

**JOINT LEGISLATIVE FISCAL COMMITTEE**

Legislative Office Building, Rooms 210-211

Concord, NH

Friday, October 22, 2021

**MEMBERS PRESENT:**

Representative Karen Umberger, Chair  
Representative Tracey Emerick  
Representative Jess Edwards  
Representative Keith Erf  
Representative Peter Leishman  
Representative Bob Lynn (Alternate)  
Representative Joseph Pitre (Alternate)  
Representative Mary Jane Wallner (Alternate)  
Senator Gary Daniels  
Senate President Chuck Morse  
Senator Bob Giuda  
Senator Cindy Rosenwald  
Senator Lou D'Allesandro

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

**(1) Acceptance of Minutes of the September 17, 2021 Meeting**

KAREN UMBERGER, State Representative, Carroll County, District #02: Good morning and welcome to Fiscal Committee meeting on October 22<sup>nd</sup>. Our first order of business is acceptance of the minutes. Could I have a motion to accept the minutes, please?

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

CHAIRWOMAN UMBERGER: A second.

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

CHAIRWOMAN UMBERGER: Thank you. Are there any changes on the minutes? Senator Daniels.

GARY DANIELS, State Senator, Senate District #11: Thank you, Madam Chair. On Page 7, the paragraph just before late informational item. I would like to add language in there so that the paragraph reads: The Committee requested the Department of Education return to the October 1<sup>st</sup> meeting with an update on the voucher program, the number of students enrolled, then adding the language, where the students were from, if that district had a mask mandate policy, and then what effect it might have on the budget.

CHAIRWOMAN UMBERGER: Thank you. Could I -- yes, there is. Excuse me. Please use your microphones.

JESS EDWARDS, State Representative, Rockingham County, District #04: Is that on? Yeah. So would the Senator please consider adding just another couple of words to say, and other demograph -- other student demographics as available? If they're going to go into a detailed review, it be nice to know everything we can about the population that is accepting these grants.

SEN. DANIELS: The reason I added this language in is I asked the Commissioner specifically for those two things. I didn't ask them for other demographics.

REP. EDWARDS: I had offline. So I don't think it would be a surprise. I think he's got the data.

CHAIRWOMAN UMBERGER: Senator Morse.

CHUCK MORSE, State Senator and Senate President, Senate District #22: This is only to record minutes. So it would be what was said publicly that day. If -- you're going to have to keep it to that.

CHAIRWOMAN UMBERGER: Yeah. Could you -- okay.

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REP. EDWARDS: It's all right. He said no. (Inaudible).

CHAIRWOMAN UMBERGER: Okay. So the motion we have on the floor or the Amendment we have on the floor is as stated by Senator Daniels. All those in favor of the Amendment, please raise your hand? Opposed? Abstain? Okay. Thank you very much. Two abstentions.

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

CHAIRWOMAN UMBERGER: Okay. The motion now is accept the minutes as amended to our September 17<sup>th</sup>, 2021, meeting. All those in favor, please raise your hand? Opposed? Abstained? Thank you very much.

**\*\*\* (MOTION ADOPTED)**

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Madam Chair, if I may just quickly? Mike Kane. Down here. Sorry.

CHAIRWOMAN UMBERGER: Oh, sorry.

MR. KANE: Just going forward, since this is being live-streamed, when a motion is made and seconded, if you could just announce the Member making that motion and that second 'cause sometimes there's multiple. It be easier for the public to follow.

CHAIRWOMAN UMBERGER: Okay.

MR. KANE: Thank you.

CHAIRWOMAN UMBERGER: Yeah, no problem. I'm sorry.

**(2) Old Business:**

**CONSENT CALENDAR**

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

CHAIRWOMAN UMBERGER: Okay. Turning now to Tab 3. Are there any items to come off the Consent Calendar in Tab 3? Senator Rosenwald.

CINDY ROSENWALD, State Senator, Senate District #13: Thank you. Thank you, Madam Chair. I know that it's the only item, but I do have questions on this item for the Department.

MR. KANE: Chair, and I believe that there's a Member of GOFERR available.

CHAIRWOMAN UMBERGER: Yes.

MR. KANE: That be helpful.

CHAIRWOMAN UMBERGER: Yeah, I will. Yeah. I just want to remind everybody to please speak directly into the microphones, up close and personal, because it is live-streaming, and it's difficult for those in the live-streaming audience to hear us.

SEN. ROSENWALD: I pulled the chair today that's really low, but I will try to speak right into the mic. Thank you.

Thanks for being here. I've questions on both the -- the homeless part and the long-term care part. On the homeless part, there's \$6 million in total appropriated. I couldn't tell how much of that is for shelters; but my question is how much of that is for shelters. And if our reimbursement for night in a shelter is \$8 a day, but the cost is \$47 a day, what will the impact of the part of the \$6 million be? And then I have a question, if I could, about the long-term care.

CHAIRWOMAN UMBERGER: Okay. The blue -- red -- red button.

TAYLOR CASWELL, Commissioner, Department of Business and Economic Affairs: Red button. I was pressing the green button. Sorry. Senator, thanks for that question, yes. So these will be

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for shelters. The total \$6 million is for the shelter community, and it is exclusively for their COVID related expenses over the course of the last two years. We're using CARES Act funds for these dollars so we'll need to work with them. There's a list of eligible expenses, including things like HVAC systems and new -- new space and configurations right down to cleaning supplies. And so this is part of an effort to get these funds out here before the weather gets bad and have them put into use prior to the end of the year.

SEN. ROSENWALD: So none of it is to increase shelter rates? HHS had said to us they would tell us by August or September what their plan was to increase shelter rates and it's almost November.

MR. CASWELL: This -- this -- because we're using this from CARES Act, we needed to have it be something that could apply prior to the end of the year. So we extended the expense program to be able to get some resources to the shelters in anticipation of the coming winter season.

SEN. ROSENWALD: So none of this will increase our reimbursement from \$8 a day?

MR. CASWELL: No, ma'am.

SEN. ROSENWALD: Thank you. And on the long-term care, the 11 and a half million, I'd like to know how -- how that number was arrived at, 'cause it's my understanding that the nursing homes were not involved in the discussion of that appropriation. So what is the impact of this 11 and a half million going to be on this really struggling sector?

MR. CASWELL: You want to do that? So I'm going to -- this is Chase Hagaman, who's our Deputy Director at GOFERR, and I think that's a good question.

SEN. ROSENWALD: Thank you.

MR. CASWELL: He'll be able to answer for you.

CHASE HAGAMAN, Deputy Director, Executive Office, Executive Department: Hi, Senator. Can everyone hear me okay? Happy to answer the question.

The number was arrived at by taking the known long-term care facility beds in the state and multiplying it by the stipend for those beds. So it's just a set amount known -- based on the known universe of beds. Based on how this is structured, it didn't necessarily require additional outreach to those facilities to understand the cost.

SEN. ROSENWALD: Just a quick follow-up. So what is the stipend per bed?

MR. HAGAMAN: \$2500.

CHAIRWOMAN UMBERGER: Thank you. Are there any further questions on this item? Yes, Representative Leishman.

REP. LEISHMAN: (No audio).

CHAIRWOMAN UMBERGER: You're not talking into the mic.

REP. LEISHMAN: Thanks -- there we go. Thanks, Madam Chair.

CHAIRWOMAN UMBERGER: No.

REP. LEISHMAN: No, I guess I have to hold it down.

CHAIRWOMAN UMBERGER: If you're using the blue button, you have to hold it down.

MR. KANE: You can also just press the red button once and it'll --

REP. LEISHMAN: There we go. A follow-up to Senator Rosenwald's question. As far as the breakdown of the

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\$39 million, who made that final decision? Was it you, Commissioner, or do you have like people still making recommendations to you of how that breakdown is arrived at?

MR. CASWELL: So the \$39 million number in this item is effectively a reassembly of existing resources from programs that have closed, from some of the recoupment activities that are under way right now so that we can get them into the class lines that are necessary to close out the program. This program, CARES Act, CRF Program, is required to close by the end of this Calendar Year. So the -- what roughly 20 something million dollars in the three programs that are outlined in this item are the result of that reassembly into some items that we know where we can get some money out to make a difference in these areas, in the senior centers, in the food security area, and the long-term care beds prior to the end of this year so that we can get that number down as low as we could possibly get it so we aren't sending any of those funds back to the Federal Government.

REP. LEISHMAN: Just a follow-up, Madam Chair.

CHAIRWOMAN UMBERGER: Please go ahead.

REP. LEISHMAN: And we is who?

MR. CASWELL: We? Well, we've been -- GOFERR has been the entity that has been responsible for the completion of the CARES Act Program in coordination, obviously, with the Governor's Office.

REP. LEISHMAN: Okay. Thanks.

CHAIRWOMAN UMBERGER: Are there any further -- yes, Senator Morse.

SEN. PRESIDENT MORSE: I -- I think we should point out that if this money isn't spent it goes to Unemployment.

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MR. CASWELL: That's right. At the end, anything that's left over, as you recall, is in that -- what we call a waterfall where that will go into the Unemployment Trust Fund.

CHAIRWOMAN UMBERGER: Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you. Thank you, Madam Chair. At the last meeting of the GOFERR Committee, which I was a member of, we set aside \$25 million in reserve. Is the 39.5, is that 25 part of the 39.5 that was set aside? That's number one. And, number two, where did the additional money come from? It was from unexpended monies that we had allocated?

MR. CASWELL: I'm a little confused by the second question.

SEN. D'ALLESANDRO: The difference between the 25 and the 39.5, is that monies that were returned that were allocated but weren't spent?

