly? Is that what you're looking to see?

SEN. D'ALLESANDRO: Yes, that's --

CHAIRMAN WEYLER: Quarterly would be sufficient.

MS. CLARK: Yep, we'd be happy to provide that tracking quarterly.

CHAIRMAN WEYLER: Appreciate it. Thank you.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Senator Giuda has questions.

SEN. GIUDA: Thank you, Mr. Chairman. I thought I heard you say that you're looking to contract out to gain the

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knowledge of the stats of the various systems in the various schools; is that correct?

MS. CLARK: So that -- to speak better, the Department of Environmental Services would have to answer that question. But from my understanding, Environmental Services has a contract out with some federal EPA money to work with not only K through 12 schools but with daycare centers as well on the -- a lot of outreach and it's important. I think that that grant only pays for outreach. It doesn't actually pay for abatement, which is why this grant is important; but that will also help schools with some follow-up testing as well.

SEN. GIUDA: I'll be addressing questions to DES later this afternoon, Mr. Chair.

CHAIRMAN WEYLER: Thank you. Any further questions from the Committee on the Department of Education? Seeing none. Are you ready to approve the motion?

** REP. LEISHMAN: Move approval.

SEN. D'ALLESANDRO: Move the item.

CHAIRMAN WEYLER: Representative Leishman moves approval of Item 21-210, second was Senator D'Allesandro. Is there any further discussion on this item? Seeing none. Are you ready for the question? All in favor say aye? Opposed no? The motion is adopted.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Moving on -- thank you, ladies -- to Item 213, 21-213, Department of Health and Human Services. Thank you for coming forward.

CHRISTINE SANTANIELLO, Associate Commissioner,
Department of Health and Human Services: Good morning. Chris Santaniello, Associate Commissioner, Department of Health and Human Services.

MS. CALISE: Mary Calise, Deputy CFO.

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CHAIRMAN WEYLER: Thank you, ladies. And Representative Edwards is recognized for questions.

REP. EDWARDS: Thank you, Mr. Chairman. So am I right as I read 213 to view this as predominantly an IT system's enhancement or request?

MS. CALISE: Primarily, yes.

REP. EDWARDS: Okay. I have like five follow-ups, Mr. Chairman.

CHAIRMAN WEYLER: Follow-up question.

REP. EDWARDS: Okay. Could you remind us how many SNAP beneficiaries there are right now? I don't need an exact number. I'm just looking for a rule of thumb,

MS. SANTANIELLO: So looking at the last Dashboard for the June there were about -- I have to put my glasses on, I apologize -- 68,000 individuals, and that works out to be about 35,000 households 'cause we measure them differently.

REP. EDWARDS: And the reason I ask that -- I can keep asking follow-ups, Mr. Chairman?

CHAIRMAN WEYLER: Follow-up.

REP. EDWARDS: So the reason I ask that is it gets at the notion of -- of cost accounting. Like as we apply this extra money for IT, I'm just curious if we're maintaining sort of a consolidated view of all of the money that is being spent on SNAP. So that when somebody asks the question, what is the average cost per SNAP beneficiary, these kinds of indirect costs get included, and we can get a comprehensive view. Are you able to address that or do you want to wait for Ms. Rounds next time around?

MS. CALISE: I don't believe that -- if you're asking what the value of benefits that a client receives would not reflect these costs. That would be the benefits that they get that they use for their food. If you're asking that you would

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like us to include that cost moving forward, that's something that we could do.

REP. EDWARDS: I think we could take that offline. I wanted to understand how strong a view we have into the per beneficiary total cost of the SNAP Program. So I don't want to take a position today, but that was my generalized thought. And then one last follow-up, Mr. Chair.

CHAIRMAN WEYLER: Follow-up.

REP. EDWARDS: And that is we have approved a slew of different budget items in our budget for IT, and it's spread pretty much all over the place. And I'm just curious if we're maintaining a consolidated view of all IT spend so that the Legislature and the public can have visibility in the total comprehensive IT spending taking place. And, certainly, I assume that the IT managers need to have that kind of view anyways on all their projects. So could you talk a little bit about the extent to which we could create or have a consolidated view of all IT spending?

MS. CALISE: We could put one together for you, certainly --

REP. EDWARDS: Okay. So --

MS. CALISE: -- across our different systems.

REP. EDWARDS: So should I understand that to mean there isn't an ongoing process right now that keeps a consolidated view of all IT spending?

MS. CALISE: Not right this very minute, no.

REP. EDWARDS: Okay.

MS. CALISE: I'd have to pull it together. It exists. It's just not all on one piece of paper in a report to hand you today. It have to be put together.

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REP. EDWARDS: Okay. Thank you. I think, again, it's another offline issue, because I don't want to suggest a position for the Committee. But I do think personally that sort of the ability to do a comprehensive view of all of this spending from federal sources, from other sources, from General Funds, it would just be nice, because I know we're investing heavily these days to catch up on many years of neglect. So okay. Mr. Chairman, thank you for handling my questions.

CHAIRMAN WEYLER: Representative Umberger has questions.

REP. UMBERGER: This 800,000 plus -- \$800,000 is just to develop the data system. Is that saying you don't have a data system now?

MS. CALISE: No. These are enhancements to the existing system. This item, along with 21-217, both fund several enhancements for SNAP, including Pandemic-EBT benefits and implementing those, our disaster SNAP plan, as well as an error tracking automation within the eligibility system to better predict when clients may -- when there's errors. Because if we have too many errors, we end up paying penalties.

REP. UMBERGER: If I might?

CHAIRMAN WEYLER: Follow-up.

REP. UMBERGER: So your current IT or your current contractor --

MS. CALISE: Hm-hum.

REP. UMBERGER: -- for this system is going to charge \$800,000 to do those three things?

MS. CALISE: They're going to charge -- I can give you a breakdown for those things. So the P-EBT work is \$700,000 approximately. The error tracking is 285,000. The disaster automation is 425,000. And we have a database that needs to be converted that allows us to ensure that our vendor's charging us appropriately for our EBT services and that's 240,000.

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MS. SANTANIELLO: And can I just do one follow-up? The Pandemic-EBT that Mary referenced is a brand new program that came out of our COVID dollars. It was a federal program for COVID. So that is -- that was a lot of data work that we didn't have in place 'cause it was a different benefit.

CHAIRMAN WEYLER: Further questions?

REP. EDWARDS: Mr. Chair, I don't know if the ladies at the table can answer this, but I see Mr. Wieters in back. I'm just curious, given that we may have accidentally hamstrung the number of IT professionals that we have, project managers and the like being able to be hired, do we have the manpower to run this project? I'm just worried about workforce and manpower.

MS. CALISE: We do.

REP. EDWARDS: Okay. Thank you.

CHAIRMAN WEYLER: Go ahead, yeah.

REP. UMBERGER: Is this contract maintenance or is this in-house?

MS. CALISE: It's a combination. So it's our contractor Deloitte, as well as testing would be done in-house by New HEIGHTS staff.

REP. UMBERGER: Thank you.

CHAIRMAN WEYLER: Representative Leishman.

REP. LEISHMAN: Thank you, Mr. Chairman. Thanks for attending today. So in your presentation one of the comments that I see it in quotes here it says all families are afforded comprehensive and responsive support so they are healthy, learning, and thriving now and in the future.

MS. SANTANIELLO: That's the next item.

REP. LEISHMAN: Oh, am I -- did I --

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MS. SANTANIELLO: That's me, too. That's me, too.
But, you know.

REP. LEISHMAN: I'm sorry. I guess -- I'm sorry, Mr. Chairman, I skipped over.

MS. SANTANIELLO: I like to be on the hot seat for one at a time.

CHAIRMAN WEYLER: We're going to have questions on the next item.

MS. SANTANIELLO: Yep, I got that. Yep, exactly. Yep.

CHAIRMAN WEYLER: If we're done with 21-213, I'll entertain a motion to adopt.

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

CHAIRMAN WEYLER: Senator D'Allesandro moves the item to adopt.

REP. EDWARDS: Second.

CHAIRMAN WEYLER: Second by Representative Edwards. Any further questions or discussions? Seeing none. Are you ready for the question? All in favor of the motion say aye? Opposed no? And that item is adopted.

*** **(MOTION ADOPTED)**

CHAIRMAN WEYLER: Moving on to 21-216. And I guess Representative Leishman.

REP. LEISHMAN: I guess we do have too many things, Mr. Chairman. I would agree with that. So I'm just --

MS. SANTANIELLO: Yeah.

REP. LEISHMAN: -- curious what kind of like outreach you do so people are aware of this program and where did that quote come from since it's a quote --

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MS. SANTANIELLO: So we're on 216 now, correct?

REP. LEISHMAN: Correct.

MS. SANTANIELLO: Okay. Thank you. Again, so this is actually some pretty exciting work, I have to say. The State of New Hampshire is in receipt of a \$27 million preschool development grant. Can you hear me? Okay. Over three years. And what's great about this grant is it was done with the Department of Health and Human Services, Department of Education, and the University of New Hampshire. So really looking at birth up to through age of eight around children's services.

At the same time in 2020, Governor Sununu did Executive Order creating the Council for Thriving Children, and that really looks at, okay, the whole complement of services for children and families. So between the Executive Order, the preschool development grant work that's where a lot of this language came from in that quote. And what we're really hoping to do is because services for young children and families are spread across multiple systems is really aligning our work so that I know at the Department of Health and Human Services the work we do, whether if it's in Public Health, in early intervention, in child development, child care, what we're doing early on does make a difference in the life of those families so that we can better predict what programs to fund, to measure, to focus on.

REP. EDWARDS: Follow-up.

CHAIRMAN WEYLER: Representative Edwards.

REP. EDWARDS: Thank you, Mr. Chair. So I've got some just general conversation I'd like to have with you around the area of privacy in relation to this system.

MS. SANTANIELLO: Yes.

REP. EDWARDS: Is this system -- from reading this the system picks up on personal data from birth through five years of age. And -- and I've seen that it's aggregated in de-identifiers. I read that so I got that.

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MS. SANTANIELLO: Yep, yep.

REP. EDWARDS: I'm not challenging that part of it.

MS. SANTANIELLO: Thank you.

REP. EDWARDS: I'm just curious as we're bringing this data in are we allowing the parents an opt-in? Are we giving them informed notice of that we're taking this data and how we intend to use this data, which sort of just leads to the conclusion are we conducting privacy impact assessments on these new kinds of systems before they go live with live personal data?

MS. SANTANIELLO: So we would be looking at existing data that we have between the systems and what we are doing is, and Dave Weiters is here so he might want to come up. I can't make eye contact with him right now. But where we have a data governance structure and data governance policies that govern all of this work and so all of those pieces before anything is done we would be checking off to make sure that we follow all of our privacy standards and following the most restrictive guidance would lead our work. And I'll let Dave fill in what I missed. Dave. Okay.

DAVID WEITERS, Director, Information Services,
Department of Health and Human Services: Good morning. Sorry, I just -- my name is David Weiters. I'm the Information Services Director for Health and Human Services. Thank you for the question.

Certainly, as you know, Representative Edwards, we're working on privacy impact assessments on other initiatives. We would be leveraging that same skill set on this solution as well. But it would be pointed towards our internal systems. So what we're looking at right now is to look at those multiple data sources, do that privacy impact assessment on our current enterprise business intelligence platform that we would be doing that aggregate work, the matching and then the aggregate work on. And we've done a lot of that already.

And, in addition, what Chris Santaniello indicated is we do have a strong data governance model that we have put in

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place to ensure the ownership of the data as it moves into an enterprise combined environment that we can show who's a business owner, what are the federal laws and the state laws regulating that information, as well as privacy associated with that information. And at any time if someone wants to either remove the information, we would be able to remove it from our enterprise business intelligence platform and put it back -- essentially put it back in the originating source.

So that is a goal of ours to identify the -- the privacy practices that we need to understand how can the different data sources be used today, what current consent processes we already have in place. So if we've already worked with the data and we already have consent to use the data for early childhood preventative services, then we would continue forward. If we don't, we would work with those individuals to get that consent.

REP. EDWARDS: Mr. Chair, I think I have just two more follow-ups on this area. Okay. So did I hear or understand correctly that you're saying that all of the data that's going to be brought into the EBI through this project we already have -- probably already have consent. We already have full access to this data.

MR. WEITERS: Well, all the data that we currently have in the EBI we do have consent to use. Now, additional data sources as we work with UNH and the Department of Education, we need to identify those -- those data sources and all of the rules and laws governing that data and see if there was existing consent documents in place to use it in this way. If there aren't, then we would be addressing that through the grant process.

REP. EDWARDS: Okay. And the reason I'm on this so much is because it seems to me like we're going to be bringing in new data from people who are not receiving any State benefits and -- at least that's the way this justification reads. And to Representative Leishman's point, when we say New Hampshire's vision is that all the families are afforded comprehensive and responsive supports so that they are healthy, learning and thriving, now and in the future, this just sounds to me like an extension of scope, not just for the Department but for the

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state, for us to be worried about all families and maintaining data sources on them so that we can track them.

MS. SANTANIELLO: No. We don't want to do that. It would only -- we would only be using the data for the programs we already have. And I think, you know, using that quote was really to be talking about the work of the preschool development and our collaborative work to strengthen all of our programs using the information that we have.

REP. EDWARDS: Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Any further?

SEN. DANIELS: Mr. Chair. Mr. Chair.

MS. SANTANIELLO: Oh, sorry.

CHAIRMAN WEYLER: Senator Daniels.

SEN. DANIELS: Yes, not being redundant in asking the question, will you be asking for any more than data than what you have?

MS. SANTANIELLO: At this point in time, no, we will not be.

SEN. DANIELS: Follow-up.

CHAIRMAN WEYLER: Follow-up.

SEN. DANIELS: Can you clarify? When you say at this time, it implies that sometime in the future you will be asking for more.

MS. SANTANIELLO: I think if down the road, beyond these requests, if we look at the data and there's information that we still don't have, we would work together with our partners to determine if that is something we need information on. But right now the data we have for this pot of money is data we already have.

SEN. DANIELS: Follow-up.

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CHAIRMAN WEYLER: Follow-up.

SEN. DANIELS: And if you needed more data, is that an opt-in or opt-out? In other words, are you going to collect the data and the parents have to say no, don't use it, or are you going to ask the parents for the data?