MR. CASWELL: Yes. In some part, yes. Those are the recoupment funds that have been coming back into DRA as a result of the Main Street Program, the SELF Program, the GAP Program that we're now currently trying to recirculate back into the business community through the recoupment and expense programs as part of our wind up of the program.

SEN. D'ALLESANDRO: Thank you.

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

**\*\*** SEN. PRESIDENT MORSE: I'll make a motion of ought to pass.

CHAIRWOMAN UMBERGER: Okay. Do I have a second?

SEN. D'ALLESANDRO: Second.

CHAIRWOMAN UMBERGER: Senator D'Allesandro. Okay. All right. All those in favor, please raise your hand? Vote is 10-0. Thank you.

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

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

CHAIRWOMAN UMBERGER: Okay. Tab 4. Hum -- does anyone want to remove the one item in Tab 4? Senator Giuda.

ROBERT "Bob" GIUDA, State Senator, Senate District #02: 21-293, Madam Chair.

CHAIRWOMAN UMBERGER: No, we're still in Tab 4, which is 21-297. Okay. Could I have a motion to approve?

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

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

SEN. DANIELS: Second.

CHAIRWOMAN UMBERGER: Senator Daniels. All those in favor, please raise your hand? Opposed? The vote is 10-0.

**\*\*\*{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:**

CHAIRWOMAN UMBERGER: Now we go to Tab 5. Are there any items that anyone would like to take off the Consent Calendar under Tab 5? Senator Giuda.

SEN. GIUDA: 21-293, Madam Chair, just for a brief question of Safety.

CHAIRWOMAN UMBERGER: Okay. Thank you. Anyone else? Could I have a motion?

MR. KANE: Madam Chair, Senator Rosenwald's hand's up.

CHAIRWOMAN UMBERGER: Oh, I'm sorry, Senator Rosenwald. I didn't see you.

SEN. ROSENWALD: That's okay. Thank you. Item 309.

CHAIRWOMAN UMBERGER: Okay. Is there anything else? Seeing none. I would take a motion to -- oh, sorry.

SEN. GIUDA: 305, Madam Chair. 21-305.

SEN. ROSENWALD: Mike said that I could just ask (Inaudible).

CHAIRWOMAN UMBERGER: Okay. Is there anything else? All right. I have 293, 305, and 309 off the Consent Calendar. Could I have a motion to approve the other items in Tab 5?

**\*\*** REP. LEISHMAN: Move the remainder, Madam Chair.

CHAIRWOMAN UMBERGER: Thank you.  
Senator -- yeah -- Representative Leishman.

SEN. D'ALLESANDRO: Second.

CHAIRWOMAN UMBERGER: And second by Senator D'Allesandro. All those in favor, please raise your hand? The vote is 10-0.

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

CHAIRWOMAN UMBERGER: Okay. All right. FIS 21-293. Senator Giuda, you had a question for Safety.

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SEN. GIUDA: Thank you, Madam Chair. Question for Safety. Very briefly. Mr. Lavoie, is this allocation of funds related to the improved background check process that was passed, I believe, under then Representative Hennessey's bill several years ago? Is this part of that ongoing renovation of our background check process?

STEVE LAVOIE, Director of Administration, Department of Safety: Indirectly, yes. So, for the record, Steve Lavoie, Director of Administration, for the Department of Safety. These are -- we're continually working to expand the ability to capture fingerprints across the state, especially in key areas where there's high volume. And this funding will allow us to increase our Livescan Ten-Print Capture machines adding ten to the 59 that are already in place across New Hampshire.

SEN. GIUDA: Follow-up.

CHAIRWOMAN UMBERGER: Yes.

SEN. GIUDA: Is this in response to the significant backlog of fingerprinting requests?

MR. LAVOIE: It is, yes. It's one component of our -- of the work the Department is doing to get through that backlog. We need to increase the ability to capture fingerprints across the state due to the increased demand for the service. We also need to increase the ability to process those once they're captured. So we're adding additional time, overtime for processing, and then also making improvements to the process working closely with the FBI to make sure that quality control is happening at an appropriate level and that extra work is not being done.

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

CHAIRWOMAN UMBERGER: Okay. Are there any other questions for Safety on this?

**\*\*** SEN. DANIELS: Move to adopt.

SEN. GIUDA: Second.

SEN. DANIELS: Move the adoption of 293.

CHAIRWOMAN UMBERGER: Thank you. Representative or Senator Daniels moves -- yeah, FIS 21-293, seconded by Senator Giuda. Is there any further discussion? Seeing none. All those in favor, please raise your hand? Opposed? The vote -- the vote is 10-0.

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

CHAIRWOMAN UMBERGER: Okay. We now turn to FIS 21-305, Department of Health and Human Services, authorization to accept and expend \$158,836 in Federal funds through September 30<sup>th</sup>, 2022. Thank you. I didn't write down who pulled it. Senator Giuda.

SEN. GIUDA: Thank you. Madam Chair. Commissioner, thank you for showing today. My question is fairly simple. It's a broad one. Is this consistent with the recently passed Constitutional amendment regarding personal privacy? Does this in any way conflict with that?

LORI SHIBINETTE, Commissioner, Department of Health and Human Services: There's no conflict with that.

SEN. GIUDA: Thank you very much.

MS. SHIBINETTE: Yep.

CHAIRWOMAN UMBERGER: Are there further questions on this item? Seeing none. Could I have a motion to accept?

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

CHAIRWOMAN UMBERGER: Senator D'Allesandro.

SEN. GIUDA: Second.

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CHAIRWOMAN UMBERGER: And Senator Giuda. All those in favor, please raise your hand? Opposed? Seeing none, the vote is 10-0.

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

CHAIRWOMAN UMBERGER: FIS 21-309. Senator Rosenwald has some additional questions on this.

SEN. ROSENWALD: Thanks. I know it's related to the next item, but there's \$180 million in this Housing Assistance Fund. I'm wondering how long the program's been in operation and what percentage of those \$180 million have been encumbered?

MR. CASWELL: You're talking about the Emergency Rental Program?

SEN. ROSENWALD: Yes.

MR. CASWELL: So there are two tranches of that resource. There's what we refer to as ERA1, which came in late December of 2020 -- 2020, and then there was a second ERA that came later in the year. Together those are just over \$300 million.

At this point, I think where we are is the Federal Government has informed us that they're going to start tracking the percentage that we are utilizing, and then over the course of the next couple of months implement the formula that will eventually start taking back funds that are unneeded. This is -- part of what you're seeing in this item is to be able to continue to spend those resources in eligible activities under those programs so that we're returning as little as possible under those funds.

SEN. ROSENWALD: So of the \$180 million I think that was in ERA1 --

MR. CASWELL: Hm-hum.

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SEN. ROSENWALD: What percentage have we encumbered?

MR. CASWELL: I'm going to ask Chase to answer that question.

MR. HAGAMAN: So currently on GOFERR's website there's a Dashboard that tracks this fund and the program which has been in existence since I think March or April of this year, and I believe it's already spent about \$50 million. I think the original authorization for this program considered 80 million. So that was what we anticipated could potentially be run through over the course of time under ERA1 before ERA2 came along. So now they're -- the Federal Government is sort of deciding how much of each is going to stay with each state moving forward.

CHAIRWOMAN UMBERGER: Did you have a follow-up?

SEN. ROSENWALD: No.

CHAIRWOMAN UMBERGER: Okay. Are there any further questions? Senator Daniels.

SEN. DANIELS: Thank you. Question is to what services are -- are offered under Housing Stability Services and what's it mean to keep households stably housed?

MR. CASWELL: So under this program what the -- what the goal is is to, as it says, keep people in housing and to make sure that they get into housing. And we do that through individualized case-by-case services that are provided on-site for those individuals at each of the shelters. So whether it's, you know, applying for funding that's available either under the ERA Program or under any other programs and those types of services to make sure that they're taking full advantage of all of what's available to them right now to keep them in housing.

SEN. DANIELS: Thank you.

MR. CASWELL: Hm-hum.

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CHAIRWOMAN UMBERGER: Are there any further questions? I do have one quick question. Hum -- are you -- are you projecting that all of this money will be used or are you -- I mean, if we've only given out, what, 50 million at this point, what are we going to do to assist other folks in housing stability?

MR. CASWELL: Right. So as a pure rental assistance number, I think the projections are that the need and the amount that we have don't line up necessarily. But having said that, under the ERA2 Program particularly, there's a lot more flexibility for how we can utilize those funds in order to get at the same population and improve the services, such as that we're talking about here. So right now what we're doing is working with all the parties on our side and with HHS and others to make sure that we're using all eligible components of under the program and get as many of those dollars spent as we possibly can.

CHAIRWOMAN UMBERGER: Okay. Thank you.

MR. CASWELL: Hm-hum.

CHAIRWOMAN UMBERGER: Any -- anyone have any other questions? Okay. Seeing none. Could I have a motion to accept?

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

CHAIRWOMAN UMBERGER: Pardon?

SEN. GIUDA: Move the item.

CHAIRWOMAN UMBERGER: Represent -- Senator Giuda. Do I have a second?

SEN. DANIELS: Second.

CHAIRWOMAN UMBERGER: Senator Daniels. All those in favor of FIS 21-309, please raise your hand? Opposed? The vote is 10-0.

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\*\*\* {MOTION ADOPTED}

- (6) 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 9:16-a, II, Transfers Authorized:

(No Audio and then the audio recording begins again.)

CHAIRWOMAN UMBERGER: Leishman had his hand up. Okay. So we'll do that. All right. All those in favor, please raise your hand? Opposed? The vote is 10-0.

\*\*\* {MOTION ADOPTED}

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

CHAIRWOMAN UMBERGER: Tab 7, FIS 21-296 has been requested by Representative Edwards to move -- to be removed from the Consent Calendar. You have a --

REP. EDWARDS: I do have a question.