MS. SANTANIELLO: I'm trying to understand your question. If we have to ask parents for data we do not have, we would be asking them to give us that. So they would have that opportunity. Does that answer your question?

SEN. DANIELS: Okay, I just want to make sure --

MS. SANTANIELLO: Oh, absolutely. No.

SEN. DANIELS: -- to let them opt-in.

MS. SANTANIELLO: No, no, no.

SEN. DANIELS: Okay. Thank you.

CHAIRMAN WEYLER: Anything further from the Committee? I'll entertain a motion to adopt Item 21-216.

** REP. EDWARDS: I -- I -- I move that we accept the item.

SEN. D'ALLESANDRO: Second.

CHAIRMAN WEYLER: Motion to accept the item. Second was from Senator D'Allesandro. Any further discussion? Seeing none. Are you ready for the question? All in favor of the motion to adopt 21-216 say aye? Opposed no? That is adopted.

*** {MOTION ADOPTED}

MS. SANTANIELLO: Thank you.

CHAIRMAN WEYLER: We have another item that has been removed, 21-232, Department of Health and Human -- Is that the

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right one? 221, Natural and Cultural Resources. Item 21-221. All right. Move to the clubs and trail maintenance. You are?

CHRISTOPHER MARINO, Chief of Administration,
Department of Natural and Cultural Resources: Good morning. My name's Chris Marino. I'm the Chief of Administration for the Department of Natural and Cultural Resources.

CHAIRMAN WEYLER: Thank you. And Representative Umberger has questions or was it from the Senate to ask to have this removed?

SEN. GIUDA: Mr. Chair. I didn't request that it remove, but I'm certainly willing to ask some questions.

CHAIRMAN WEYLER: All right. Senator Giuda has questions.

SEN. GIUDA: Thank you, Mr. Chairman. Thank you for showing up --

CHAIRMAN WEYLER: Push down the red button (Inaudible). When you see the red light you're on.

SEN. GIUDA: I'm only asking this because I'm intricately involved in reshaping the infrastructure of the snowmobiles throughout the state, and also a very large part of my district is snowmobile (Inaudible). So can you explain just the reason for this and what's it being used for?

MR. MARINO: So this particular one there were -- this one is for the wheeled component. There were actually two items. One was for snow; one was for wheeled. What these do -- what these do is support the funding for the clubs that are out there performing the maintenance during the summertime in preparation, in the case of the winter, in preparation of the snowmobile clubs going out in winter and, of course, on the wheeled side maintenance needed during the summer as the trails are used during this time.

SEN. GIUDA: Thank you.

CHAIRMAN WEYLER: Further questions.

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SEN. D'ALLESANDRO: Move the item.

SEN. GIUDA: Second.

CHAIRMAN WEYLER: Seeing none. Senator D'Allesandro moves the item. Senator Giuda seconds the item for the adoption of 221, Item 21-221. Any further discussion, questions? Seeing none. Are you ready for the question? All in favor say aye? Opposed no? The item is adopted. Thank you, sir.

MR. MARINO: Thank you.

{MOTION ADOPTED}

CHAIRMAN WEYLER: Moving on to two three -- item 21-232. Back to Department of Health and Human Services, Substance Use Disorder and Mental Health items. The Chief Financial Officer is very busy.

MS. FOX: Again, for the record, I'm Katja Fox, Director of the Division for Behavioral Health.

CHAIRMAN WEYLER: Director, thank you. And questions were Representative Edwards.

REP. EDWARDS: Thank you, Mr. Chair. To set up the context for my questions. As I read this item, it seems like it's coming after the fact trying to solve mid-term pandemic issues. And it's one-time money that's going to be 5.1 million is going to be going to establish capability for which I don't know that we have money to sustain it. So -- so I'd like to have conversation about the justification.

This is certainly federal money and it's always nice to get federal money. But if we are receiving this to deal with the pandemic and the pandemic in New Hampshire is considered over, why are we thinking about taking this money now?

MS. FOX: Great. Thank you for that question, because there have been -- there has been funding that's been awarded to the Department that we ask that ourselves that question saying,

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okay, do we really need funding for X based on where we're at in the pandemic.

In this particular area, we have seen through the national surveys and we've seen just within our own state that there has been an increase in need or actually an increase in use of substances, alcohol. Liquor sales are great for our revenue purposes but not so great for our communities, for individuals who are struggling with a substance use disorder. And so while the pandemic ebbs and flows, we have seen the behavioral health impact continue to grow over time. And we've seen that with our children. We've seen it with our adults.

So this funding when we need to put forward a proposal, we do keep in mind that we're not going to be able to come back to the Legislature and ask for General Funds to sustain any funding that we receive, and we also look at it as one-time funding. So we look at infrastructure, and we look at things what can we do to leverage this funding today to address some of those impacts that we've had as a result of 2020. And what can we leverage to really build our system.

And so what we've looked at there are prevention efforts. There was a requirement for some of this funding to go to prevention. So we're looking at working with our schools and with our communities for Screening and Brief Intervention, Referral and Treatment. It's called SBIRT. It's an evidence-based program that really looks at children and how -- how are they impacted and can we get them early. Can we intervene before they go on to have a more serious problem in that area?

We also are looking at medication-assisted treatment. As you probably saw in 2020, New Hampshire was bucked the trend from a countrywide perspective on the reduction, not necessarily reduction, we held our own in opioid overdose deaths. And that was attributed to a couple of things. You know, probably more than a couple, but medication-assisted treatment was one, as well as our distribution and robust program of distribution for Naloxone.

So we want to use some of this funding to build on that medication-assisted treatment. The actual treatment is

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funded through Medicaid. And we -- what this funds is the expansion and training in getting the providers to really understand how effective that treatment is.

We also are using the funding, and this will go straight to some of your questions earlier, for data analytics. So we do a really good job at collecting data and we do collect substance use data with consent. But we don't do such a great job looking at it and in putting it together and really telling us where we need to go and what we need to do to address those gaps. And then the other question is, okay, well, what gaps could possibly exist? You received X number of dollars, \$28 million for state opioid response.

Well, a lot of these funds are categorical. They're -- so for opioid response, at first we were only able to use the funding to treat anyone who had an opioid use disorder. They since have expanded it for stimulants. So as we see the meth problem growing in this state, we're able to use that funding and leverage that funding for that. But the overall substance abuse in New Hampshire continues to be alcohol. So we're also using this fund -- these funds to fill some of those gaps that still exist because of that categoric -- categorical funding.

We're also looking at some additional respite beds that are available to make them available because we find that individuals who want to go into treatment may have to wait. There may be a residential treatment program that can accept them in a week but not today, and we want to be able to provide that immediate assistance. So some of the funding is going there. I'll stop so you can ask questions.

REP. EDWARDS: Follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. EDWARDS: Okay. So -- so far what my issue is with this particular request is it seems to -- to just not pass, and I don't mean to be rude, it doesn't seem to pass the common-sense test because it's sort of contradictory within itself. I'll give you an example of that. It says in here that we're going to maximize efficiency by leveraging the current

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infrastructure and capacity, but then it's accepting \$5.1 million it looks like capacity and infrastructure increase. And I know you ticked off some items there.

MS. FOX: Yep.

REP. EDWARDS: But, again, my concern comes back to I don't see have the visibility to know what we're really going to be asking for support in General Funds in out years if we build this infrastructure.

MS. FOX: So I guess that would be determined. I don't want to presuppose that we wouldn't be asking for anything in General Funds. But I think that we have taken a really good approach in not growing a budget or having something that needs to be sustained over a period of time.

So, again, addressing COVID, which this funding is designed to do, is to see that surge, to really address a surge. So have those additional funds for intervention services, for prevention services, but understanding that the infrastructure that is necessary, including the MAT portion of this and the data analytics are infrastructure building and will serve us well to come. And, again, I don't anticipate that we would be asking for General Funds to sustain any one of these. And we would, certainly, if there were a gap or if we felt like a service needed to continue, we would advocate with our federal partners to continue to support that. But, again, this is -- this is COVID-related and as you indicated, hopefully, we are going to see less of a need for that. But the impacts on individuals and our families in communities will continue for a while.

REP. EDWARDS: Right. No, I understand that. And then I have one more question.

CHAIRMAN WEYLER: Follow-up.

REP. EDWARDS: Okay, and I'll just wrap these into one question. There's two line items here. One is a million dollars for more IT and so it falls in line with the previous questions about are we keeping track of all of these IT spends and we have all the manpower we needed to run these programs. And then kind

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of the second part of that is there's a quarter million dollars here to pay clients. What are we paying clients for? What -- what's happening here?

MS. FOX: So let me start with the client issue first. So what we've been able to do through the Doorway system is provide flexible funding. And that flexible funding is overseen by the Doorways, by our Providers, and it is to fill gaps. It's specified in contracts. They're to fill gaps, such as transportation, a hotel stay, some of the respite may be in a recovery house. And so it's really looking at what can't they pay for otherwise. So what doesn't Medicaid cover. What is just a, you know, a gap to get someone into treatment. So that is a payment to client. We're not directly cutting a check from HHS to any -- anybody other than we provide providers the guidance that is necessary, and we are very careful in how those dollars can be spent and that is where the flexible funding is in that.

REP. EDWARDS: So my confusion is just the way the word client is used and the way you define it. And then the justification in the back it says, "Payments to clients are to help individuals." And so, apparently, you're using a different definition of clients than individuals.

MS. FOX: They're -- they're one and the same. It really is. I mean, they're clients of the providers, and again, we would not just hand out money to individuals with a substance use disorder. We use our provider network in order to identify. And, again, we put careful in which round that to identify what their needs are and what we'll pay for.

REP. EDWARDS: Thank you for that. Mr. Chairman, I intend to vote against this, although I expect the Committee will pass it. And my vote will indicate that I don't think this is well-written. I think that, you know, if we had a way to ask them to go back and clarify how this money is going to be used so that it fits the testimony that -- to me that would just be good bean counting.

CHAIRMAN WEYLER: Thank you. I have I think three more questions. I have Senator Giuda, Representative Leishman, and Senator Daniels. Senator Giuda for a question.

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SEN. GIUDA: Thank you. Mr. Chairman. I actually have several.

CHAIRMAN WEYLER: Thank you.

SEN. GIUDA: You mentioned this surge. Do you have any data that can support and justify this grant that you're seeking, actual empirical data of increase in different type of Substance Abuse Disorders?

MS. FOX: Sure, I can provide that to you. Yes.

SEN. GIUDA: Okay. And to the Committee, too.

MS. FOX: Yes.

SEN. GIUDA: Second question.

CHAIRMAN WEYLER: Second.

SEN. GIUDA: What percentage of this grant will be spent on prevention and education as opposed to treatment?

MS. FOX: I think that the funding requirement was at 20% would be on prevention and what they define as prevention is different than how you and I might define it. So when I mentioned the screening and brief intervention, for example, that's considered to be prevention. So I -- again, that will be something I can get back to you on.

SEN. GIUDA: I would perhaps retreat that definition of prevention. Intervention, that's not prevention, that's treatment. So, again, I'm going to be voting against this item for a number of reasons as Representative Edwards.

My concern, we definitely have a substance abuse problem. My concern is that we need to build a support structure that sustains that and the question, you know, I'll ask the question what are the consequences of failure of an individual who relapses? How many times and how much public funds do we spend on this for personal choices? These are tough questions that we have to answer, but we're building a support network to

continue to supporting people who are making bad choices. And I don't see any stop to that.

CHAIRMAN WEYLER: Do you have an answer?

MS. FOX: I'm not sure if I should respond other than to say that addiction is a disease, and that all of the services that we provide are evidence-based to be able to help individuals as they go through recovery. Relapse is part of recovery.

CHAIRMAN WEYLER: Senator Giuda.

SEN. GIUDA: What percentage of people that we treat are relapsing?

MS. FOX: I do not have that number.

SEN. GIUDA: I would like that number. Thank you.

CHAIRMAN WEYLER: It seems like it's a pretty high rate. Representative Leishman for a question.

REP. LEISHMAN: Thanks, Mr. Chairman. Kind of a follow-up to the Senator's question as well. We've seen these requests for substance abuse and mental health services coming before, not to COVID, but to get funding from the Federal Government in order to accept funding but never seem to see the success or failure data that I think would be very helpful. Whether this is working or just throwing the federal money in the air, whatever; but I'd really like to see if it's working one way or the other.

MS. FOX: So that is one of the areas that I mentioned with the data analytics. We have the data that indicates about overdoses and overdose deaths. We don't want to see just that data as an indication of success. We want to see additional information that will help us get a better handle on where we need to go, where we're failing, where we're succeeding. So some more robust data is part of this request.

CHAIRMAN WEYLER: Senator Daniels for a question.

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SEN. DANIELS: Thank you, Mr. Chairman. I tend to follow a mindset that one-time money should be used on one-time events. I heard early in your comments you mentioned this was one-time money. You acknowledged that. Yet, when I listen to your comments to other questions, as well as reading text in here when you're talking about getting the grants that fill gaps or you're giving payments to clients, that sounds more like ongoing things, not one-time event things. So my question is what happens when this money runs out and you have filled these gaps with the money, and you no longer have the money to take care of those?

MS. FOX: Yes, it is a good question. So, again, the idea is to have it be one-time funding. We anticipate additional needs from individuals for that 250,000 as we're coming out of and still experiencing the COVID situation. So these funds have never been long-term. We've never given -- there are other programs for individuals who need that kind of an ongoing support. This is one-time support. For example, for fixing a car to be able to get to work. For transportation to treatment. Transportation to different services. And, again, we've never been providing sustained assistance in that arena.

The -- again, the medication-assisted treatment's already covered by Medicaid. So the funding is for the hospitals to be able to continue to develop their network of providers who offer medication-assisted treatment because there's a federal process to go through in order to do that. And there's some barriers to overcome with someone wanting to participate in that.

The data analytics is also one-time funding because it's an ability to be able to use existing data that has been consented to by the individuals and bring it together with other data. Again, that's by consent, that we have, and to be able to really look at that. That's a one-time investment. That once it's done, we'll be able to continue with our existing IT staff and with our existing program staff.

SEN. DANIELS: Okay. Thank you.

CHAIRMAN WEYLER: Any further questions on this item? Seeing none. I'll entertain a motion to adopt.

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SEN. D'ALLESANDRO: I move the item.

CHAIRMAN WEYLER: 21-232, Senator D'Allesandro moves the item. Is there a second?

SEN. DANIELS: I'll second.

CHAIRMAN WEYLER: Second by Senator Daniels.

REP. EDWARDS: Just a question, Mr. Chair. If somebody was considering a table -- a motion to table, wouldn't that be in order which I've gotten it before Senator D'Allesandro made his motion?

CHAIRMAN WEYLER: It has a higher priority if you wish to make a motion to table.

** REP. EDWARDS: I would like to move -- I would like to move that we table this item.

SEN. GIUDA: Second.

CHAIRMAN WEYLER: Motion and second to table, item 21-232. If there's no discussion on the tabling motion, let's do it by a show of hands. All in favor of tabling Item 21-232? One, two, three, four, five, six, seven. Opposed? Okay. Seven to three. The item is tabled.

*** {MOTION TO TABLE ADOPTED}

CHAIRMAN WEYLER: I don't believe we have any further discussion on items under Tab 5. Senator Giuda.

SEN. GIUDA: Thank you, Mr. Chairman. On Item 22 -- 232 we just tabled; I would assume we'll be getting data in follow-up to our questions at some point in the future. Can we do that where we address it?

CHAIRMAN WEYLER: And if you would elucidate the reason for tabling and what you expect to see before you'd want to remove it.

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REP. EDWARDS: Thank you, Mr. Chairman. My expectation I think would be to have 232 reconstructed to explain in better detail that this is one-time money and what we're going to be spending the money on that we truly believe is one-time investment. And I believe Senator Giuda asked some specific questions that I would like to have addressed. And if this were to come back in the very next Fiscal Committee meeting with those done, I'd -- I'd be on board.

CHAIRMAN WEYLER: Thank you.

(6) RSA 124:15 Positions Authorized:

CHAIRMAN WEYLER: All right. Moving on to Tab 6, and the one item is 21-233. Any questions or discussion on this item? Seeing none. I'll entertain a motion to adopt.

** SEN. SOUCY: So move.

SEN. GIUDA: Second.

CHAIRMAN WEYLER: Senator Soucy moves to adopt 21-233, Senator Giuda seconds. Further discussion? Seeing none. All in favor say aye? Opposed no? That motion is adopted.

*** {MOTION ADOPTED}

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

CHAIRMAN WEYLER: We'll move on to Tab 7. And we have Item 21-224 removed from the Consent Calendar. Actually, it's the only item on the calendar under Tab 7. So we have Department of Safety, 21-224, are there questions on that item? Seeing none. I'll entertain a motion.

SEN. SOUCY: Senator Morse.

CHAIRMAN WEYLER: Senator Morse has a question. Somebody from Department of Safety. Thank you. Director Lavoie.

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STEVE LAVOIE, Director of Administration, Department of Safety: Good morning, Mr. Chairman, and Members of the Committee. Steve Lavoie, Director of Administration.

CHAIRMAN WEYLER: Senator Morse for a question.

CHUCK MORSE, State Senator, Senate President, Senate District #22: Director, thank you, for taking my question. We've received a lot of calls in the last week about the process that's going with FEMA on the western side of the state. Can you elaborate on where some of these communities stand right now in the application process?

MR. LAVOIE: Sure. So at this point we're in the very early stages of the process, which as we all know, the FEMA process itself is very long and drawn out. HSEM is working closely with all the communities that have been impacted and doing initial damage assessments. Those initial assessments are what are used to come up with the estimated total amount. If that total amount exceeds the threshold, which we expect it will, the Governor will be submitting a request that the President declare the flooding event a disaster.

At that point, that's when application process will begin for the communities to submit the projects which they've already collected data related to for this initial period; but that's the state that we're in right now. We expect the request to be going out in September for the first flooding event. And then the next request is that initial damage for the July -- the end of July, July 29th time frame. That work is starting in the next several weeks.

SEN. PRESIDENT MORSE: Okay. Great! This may be more of a statement than a question, but maybe you can guide us. We have worked with LBA and I was here in 2005 when we went through a process that we helped the communities with funding, but it was after the fact that we knew they had FEMA applications in and then they weren't going to meet the 25 percent. So we actually dealt with it at Fiscal.

I just guess at the next Fiscal meeting we should know if there's communities that need some kind of funding to

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get through the winter, because I think October might be too late for some of these communities.

MR. LAVOIE: Yeah. So there is -- there is a fund. There's a statute that allows the State to appropriate funds to cover that 25%. And so if there are those situations and if there's a willingness of the Legislature to do so, that's absolutely something that we're prepared to accommodate and administer.

SEN. PRESIDENT MORSE: I guess my point is if there's a request coming from you or DOT and communities that need roads open to make the winter, and they certainly couldn't write these checks locally, I think we need to know about it by the next Fiscal meeting.

MR. LAVOIE: Okay. I'll relay that to the Director of Homeland Security and we'll work to get some information and share that with the Committee.

SEN. PRESIDENT MORSE: We have been communicating with them, so.

MR. LAVOIE: Very good.

SEN. PRESIDENT MORSE: Okay.

CHAIRMAN WEYLER: Further? Senator Giuda for a question.

SEN. GIUDA: It's a commentary, Mr. Chairman. A couple years ago we introduced legislation that passed Extraordinary Disaster Relief Program. Unfortunately, the trigger for that program is the FEMA Declaration of Emergency. So I'm going to bring in legislation that's going to say, you know, if the Governor declares a disaster, then those funds will become available. It's a time issue. It's critical and Senator Morse is aware of that. Doesn't do any good to repair roads next January when we need them for an emergency. Thank you.

CHAIRMAN WEYLER: Senator D'Allesandro.

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SEN. D'ALLESANDRO: Thank you, Mr. Chairman. Thank you, Mr. Lavoie, for coming. You always have good information for us. We appreciate that. I'm sure the substance of your answers to these questions will be forthcoming. I've got one question about a number of these items, and I just want to bring it forth at this time.

There are a number of these items that call for the hiring of employees. We know that we can't find people throughout this state. We were at a meeting yesterday, Senator Soucy and I, where we were told by local businesses that they can't find employees. The people that -- that we're talking about looking for, that you're talking about with this item and others are talking about in other items, they are very highly upgrade, which means they have to be fairly well-accomplished in order to get the job. Are we going to be able to fill these jobs or if you don't fill these jobs, then the dollars that are hanging out there have to be returned? So, A, can we fill these jobs. B, what's the time frame filling these jobs, and, indeed, are you going to get back to us and let us know that these jobs have been filled and everything's operative and moving forward. That plays an essential role in the decisions that we make here. Thank you, Mr. Chairman.

MR. LAVOIE: Sure. So you're absolutely right. We're all dealing with challenges filling our positions across the board. These -- these positions are similar to others that we've advertised and hired throughout the COVID pandemic, and we were successful in hiring individuals to help us with that piece. Very similar role, just for different type of disaster.

I think that these are somewhat unique in that there's a direct impact that these positions can have on the local community that's tangible and that makes them desirable for some of our job applicants. But that being said, we still have a challenge because the pool of applicants is small. So I can't commit to a time frame on when these will be filled. I can let you know that we're here now asking for this authorization before the disaster has been declared because we're trying to be proactive to acknowledge the fact that we think there will be some delays; and so, hopefully, this will help us to hire people as soon as possible. And we can certainly let the Committee know when those are filled.

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SEN. D'ALLESANDRO: Okay, thank you. I appreciate your forward thinking. I think that's very, very important. I think some of the narrative that's gone around this table is consistent with that philosophy. I think if the forward-thinking process had been explained a little better we would have moved forward with that. I think that's a good initiative that should be carried forward. It makes a great deal of sense, particularly as that relates to the items that Senator Morse was addressing. The thinking forward and the thinking that means we're able to address the needs of people (Inaudible). Kudos for that. Thank you.

MR. LAVOIE: Thank you.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Senator Giuda.

SEN. GIUDA: Thank you, Mr. Chairman. Thank you for taking my question. The question I have is are these -- these are 100% Federal funds. Are these positions anticipated to remain after what I would consider the surge in grants because of COVID expires? Now, we have a steward's obligation at some point out of General Funds or we going to get additional Federal funds for the continuation of these positions?

MR. LAVOIE: So these positions would only -- would only remain throughout the duration of -- of a given disaster. And while we're trying to be proactive and identify these to support the flooding, if another disaster were to occur and these positions were hired, we would then use those funds to support them moving forward. But there's no intention of shifting these to the General Fund or other source. If the disaster stopped coming, these positions would no longer be needed and that's why they're going to remain temporary.

SEN. GIUDA: Thank you.

CHAIRMAN WEYLER: Representative Leishman.

**

REP. LEISHMAN: Move approval.

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SEN. SOUCY: Second.

CHAIRMAN WEYLER: All right. Motion to approve from Representative Leishman, second by Senator Soucy, on Item 21-224. Is there any further discussion? Seeing none, are you ready for the question? All in favor say aye? Opposed? No. Wait a minute. That's not a vote.

*** {MOTION ADOPTED}

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

CHAIRMAN WEYLER: All right. We'll move on to Tab 8. There are four items under Tab 8, and three of them had been requested to be removed; 21-228, 21-241, and 21-242. So I'll entertain a motion on Tab 8 to adopt Item 21-225 if no one has any question on that.

** REP. EDWARDS: I move acceptance of Item 225.

CHAIRMAN WEYLER: Okay. Motion to adopt 225.]

SEN. DANIELS: Second.

CHAIRMAN WEYLER: Second by -- motion to adopt by Representative Edwards, second by Senator Daniels. Any further discussion on the item? Seeing none. Are you ready for the question? All in favor say aye? Opposed no? Motion's adopted.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Moving on to Item 228. This is Office of Professional Licensure and Certification. Do we have someone here to answer questions?

LINDSEY COURTNEY, Executive Director, Office of Professional Licensure and Certification: Good morning, Mr. Chairman. Lindsey Courtney, Executive Director of Office of Professional Licensure and Certification.

CHAIRMAN WEYLER: Thank you.

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JESSICA KALLIPOLITES, Division Director, Division of Enforcement, Office of Professional Licensure and Certification:
Good morning. Jessica Kallipolites. I'm the Director for the Division of Enforcement of OPLC.

CHAIRMAN WEYLER: Thank you. Representative Edwards had questions.

REP. EDWARDS: Not on this one I don't think, sir.

CHAIRMAN WEYLER: Okay.

REP. EDWARDS: I could ask a question because I have questions on everything, but I don't think I was the lead on this one.

CHAIRMAN WEYLER: All right. This also has to do with IT. Senator D'Allesandro, I see your red light is on.

SEN. D'ALLESANDRO: Oh, excuse me.

CHAIRMAN WEYLER: All right. I wondered who asked this be removed? All right. I'll entertain a motion to adopt Item 21-221.

** SEN. GIUDA: Move.

SEN. SOUCY: Second.

CHAIRMAN WEYLER: Guess it was Senator Giuda and second by Senator Soucy to adopt 21-228. That was easy.

MS. COURTNEY: Thank you.

MS. KALLIPOLITES: Thank you.

CHAIRMAN WEYLER: All in favor say aye? Opposed no?
The motion is adopted.

*** {MOTION ADOPTED}

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CHAIRMAN WEYLER: Moving on to 241, 21-241. This one you had a question on, Representative Edwards?

REP. EDWARDS: This one and the next one, yes, sir.

CHAIRMAN WEYLER: Okay. You're recognized for your question. Have the same Director and Chief Financial Officer coming forward from Health and Human Services.

REP. EDWARDS: All right. Thank you, Mr. Chairman, and thank you for coming back. So we tabled 232. And as I look at 241 and read the explanation, it sounds like there's potentially some overlap in what these two grants would accomplish. And I'm just curious if there is overlap or if I'm misreading?

MS. FOX: So, again, Katja Fox, Director of Division for Behavioral Health. There is not overlap. These positions were created pretty early on in the epidemic and -- the pandemic and were accepted under the CARES Act, I believe, initially. And they added staff to the Community Mental Health Centers to be able to respond to COVID. Again, we've seen the increase --

REP. EDWARDS: Could you -- could you lean a little more. That air handling is screwing up my tinnitus.

MS. FOX: Sure, I'll be -- there we go. So we have seen mental health needs increase. We've seen the surveys. We've seen the stress levels. We've seen individuals who have entered the system for the very first time who have had social isolation and lack of being able to go to school for children, et cetera. And so the Community Mental Health Centers each hired one coordinator to work on this issue specifically in the COVID response. This funding we thought was one-time, and it was extended for an additional period, for another year. And so this will continue to support the ten Community Mental Health Centers in having that position.

In anticipation of your question about sustainability, should the funding not be available, the positions will end, both the state position and the funding that's been made available to the Community Mental Health Centers.

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REP. EDWARDS: Follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. EDWARDS: So the money allocated for the one position that this would be the pay and benefits for an existing person, we would just keep that individual on longer. I don't need -- I don't want a name or anything.

MS. FOX: Right. So the position was filled. It's currently vacant, and it's under recruitment.

REP. EDWARDS: Okay. So we asked that the Department maintain a sealing of 3,000 full-time employees. Would this position be within the 3,000 or would this be the 3,000 and first position somehow?

MS. CALISE: So the 3,000 applies to permanent and classified and unclassified. It does not apply to temporary full-time positions.

REP. EDWARDS: So all the temporary full-time positions are in addition to the 3,000?

MS. CALISE: Correct.

REP. EDWARDS: Okay. On Page 2 -- I'm sorry, Mr. Chair, I keep going.

CHAIRMAN WEYLER: Follow-up.

REP. EDWARDS: Thank you, sir. In the middle of the explanation there's a long sentence that says the New Hampshire COVID Rapid Crisis Response Program, New Hampshire Rapid Response, will provide crisis and it goes on, and on, and on. My issue there is in the budget I -- I believe that we fully funded the Mobile Response Teams, and that this is made in reference to the State Mobile Response Team. So could you explain to me how we're going to use this money for the Mobile Response Team and if that frees up General Funds?

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MS. FOX: So yes, you did fully fund mobile crisis and we very much appreciate that and we're in the process of implementing that and have gone forth with contracts for that. What we didn't want to do is have these positions be outside of that. So they're integrated as part of that, that team. Again, specifically, based on the terms of the federal grant for COVID response, and so it's not duplicative, and it's aggregate.