CHAIRWOMAN UMBERGER: Okay. We'll wait until Mr. Lavoie gets a little closer.

STEVE LAVOIE, Director, Division of Administration, Department of Safety: Good morning. Steve Lavoie, Director of Administration for the Department of Safety, and with me is Justin Romanello, the Bureau Chief of the EMS Bureau at the Division of Fire Standards, Training and Emergency Medical Services.

REP. EDWARDS: Thank you for --

CHAIRWOMAN UMBERGER: Just a moment, please. Representative Edwards, you have a question?

REP. EDWARDS: I do. Thank you, Madam Chair. So this is a simple one. I see the money is coming from the Department of Health and Human Services and the purpose is to create or to facilitate an efficient emergency evacuation system in the state. So -- so looks like there's, obviously, some level of coordination taking place to put together -- to work cooperatively together to ensure that we're not doing anything to create redundancies in IT systems or other human infrastructures.

Could you -- could you just talk to us about the level of coordination between you and the Department of Health and Human Services to ensure that in the next many years we have an efficient coordination between the departments and that we're not stepping on each other doing anything redundant?

MR. LAVOIE: Sure. No, thank you for the question. So there's definitely coordination that we have with Health and Human Services. One of the reasons you're seeing this in the Department of Safety in this Division is that this Bureau is responsible for licensing and oversight of our -- of our ambulances, our first responders, the mobile integrated health programs as they're being developed in the state, and then also the -- the inter-facility transfers which are oftentimes done by ambulance, could also be done by other non-ambulance related vehicles. So that oversight is important, and we can't work in a vacuum and just make these decisions without input from HHS.

I think I'd turn it over to the Bureau Chief to kind of talk about specifics, but we're absolutely in coordination.

JUSTIN ROMANELLO, Administrator, Division of Fire Standards and Training and Emergency Medical Services, Department of Safety: So in specific -- specifically with MIH programs, we currently have a waiver in process for our providers to waive the healthcare license -- the home healthcare licensing

requirement of a worker that would go into the home. So that's in conjunction with DHHS. That's one way we work collaboratively.

In addition to that, any MIH programs that are approved are done so by a Committee of folks that are part of our Division, but also with the Home Healthcare Association so there's no overlap of services. And, in fact, the MIH program specifically to augment areas that services can't be rendered.

REP. EDWARDS: Follow-up. Thank you, Madam Chair. So it sounds like you're both confident that there are no gaps and overlaps in the systems as a result of two different departments running different portions of it. But I just want to ask you directly, are you concerned of any gaps or overlaps between yourself and your mission and the Department of Health and Human Services? Any gaps, any overlaps? Everything okay?

MR. LAVOIE: I'm not concerned with any. I don't know --

MR. ROMANELLO: No, I think this is fixing it.

CHAIRWOMAN UMBERGER: Could I have a motion to accept?

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

CHAIRWOMAN UMBERGER: I'm sorry. Excuse me, Senator Daniels.

SEN. DANIELS: Thank you. Good morning, Director. States here that the overall effectiveness of the grant will be determined by the number of emergency medical services units and providers trained. Can you tell me how many have to be trained to be successful, and why was that chosen as a metric for determining whether you have success of the program as opposed to reducing the number of ambulance?

MR. ROMANELLO: I think I understand your question, sir. Ultimately, when it comes to Mobile Integrated Healthcare

Programs, this is an additional program that services can elect to provide to their communities. Right now, we have about 19 programs in the state. I think we could have much more because it's really preventing exacerbation of illness or preventing folks from actually needing an ambulance. So I think that, you know, even if we just had one more that's better in a community in the state and specifically with MIH.

As far as inter-facility transport, we're seeing times of three to four hours of wait times in ED's. So I think that the more programs we have that can move the sickest of our patients around from our 13 critical access hospitals to higher levels of care, it's going to be an improvement of the system. If we can reduce the three to four-hour wait times by increasing services, such as higher levels of services. So anybody right now that has a transport EMS service, so there's 162 agencies in the state that have an ambulance that can transport a patient around. We have specialized care, such as critical care and what we call PIFT or Paramedic Inter-Facility Transport. These programs can move patients that are sicker safely around. So as we increase those specialized services and increase our services that have the ability to move those patients around, I think the program will be successful. I think I answered it, sir.

SEN. DANIELS: Follow-up.

CHAIRWOMAN UMBERGER: Yes, please. Go ahead.

SEN. DANIELS: So if understood you correctly, if one person was trained, you would consider the program successful.

MR. ROMANELLO: I think it would be successful in the state because that means that one community is going to be healthier by having this program. I want much more at the end of these two years as far as programs go, but I think this is going to provide a resource for us to train many departments in the safe and effective transport of patients around the state. As well as -- as far as MIH goes, a different way to approach health care in treating patients before they get to a point where not

only are they a higher acuity patient, but also they're potentially going to have a better life -- better life because they're not exacerbating to the point where there's downwind effects of that, if that makes sense.

SEN. DANIELS: Yeah, and my question was really just in regard to the metric you chose to determine whether, you know, where we're spending was it 300 -- 370,000 -- 371,000, to be determined whether a program is successful. I mean, we're always asking how are you determining that this money is being spent wisely, successfully, and I'd say for to train one person, while it may be an advantage for that community, I'm not sure that it necessarily computes into a successful program at one person 371,000. Taking into consideration your comments about the shortness of time, the reduction in ambulance calls, all those things I would see -- see as part of a successful program. So I was just questioning, you know, your chosen metric for the success.

MR. LAVOIE: And if I may? I think part of the challenge that we have is MIH Programs, Mobile Integrated Health Programs, are relatively new. So part of this program is to promote that -- that response within the state so that individuals, especially in rural areas, are not needing to be transported by ambulance one hour, two hours, for certain -- for certain activities, where there's the first responder community can potentially deliver health care at a local level. So I believe because this program is relatively new, we only have -- how many do we have, 19 in the state at this point? It's diff -- we are really looking at the beginnings of this program. We want to see more MIH programs become established within the state. Once there's more established, now we can get into more discrete metrics reducing times and that matter. We're just not from yet it's so new.

SEN. DANIELS: Thank you.

CHAIRWOMAN UMBERGER: Senator Giuda.

SEN. GIUDA: Thank you, Madam Chair. Director, thank you for taking my question. I am concerned as well as Senator Daniels, and I'm wondering if the Department would consider providing the number of new certified providers as opposed to trainees? Trainees are useless unless they're actually implemented in the provision of the service. And that would certainly help us get a better measure of how effective the program is. Obviously, there's a need and it's new, but I think would you consider doing that?

MR. ROMANELLO: As far as MIH goes, I can -- so part of this initiative is based off of funds that DHHS accepted for chronic disease in the rural areas of the state. And so, ultimately, we're seeing that in the next few weeks there could be two to three new MIH services incorporated based on the acceptance of those funds. And so we want to appropriately support them and that's why we want to hire for these three positions.

As far as inter-facility transport goes, right now Dartmouth is your only critical care resource in the state, the single one. We have other units coming in that we will license eventually, but we're working on some mechanisms to appropriately license those units. Right now, they're coming in as what we call mutual aid.

Our paramedic inter-facility transport option that's out of the 162 transport services, we have about 29 services that have gone above and beyond and gotten that extra credential, and I feel as though if we have these positions we could appropriately support the other 140-ish - my math might be a little off - in achieving that level of credential to appropriately transport those patients around.

A brief example we looked at recently with a facility, and these numbers are slightly off, but a hospital was calling a local service that provides 9-1-1 and they do transfers on occasion to the residents. And out of 100 calls, 50% of them were at a level that should have been PIFT. The service was not

a PIFT service, and so with these positions we would be able to go out, educate the service that, hey, this is advantageous to your population that you serve to get this additional credentialing. Right now we just don't have the resources to do that without taking those resources from something else because the section of the division is a single captain right now and we need these positions to provide that support.

CHAIRWOMAN UMBERGER: Excuse me just a second. I think that all Senator Giuda was looking for, and I think what Senator Daniels was looking for is that maybe in three months you come back to us with a number of people that have been trained and, you know, just send something in to us. You won't need to come back unless there's a question. But what we are looking for is are we making the progress that needs to be made. Okay.

MR. LAVOIE: Yes, so we can certainly provide some metrics as you're asking, programs that are being added. If I may, I'd recommend maybe within six months. Three months seems like a short time frame to see a lot of input. We need to hire staff, but at least we can check in within the next six months to know where we're at and continue to do so on those intervals.

CHAIRWOMAN UMBERGER: Okay. Thank you very much. Could I have a motion to accept FIS 21-296?

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

CHAIRWOMAN UMBERGER: Senator D'Allesandro. Second.

SEN. GIUDA: Second.

CHAIRWOMAN UMBERGER: Senator Giuda. All -- all those in favor, please raise your hand? All opposed? The vote is 10-0. Thank you very much.

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

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

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**Acceptance and Expenditure of Funds Over \$100,000 from Any Non-State Source and RSA 206:33-b, Transfers From Fish and Game Fund:**

CHAIRWOMAN UMBERGER: Tab 8. Could our Fish and Game people please come to the table? Would you please introduce yourself?

SCOTT MASON, Executive Director, New Hampshire Fish and Game Department, I'm Executive Director Scott Mason, New Hampshire Fish and Game.

CHAIRWOMAN UMBERGER: Okay. Based on the type of request, I guess, this could not go on the Consent Calendar.

MR. MASON: Sure.

CHAIRWOMAN UMBERGER: And so -- hum -- I would -- are there any questions that anyone on the Committee might have on this? Okay. I don't see any. If you could just in three minutes max explain what this grant is all about?