REP. EDWARDS: Follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. EDWARDS: So I'm a little confused. If you have a fully capable unit of mobile response capability, any additional money is -- is added. I don't know how you -- you enhance something that's already fully funded without waste.

MS. FOX: Again, the funding is being afforded to us because of the COVID surge.

REP. EDWARDS: Okay. So I'm not believing that it's duplicative with the General Funding that paid for these Mobile Response Teams, and that this federal money may obviate the needs for some General Funds. That's the only thing that is logical to me. What am I missing?

MS. FOX: Again, these -- this funding was provided prior to the funding for Statewide Mobile Crisis. These are existing positions that are on the ground today coordinating COVID response on behalf of the Community Mental Health Centers, and Mobile Crisis Teams are in the process of being implemented. And so when we refer to that, we want to ensure that we don't have one COVID response that is one person versus a full team. And so -- hum -- again -- hum -- it's not duplicative. We would not intend to sustain these positions. It's really designed to address the surge, and that statewide mobile crisis will be for all crises and intervention at the earliest stages to address many, many, many of our needs within the mental health system.

REP. EDWARDS: I thank you for that. Another follow-up.

CHAIRMAN WEYLER: Follow-up.

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REP. EDWARDS: There's another sentence in the explanation that makes me curious what we're doing. It says we will also provide crisis services for other individuals in need of behavioral health supports, including health care personnel. So is -- is this -- is this money going to be internally focused also to help some of our health care providers? What does that sentence mean?

MS. FOX: Exactly. So we did see some of the stress levels and some of the mental health needs of our health care providers increase as they were dealing at the height of the crisis. And so this also supports that coordinator within the mental health center to be able to do outreach and be available to health care professionals.

REP. EDWARDS: All right. Thank you. I guess just the observation that it makes sense that our health care workforce would be under tremendous stress after the two years they've gone through and that they could use some help dealing with that stress. I just hope that we figure out how to avoid adding stress to them in the future. So I thank you, Mr. Chair.

CHAIRMAN WEYLER: Senator Giuda.

SEN. GIUDA: Do you have any data that you could provide on increasing mental health requirements?

MS. FOX: Absolutely. Be happy to do that. We'll do that -- we'll bundle it up for you.

SEN. GIUDA: Good.

CHAIRMAN WEYLER: Further questions from the Committee? Seeing none. I'll entertain a motion to adopt --

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

CHAIRMAN WEYLER: -- FIS 21-241. Senator D'Allesandro moves the item.

SEN. SOUCY: Second.

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CHAIRMAN WEYLER: Seconded by Senator Soucy. Further discussion? Seeing none, are you ready for the question? All in favor say aye? Opposed no? The motion is adopted.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Moving on to Item 242. This is item dealing with public health services.

REP. EDWARDS: Thank you. I have questions on this, if I may, Mr. Chairman?

CHAIRMAN WEYLER: Senator Edwards. Representative Edwards.

REP. EDWARDS: You can call me Lieutenant Edwards, too, if you want to.

CHAIRMAN WEYLER: Jess.

REP. EDWARDS: All right. Miss Tilley, it's so good to see you again. So my question is related to this \$22.6 million item that's coming from the Federal Government predicated on what may be an assumption that we have health disparities in our -- in our population. And, in general, I've done enough reading, I know that we probably do have some pockets that we should address. But before we take this much money and hire this many -- these many people, I would appreciate knowing what we already know about the nature of the health disparities that exist in New Hampshire. Do we have demographic descriptions? Do we have quantifiable statistics on how many fall into each demographic? What do we know and what don't we know yet?

PATRICIA TILLEY, Director, Division of Public Health Services, Department of Health and Human Services: Thank you so much for the question. Again, for the record, my name is Patricia Tilley. I'm the Director of the Division of Public Health Services. And you're asking a great question and you know that we are very interested in the state of. We have been looking at it a long time, long before COVID; but COVID just put a great big spotlight on what was already there. And so for COVID, in particular, we know that the -- the rates of COVID cases and the rates of death from COVID are higher among our

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Black communities in New Hampshire and our Hispanic communities in New Hampshire. So that's very quantifiable and that's seen on our database.

REP. EDWARDS: Hispanic and who else? I'm sorry.

MS. TILLEY: Hispanic and Black populations.

REP. EDWARDS: All right. Gotcha.

MS. TILLEY: So we already know that right now that mirrors what we've seen in the rest of the country. This also demonstrates some of the other health disparities that existed before COVID. Disparities in tobacco use, disparities in chronic disease, obesity. Those are things that we see in lots of different places. There may be particular groups, racial and ethnic groups, for which those conditions are disparate; but we also see differences in geography. So we know that in rural areas, for example, the tobacco use is higher, particularly among young women. That's something that has been persistent over years. And it has an impact, ultimately, on your ability to fight COVID or your risk for severe disease.

REP. EDWARDS: Follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. EDWARDS: So it sounds like we know quite a bit about our situation. Is there -- is there a single report that summarizes our current understanding of this problem?

MS. TILLEY: Sure. So I wish there was a single report, but we have a number of reports that look at this. This is one of the issues that we have throughout the Department of Health and Human Services and even within the Division of Public Health Services. But I can point you to and I'll be glad to share with the group we have an Annual Report about rural health, which I think is always really illustrative about the difference between more urban areas and rural areas and what those disparities or differences might be. We also have lots of individual reports around different conditions; conditions like cancer, conditions like heart disease. Those we have some individual reports which also point to differences in outcomes.

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REP. EDWARDS: Follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. EDWARDS: So do we know enough about these demographics and the disparity to know whether or not these are cultural issues for which it would be very difficult for the government to step in and intercede and improve it or whether this is just a lack of public information for which the State would be a good agent to explain it, the availability. I mean, we've got two different problems, right? One I think is kind of solvable. The other one is very difficult to solve no matter how much money you put at it. I'm just curious how you classify what problems that we think we can solve with this 18 million.

MS. TILLEY: Right, and thank you for that question, and I think you're sort of spot on in there. So what we've done with these funds is really focused on the things that we may be able to have some leverage around. Things like access. So a significant -- we're putting some significant investments around transportation, especially in rural areas, of really understanding not only medical transportation but non-medical transportation, because we know that relates to access to care, in particular for COVID, access to testing, access to vaccine, and this has been a systemic problem that we now have the opportunity with some resources to help provide some extra support for.

We are also looking at things like the Corrections -- individuals in Corrections. So we know from our data around COVID that there were some disparate outcomes and increased cases in individuals in our correctional facilities. And so what we can do as the Division of Public Health is provide resources around infection control. So that's an area where we can make a real difference.

Additional areas that we know that we can impact things around early childhood. We're providing some access around food insecurity, making sure that families are not as socially isolated as they've been for the past year and ensuring that their kids get access to developmental screening so that we know

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when there's a delay early on, we know that it's much easier to treat and much less expensive to treat.

REP. EDWARDS: Thank you for that. Another follow-up. I want to ask you a couple questions about the personnel. There are six very, very strong professional people being added. And a couple things. I'd like to know to the extent in which you have similar positions already within your organization and the extent to which these are extensions. And, also, whether or not I just want to verify whether this stays within the 3,000 ceiling or if this takes it to 3,000 excess because they're temporary.

MS. CALISE: This is not part of the cap.

REP. EDWARDS: I actually turned my phone off so I don't know why that happened. I apologize.

MS. TILLEY: So I will just repeat as -- as our Deputy Chief financial officer has mentioned these are temporary positions. They don't count towards that 3,000. They are 9-T and 8-T positions, so they would only be here for the life of the grant. And, in particular, because this is such a significant investment, we knew that we needed to have the ability within the Department to manage this investment. So you'll see a number of different positions in here, including a business administrator, a grant coordinator, folks that can just make sure that the Administration of the funds is appropriate. And then we also have some folks here to manage the programmatic side. One person, our policy manager, really is a relatively high leadership position that really is designed to ensure that we have eyes across the Department and eyes across the Division to make sure we're connecting dots around the issues of Public Health policy and health disparities.

We are also looking at a communication strategy person, in particular for those disparate populations. So that's not only around making sure our communication is appropriate in different languages, which we must do, but we've known that through COVID that we even had more work to do around ensuring that our website was appropriate, that we had American sign language, that there were materials available for people with low vision. This is an area where we need to dig in a little

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more to make sure that our communication is a little bit more than just what is on our Facebook page or through our PI office. So this will enable us to do that to ensure that we're getting the right correct information to the right people.

We're also looking at a health disparity epidemiologist. I see you're asking me to pause.

REP. EDWARDS: May I ask a follow-up?

CHAIRMAN WEYLER: Follow-up.

REP. EDWARDS: Okay. So could we expect that this communications expert could prepare materials for the Legislature so that we can also be informed of the problem that we're identifying and how we're planning to fix-it. Because it's one thing that provide the money now, but it would be nice to know if this money is going to be used effectively. And I'm sure you'll use it effectively. I just want to be able to brag on you because you've got a report that you're giving us to tell us.

MS. TILLEY: Well, I thank you for that comment. One of the things we know that we don't always do well is present our information well and present it in a digestible way. And we are actually hoping that this communications person will help us with that, with the information that's provided by the health disparities epidemiologist. So you know that we love our data here at Public Health. We want to be able to dig into it and be able to provide information that is understandable to the public, to policymakers, and to anyone who is interested and we can only do that with a little bit more manpower. This opportunity gives us a two-year window to be able for us to really buildup our skills and have things ready, especially around the COVID pandemic.

REP. EDWARDS: So I think I have one final, and that is talk to me about ramp up. These are six positions. Do these six people already exist and they're going to be re-deployed with this function or are we going to have to do a three or four-month recruiting effort and then worry about spending the 18 million in a rationale way?

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MS. TILLEY: Sure. So most of the funds in this grant, about over 22 million of them, I believe, if I do my math correct, over 20 million certainly, about 21 I guess, is -- goes directly into the community. So most of the money goes straight out and we have the ability to do that. The rest of the money that's internal, we certainly will go through the HR process.

One of the things about COVID that has been maybe a slimmer of sunshine is that people are interested in public health right now. So when we've had similar positions we have been able to recruit talent who are really interested in helping the state come back to combat this pandemic and really understand those health disparities that we see and try to find solutions to them.

REP. EDWARDS: The answer may be have not a question. Thank you. So these six people --

MS. TILLEY: Yeah.

REP. EDWARDS: -- to use an Army concept, it's ready, aim, fire.

MS. TILLEY: Correct.

REP. EDWARDS: So we're not able to aim how we're going to spend this 18 million in my view until we have these six people on board and on the ground long enough to start to figure out where we want to be firing out this 18 to 21 million. Or are you telling me that we already know where we want this 18 million to go, which begs the question why we need these six people if we already know where we're going to send the money.

MS. TILLEY: So we have a great idea of where this money is going. We've been working with the community for a long time. We've engaged them. We know things like community health workers have been advocated for and our communities desperately need them. So we know that they need to go out there.

What we need from these six people is the management side of it. So we know where to deploy the resources, but we want to make sure that we're getting the results that we're

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asking for and we want to make sure that the funds are being used appropriately within the community.

REP. EDWARDS: Thank you, Mr. Chair, and thank you, Miss Tilley. I appreciate it.

CHAIRMAN WEYLER: Representative Leishman recognized.

REP. LEISHMAN: Thank you, Mr. Chairman. So in the Commissioner's letter to us on Page 4, and it's item number five, and I'll read it to you. It says, "Why wasn't funding included in the agency's budget request? At the time of the budget submission, COVID-19 was not a known Public Health event." So that really left me scratching my head. But you also just said you have a difficult time getting information out there or whatever. But we were right in the middle of the COVID pandemic, the budget had not been submitted to the House. But that statement, does that make sense to you?

MS. TILLEY: I agree that that statement could be written differently. What we did not know is that these funds would be available to -- for us to work on COVID-19.

REP. LEISHMAN: Okay. Thanks, Mr. Chairman.

CHAIRMAN WEYLER: Further questions on Item 21-242. Seeing none. I'll entertain a motion.

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

CHAIRMAN WEYLER: Senator D'Allesandro moves we adopt 21-242.

REP. EDWARDS: Second.

CHAIRMAN WEYLER: Second by Representative Edwards. Is there any further discussion? Seeing none. Are you ready for the question? All those in favor say aye? Opposed no? The motion is adopted.

*** {MOTION ADOPTED}

(9) RSA 14:30-a, VI Fiscal Committee Approval Required For

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CHAIRMAN WEYLER: We move on to Tab 9. There's no Consent Calendar here, so we'll address each item of the two. There's just one. Item FIS 21-218. Any questions? And let me make a notice here that one of the members of the House on the Joint Fiscal Committee had to leave and he's being replaced. So Representative Emerick is being replaced by Representative Pitre who's an alternate. So now he's moved up to being a member this period. 21-218.

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

CHAIRMAN WEYLER: Senator D'Allesandro moves the item. Is there a second?

REP. UMBERGER: I'll second.

CHAIRMAN WEYLER: Representative Umberger seconds the motion to adopt 21-218. Any further discussion? Seeing none. Are you ready for the question? All in favor say aye? Opposed no? The item is adopted.

*** {MOTION ADOPTED}

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

CHAIRMAN WEYLER: Moving on to Item 10 or Tab 10. We have one item there, 21-194, New Hampshire Liquor Commission closing a store. Is there anyone that wants to ask why we're closing the store? Representative Umberger. So we'll see what we have from the Liquor Commission. We wouldn't want you to wait all this time and not have a chance to speak to us.

ROSEMARY WIANT, Director of Administration, Chief Operating Office, New Hampshire Liquor Commission: Appreciate that. Good morning. Good morning, Chairman, and Committee Members. I'm Rosemary Wiant, Director of Administration, COO for the Liquor Commission.

CHAIRMAN WEYLER: Representative Umberger is recognized for a question.

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REP. UMBERGER: Thank you, Mr. Chairman. My question on this liquor store that's closing, where is the closest liquor store that these folks can go to now?

MS. WIANT: The closest -- there are two -- two liquor stores very nearby. One is a mile and a half away at Exit 5 and the other liquor store, which is a very large --

REP. UMBERGER: You need to pull the microphone up.

MS. WIANT: Oh, I'm sorry.

REP. UMBERGER: That's okay.