MR. MASON: Okay. Hum -- we have -- I believe this has come before you before; but it's a -- it's a three-year grant. So what -- and we haven't spent much out of it yet. So this carries us forward into the next Fiscal cycle. We had -- we purchased a farm down on the Great Bay and there was a -- the deal -- part of the deal was is one of the family members could live there until her -- until her death. That took place, at which point we then have started on cleaning the property up and our goals there are to develop a boat landing.

Historically, there was a boat landing there that in the summertime was a boat landing. In the wintertime it was an access point for bob houses for smelt fishing out on Great Bay. There'll be a picnic area and then housing for temporary staff for both us and NOWA as we have different people coming through doing research in the area.

CHAIRWOMAN UMBERGER: Okay. Thank you very much. Could I have a motion to accept FI -- Senator D'Allesandro. Do I have a second?

SEN. DANIELS: Second.

CHAIRWOMAN UMBERGER: Senator Daniels. All those in favor? Opposed? The vote is 10-0.

\*\*\* {MOTION ADOPTED}

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

CHAIRWOMAN UMBERGER: Tab 9 is dealing with the American Rescue Plan. Are there any items that anyone would like to take off Consent? Seeing none. Could I have a -- I'm sorry, Senator Morse, I didn't see you.

\*\* SEN. PRESIDENT MORSE: No, I was just going to move the item.

CHAIRWOMAN UMBERGER: Oh, okay. Senator Morse moves Tab 9.

SEN. GIUDA: Second.

CHAIRWOMAN UMBERGER: Second by Senator Giuda. All those in favor, please raise your hand? Opposed? The vote is 10-0.

\*\*\* {MOTION ADOPTED}

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

CHAIRWOMAN UMBERGER: Tab 10.

REP. EDWARDS: Madam Chair.

CHAIRWOMAN UMBERGER: Yes, Representative Edwards.

REP. EDWARDS: Just -- just because we're getting close, and I'm not sure which tab these are in, I want to make sure that we discuss 314 and 315. I think you already intend to do that.

CHAIRWOMAN UMBERGER: Oh, we're not there yet. Are there any questions on 21-311? Seeing none. Could I have a motion to accept? Senator Morse. Do I have a second?

SEN. D'ALLESANDRO: Second.

CHAIRWOMAN UMBERGER: Senator D'Allesandro. All those in favor, please raise your hand. The vote is 10-0.

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

**(11) Late Items/Miscellaneous:**

CHAIRWOMAN UMBERGER: We now turn to Tab 11, which are the Late Items. The first one is 21-113 -- uh -- from the Department of Environmental Services, requesting to accept and expend \$100,000 or \$100 million in federal ARPA funding.

**\*\*** REP. LEISHMAN: So move.

CHAIRWOMAN UMBERGER: Okay. I have Representative Leishman has moved. Senator Morse has seconded. Are there any questions for the Department? Seeing none. Thank you for coming up and I think all of us are happy this is going to move forward. Okay. All those in favor, please raise your hand? Opposed? Seeing none. The vote is 10-0.

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

CHAIRWOMAN UMBERGER: Item number three four -- 21-314 from the Department of Health and Human Services. Representative Edwards, I believe you have a couple of questions on this.

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REP. EDWARDS: Thank you, Madam Chair. I suspect this is a topic that's going to interest a lot of Members of the Committee; but just to kick it off. I -- I would just like to hear the Commissioner's version of how we got to the point of wanting to buy the Hampstead Hospital, and what we think we know about ongoing operations should we purchase it, and what we think we know about what we don't know, which is, you know, there's probably some issues related to labor and the like that are still unsettled. So if you could just tell us, you know, your sort of version of where we're at and where we are going, please? Thank you.

MS. SHIBINETTE: Sure. Thank you. Lori Shibinette, Commissioner of Health and Human Services. I just want to stress that this is the first phase of many phases that comes with buying a hospital like Hampstead Hospital. It came before us because Hampstead Hospital was looking to sell, and they are the only provider of inpatient children psychiatric services in our state. So when we reviewed the fact that they were selling, we felt it was important to secure this service for the citizens of New Hampshire.

We all know that for the past several years we've had several children waiting in the emergency room for inpatient psychiatric care, anywhere from ten to up to 20. Right now I think we are right around the 20 mark. Those are kids that potentially are going to go to Hampstead once it's purchased and the capacity is expanded.

We know that right now they're operating at a census of 45. They have capacity for 111. Due to some staffing issues, they have not been able to expand their services. Our goal is to purchase Hampstead, contract with a third party to assist in running it, similar to the contract at New Hampshire Hospital, and expand those services both by -- by bed number and by specialty services.

So we have several gaps in our children's system. You are all familiar with the Children's Behavioral Health System of Care. That continuum requires inpatient children care for -- for psychiatric care. So we will be looking at expanding acute inpatient beds, but also looking at whether it is an appropriate site for longer term psychiatric residential treatment programs. We will be looking at adults that are 18 to 25 that currently reside in the adult program and whether they're more appropriate to be in a special program located at Hampstead.

So right now we're still in the middle with the purchase and sales have not been signed. This is just the part where we accept the federal funds so that we can do the contracting process with Hampstead. The contract itself will go to Governor and Council, and then the Operating Budget, obviously, would come back to Fiscal in a variety of forms.

The questions around workforce and things like that, the personnel that are currently there, our intent is not to have anybody lose their jobs. We will have a third party, maybe leadership, maybe State Employees, but the intent is to continue with their employment through a third party.

REP. EDWARDS: I think --

CHAIRWOMAN UMBERGER: Further question.

REP. EDWARDS: Yes, Madam Chair. I think I have two more follow-ups, if I might. But so -- so, as you know, we've been looking with a Special Committee to take a look at the closure and replacement of the Sununu Center.

MS. SHIBINETTE: Yes.

REP. EDWARDS: And I -- just because we were talking about it yesterday morning in our final meeting of that Committee. I'm just curious if you have any sort of, you know, I'm not going to hold you to it. I'm just looking for sort of an initial gut reaction of whether or not there is a feasibility to having sort

of a Sununu Center, the clinical residential portion of it moved over there because we're trying to get away from incarceration and more into counseling and care giving, and so co-location seems to have some benefits. Do you have sort of an initial reaction of, you know, no, never, it would never make any sense to, ah, it's worth looking at.

MS. SHIBINETTE: So I wouldn't recommend that you co-locate the youth at Sununu Center within the hospital of Hampstead Hospital. But the campus itself is 110 acres. I think the goal looking at the replacement facility for Sununu is that we are looking at any State-owned properties and how that could be developed. If the State purchases property, I would assume that we are also going to review this property for is it an appropriate setting.

Now, the overall goal for the Department is to create a children's system of care and a center of excellence for youth behavioral health. We certainly want to extend that center of excellence into the youth that are at SYSC right now. Whether it can be located on the same campus is not something that we've reviewed at this point.

REP. EDWARDS: And then one more, if I may?

CHAIRWOMAN UMBERGER: Yes, go ahead.

REP. EDWARDS: So -- hum -- we're just having manpower problems all over the state and I think Hampstead Hospital has suffered from workforce shortages. What -- what is your sense that we're going to be able to figure out how to get the manpower or the workforce in there that would be adequate to making Hampstead Hospital truly a business viable concern?

MS. SHIBINETTE: Hampstead Hospital in its -- in the current form is a viable business that has been operated as a private business for 40 years, with the trust that it's -- that it works with. So the intent is to partner with a third party and to offer employment for the vast majority of the Hampstead staff.

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Between the State and the third party collaboration, it is that point that we need to look at hiring additional staff to increase services. But right now they're operating at 45 beds and we anticipate that the vast majority of staff are going to want to come over and work with either the State or the third-party partner.

REP. EDWARDS: One last one. Thank you, Madam Chairman. This is my last question. I -- do you happen to know what the Hampstead Hospital's perspective policy is on mandating the COVID vaccination for all employees?

MS. SHIBINETTE: I do not.

REP. EDWARDS: Could -- could you just check into it and have someone just let me know?

MS. SHIBINETTE: Sure.

REP. EDWARDS: All right. Thank you.

CHAIRWOMAN UMBERGER: Senator Morse.

SEN. PRESIDENT MORSE: Yep. Thank you, Madam Chair. Thank you, Commissioner. Having been involved in this since the beginning, I don't think this is any surprise. The Speaker and I were briefed on this awhile ago. I think it's not -- it doesn't happen everyday that the State is able to get into a purchase and sales agreement, which they have to treat like any other business would of. It was kept silent for a long period of time.

I can assure you it's the intention at least on the Senate side that we want to be involved in the creation in the future of this. And I think questions of whether or not the employees are going to be there and working for the State or working for some other organization, we don't want to see any employees go anywhere right now in the State of New Hampshire. So I guess we can send that message to everybody, including the hospitals that

put out a statement yesterday that we want to make sure every employee stays right where they are.

So having said that, this is a great idea. I appreciate what you're doing right now. I appreciate the fact we're going to build something great here because as a Senator when I get these phone calls and someone's in a hospital for 12 days and the mother's sitting right there alongside the child, we need more and we know that, and this was a good solution at a quite affordable price. Because we're building other -- right now buildings for 25 people that are a heck of a lot more money than this, triple this amount of money. And to be able to buy this and have the extra land that Hampstead Hospital has on that campus, I think we can do some great things there. And I appreciate the work you've put into this.

MS. SHIBINETTE: Thank you, Senator. You know, I want to stress that when we began the negotiations with Hampstead their main concern in this negotiation was, one, that we maintain the mission of the facility and they have a great reputation in the community. And, two, that we take care of their team. And we are committed to doing both of those things with the Hampstead team and maintaining the mission of Hampstead Hospital. So I agree with you. I think it is a long-term solution and a great investment for our state.