MS. WIANT: I apologize for that. One there's a liquor store just a mile and a half away at Exit 5, and there's another one six miles away and that's Exit 4.

REP. UMBERGER: So was this -- if I might?

CHAIRMAN WEYLER: Follow-up.

REP. UMBERGER: Where did this store fall on the profitability side of things?

MS. WIANT: It actually was the least profitable of the stores. Ranking -- looking at the ranking it was 68 out of 70; but the very lowest ranking store was Gorham, which had been out of Commission for quite a while because of extensive renovations that were being done. The other store with a low profitability from the last Fiscal Year was Pittsfield, which was part of the consolidation into the new Epsom facility.

REP. UMBERGER: Thank you.

CHAIRMAN WEYLER: Any further questions on
21-194?

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

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CHAIRMAN WEYLER: Okay. Motion to move the item. Is there a second? Second by Representative Leishman. Motion by Senator D'Allesandro, and a question from Senator Giuda.

SEN. GIUDA: Thank you, Mr. Chairman. Where is the Commission on the program to convert all old stores? Is this one of the last ones?

MS. WIANT: I didn't hear your question fully.

SEN. GIUDA: Yeah, so where are we? What does this store do with respect to the Liquor Commission's plan to renovate, modernize?

MS. WIANT: Well, actually, that was another factor aside from the profitability. This particular store was -- it was very small, dark. It wasn't representative of the brand. There was very little back room for the employees to work in terms of product. So, actually, the Commission has been looking for other location opportunities in the area and hasn't identified one yet. So it is a part of the whole plan. As you know, we're building at Exit 17 and so forth right now.

SEN. GIUDA: Follow-up.

CHAIRMAN WEYLER: Follow-up.

SEN. GIUDA: I'm not sure I expressed myself. So the Liquor Commission has a plan to build new stores, rebrand itself. So this is an old store is what I understand. So where are we with respect to the number of new stores and the number of stores we're getting rid of in terms of the overall plan.

MS. WIANT: I don't have that -- that summary of information, I apologize.

CHAIRMAN WEYLER: We did have an Annual Report a while ago showing profitability, and it's pretty obvious when the Commission came before us to say which ones he was closing he just looked down a list and saw with a ranking, profitability, so it was pretty easy decision, I guess, on the part of the Liquor Commission. Any further questions of Miss Wiant? Seeing none. We already have a motion to adopt FIS 21-194. Any further

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discussion? Seeing none. Are ready for the question? All in favor say aye? Opposed no? The motion is adopted.

*** {MOTION ADOPTED}

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

CHAIRMAN WEYLER: Moving on to Tab 11, and this also looks like a Consent Calendar, but we have removed so far 21-214 and 21-217. And there are a couple of items remaining.

REP. EDWARDS: Mr. Chair, I think we had a question on 212.

CHAIRMAN WEYLER: All right. We have a question also on 212. You wish that to be removed. Okay. We'll remove 212, 214, 217, which brings the items remaining 215, 219, 244, 245.

REP. LEISHMAN: Mr. Chairman, my notes have us taking 244 and 245 off, rental payments.

CHAIRMAN WEYLER: All right. You wish those removed as well. Okay. 244 and 245. So --

** SEN. SOUCY: Mr. Chairman, I would move the one remaining.

REP. LEISHMAN: (Inaudible).

CHAIRMAN WEYLER: All right. Senator Soucy moves Item 21-219. Is there a second?

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

CHAIRMAN WEYLER: Second from Representative Pitre.

MR. KANE: I'm sorry, Representative, 215 I believe you still need a motion on.

CHAIRMAN WEYLER: Ah!

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MR. KANE: So 215 and 219 will be the two.

CHAIRMAN WEYLER: Would you change your motion?

SEN. SOUCY: Yes, I would.

CHAIRMAN WEYLER: Senator Soucy has amended her motion to include 215 and 219.

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

CHAIRMAN WEYLER: And that will be seconded by Senator D'Allesandro to adopt those two items under Tab 11. Any discussion on those two items?

SEN. GIUDA: Just a comment that freshmen Senators need to accelerate in a rapid progress to do its work.

SEN. D'ALLESANDRO: Well, I'm going to express sympathy to the two items that I'm going to be discussing. It's a delicate situation. My heart bleeds for them.

CHAIRMAN WEYLER: After all these people came just to fill us in on whatever you want to know. But, obviously, they have well-written items which is thank you very much, because we hear comments about items not being well-written, easily understood. So all right. Without further ado, I'll entertain a motion or we have a motion to adopt Items 215 and 219. Seeing no further discussion, are you ready for the question? All in favor say aye? Opposed no? Those two items are adopted.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: And we'll move the questions to FIS 212, Department of Health and Human Services. Keeping them busy today.

MS. SANTANIELLO: Yes, you are.

CHAIRMAN WEYLER: And I didn't realize you're the Deputy.

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MS. CALISE: Yes, I am.

CHAIRMAN WEYLER: How is the CFO?

MS. CALISE: She's well, thank you.

CHAIRMAN WEYLER: Good. She wasn't ill or anything?

MS. CALISE: No, she's not.

SEN. D'ALLESANDRO: She's taking a graduate course at Dartmouth. She's in class now. That's why she's not with us.

MS. CALISE: Yes.

CHAIRMAN WEYLER: The fountain of information.

SEN. D'ALLESANDRO: No, I just try to be helpful. Try to be helpful.

CHAIRMAN WEYLER: Thank you. All right. Questions. Representative Edwards.

REP. EDWARDS: Thank you, Mr. Chair. And so this is kind of two questions in one. On the explanation it says that the funding will be disbursed through a one-time allotment via EBT to SNAP and TANF households on a per child basis. And -- and it's missing the math behind it. Like we don't know from this how many intended beneficiaries and what we anticipate the average level to be. And it doesn't really say for why. Why we giving this money?

MS. SANTANIELLO: Sure. Chris Santaniello. So this is actually the only funding that has become available to individuals receiving TANF throughout the COVID pandemic. So these are federal dollars. And they're meant to be supplemental payments to assist families through the pandemic. We -- at the -- we do not plan to release these funds until a little bit later. And so at that point we will simply do math of the number of households and, you know, divide it into the number, the \$4 million that we have. And it's a one-time payment and the dollars have to go to families. It cannot be used for any other purposes to the state. Does that answer your question?

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REP. EDWARDS: Kind of. I think implied in that is that everyone that has at least one child get the same rate.

MS. SANTANIELLO: Yes.

REP. EDWARDS: That's just the math, but there's no additional qualification required.

MS. SANTANIELLO: Well, you have to be eligible for the program.

REP. EDWARDS: And that this money is highly flexible. It's not going to the families of any qualifications on how they spend it. So like, for example, if they have not been paying rent, this is -- there's no encouragement for them to pay their rent with this money, for example.

MS. SANTANIELLO: We encourage people to be responsible with their dollars, but there is no control for that. Based on the design of the dollars.

REP. EDWARDS: Thank you.

CHAIRMAN WEYLER: Follow-up.

REP. EDWARDS: No, I'm done.

CHAIRMAN WEYLER: Further questions from the Committee? Seeing none. Are you ready for the question? I'll entertain a motion to adopt FIS 21-212.

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

CHAIRMAN WEYLER: Senator D'Allesandro moves the item. Representative Pitre seconds it. Further discussion. Seeing none. Are you ready for the question? All in favor say aye? Opposed no? We have adopted 21-212.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Moving on to 21-214. Already have our expert seated or maybe not.

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MS. SANTANIELLO: For 214? It's not me.

HENRY LIPMAN, Medicaid Director, Office of Medicaid and Business Policy, Department of Health and Human Services: Chairman, Members of the Committee, good morning. Henry Lipman, Medicaid Director.

CHAIRMAN WEYLER: All right. Questions on 214. Representative Edwards.

REP. EDWARDS: I have several in this area, Mr. Chairman. Okay. So we heard testimony earlier that there's our health care workforce has been experiencing a tremendous amount of stress. And with that stress, I understand that some of the health care organizations that may receive part of this \$3 million who are insisting that their workforce get the COVID vaccine in order to maintain their employment status. And so -- so what I'm curious about is of this \$3 million, how many -- do we know the names of who they will go to or the name of the institutions? And do we know whether or not they're going to mandate that their employees get the COVID vaccine in order to remain employed?

MR. LIPMAN: Thank you for your question. So these funds are directed at the 13 critical access hospitals, our smallest and most fragile hospitals. There're 13 boards that will be making independent decisions about this. My understanding from -- while the Hospital Association is encouraging it, those decisions will be made individually.

Also, you know, having experience having worked in a critical access hospital, you know, they're very small and that their staffing situations may require them to make adjustments to the kind of universal type of vaccine policies to be able to maintain operations.

REP. EDWARDS: Follow-up. So -- so as you -- as you may know, the Legislature and Governor passed HB 220 which was our effort to say that there should be no discrimination on the basis of vaccine status for any state benefits. And these 13 small hospitals may be -- probably, I'm not a lawyer -- fall outside of the scope of HB 220. But I think my intent would be

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the same. I would want to use the discretion I'm given on this Committee to try to target this money to those hospitals that aren't going to abuse their workforce by requiring a vaccine that they would not voluntarily accept. So I'm just curious what you know about our ability to limit this federal money so that it goes to those entities that are voluntarily compliant with our state policy around no discrimination for vaccine status.

MR. LIPMAN: So I guess in terms of answering your question, I think there's sort of two perspectives on this. These 13 hospitals are in our smallest communities and our most vulnerable populations. And, you, know the costs of COVID on both in human toll and in terms of finances that the State needs these hospitals as partners to implement and continue the testing strategies and the infection control practices that are necessary to control COVID. I -- as I mentioned earlier, I think that these hospitals are going to have to make individual decisions about, you know, trying to protect -- balance the protections of individuals and -- and maintaining operations.

REP. EDWARDS: Do these 13 hospitals have a single point of contact that is a representative or a voice for them?

MR. LIPMAN: So they're legally separate entities. They have an Association, but the Association doesn't have a control over them in terms of their internal policies.

REP. EDWARDS: No, I'm not looking for control. I'm looking for communication. So there is an association.

MR. LIPMAN: The New Hampshire Hospital Association represents the 13 critical access hospitals.

REP. EDWARDS: Go ahead. Do you have -- okay. So the New Hampshire Hospital Association does represent all the hospitals, not just these 13.

MR. LIPMAN: Correct.

REP. EDWARDS: Right. So the 13 don't have a separate organizational structure where they lobby separately.

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MR. LIPMAN: In New Hampshire there's the Association represents the hospitals. I'm past chairman of the Hospital Association. The critical access hospitals may have their own lobbyists individually for certain key issues. You know, for example, the most northern hospital in our state has particular vulnerabilities. I know in the past they've had someone that's helped them on specific issues related to them. But general legislative matters the Hospital Association is their representative.

REP. EDWARDS: Would you be able to offline give me the names of these 13 hospitals and a point of contact for each?

MR. LIPMAN: Absolutely.

REP. EDWARDS: And then follow-up. I don't know if folks are prepared to address this. I would like the legal interpretation on what limitations and authorizations this Committee has on imposing an additional requirement on Federal funds as they pass through these State entities. For example, I would like to impose a limit on the use of these funds so that they only go to hospitals that permit to not discriminate against their workforce over voluntary compliance with the COVID-19 vaccination. So I don't -- I don't think there's a legal expert in the room that can address that.

CHAIRMAN WEYLER: I don't know an answer to that. Do we have the Attorney General here that can always study that?

REP. EDWARDS: (Inaudible). So, Mr. Chairman, given that we just got testimony that said we have to spend additional money to take care of the stress that has been induced on our health care workforce, and then threatening to fire people and put their families out of a stream of income is a self-inflicted source of stress. Given the workforce, these are -- these are New Hampshire residents and taxpayers and they are part of our team as well. I would -- I would really like to take a look at this to make sure that this is congruent with kind of the sentiment of the Legislature, and I would like to consider tabling this when everyone's had an opportunity to ask their questions.

CHAIRMAN WEYLER: Okay. Finished now?

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REP. EDWARDS: I think I've asked what I needed to ask.

CHAIRMAN WEYLER: Senator Daniels.

SEN. DANIELS: Thank you. Mr. Lipman, you inferred that there was a level of COVID depth would basically allow a hospital to ask whether someone was (Inaudible) being vaccinated. So my question is what level of COVID would allow an entity to violate HIPAA laws and require someone to give over their personal health information?

MR. LIPMAN: I just want to clarify. I did not make that statement, Senator. If -- what I was trying to possibly share there is that there are 13 independent hospitals here that the Board of Trustees of those institutions will set the policies. And I'm not aware of any of the 13 hospitals specifically being on record that they were going to fire people. I think that they've looked because of their small operations that they can't afford to jettison any staffing to be able to meet the community need.

I think here this grant award is effective for July 1st through December 22. I think when we look at what's going on in other states with respect to the variants, I think, you know, any delay there can I think delay the, you know, the work of our public health infrastructure because they are the public health infrastructure in these communities. And so I think it's important. There may be other areas where you want to pursue what you're talking about, but I don't think this is one.

CHAIRMAN WEYLER: Follow-up.

SEN. DANIELS: So let me just -- just shrunk my question (Inaudible). Are there any circumstances in which an employing entity can violate HIPPA by asking their employees for their personal health information?

MR. LIPMAN: I'm not an expert on employment law. I think that, you know, it's out there that there's certain facilities that are looking for proof of vaccination or some other situation. To my understanding, none of these hospitals

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have put out that directive or if they had whether they had exceptions to that to accommodate various considerations, strongly held religious beliefs or, you know, medical situations.

SEN. DANIELS: Thank you.

CHAIRMAN WEYLER: We hope that the Legislature has its ear to the ground and is listening to the citizens and some of us have heard from hospital employees whose employment was threatened if they did not get a shot. So these issues are well-taken. They rely on us to protect them from such unreasonable demands. Further?

REP. EDWARDS: Senator Morse had a question.

CHAIRMAN WEYLER: Senator Morse.

SEN. PRESIDENT MORSE: Yeah, I think it's more of a statement because, I don't know, maybe the presidency gets everything thrown in its office every week that, you know, I know the State of New Hampshire was set up of a Legislature of 400 so that they would get this every day. But, number one, critical access hospitals, I think I understand as well as anyone, and I've worked with you in your past job on this, \$3 million means a lot to critical access hospitals.

I think the message that Representative Edwards is sending the Legislature is going to be back here in probably two weeks in full, I would guess, with everything the House has and the Senate has. We're hearing from the public very clearly that there's major concerns that people have about vaccinations, and they believe they should be able to express those. Many have (Inaudible). Many, you know, I mean young women working in hospitals, you know, that don't want to be vaccinated for one reason or another. I think we got to be very careful and it's not as easy as saying we're protecting the public. I guess what I heard from you is, at least in the critical access hospitals, they can't afford to lose an employee.

So I would hope and knowing people that have come into my office from there, they're easily accessible. They

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would -- they need us to survive. They need the big hospitals to survive because a lot of them are teaming up with them.

But I think the message that the Legislature needs to deliver should come in September, and I think we need to bring to this building what we're hearing from the public because talking to the school boards it's not going to be, you know, right and wrong. If we're not going to listen to the public, this building is going to have problems. And I think that's what the Representative's trying to tell you right now. And I do think you need to take that message back, especially to the Hospital Association and say, you know, we all work together here, because we're hearing from your people. You know, I had a woman in tears the other night and I certainly went and looked to her company to find out what they were doing, and they informed me that she misunderstood what they said. And, you know, I said, well, thank God, because this woman is scared to death she's going to lose her job.

So I think it's something that's going on everywhere, and I don't think it's as simple as saying yes or no on either side. So I think you should be prepared for Legislature to be back here and I'm sure it'll be a topic at Fiscal next month.

MR. LIPMAN: Understood.

CHAIRMAN WEYLER: Representative Umberger and then Senator Giuda.

REP. UMBERGER: Yes. I would just like to say that your information is outdated, because Conway Memorial Hospital has, in fact, said that if you don't have the vaccine by such and such a date your employment will end. And I recommended to people don't quit before that date, because that -- I'm afraid there will be lots of court cases surrounding these kinds of decisions. But just so you know, Memorial Hospital is requiring it.

CHAIRMAN WEYLER: Senator Giuda and then Senator Edwards -- Representative Edwards, Representative Leishman and Representative -- or Senator Soucy.

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SEN. GIUDA: Thank you, Mr. Chairman. So in view within the collusion of Public Health policy in the private sector 'cause we've established that policy from the public sector, with the individual rights of employees and our citizens. And while I totally support Representative Edwards' hypothesis or his intention, I'm not sure that the Fiscal Committee is the place to make policy determinations on such -- such incredibly important issues. I can assure you it will be brought up within a month as Senator Morse has alluded to in a much more appropriate policymaking arena than the Fiscal Committee.

For that reason, I will not support tabling. I would support this motion. I also have several critical access hospitals. They are very small. They're struggling to find workers. I'm not sure that they would mandate.

So in the interest of that segment which represents -- I have 27 towns, most of them are very small in rural districts. I have to support my hospitals. This money is critical to them, but equally critical is the policy issue and we will address that. Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Representative Edwards.

REP. EDWARDS: So I think I agree completely with the idea that these critical care hospitals must be supported. They need to be supported. I just would point out that we also need to make sure that they do their job as a member of the team here in New Hampshire, and that they're supporting the health care workforce.

And Representative Umberger just pointed out one of the 13 that we know is threatening to fire people for not taking an experimental COVID vaccine. And, sure, the FDA is rumored to get ready to approve it, but that's not happened yet, but the threats have already been issued. And so if -- if there were a way for us to do it, I would subtract Conway for this decision they've taken from being a beneficiary of this money, this passing through the state. That's how I would do it if I had the authority. And since I don't have that authority, I -- I think I would -- I'm going to move to table this after everyone's had a chance to talk because I want it unambiguous. I need to be

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unambiguous, that this is a huge issue, and we need our hospitals to be partners in this and not be adversaries of the workforce that should know whether or not they should get the vaccine.

CHAIRMAN WEYLER: Representative Leishman.

REP. LEISHMAN: Thank you, Mr. Chairman.

Unfortunately, I won't be able to support your motion to table. I hope that we can pass 214. I also come from a community that has a small hospital, Monadnock Community Hospital. All of those 13 are struggling to survive, and I'm certainly not a health professional. So I don't believe this Committee should be making that type of decision, and I will vote against, unfortunately, your motion; but I hope that we pass 214. Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Senator Soucy.

SEN. SOUCY: Thank you, Mr. Chairman. I, too, would be very concerned about any effort to table this. I think the emphasis needs to be on the word critical, and these hospitals are a lifeline, not just for COVID, but for every ailment that occurs within a community. But they are, also, separate, legal entities, and just as we have not imposed limits on businesses and what businesses think is appropriate for them to allow, I think it would be wrong to try on a dime today to try to impose limitations on these very unique, separate, legal entities that I'm certain, I'm certain given our workforce challenges throughout this state, are making very, very careful, mindful decisions based on the populations they serve. So, for that reason, I think it's imperative that we pass this motion today and not table it.

CHAIRMAN WEYLER: Thank you. Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman. And I, too, will support the motion, because I think if you deny it, we're denying public health. Critical access hospitals, how many times have critical access hospitals come before this Committee in years past looking for more support to do work that nobody wanted to do. And they did it, and they have done it.

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Now, are we going to tell those hospitals that they can't support people, that they can't accept people? I don't think we can do that. And we're not God makers here, we're decision makers here. Our decision, I believe, should be to support critical access hospitals. If through legislation another situation is developed with regard to the vaccine, that's a whole different policy issue. That's a side basket issue. We're here to protect the critical access hospitals because they provide access to health, to Public Health. Christ, I don't see how we could be against that. Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Further.

** REP. EDWARDS: I'm not going to raise my voice because I'm equally as passionate about this as the Senator, but I don't think we need to raise our voice to make a point here. I will make a motion now to table this, because I'd like a legal opinion on whether or not we can as a state add a restriction so that the hospitals receiving this money do not make COVID-19 vaccination a condition of employment. And, in the meantime, if this tabling motion succeeds, I'd love to hear back from the 13 hospitals saying yea or nay, they are going to discriminate against their employees on vaccine status or not. And -- and if the Department can help get the responses from the 13 that would be great or I'll just call them myself. So that's my motion. Is there a second?

CHAIRMAN WEYLER: All right. I understand you have a motion to table. Representative Pitre had his hand up before the motion, so I'll recognize him.

REP. PITRE: No, I second. I second both times.

CHAIRMAN WEYLER: All right. Second for tabling. All right. We have a motion before us to table Item 21-214. Like a show of hands all those in support of tabling? I've got three. All those opposed? Three to seven. Motion fails.

*** {MOTION TO TABLE FAILED}

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

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CHAIRMAN WEYLER: All right. Senator D'Allesandro moves to adopt 21-214.

SEN. GIUDA: Second.

CHAIRMAN WEYLER: Is there a second?

SEN. GIUDA: Second.

CHAIRMAN WEYLER: Second from Senator Giuda. Further discussion? Seeing none. Are you ready -- excuse me. Senator Morse.

SEN. PRESIDENT MORSE: Yeah, I just want to make it perfectly clear I think Senator Edwards -- I mean, Representative Edwards -- maybe shouldn't have left, that's twice today -- made a very valid point. But I -- I think the issue of funding this 3 million is different than the issue he's presenting. I have grave concern, which I think Henry can take back to the Department, especially when we have shortages throughout the state in these institutions, and what Senator Daniels said about HIPAA laws, I think there has to be a frank discussion. I mean, there's religious reasons people don't want to do this, there's health reasons. I would think there ought to be a refined statement from these institutions about what's acceptable so the Legislature can understand it, and I think the point's well-taken, Representative, today; but I'm going to support the motion to give them the \$3 million because I know they need it. But the reality of calling Conway, whether you beat me to it or not, I took note, and one of us will call to ask what the intent is. But I think probably in most cases they're going to say they can't afford to lose any employees.

CHAIRMAN WEYLER: Representative Leishman.

REP. LEISHMAN: Thank you, Mr. Chairman. I would just like to echo what Senator Morse just said, because I think that Representative Edwards and all of us deserve the answers that, you know, ask for a final decision. So I certainly support him getting something together for the LBA to move on for a legal opinion.

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CHAIRMAN WEYLER: Thank you. Further discussion? Seeing none? Are you ready for the question? The motion is to adopt FIS 21-214. All in favor say aye? Opposed no? The item is adopted.

MR. LIPMAN: Thank you.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Moving on to Item 217. 217 already had marked done. All right. This is the Division of Economic and Housing Stability in the Department of Health and Human Services. Okay. We're back to staff. Who had the questions? Representative Umberger had a question.

REP. UMBERGER: I know you've been here, I think this is the third time on SNAP, as we've gone through the various things; but my concern is how are all these tied together? In other words, you know, you got money for this and money for that and you're asking for something else. So how do these all tie together to make the SNAP Program more efficient, as well as to provide the recipients with the dollars that they need to help with inflation and food prices, in particular?

MS. SANTANIELLO: So these dollars are the administrative funds. So they have to go for administrative purposes. And I think like Mary explained when we were up here on the other item, the two pots of dollars are being used together to strengthen the systems that we have to provide better benefits.

MS. CALISE: Correct. As I had said when we were discussing 213, I went over the different components and the dollar values for those. So these two items together fund those initiatives.

CHAIRMAN WEYLER: Further questions.

REP. UMBERGER: Thank you, no.

CHAIRMAN WEYLER: Representative Edwards.

REP. EDWARDS: Thank you. I just want to make the observation that this is another source of IT funding and just

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goes back to reinforce what was said earlier. We've got IT spending all over the place and I just don't know how we're tracking visibility and total spend.

CHAIRMAN WEYLER: Okay. Seeing no further questions. I'll entertain a motion to adopt FIS 21-217.

** SEN. SOUCY: So move.

CHAIRMAN WEYLER: Senator Soucy moves to adopt.

SEN. D'ALLESANDRO: Second.

CHAIRMAN WEYLER: Second from Senator D'Allesandro. Further discussion? Senator D'Allesandro. Seeing -- okay. Further discussion. Senator Giuda.

SEN. GIUDA: Just a question, Mr. Chairman. I want to reaffirm that I think I heard earlier on that the Department of Health and Human Services were providing an amalgamated report on all the IT expenses within each program so that that will then become part of the total cost for user of that program, so get a better feel for the actual cost and also aggregated the IT cost for the entire system.

CHAIRMAN WEYLER: I believe we did hear that.

SEN. GIUDA: Thank you.

REP. EDWARDS: I heard when we talked about it, but I didn't ask them to make a commitment and so I didn't actually hear the Department commit to that. (Inaudible).

CHAIRMAN WEYLER: Mary Beth --

MS. CALISE: I think that we would -- will try to put something together that would answer your questions.

CHAIRMAN WEYLER: Thank you. All right. All right. We ready for the -- there's no further comments or suggestions on 21-217. We have a motion and a second to adopt. Are you ready for the question? All those in favor say aye? Opposed no? It's adopted.

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*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Moving on to -- that was Tab 11. Okay. So 23 -- 244 has been removed, and we haven't discussed that as yet. Let's move on to FIS 244, Emergency Relief and Recovery, and this is from the Governor's Office. I believe this is Mr. Caswell.

TAYLOR CASWELL, Commissioner, Office of the Commissioner, Department of Business and Economic Affairs:
Correct. Good afternoon.

CHAIRMAN WEYLER: Questions on 244. Representative Leishman.

REP. LEISHMAN: Thank you, Mr. Chairman. Nice to see you, Commissioner. So in your letter you stated about 50% of New Hampshire households has seen a decline in income to the pandemic and there needs to be, obviously, some assistance to the landlords and the tenants. What assurances are there or how is it set up? Does the money get given to the tenants to pay the landlord or does the checks go directly to the landlord? I'm just curious to make sure the money goes where it's supposed to go.

MR. CASWELL: Yes, sir, that's a good question. And yes, under this program the funding would move to the landlords and to the utilities directly in almost all cases. It's set up to, I think, speak to the issues that you're referring to as a result of that (Inaudible).

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

CHAIRMAN WEYLER: Further discussion?

REP. UMBERGER: No. That was my exact question. Because (Inaudible). I spoke -- I've spoken to people that are lawyers, okay, and do a lot of work on landlord/tenant problems. And the issues right now from his perspective, anyhow, in landlord/tenant is not with paying rent, but with destroying the property.

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MR. CASWELL: Hm-hum.

REP. UMBERGER: And so they're paying rent, but they're also destroying the property. I think it was that we're trying to set up some sort of mitigation program so that we can deal with that. That's not what this is. Okay. Thank you.

CHAIRMAN WEYLER: Further discussion?

** SEN. DANIELS: Move the item.

CHAIRMAN WEYLER: Senator Daniels moves the Item 21-244. Is there a second?

SEN. D'ALLESANDRO: Second.

CHAIRMAN WEYLER: Second by Senator D'Allesandro. Further discussion? Seeing none. Are you ready for the question? All in favor of adopting Item 21-244 say aye? Opposed no? The motion -- the item is adopted. Thank you.

*** {**MOTION ADOPTED**}

CHAIRMAN WEYLER: Moving on to Item 245, same person.

MR. CASWELL: Yes, sir.

CHAIRMAN WEYLER: We had questions on this one, housing stability.

** REP. LEISHMAN: I think that was still tied with the last one, so I'll move 245.

CHAIRMAN WEYLER: All right. Representative Leishman moves to adopt Item 21-245. Senator Daniels seconds. Further discussion? Senator Soucy.

SEN. SOUCY: Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Push your red button.

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SEN. SOUCY: I apologize. Just one question, and it's not directly relevant to the item; but to your knowledge, Commissioner, is there anything coming forward to -- I know this says the housing stability but with homelessness?

MR. CASWELL: Yes.

SEN. SOUCY: Any additional funds and programming, could we expect to see that in September?

MR. CASWELL: Yes, ma'am. We're working on that right now in anticipation of the weather.

SEN. SOUCY: Thank you.

CHAIRMAN WEYLER: Further discussion? Seeing none, I believe we have a motion and a second to adopt. Further discussion? Seeing none. Are you ready for the question? All those in favor of adopting FIS 21-245 say aye? Opposed no? Item is adopted.