CHAIRWOMAN UMBERGER: Thank you. Senator Rosenwald.

SEN. ROSENWALD: Thank you, Madam Chair. I'd like to just circle back to your comment that the Operating Budget would be run through Fiscal Committee.

MS. SHIBINETTE: Or through the budget, depending on when it happens.

KERRIN ROUNDS, Chief Financial Officer, Department of Health and Human Services: It would definitely be through the Fiscal Committee. 'Cause if it's not this Fiscal Year, it will be next Fiscal Year which will still be before another budget is

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created. So the last paragraph of the letter speaks to why the Operating Budget isn't presented at the same time as this item. There's a number of things we need to continue to research and determine before we can determine the Operating Budget.

SEN. ROSENWALD: So there would not be -- I mean, the Senate's in filing period right now. You're not looking to have the entire Legislature weigh in through a special appropriation?

MS. ROUNDS: I don't think so. I think that we wouldn't be requesting General Funds for this Fiscal Year or next Fiscal Year. If additional funds are necessary, we would request ARPA funds. So that would come here through the Fiscal Committee.

SEN. ROSENWALD: Thank you.

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

REP. LEISHMAN: Thanks, Madam Chair. I've always been concerned with late items. I think some of us received information as late as late yesterday afternoon. I don't dispute Senator Morse's statements that this is needed. This is a great opportunity, but I have real reservations how quickly this is moving, the commitment the State would be making by acquiring this facility, and then the funding of this facility. As you stated, you have not put together any sort of Operating Budget at this time. And you specifically say in your letter to us that there won't be a request for General Funds.

So I'm concerned, Madam Chair, this is moving a little too fast. I think I can't support the item as it's being presented today. I think what would be more appropriate is that the Chair of your calling schedule a meeting so this can be discussed by itself, give the public a little more input in the process, but I cannot support it as it's been presented thus far. And I'm sorry because I know a lot of people have spent some time on this, like Senator Morse has said, but I'd like to see more

information. I believe the request that is before us is just a little vague.

MS. ROUNDS: May I clarify something?

CHAIRWOMAN UMBERGER: Yes, you may.

MS. ROUNDS: We did not state in the letter that General Funds would not be requested. I don't believe that is stated in the letter.

REP. LEISHMAN: I could read it to you.

MS. ROUNDS: Where --

REP. LEISHMAN: It says in the event of these federal funds become no longer available, General Funds will not be requested to support this program. So I would read that as the hospital would be the program carrying forward. It's on Page 2 or the bottom of what I have here that was presented two of two.

MS. ROUNDS: I think you might be on Item 315.

REP. LEISHMAN: It says 314 as it was in my package.

MS. ROUNDS: Okay. That must be incorrect, 'cause I have 314 in front of me not having that statement, 315 does. 314 has three pages, 314 has two pages.

CHAIRWOMAN UMBERGER: Yes. Excuse me just a second. Representative Leishman, I know that you were not available for pre-Fiscal. However, we had a copying glitch.

REP. LEISHMAN: Okay.

CHAIRWOMAN UMBERGER: Okay. Hence --

REP. EDWARDS: And we made sure you got it.

REP. LEISHMAN: Thanks. I figured you were behind it.

CHAIRWOMAN UMBERGER: Yeah, you got the glitch. What happened is they accidentally attached 315, second page, to 314, and vice-versa. So Senator Morse.

SEN. PRESIDENT MORSE: Yep. Thank you, Madam Chair. Representative Leishman, we just wanted to see if you were reading it.

REP. LEISHMAN: Mr. Kane said he's bad, so I -

SEN. PRESIDENT MORSE: Maybe the Commissioner can clarify things because I didn't sit on the last budget, but I sat on this current one. When we tried to solve problems with New Hampshire Hospital, we were moving the children out of New Hampshire Hospital to create 50 beds because every child you take out you can get two. We ran into glitches, I believe, last year where we had to find room for children. I don't -- for all of us that have been involved in mental health since 2014 and trying to restructure things in the State of New Hampshire, all we're asking today is the 15 million to take out of ARPA to finish negotiating a deal that is in place which can't be more public than it is today, quite honestly. But I don't think you could find a hundred-bed hospital for \$15 million or whatever that purchase price is within that \$15 million. It just -- I don't see how it could happen. This is some group of people at the other end that are trying to help the State of New Hampshire in what I believe has become a crisis.

Now, along with that, I believe the Commissioner's working with several of the hospitals to create more DRF beds in the State of New Hampshire. But all of these things, and this is what I assured the Senate this morning, are going to go through a Senate process of how to operate it and what the expenses are going to be, and how New Hampshire will use it. But I don't think there was ever a time where we said we didn't need DRF beds for children, and that's what this is attempting to solve. And even if you only solving it for the 25 children that we

moved out of New Hampshire Hospital, we're got building anything right now that's less than \$30 million for 25 units. And we are going to get a hundred-bed unit, and we are going to get all that extra land. It just happens to be down by my District so I know exactly where it is.

This is a good investment for the State of New Hampshire. How you operate it will become your good investment. It will become all of the Legislature to be honest with you, because I don't see how you can make a decision just with Fiscal on this. I think it's going to take both, you know, finance committees and the health committees to come up with the plan to work with the Commissioner on. And it's a long way in the out. That's why the Governor didn't answer those questions when he broke this the other day. But, quite honestly, securing this and getting the deal done is equally as important as operating it, in my opinion. And that's what today's about. And I actually would appreciate your vote because I know the Speaker's been briefed on this the whole time I was briefed on it. And keeping things quiet around here are tough. I actually got phone calls about this in the middle of it where people from the outside knew more than I did, and I said I can't talk about it. So I'm not ducking anything right now. I certainly have been part of that mental health changeover in the state. And, to me, this is something that really benefits the State of New Hampshire.

REP. LEISHMAN: Thanks for your comments.

CHAIRWOMAN UMBERGER: Senator Rosenwald.

SEN. ROSENWALD: Thank you, Madam Chair. At the top of Page 3, the land acquisition and easement paragraph, which I think is the correct copy.

MS. SHIBINETTE: Yes.

MR. KANE: Yes.

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SEN. ROSENWALD: I think I understand that basically Hampstead is running a profit of \$15 million at least and that -- that income they're expecting is at least \$15 million above what their liabilities are. And so we might -- you're expecting we won't even need the \$15 million of ARPA funds anyway. When will we know that?

MS. ROUNDS: So the purchase is actually the first expense line, 33, which is described at the bottom of Page 2, that just says purchase of property. So that's related to the 13 million. The \$2 million -- uh -- I should have clarified that when I put that in the narrative. I apologize. It's the top of Page 3. And that \$2 million is part of the structure of the purchase and sales. There's a structure between accounts payable and accounts receivable, but essentially becomes our responsibility once we're -- once we've purchased it. And so this is just to help manage that. It's really a cash flow issue. And so those ARPA funds shouldn't be needed, hopefully, once that closes out. We're still working out how that will work exactly; but I wanted to make sure that we could pay the bills that will need to be paid.

CHAIRWOMAN UMBERGER: Follow-up.

SEN. ROSENWALD: (Inaudible).

MS. ROUNDS: That's two. Two is my hope. They may end up needing some of it, but at this point that's my hope is that that won't be actually needed. It's more of a cash flow issue.

CHAIRWOMAN UMBERGER: Senator D'Allesandro, you have a question?

SEN. D'ALLESANDRO: Thank you. Thank you, Madam Chair. Excuse me. I did have a couple. One was the 13 was for the building, the 2 million is for the land. Who made that assessment?

MS. ROUNDS: So the 2 million is not for the land. The 13 million is for the building and the land for the entire purchase and sales. The 2 million is for the accounts payable/accounts receivable transactions that I just talked about.

SEN. D'ALLESANDRO: But on the front page it says land and acquisition payments, \$2 million. Is that a mistake?

MS. ROUNDS: Unfortunately, there's no other class line that really was appropriate to -- to use. And we try not to create new class lines for one transaction. So because it is related to the purchase and sales, I discussed with the Department of Administrative Services and used the same class line.

SEN. D'ALLESANDRO: Okay. But, indeed, if I were reading this I would be misled.

MS. ROUNDS: Well, that's why I put the explanation on the top of Page 3.

SEN. D'ALLESANDRO: Thank you.

MS. ROUNDS: I'm definitely trying not to -- I tried to include a lot more detail as promised at the last meeting.

SEN. D'ALLESANDRO: I appreciate that, Karen. Let me just say quickly because I spent a lot of time on this. We've been in the dark on this really, and I understand what Senator Morse has said. I have complete confidence in what he has done. And I will support this based on his assurance, A, that the deal will be consummated properly under State regulations, et cetera, and that what we really, really need is a place to put our children.

Now, I've talked with Heather Moquin more than anybody has in this -- in this Board, I'm sure, sometimes on daily basis about who's in the waiting room, children and adults.

We took the children out to create beds for the adults. We had to reintroduce the children because we didn't have a place for them. Hampstead couldn't take them, just couldn't take the volume. So we recreated ten beds at the hospital. There was a cost associated with both of those things. Retrofitting for 40, re-retrofitting for ten, after you have retrofitted for 40. We put \$5 million aside for that in the last Operating Budget. I'd like us to use our money wisely. I mean, that's why we're an oversight committee. But, as I said, I'll vote for the issue, Senator Morse, based on you. I have great confidence in you as the President of the Senate. If you come to me and tell me it's a good situation, I'm buying it. Thank you, Madam Chair.

CHAIRWOMAN UMBERGER: Thank you. Are there any other questions or comments? Hum -- Representative Leishman.

REP. LEISHMAN: Thanks, Madam Chair. Commissioner, do you have a rough idea, you must have some, you know, figures on a napkin somewhere, the cost of running this facility should you be successful in acquiring it?

MS. SHIBINETTE: I only have -- we have what it cost Hampstead to run their facility. So the current beds the intent would be, obviously, to take over that operation, and then do additional beds and additional services beyond what they are currently doing. There are some different reimbursement sources that are going to enter into this equation, such as DSH Payments when we get -- when it becomes State-owned. So yes, we could look at what Hampstead paid or what their operating expenses were and what the net is.

I can tell you that prior to COVID they were net positive, meaning the revenue was more than their expenses. That will change as we -- as we move into different areas of care and we take more Medicaid kids, less kids from out-of-state, things like that. But prior -- the year prior to COVID, they were net positive.

REP. LEISHMAN: Thank you. And I do have a statement. There's very few people I respect more than Senator Morse. So I will be voting following his lead, Madam Chair.

CHAIRWOMAN UMBERGER: Thank you very much, Representative Leishman. And thank you, Senator Morse. Representative Edwards.

REP. EDWARDS: Thank you, Madam Chair. Just as I was sitting here thinking about 110 acres, I don't know what the property tax status of Hampstead Hospital is today. It just makes me wonder what the impact is going to be on the local community. Is there -- what is the property tax implication of shifting this from private hands to State hands?

MS. SHIBINETTE: The property tax implication is part of the discussions that we are having right now. So both within the purchase and sales and with the Town of Hampstead, they've asked both myself and Melissa St. Cyr to come and present to them. So it's going to be part of the discussion. I don't have an answer right now.

REP. EDWARDS: Follow-up. So the impli -- oh, and I'll let Senator Morse answer if he wants.

SEN. PRESIDENT MORSE: Yeah, they've already contacted the Senator from that District. So I believe it's about \$150,000 is the property tax. I think these things have been solved in many different ways in the past. I mean, in lieu of taxes and things like that we're going to have to look at it. We're not making this decision to hurt the town of Hampstead, I can tell you that much.

REP. EDWARDS: Thank you.

CHAIRWOMAN UMBERGER: Okay. Are there any other questions? Okay. Senator D'Allesandro moves FIS 21-314, seconded by Senator Daniels. All those in favor, please raise your hand? Opposed? The vote is 10-0.

\*\*\* {MOTION ADOPTED}

CHAIRWOMAN UMBERGER: Thank you very much. And we now will move to item 21-315, which was also a late item, and authorization to accept and expend 4.6 million in ARPA funds. So -- hum -- you have a -- you have a question? Okay. Thank you for returning. Would you mind introducing who just arrived.

PATRICIA TILLEY, Director, Division of Public Health, Department of Health and Human Services: Hi! Patricia Tilley, Director of Public Health.

CHAIRWOMAN UMBERGER: Thank you very much. Okay. Representative Edwards, you have a question.

REP. EDWARDS: Yes, ma'am. I -- from what I've read on this in our pre-Fiscal, I'm predisposed to approving this; but I just want to get a couple of points out into the public just given all the concern there's been over vaccine programs. And I -- and I think these things may help the public know what we're doing and support what you're asking us to do.

As I -- as I read this, this is -- this is \$4.68 million approximately. It's all 100% ARPA money. It's coming to us without any specific strings. This is money that the State will convert to our control, and that you'll be able to invest in an immunization program that sort of matches New Hampshire's culture and character for rolling the vaccines out to make them available on a voluntary basis to anyone in the state that wants it; is that somewhat accurate?

MS. SHIBINETTE: Yes.

REP. EDWARDS: Follow-up.

CHAIRWOMAN UMBERGER: Please go ahead.

REP. EDWARDS: Okay. And then we, I think -- I think we're in a situation where COVID is not going away. It's going to

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continue to mutate into different variants. This is a long-term issue. It's not going to go away next year. It's not going to go away in five years. It's probably going to just keep on mutating. We're always going to be dealing with COVID. Is that -- is that true, do you think?

MS. SHIBINETTE: I think that there will be a point where it becomes endemic, similar to influenza, where there is a baseline of COVID in the communities. And like influenza, we get -- many of us get flu vaccines every year to fight the strains that are currently circulating in the community. It is likely that COVID will become endemic and there will be a baseline in the community for many years to come.

REP. EDWARDS: Thank you for that. One more follow-up.

CHAIRWOMAN UMBERGER: Yes, go ahead.

REP. EDWARDS: I've asked you a few times in a few different settings over the last couple months about what the Department's position is relative to what we think we know about natural immunity and what we don't know. Do you have any updates for us on -- on where the science is at in terms of leaving the natural immunity may be a third way. We have vacs. We have unvac. Do we have natural immunity? I noticed St. Luke's in Pennsylvania has told their employees that if they have natural immunity they can go a year without having to worry about vac status. Do we have any new news on natural immunity?

MS. TILLEY: I have no new news to share right now. We shared the notion that even if you have natural immunity, a vaccine is extra protective for you. And so we're continuing to follow the science there. We believe that the booster in particular will give you sort of a top off, like you would top off your gas tank. We believe that provides extra protection; but we're continuing to review the science as it comes in.

MS. SHIBINETTE: What we do know, if I can just add to that, is that in the last several months we've watched vaccine

breakthrough cases as a percentage of our hospitalizations increase. Last Fiscal I talked about the 90-10. About 90% of people in the hospital are unvaccinated and that's still approximately our average over the last ten months. But what we've seen is it go from 90-10 in July August to 80-20 in September, and now around 30% of our hospitalizations are fully vaccinated people. And what that points us to is waning immunity. So that's why the boosters are so important, especially with people over 65 and people that have underlying health conditions.

REP. EDWARDS: Thank you, Madam Chairman. Thank you, Madam Commissioner, for answering the questions.

CHAIRWOMAN UMBERGER: Oh, yes, Senator Daniels. Sorry.

SEN. DANIELS: Thank you. Just to kind of follow-up on Representative Edwards' question because I'm not sure that I get the exact answer. Where it states that this money is available for voluntary school-based clinics, is it am I correct in understanding that if a school has a vaccine mandated policy that they would not be eligible for this money?

MS. SHIBINETTE: No, that's incorrect. Any State funded vaccine program is accessible to any citizen in the state, regardless of their reason or their desire for getting the vaccine. So along with the school-based clinics or the FQHC's, which will be holding vaccine clinics across the state, if there is a mandate from an employer or something like that, they would still have accessibility to that -- to that vaccine. I think we've been clear for months now that the State will not have a vaccine mandate and we don't support a federal vaccine mandate.

SEN. DANIELS: Follow-up. So how can one have a voluntary school-based clinic with a mandated policy?

MS. SHIBINETTE: We don't mandate anything. The Department of Health and Human Services would not mandate it. The Division of Public Health would not mandate it. If there is a mandate by

an individual organization, an individual private business, that is out of the control of the State Government. But the accessibility to the vaccine is for everyone, regardless of their reasons.

SEN. DANIELS: Once again, if I may, I want to read what it says. To support COVID-19 vaccine delivery within voluntary school-based clinics, and I'm trying to figure out what a voluntary school-based clinic is. To me, that means that they have not adopted a mandated vaccine policy.

MS. SHIBINETTE: Yes. Similar to how we do flu clinics right now, we're doing flu clinics in schools for voluntary school-based clinics for the influenza vaccine, very similar to that program that we've run all along.

MS. TILLEY: Well, I think I would just suggest that the voluntary school-based clinics, we will be funding our Regional Public Health Networks. The Regional Public Health Networks, nor the FQHC's, have any mandates. To the Commissioner's point, someone who arrives at one of those clinics may be doing that for a variety of reasons; but the voluntary clinic is that the clinic itself is voluntary.

SEN. DANIELS: Thank you.

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

SEN. GIUDA: Thank you, Madam Chair. Thank you, Commissioner. My concern is about the data privacy.

CHAIRWOMAN UMBERGER: I'm not sure that you're on.

SEN. GIUDA: Test, test.

CHAIRWOMAN UMBERGER: Okay, bring it closer. Thank you.  
Sorry.

SEN. GIUDA: My concern is about the privacy of data, the collection of any data. Can you expound on what will be collected and where it will go and how it may be protected?

MS. SHIBINETTE: So COVID vaccine data is required to be reported to the CDC. All of our vaccine providers report that through one of many ways, either directly to the CDC or through our Vaccine Registry with an opt-out clause.

SEN. GIUDA: Follow-up.

CHAIRWOMAN UMBERGER: Yes.

SEN. GIUDA: Thank you, Madam Chair. Can you describe the opt-in process? Is it just a one-time? Is there -- is that a blanket opt-in for boosters going forward? 'Cause, again, I'm concerned about the right of an individual to withdraw from a program once they've started down that road.

MS. SHIBINETTE: Our Vaccine Registry statute is an opt-out, not an opt-in; but I'm going to have Tricia explain the difference between opt-out and withdrawal.

MS. TILLEY: Sure. Thank you, Senator. So at every vaccine opportunity you will be provided with an opt-out option, especially within these clinics right here in our federally-qualified health centers and our Regional Public Health Networks.

I will say that there are some retail pharmacies that have a direct relationship with the Federal Government. They are currently not sending us any data, and so you may not get an opt-out in those environments, because they're not sending us their data anyway at this moment.

CHAIRWOMAN UMBERGER: Follow-up. Yes.

SEN. GIUDA: So can you explain about this opt-out process? My understanding is it's maybe a little bit convoluted. It's not

like you sign a form saying I opt-in. You just don't not opt-in. Can you help me with that?

MS. TILLEY: Sure. So everyone who receives a vaccine by one of our registered providers, so they're in a relationship with the Department, and the immunization information system which is what we call our Registry, they are supposed educate their patient and say if you want to opt-out, this is how you do it. There's a one simple form, you sign it, and the provider then provides that information to us so we can -- and they -- they take care of it within their system.