*** {MOTION ADOPTED}

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

CHAIRMAN WEYLER: We're moving on to Tab 12, and there are two items, and one of them has been requested to be treated separately. So the remaining item is 21-207. Are there any questions or how do you wish to proceed with 21-207?

** SEN. SOUCY: I would move the item.

CHAIRMAN WEYLER: Senator Soucy moves the item. Representative Edwards seconds it. Further discussion?

SEN. D'ALLESANDRO: If I could, Mr. Chairman.

CHAIRMAN WEYLER: Senator D'Allesandro.

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SEN. D'ALLESANDRO: One question brought up repeatedly. Could we find these people? Are these people available?

CHAIRMAN WEYLER: We have the Commissioner coming forward.

CHARLIE ARLINGHAUS, Commissioner, Department of Administrative Services: Good morning or whatever. Good afternoon. Charlie Arlinghaus, Administrative Services.

SEN. D'ALLESANDRO: Thank you, Commissioner. Thank you, Mr. Chairman. Charlie, the question I have with a number of these items is are these people available? Could these people be hired and what happens if they're not hired? What happens to the funds?

MR. ARLINGHAUS: Well, if they're not hired, that's not good, although we won't have to pay them. That's also a bonus.

The -- it's always a question, can people be hired? Any time it's a fairly good economy and from a job standpoint it's a pretty good economy. Hiring at the State is harder. State has a really good time hiring regular session . On the other hand, you know, since the end of the hiring freeze I've been doing nothing but -- that's not true. We've been doing a lot of -- a lot of hiring. And I'm going to say 20, 25 people in the last six, eight, 10 maybe weeks. Time flies. We post positions. We get applications. We've hired a lot of really good people. Some positions are harder than others. I don't want to say that people tell you there are job issues. We have some areas where it's really, really hard. Building service workers, for example. I think particularly lower wage jobs are difficult. For some of the professional positions in the state and some of these are that, right, architects and engineers, the state is a particular challenge, right, because of what we pay. We have to -- we have to hope for people who are less interested in money than they are in benefits. 'Cause the state -- the state doesn't pay that well in terms of cash. State has really good benefits, and so I'm actually fairly optimistic.

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SEN. D'ALLESANDRO: So at this point in time you have confidence that you can fill these positions. I mean, that -- to me, that's the key, for everybody as well, projects that are associated with getting these positions. Those projects have to be funded and (Inaudible) projects this money that's going out.

MR. ARLINGHAUS: Yeah, I think everybody wants building to happen in the next, like, two to four years, not the next 20 to 30.

SEN. D'ALLESANDRO: That's my -- that's my concern. Hopefully, we'll be able to fill those positions. Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Further discussion? All right. We don't seem to have a motion on this item.

** SEN. D'ALLESANDRO: I'd move.

SEN. DANIELS: Second.

CHAIRMAN WEYLER: Senator D'Allesandro moves we adopt 21-207, Senator Daniels seconds it. Further discussion? Seeing none. Are you ready for the question? All those in favor say aye? Opposed no? 21-207 is adopted.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Moving on to 21-243. This is the Department of Health and Human Services. I guess we had some questions on this item. Director Tilley's coming up.

MS. TILLEY: Good afternoon again.

CHAIRMAN WEYLER: Good afternoon. Representative Edwards.

REP. EDWARDS: Thank you, Mr. Chair. Good talking to you again, Miss Tilley. I -- I think this is a pretty great program. If we can help our health care workforce to pay off these student loans by providing value to services, I think that's a great program. We're short and we need more.

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MS. TILLEY: Hm-hum.

REP. EDWARDS: So good stuff. What I'd like to understand is the flow of money from the Department to the individual to help them with the actual loan repayment. And, in particular, in this chain of custody of money, I'm curious if they get terminated because they refused the vaccine, COVID vaccine, are they no longer eligible for this money? Because it sounds like it's all predicated upon them working. And if they're not working, because they've been terminated, it strikes me that we've got an eligibility issue that's tied to voluntary or involuntary compliance with COVID vaccinations.

MS. TILLEY: Thank you for that question. So we have not contemplated COVID vaccine as part of these contracts. As you know, the State Loan Repayment Program has been running for many years now, and we have a standard contract that we have with the individuals, with the individual provider. So you asked about the flow of money. We have a contract with the individual provider. They have a relationship and the contract is actually co-signed by their employer saying that they are employed in one of these medically underserved areas. So I just signed one this morning for Seacoast Mental Health. So a provider -- the employer signs that and then as long as they are successfully employed, we continue to pay their State Loan Repayment in quarterly batches.

Again, we did not contemplate the notion around vaccine. However, I will say that if an employee, we have often been able to relocate them from one place to another, if they were interested. If for some reason they needed to move around the state and they could find another location in another critically underserved area, that we have been amenable to not reject their contract or not terminate their contract, as long as they were continuing to serve a needy population.

REP. EDWARDS: Follow-up. Does that include if the employer chooses to mandate a COVID vaccine and the employee losses their job, does that mean because they're no longer successfully employed they're no longer eligible? I'm just kind of looking for a yes or no on that.

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MS. TILLEY: You know, we would need to consult our legal team around that. We have not contemplated that notion as we were thinking about this expansion of funds. However, as I noted, that we have had other successful cases where for whatever reason someone moves from one health center to another.

REP. EDWARDS: Okay. So -- so my hope is that the Department can get in front of this in a way in which it's clear that we should not be cutting off these benefits. Because individual health care provider voluntarily chooses to not get the vaccine, the COVID-19 vaccine. And 'cause I want this money to flow, and I just don't want to add it to the clubs -- the weapons to club employees into compliance. Because if you've got to worry about your payroll anyways, now you've got to worry about your student loan repayment on top of it, it's just extra stress and extra pressure and it be great to not be doing that, so. I'm going to vote for this, because we've already had this discussion as a committee. And I would just hope that this would be another area that we would care about in the future.

CHAIRMAN WEYLER: Thank you. Further discussions? Seeing none. I'll entertain a motion on 21-243.

**

REP. EDWARDS: I move the item.

SEN. GIUDA: Second.

CHAIRMAN WEYLER: Representative Edwards moves the item and Senator Giuda seconds it. Further discussion on 21-243. Seeing none. The motion is to adopt 21-243. If you're in favor you'll say aye, if you're opposed you'll say no. All in favor say aye? Opposed no?

*** {MOTION ADOPTED}

(13) Miscellaneous:

CHAIRMAN WEYLER: All right. We have a quorum. My apologies to the most important person in the Fiscal Committee, the Legislative Budget Assistant, that we don't have everybody else back here. I'll recognize the Legislative Budget Assistant, Mr. Kane.

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MR. KANE: Sure. Thank you, Mr. Chairman. For the record, my name is Michael Kane. I'm the Legislative Budget Assistant. Item number 21-237 is a request to -- for the Fiscal Committee to grant the cost-of-living increases which were passed in Chapter 90, 91 to the Legislative Budget Assistant Office.

** REP. UMBERGER: I'll move approval.

SEN. D'ALLESANDRO: Do we have to?

SEN. GIUDA: I move the item.

MR. KANE: It's up to you.

CHAIRMAN WEYLER: All right. Who did I hear? Representative Umberger moves the item.

SEN. DANIELS: Second.

CHAIRMAN WEYLER: Second by Senator Daniels to approve the request by the Legislative Budget Assistant. Any further questions or discussion? Seeing none. Are you ready for the question? All in favor say aye? Opposed no? The motion is adopted. Thank you, Mr. Kane.

*** {MOTION ADOPTED}

(14) Informational Materials:

MR. KANE: Thank you, Mr. Chairman. And if I may? One other motion that we need approval from Fiscal is when we have a vacancy for the authority to fill. So I'd ask at this time we do have a vacancy with Nancy Levinus' retirement back in May. So move to fill that position.

** SEN. SOUCY: So move.

SEN. GIUDA: Second.

CHAIRMAN WEYLER: Move to approve by Senator Soucy, second by Senator Giuda that we authorize the replacement as requested by the LBA. Any further questions? Seeing none. Are

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you ready for the question? All in favor say aye? Opposed no?
The request is adopted.

*** {MOTION ADOPTED}

MR. KANE: Thank you very much.

CHAIRMAN WEYLER: Thank you for your good work. Okay.
Any requests for questions on Informational items? Had some
people here all day just waiting to hear from. Senator
D'Allesandro.

SEN. D'ALLESANDRO: From the DOT, the amount of money
that's being allocated to the airport, I know Senator Giuda must
be thrilled about this, but I was -- I was really impressed by
all of the upgrades and being an old pilot I know that you must
like this. But Manchester -- Manchester, Lebanon, Keene, all of
them, this is quite an investment in upgrading those facilities.
So kudos to DOT and for getting this -- for getting this done at
this time. Maybe general aviation is back and maybe it will get
some commercial traffic at these airports.

CHAIRMAN WEYLER: We've seen some improvements up in
Rochester at Skyhaven. I'm always trying to figure out what does
this have to do with the pandemic. I guess that's not an item
for discussion. Any other questions on information items?
Seeing none. We will move on to the Audits.

Audits:

CHAIRMAN WEYLER: And we have the Director of Audits
to discuss them. We have the Secretary of State and his Deputy
here. And the auditor is?

STEPHEN SMITH, Director, Audit Division, Office of
Legislative Budget Assistant: Good afternoon, Mr. Chair, and
Members of the Committee. For the record, Steve Smith, Director
of Audits for the LBA. We're here to present our audit of the
Department of State for the Fiscal Year ending June 30, 2020.
Christine Young from our office was the Senior Manager on this
audit. As you mentioned, joining us from the Department is
Secretary of State Gardner and Dave Scanlan. So I'll turn it
over to Christine to present the audit.

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CHRISTINE YOUNG, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant: Good afternoon, Mr. Chairman, and Members of the Committee. For the record, my name is Christine Young, and I'll be presenting the report on our financial audit of the Department of State for the Fiscal Year ended June 30th, 2020.

This report is presented in two sections. The first section is the Management Letter section prepared by the auditors, and it contains our report on internal control and compliance, along with 13 audit Observations, which is followed by the current status of prior audit findings.

The second section, the financial section, contains our independent Auditor's Report and is followed by the Department prepared financial statement and notes.

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

If you turn to the Table of Contents.

REP. EDWARDS: Pull the mic -- would you pull the mic a little closer.

MS. YOUNG: Yep. If you turn to the Table of Contents, this report includes seven Internal Control comments, two of which are material weaknesses, and six State Compliance comments. The Department concurs fully or in part with all the findings, except for Observation No. 8. There are two findings on this page. Observations No. 10 and No. 13, with asterisks, suggesting that legislative action may be required. The discussion of the Observations and Recommendations begins on Page 3.

Observation No. 1 is a material weakness and it discusses risk assessment, which is one of the five recognized components of internal control. We recommended the Department establish and document a formal risk assessment process and review for indicators of risk exposure.

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Observation No. 2 on Page 4 is also a material weakness, and it reports the Department did not request or receive service auditors' reports from the third parties it relied on to remit over \$17 million in securities license and registration filings revenue to the State. We recommended the Department obtain and review these reports to ensure that controls are in place and operating effectively.

Observations No. 3 through No. 5 starting on Page 6 deal with internal control deficiencies over financial accounting and reporting. In Observation No. 3, the Department did not report more than \$7 million of unearned revenue to the Department of Administrative Services at year end, contrary to State accounting policy.

In Observation No. 4, we noted the Department does not periodically reconcile revenues reported in its subsystems to NHFirst. And in Observation No. 5, we noted numerous weaknesses in internal control over payroll processing, including a \$23,000 under payment the Department was not aware of in calculating termination pay, a \$20,000 underpayment to an employee due to missed pay increments, and wages paid to two employees that exceeded the maximum amounts allowed in the statutes.

We recommended the Department establish procedures to strengthen its financial accounting and reporting process.

Observation No. 6 on Page 12 reports on weaknesses noted in the Department's information and communication activities. Certain management reports were not clerically accurate. Others were either not filed or were filed untimely, and one report included unrelated information. We also noted the Department did not retain system-generated reports to support certain revenue transactions at year end.

In Observation No. 7 on Page 14, we noted the Department has not established plans, such as an information technology plan, disaster recovery and business continuity plans, which are critical to the Department's IT environment and financial accounting and reporting process.

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Page 16 is the start of the State Compliance comments. Observation No. 8 discusses expenditures tested that were charged to the Investor Education Fund that did not appear to align with the statutory purpose of the fund.

We recommended the Department ensure all costs charged to the fund meet the statutory purpose of the fund and, when appropriate, allocate costs to other divisions intended to benefit from the purchases or charges to the fund.

Observation No. 9 on Page 17 recommends establishing procedures to ensure the recount, administrative, and fee account in NHFirst is used only for reporting transactions related to recounts as required by statute. We also recommended the Department establish a new account in NHFirst for reporting the voter checklist financial activity that is currently reported in the recount account in error.

The next four Observations, Observation No. 10 through No. 13 starting on Page 18 report on compliance issues that are frequently found in our financial audits, such as the need to adopt administrative rules, non-compliance with statements of financial interests, some housekeeping regarding outdated statutes, as well as a Memorandum of Understanding with the Department of Health and Human Services that was in need of a documented annual review.

I'd like to point out in Observation No. 11 on Page 19 that the discussion of the State Filing Officer is unique to the Department. The Department designates an employee to serve as the State Filing Officer in accordance with the statute. This employee's responsible for tracking the statements of financial interests statewide. Errors in omissions were noted with the filing officer's list of required filers during the audit.

The Department reports difficulties in receiving information from appointing authorities that would assist the Department in properly tracking required filers.

The financial section of the report follows with our auditor's opinion, which was modified as a complete set of financial statements was not presented in accordance with government reporting standards. The statement of revenues and

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expenditures is on Page 7, followed by the notes to the financial statement.

We also included as an insert to the report a one-page letter. This is a required communication to governance to inform you that two material adjustments to the accounting records were proposed and recorded as a result of our audit.

That concludes my presentation. I'd like to thank Secretary Gardner and his staff, as well as the Department of Administrative Services, for their cooperation and assistance during this audit. Thank you.

CHAIRMAN WEYLER: Thank you. Comments from the Secretary.

WILLIAM GARDNER, Secretary of State, Department of State: Mr. Chairman, Members of the Committee, I'm just gonna make a general statement at the beginning and then we can go through each one of these as you wish, or we can talk about it.