It is currently under our current rules, I believe, you would need to have an opt-out at every time you get vaccinated. It's part of the reason we were looking at changing those rules to make it a little bit easier for individuals; but we know that the Legislature is going to want to weigh in on what that process looks like in the future. So we held off so that we could hear what the Legislature wants and the direction they want to go.

SEN. GIUDA: Follow-up.

CHAIRWOMAN UMBERGER: Okay. Just remind you that this FIS is not dealing with the Vaccine Registry. So if we could focus on the 4.6, I would appreciate it.

SEN. GIUDA: Madam Chair, if I may? I think the process of receiving the vaccination, it would invoke participation in a registry, and for that reason I'd ask to continue a few more questions.

CHAIRWOMAN UMBERGER: That's fine. Go ahead.

SEN. GIUDA: Thank you. So does the Department require a form to be provided to anyone coming to get a vaccine?

MS. TILLEY: What we provide is to our providers, we inform them out the opt-out process works. It is incumbent upon the

providers themselves to make that information available to their patients.

SEN. GIUDA: Follow-up. So what we have is no -- no assurance really that a provider is, in fact, complying with the law regarding the privacy.

MS. TILLEY: So we have a monitoring process that we do. We do monitoring both from a federal perspective. We have to monitor the use and distribution of any vaccine right now. And we also work very closely with all our providers to ensure that they have the education that they need in order to meet our statute.

SEN. GIUDA: Thank you, Madam Chair.

CHAIRWOMAN UMBERGER: You're quite welcome. If I understood correctly, if I go to a pharmacy, they don't even report it generally to the state. It goes directly to the CDC.

MS. SHIBINETTE: That is correct.

CHAIRWOMAN UMBERGER: And so if people are concerned about the privacy of their vaccine status they should, in fact, go to one of the State authorized clinics.

MS. SHIBINETTE: These clinics have a direct relationship with the federal government and they are providing vaccine through the federal vaccine program, not necessarily the State. They do not report into our Registry. The -- the solution to have them reporting into our Registry was in the prior -- the prior items, the 22 million, which was the Registry items. There's no money in this 4.686 million that supports the Registry outside of Senator Giuda's statement that, you know, people that get the vac -- the vaccine will either be reported to the CDC through the federal program or through the State Registry.

CHAIRWOMAN UMBERGER: If they don't opt-out.

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MS. SHIBINETTE: If they don't opt-out. And we have done education. We sent a memo in July making sure that all providers knew that they had to provide an opt-out notice to their -- to their patients. So outside of standing in the clinic and making sure they're doing it, we provided all the education we can to our providers.

CHAIRWOMAN UMBERGER: Okay. Thank you. Could I have a motion to -- all right, Senator D'Allesandro.

REP. EDWARDS: Second.

CHAIRWOMAN UMBERGER: Seconded by Representative Edwards. All those in favor, please raise your hand? Opposed? The vote is 10-0.

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

CHAIRWOMAN UMBERGER: If you don't mind, I would ask you to stay there just a second, please. Okay. Thank you.

**(12) Informational Materials:**

CHAIRWOMAN UMBERGER: Next is Tab 12, the Information items. And the reason that I asked you to stay is the report that you provided on Granite Advantage Health Care, and I just wanted to say that that was an excellent report, and I wanted to just express my appreciation for getting that to us. I know we didn't have a Dashboard this month, but I'm sure we've had a few things going on, but in -- in November we'll have a Dashboard, so.

Are there any other questions on -- for the information items? Okay. Seeing none. Thank you very much, Commissioner.

MS. SHIBINETTE: Thank you.

CHAIRWOMAN UMBERGER: Okay.

REP. EDWARDS: We going to do the audit?

CHAIRWOMAN UMBERGER: Yep, that's next.

**Audits**:

CHAIRWOMAN UMBERGER: Okay. I understand our auditors are here someplace?

MR. KANE: They're working their way through.

CHAIRWOMAN UMBERGER: They're working their way through. Okay. And we will be talking about the audit from the -- on the Department of Labor.

MR. KANE: Yes. And while we're waiting, it's up to you, but if you want to make a motion to release this to the public, you could do that now while you're waiting. It's up --

CHAIRWOMAN UMBERGER: Okay.

**\*\*** REP. EMERICK: Madam Chair, I move to accept. Am I still not on? I move to accept the report, place on file, and release in the usual manner.

SEN. GIUDA: Second.

CHAIRWOMAN UMBERGER: Second by Senator Giuda. All those in favor, please raise your hand? Okay. We've got five, six, seven -- eight-zero.

MR. KANE: Thank you.

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

CHAIRWOMAN UMBERGER: Red -- red button down. There you go. Thank you.

STEPHEN SMITH, Director, Audit Division, Office of Legislative Budget Assistant: Good morning, Madam Chair, Members of the Committee. For the record, Steve Smith, Director of Audits for the LBA. We're here to present our financial audit on the Department of Labor for the nine months ended March 31<sup>st</sup>, 2001 (sic). Joining me from our office is Colin Quinn. He was a manager on the audit job and he will present our portion. And also joining us from the Department of Labor is Commissioner Merrifield for any comments he may have or to answer any questions you have.

CHAIRWOMAN UMBERGER: Steve, we're not -- it's not real clear so could you bring your mic a little closer?

MR. SMITH: Sure. How's that?

CHAIRWOMAN UMBERGER: Oh, that's much better.

MR. SMITH: I've been known to be very soft-spoken. So, with that, I'll turn it over to Collin and he can present.

COLLIN QUINN, Audit Manager, Audit Division, Office of Legislative Budget Assistant: Good morning, Madam Chair, and Members of the Committee. Can you hear me all right? Is that okay?

For the record, my name is Collin Quinn. We're here this morning to present the report on our financial audit, like Steve said, of the Department of Labor for the nine months ended March 31<sup>st</sup>, 2021.

This report is presented in two sections; the first section being the Management Letter section prepared by the auditors, and it contains a report on internal control and compliance, along with ten 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, followed by the Department prepared financial statements and notes.

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

If you turn to the Table of Consents, you will note that this report contains seven internal control Observations, none of which were considered to be material weaknesses. In addition, we also have three state compliance comments. One of those, Observation No. 9, is identified as suggesting legislative action may be required.

The Department did concur with all ten of the comments. The Observations begin over on Page 3, with the first three Observations discussing the need to implement formal policies and procedures.

Turning over to Page 3, Observation No. 1 recommends the Department implement formal policies and procedures to strengthen its review of Second Injury Fund medical disbursements.

Control activities, such as review and approval, are an essential component of internal controls, and an expansion of the Department's controls over this process could help reduce the risk of errors and omissions.

We recommend the Department implement a process to obtain and review supporting documentation from insurance carriers on a sample basis for requested medical cost reimbursements.

Observation No. 2, over on Page 4, notes the Department had not established policies and procedures to ensure that monthly reconciliations are performed between the Department's subsystem and NHFirst. Policies and procedures are an organization's primary control process for ensuring that appropriate operating criteria are regularly met over time, especially in times of transition.

We recommend that Management implement formal policies and procedures, including reconciling to appropriate money market accounts, and the review and approval function for monthly reconciliations between the subsystem and NHFirst.

Turning the page to Page 5, Observation No. 3 again recommends the Department implement policies and procedures, with this Observation related to review and approval of bi-weekly payroll. During the audit period, the bi-weekly payroll the Department ranged from a low of approximately 155,000 to a high of approximately 184,000. A formal documented review would help ensure that Management understands and accepts any payroll changes that occur in a given period.

The next four Observations, numbers four through seven starting on Page 6, all related to internal control deficiencies over information technology, and Observation No. 4 recommends the Department continue with its efforts to replace the outdated AS-400 computer system.

The Department relies on this system for the tracking of revenues and accounts receivables, financial reporting, and also case management. There was an August 1999 strategic plan commissioned by the Department that advised that the AS-400 system be retired in approximately 14 to 16 months. Now, more than two decades later, the system is still in use. Necessary personal resources should be devoted to properly design, develop, and implement a replacement system without delay.

Turning the page, Observation No. 5 recommends an IT Security Management Program be established, including subordinate plans at the agency level where necessary. Without a well-designed and communicated security management program, there's the risk that security controls may be insufficient, that responsibilities may be unclear, or that controls may be inconsistently applied.

In conjunction with this program, we also recommend the Department continue to make every effort to protect its information systems from cyber security risks.

Turning the page again, Observation No. 6 recommends the establishment of a formal service level agreement with the Department of Information Technology in order to provide clarity as to DoIT versus Department responsibilities as they relate to various information technology areas.

And then Observation No. 7 recommends the Department's existing continuity of operations plan be tested on a regular basis in order to allow the Department to make adjustments where necessary.

Over a Page 11 we have the start of our compliance comments with Observation No. 8 discussing the Department's Administration Fund Assessment, which is established in statute for the sole purpose of administering the workers' compensation chapter.

The Department's Fiscal Year 21 budget appears to overallocate the cost of administering workers' compensation programs. And as you can see illustrated in the chart at the bottom of Page 11 the assessment funded 80.9% of the Department's Fiscal Year 21 budgeted costs, including 90 percent of the administrative support costs, and 49.4% of budgeted inspection division costs.

We recommend the Department re-evaluate its policies and procedures related to the Administration Fund Assessment to ensure that insurance carriers and self-insurers are equitably charged.

Turning the page, Observation No. 9 addresses statutes that appear to conflict. The Department deposits penalties collected under RSA 275-A:5 into the restricted fund, which conflicts with RSA 273:11-a which requires penalties to be deposited into the General Fund.