CHAIRMAN WEYLER: Step a little closer.

MR. GARDNER: Oh, we can -- we can talk about each of these if you wish, leave it up to questions or -- but at the beginning I just want to say that we appreciate the professionalism and the competency and the courtesy of Steve Smith and his auditing team during the last eight months. We agree with most of their Observations and Recommendations, and have implemented those that we -- that we can. Those needing to be implemented and addressed by the Legislature, we will bring it to the Legislature's attention.

This audit is a far cry from the previous audit that we had. You may remember there was actually legislation two years ago to have an audit because somehow I was preventing the Fiscal Committee from having an audit which totally false and -- but there were things that had -- had built up over those years.

So the last audit, we had serious disagreements with the tone and the content of many of the findings. The finding that garnered the most attention resulted in the headline across

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the whole state. That headline said -- one of them just said "*Gardner Misspent More Than a Million Dollars.*" Others said, "*The Secretary of State's Office had Misspent More Than a Million Dollars.*" We made a case why it wasn't true at that time and it was based on sound and substantial information.

The auditors said at that time, no reflection of this time. This is all very different. But now we have come full circle. It's been 13 years. Just ten months ago we received the final action notification of the federal audit of HAVA funds covering the years from 2003 to 2015, ten months ago, by the Office of the Inspector General. That federal audit confirmed that the \$1 million expenditure that had been a big issue and had been used over the years in different matters that have come up, that that was an appropriate expenditure for HAVA.

The report and documentation acknowledged that the way we managed those funds saved hundreds of thousands of dollars over the years and those savings are continuing today.

On Page 28 in this audit, Observation 20 -- an Observation from the previous one, you can see that issue, it's listed as resolved. And it's resolved because we showed that federal information. And what they actually wrote was, this is directly, quotation from the United States Election Systems Commission, official finding concerning that matter of the supposedly won million plus dollars that was misspent. The Election Systems Commission is ratifying all expenses relating to the build-out of the State HAVA Facility, this information that somehow we added to the State Archives it was specific for HAVA, and it was specific for the mandates that the Federal Government placed on the State. And at the time the Legislature said that those mandates that we would never do ourselves. We don't want to use State taxes to pay for those mandates. And that's why the fund was capped that we could only spend a certain amount. That's why we're one of the only states today that even have money going back at that time, because the Legislature then said we don't want it in the future pay for things that we would never do ourselves.

So we -- they said that the New Hampshire Secretary of State's Office had provided documentation that the expenditure can be considered a prepayment of a lease for the

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space. Documentation from New Hampshire Secretary of State shows the expenditure saves and continues to save significant amount of taxpayer funds over the life of the lease, as opposed to renting at the market rate. We consider this matter closed with no follow-up needed.

They sent people here who came to make sure that the space was being used and only for the federal purposes. They checked out what it cost for business space in Concord if we were to -- because we needed the space for these mandates that have continued on and on, and we were not expecting those mandates to be changed.

And some of you may remember that when President Reagan said that the closest thing on earth to eternal life is a federal program, and so this has -- has stayed. And we -- so that I've been sort of waiting for this, and I'm not going to take any more time, because I know you're -- I've been waiting to be able to tell the real story, because it has been twisted and torn and it -- we've had to live with it. Hopefully, now will be it.

So the two material weaknesses, I'll do one, Dave will do the other, and whatever else that you in this particular. But that -- that, as I said at the beginning, we all stand by that. This audit team was helpful to us. It was productive. There are things that we changed because of it. And that's --

CHAIRMAN WEYLER: I know it's a great relief to you. And wouldn't it be great all those headlines that talked about you misappropriated a million dollars would now write headlines, "*Gardner Was Found to Be Right!*" Don't hold your breath. But it is interesting to note that in 2008 there were two of us there. And I believe you two as well were in 2008, 13 years ago. Does that mean we've all been here too long? You have 46 years. But, yeah, it is interesting. Even at that moment Senator D'Allesandro and I defended you, as we always do, because we think you run a great operation, and a lot of help from David as well. But -- and I'm pleased to see that 20 are resolved of those things. That's a big accomplishment from all the audits we look at. I think both Senator D'Allesandro and I, if you do wish to file some legislation, would be happy to sponsor it, whether

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you want it in the House or the Senate. If you don't get around to it in light, narrow window of filing be a Senate bill.

Anyone -- anything you want to file with the legislation, please see us. We're happy to sponsor it. Any questions of the Secretary or of the auditors? Senator Daniels.

SEN. DANIELS: Yes, thank you. I just have a question on how you resolved Observation No. 8, because there seem to be differences of opinions on the Investment Education Fund, whether it's statutory, not statutory. I'm just -- I just want to know how you resolved. That's the one that you did not concur.

DAVID SCANLAN, Deputy Secretary of State, Department of State: Thank you, Senator Daniels, and Members of the Committee. We had a disagreement on that particular item, because the statute does clearly say that the Securities' operation is run from monies in the Investor Education Fund. That's a special statutory process that was set up on legislature years ago and so the funding of that agency that comes out of that particular fund.

At issue in Observation No. 8 the fact that we used money from that fund to pay for some of the travel to the National Secretaries of State Association Conference. Your auditors felt that that was an inappropriate use of those funds. We believe that that's part of administration of that agency.

They specifically cited that there's only a one-hour segment on the entire program of two or three days for that purpose. But all of you that attend conferences for legislators know that although you have certain agenda items that might be for a specific period of time, there's a lot of conversation that takes place about those issues with your peers and colleagues around the country that are on those topics and they're not specifically listed on those items.

So we take advantage of that. And -- and the money that was spent for Securities was only part of the cost of those conferences. Elections kicks in for the elections' component. Corporations kicks in for the discussions on business related issues. And -- and the Notary Fund kicks in because we have

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discussions about notaries public and those programs as well. So it's just part of the -- you know, part of the revenue that we used to pay for attending those conferences and discussing those topics with our peers and being educated in the process.

The other part of that is a vehicle that was purchased for the use of the auditors that we have in the Securities Division. They're on the road four days a week, and when they're not -- they're not doing audits the staff in that Division are maybe issuing subpoenas or dealing with court cases or things like that.

Whenever we do come to elections, when we have all hands-on deck and we target our resources to that effort, we will use those vehicles to help collect ballots for recounts, for example, or, you know, issue corrected ballots if somebody finds a spelling error on the ballots when the clerks receive them or things like that. But those are limited and they're extraordinary and important for that process. So I think that's our answer to that question.

SEN. DANIELS: Follow-up.

CHAIRMAN WEYLER: Which is not uncommon for like Fish and Game has like 15 dedicated funds. Then they began to take like 10% of each fund to pay for management. So it's not an uncommon practice for management to say you've got six different divisions, some of them also have to go to help pay for the top brass, and that's not uncommon at all.

My reading of it there is no other source of funds for anything that goes on in the Securities Division other than these funds. So how do you pay for the salaries? How do you pay for the rent? You know, everything's got to come out of that fund. So it's not that narrow just for investor education. It's whatever needs to be done in that Department.

MR. GARDNER: The reason that it can seem that there's something wrong is because it says investor education. But this is how it happened.

Securities was always funded by the General Fund. And when Steve Merrill was Governor and Doug Scamman was his Budget

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Director, Doug Scamman came down 20 years ago, came down to my office one morning and he said the Governor would like to take Securities off the General Fund. We need General Fund money and you guys have been taking in fines to beat the band, and we -- we want to get you off the General Fund. And I resisted. I said, yeah, but we may not always take in fines. I mean, how -- so he said, well, you think about it overnight and I'll come back.

When he come back he said, look, the Governor really wants to do this. We have tracked how much you've taken in in fines. Now, the Securities Bureau takes in over \$40 million that it gives to the General Fund every year. The fines are something separate. So they decided that they were going to fund the operation just with those funds. But they said in the event that you didn't have a fine, which has never happened in all these years, but that there was a cushion every year that would be done in the budget. So when you look at it, it would be very easy to say, well, what is this, Investor Education, why does it say that? It was a way that it was set up at that time because the fines went to what was called Investor Education. And that --

CHAIRMAN WEYLER: Of course, you get all the registration fees for all the multi or what do you call them?

MR. GARDNER: Agents and brokers. And so that's the -- that's the material weakness. There's two material weakness. That's one of them. And that material weakness we had this back and forth with the auditors. And we understand where they're coming from, and the obligations that they have for their own auditing principle. But what this is is that -- and a lot of it had to do with New Hampshire and the Securities Committee was created by the National Association of Secretaries of State because of New Hampshire, because of an issue that came up back in the early '90. And that's part of -- of why we get a lot of the fines. Because if they're national fines, the agreement was that the states would get equal, small states would get the same because of something that happened here during a debate during one of the legislative sessions.

So on the material weakness, all 50 states have an entity called FINRA. FINRA was created by the Congress. It was

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created by the Federal Government. It's the statutorily created, but it's industry. And all 50 states have different registration fees, but this FINRA collects those fees.

Now, states have been battling back preempt because the financial industry would love to have only one regulator, because they don't like all these pesty states out there doing this and that. So over the last 20 years there's been multiple attempts in Congress to preempt the states, because the industry would like to have the states not be a part of this. And that's how this association and, well, FINRA is federally created, but FINRA does not provide to the states. They just give the money.

So, for instance, we get a little over 12 million from say 120,000, could be 124,000 agents. Ninety-five plus percent of those agents don't live in New Hampshire, but they're paying the New Hampshire registration because these big firms across the country will say, well, you might have a customer in New Hampshire, and so that was to make it easier and all the states agreed to it.

So for us now, what we are attempting to do, we haven't got an answer, I'm not sure they want to give us an answer, but we said we're being asked to get certain documents that will satisfy auditing standards in New Hampshire that all the people who should be paying are paying. And if I say anything, Christine, that, you know, you're welcome --

MS. YOUNG: You've got it.

MR. GARDNER: So -- so we don't know if these people even exist in some instances. We do get some information and as Dave said we have two auditors on the road four days a week. I've talked to them about how often they ever fine someone that's not. Because the industry is so regulated, you can't buy securities through a broker firm. They have their own standards.

And so we're going to try to do this. We're going to -- if they agree to do it. We've already been told that this is going to be in the hundreds of thousands of dollars of an expense for us. That's what we've been told. We haven't had an official document yet saying that. But we will come to the

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Legislature and provide the information to do this. And so that's --

SEN. DANIELS: And my question was actually on a much higher level. All I simply want to know if they -- if the Secretary of State's Office continues the same procedure, next time Christine does an audit are we going to see the same Observation again or is there some way to -- for the parties to understand what's going on and agree?

MR. GARDNER: Well, that's -- we're going to find out, first of all, if they will even do this. They haven't made that decision. This has been almost two months now. Because you just think about this. It's so much easier for these companies across the country to just do it all in one place and not have to deal with 51 states -- 50 states. Fifty states. So there's a number of issues coming into play and if you open it up for one state, then -- and we have to find out how much it's going to cost. So we will bring all the information because it would be -- it would take -- if we break away from the other states, first of all, we've got questions about how are we going to find all of these people, and not only what it's going to cost them to have an auditor audit this federal statutory entity, they're going to have to bring a big auditing firm to audit them. And then we're going to have to figure out how much it's going to cost us to get to these people. And it -- that's -- that's -- that's the issue that we face on that one.

SEN. DANIELS: Thank you.

CHAIRMAN WEYLER: Further questions? All right. We'll entertain a motion from Representative Umberger. The usual manner.

** REP. UMBERGER: Yes. Recommend we accept the report, place it on file, and release in the usual manner. I recommend that we accept the report, place it on file, and release it in the usual manner.

SEN. GIUDA: Second.

CHAIRMAN WEYLER: Motion from Representative Umberger, seconded by Senator Giuda, accept the report, place it on file,

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and release it in the usual manner. Further discussion? Further questions? Congratulations to Secretary of State on the auditing. We always have little differences of opinion. There are things that you need to fix. Everybody fix them on legislation.

REP. UMBERGER: Are (Inaudible).

SEN. D'ALLESANDRO: Got to vote. Mr. Chairman, we got to take a vote.

CHAIRMAN WEYLER: Yes.

REP. UMBERGER: Yeah, we were discussing --

CHAIRMAN WEYLER: She just wanted to know there's so few things left do we need to have them come back and report it. (Inaudible). I'll leave it up to the Committee. So motion is accept the report, place it on file, and release in the usual manner. All in favor say aye? Opposed no?

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Is there any further discussion?

SEN. D'ALLESANDRO: Just to commend Paula for the great work that she does for the Secretary. Let me make that perfectly clear. Paula does a good job and she does it well. She's been here for at least a hundred years.

CHAIRMAN WEYLER: It's unusual to have --

SEN. D'ALLESANDRO: And Karen, also.

CHAIRMAN WEYLER: -- any Department of the State that has this longevity in its office. It must be everybody must be happy to work there.

SEN. D'ALLESANDRO: Must be.

SEN. GIUDA: Well, get to meet all the candidates.

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MR. GARDNER: When the federal auditors came in they asked for records going all the way back to 2003. All financial records relating to HAVA.

CHAIRMAN WEYLER: Very few Secretaries of State could find them.

MR. GARDNER: And they were amazed that because they said -- well, this auditing firm was from the Midwest, and they did about ten states. The Federal Government split it up among the states. We were the second last state so we had all the years. They started this ten years before. But they were amazed that it was the same people. They were talking to people who were actually --

SEN. D'ALLESANDRO: There.

MR. GARDNER: -- there in 2003, and they said this is unbelievable. Some states we've had five Secretaries of States and they couldn't believe. They said there's no other place like this, the whole -- it's all the same people. So it's an advantage.

CHAIRMAN WEYLER: You got to go to 50 years.

SEN. D'ALLESANDRO: Right.

CHAIRMAN WEYLER: All right.

** SEN. GIUDA: Move to adjourn.

SEN. SOUCY: Second.

CHAIRMAN WEYLER: Appreciate all the good work the Audit Division does.

MS. YOUNG: Thank you.

CHAIRMAN WEYLER: Very thorough.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman.

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CHAIRMAN WEYLER: All right. The only thing left is to decide our next meeting. The third Friday in September is the 17th. Is there any problem anybody knows of at this time why we should not meet on September 17th at 10 o'clock? It's a Friday. If there's no objection -- (audio ends).

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 digital 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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