We recommend the Department seek to amend this conflicting language.

Our final observation is Observation No. 10 on Page 14, and it address financial disclosure forms required by RSA 15-a and recommends the Department continue in its efforts to have all required filers associated with the Department file the required reports.

Then if you turn the tab over on Page 16, you'll notice an index which reports the current status as of October 12<sup>th</sup> of the Observations contained in the Fiscal Year 2010 Department of Labor Management Letter. As noted at the bottom of Page 18, eleven of the comments were fully resolved and three were in the process of remediation.

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. The General Fund Statement of Revenues and Expenditures is on Page 7, and the fiduciary fund financial statements are on Pages 8 and 9, which are then followed by the notes to the financial statements.

With that, this concludes my presentation. I would like to thank the Department, and also the Department of Administrative Services, for the assistance we received during the audit. The Commissioner and his staff were very responsive to all of our requests and comments. And at this time we would be happy to answer any questions that the Committee may have.

CHAIRWOMAN UMBERGER: Senator Daniels.

SEN. DANIELS: Thank you. I have a question on Observation No. 5 on Page 7. My question is why is the deficiency against the Department when it is the responsibility of DoIT to develop and implement the strategy?

MR. SMITH: I think the -- obviously, the Department bears first and foremost responsibility to protect; but I think that,

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if I may, I can have John Clinch, he is IT -- does a lot of our IT auditing. He crafted this response. So I think actually had specific conversations with DoIT as the basis of this. If I may, like to call him forward. Maybe he can respond to this.

CHAIRWOMAN UMBERGER: Certainly.

JOHN CLINCH, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant: Good morning. For the record, my name is John Clinch. I'm a Senior Audit Manager with the Office of Legislative Budget Assistant.

Hum -- the reason -- hum -- we put it in this report was we felt it was a shared responsibility of both the Department of Information Technology and the Department of Labor. The way the security breaks down in the state is the Department of Information Technology is responsible for some things and the Department of Labor is responsible for others, and that's why we included it in the report because it is critical to the financial statements that the data be protected.

CHAIRWOMAN UMBERGER: Did you have a follow-up?

SEN. DANIELS: Yeah, just a follow-up. But it does have and it's actually quotes that DoIT is responsible for, quote, developing and implementing a strategy to address cyber security. So I would expect to see such a deficiency in an audit against DoIT. But I was just curious as to why the Department of Labor would -- would be held deficient in doing that when it clearly states that it's the responsibility of a different Department.

MR. CLINCH: Right. Currently, we're not doing an audit of the Department of Information Technology. So we don't really have a vehicle to publicly disclose that there's no security plan -- written security plan for the state. Hum -- we felt that it was important enough to put in this report and get the Department of Information Technology's response on record and to let you folks know about the situation.

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SEN. DANIELS: Thank you.

CHAIRWOMAN UMBERGER: Are there any further questions?

REP. EDWARDS: Question.

CHAIRWOMAN UMBERGER: Yes, Representative Edwards.

REP. EDWARDS: I'll stay on Observation 5, Madam Chair. I'd also like to talk about 4 and 9.

On -- on Observation 5, I'm an old privacy and security guy, and I noticed your paragraph is labeled IT security, and I don't see the word privacy. So would you tell me what your audit philosophy is as you're looking at IT security, the extent of which you do or do not consider the privacy issues, also?

MR. CLINCH: I think privacy is embedded in security. You can have privacy without security. So security is more of a global term.

As far as audit goes, we look at the confidentiality, integrity, and availability of data systems. Hum -- for standards we used the *Federal Information System Control Audit Manual* and that discusses security in a broad manner; and, again, within that is confidentiality -- hum -- but it's not specifically called out.

REP. EDWARDS: Follow-up.

CHAIRWOMAN UMBERGER: Go ahead.

REP. EDWARDS: Just so you know, I've just been talking and musing with a lot of people given that we've passed a privacy constitutional right in 2018 that overall the State Government may want to improve its culture relative to privacy by design everywhere. Just a comment. And then, Madam Chair, Observation 4.

CHAIRWOMAN UMBERGER: Okay.

REP. EDWARDS: I would like to read a quote from here, because I think the public should hear this.

Hum -- on Page 6, second paragraph from the bottom, the final couple sentences. A strategic plan commissioned by the Department and facilitated by PricewaterhouseCoopers in August of 1999 advised the Department to retire the AS-400 in 14 to 16 months. The good news is the Department requested funds in this current Fiscal Year to fully mitigate this old IT system. And so -- hum -- I don't think you have audit findings in here relative to the failure of the Legislature or maybe the Governor's Office. But I -- could you talk to us a little bit about how it's possible to go 20 years with a system that we know needs to be replaced and what really structurally got in the way of -- of doing the job when it needed to be done?

MR. CLINCH: I think I'd like to refer that to the Commissioner of Labor to better answer that question. He's more familiar with the history of that project.

KEN MERRIFIELD, Commissioner, Department of Labor: Good morning. Ken Merrifield, Commissioner of the Department of Labor. I can tell you only with firsthand knowledge of the last four years that it became obvious to me immediately that our systems were antiquated and needed to be replaced. The greater need presently was to replace our document management system, which is some 20 years old, and not supported in current operating system environments. So that was the first phase. But, no kidding, this week we had a vendor on-site who is in charge of that project to talk about full migration off of the system. And as you correctly point out, we've requested funds to do exactly that. Prior administrations I can't really comment. I don't know why.

REP. EDWARDS: Follow-up.

CHAIRWOMAN UMBERGER: Go ahead.

REP. EDWARDS: I appreciate it's difficult even if you wanted to or knew why the Legislature and the Governor has failed for 20 years. But I get to -- over to Observation, I think it's nine, where you list some RSA's. And it just makes me wonder if we should put into legislation some sort of a strategic planning function for IT so that we see, you know, on a five-year forecasted basis what the IT upgrades are needed to be anticipated. And -- and maybe write into the legislation some sort of formal sign-off or vote by the Legislature to indicate, you know, yes, we accept your plan or no, we reject your plan, because I think we need to get on the record. Going 20 years with an AS-400 is an embarrassment, and I'm sorry that we sent Representative or Commissioner Goulet around the nation with that kind of a track record that he's got to carry with him, so.

If you have any thoughts on what we might need to do to embed strategic IT planning in a forecasted basis so that we are more responsive, I'd be interested in your thoughts.

CHAIRWOMAN UMBERGER: Yes. Please come up.

MR. QUINN: I think I would agree with that. I think that's something that we can certainly work on and we can work on developing information related to that and get that to you.

DENIS GOULET, Commissioner, Department of Information Technology: Good morning, Madam Chair, Members of the Committee. Denis Goulet, Commissioner of the Department of Information Technology. There actually, Representative Edwards, to directly address your comment and question, there already is in statute, actually, a strategic planning function that's required by each agency. It's called the Agency Information Technology Plan or AITP.

REP. EDWARDS: Could you get closer to the mic?

MR. GOULET: Yes, sorry. We do that on a biennial basis aligned with the budget process. So my vision is and we've been working on that document over the years. It's always been required that the agency do it. We've sort of taken over responsibility. In statute it says the agency needs to do it, but I require that our folks do it. We have in each agency we have an IT lead function. Commissioner Merrifield and I just hired a new IT lead for -- for his organization, which we're excited about, because I believe we'll be able to make a lot more progress than we have historically in the areas that we are addressing and talking about today. But, essentially, what I expect is that -- and we also have an overall IT strategy function. In fact, in early November we have an IT Council meeting. Again, a statutory body, IT governance for the State of New Hampshire. Really, I expect we'll be ratifying our updated strategic plan at that time. That's on the 5<sup>th</sup> of November.

So my expectation is that an AITP or Agency Information Technology Plan would accurately state what the strategic citizen service and other requirements for the agency and that would roll up to our strategic plan, the overall statewide strategic plan, and it would align with the budget requests that the agency is making in that biennial budget cycle.

REP. EDWARDS: Quick follow-up.

CHAIRWOMAN UMBERGER: Yes.

REP. EDWARDS: So I thank you for that, Commissioner. Is the short story there that you think that the planning mechanisms are now appropriate and adequate so that we don't run into these 20-year gaps again?

MR. GOULET: Well, the -- you know, again, I -- I don't know that, you know, when I look -- I wasn't aware of that finding from '99. So thanks for educating me on that. But, you know, the -- the fact remains that, you know, while we -- while we are not happy we have an AS-400 there and we certainly need to modernize it, we are running the business on that. And -- and so

it's not -- there's not any, you know, giant problems with that other than it really does need to be modernized.

With our new IT lead there and one of the things we've been doing is over the years that I've been here, which is just now working on 16 --

REP. EDWARDS: I don't want to cut you off but I will. I was just looking for a yes or no. Do you think the procedures are now adequate so we're not --

MR. GOULET: Yeah, yeah. I think having advanced the strategic planning function at Department of Labor and other agencies, I believe that we're -- we're doing a better job than we ever have. We will continue to improve though. You're never good enough.

REP. EDWARDS: Thank you.

CHAIRWOMAN UMBERGER: Representative Emerick, you have a question?

REP. EMERICK: Yes, Madam Chair. Thank you. Commissioner -- am I on? No. Okay. This is annoying. And my phone rings at the same time. Hum -- there seemed to be a little push back about cyber security -- uh -- that -- and it seems to be a gap in understanding that you're responsible for cyber security for the state. Are Departments really responsible for cyber security as well?

MR. GOULET: Well, it is true that it's a shared responsibility. Just, for example, when you look at a Ransomware attack, in any successful Ransomware attack in any -- in any organization, it's typically an employee that clicked on the link, you know, so it's -- I think we do have a shared responsibility. The -- and I think it was pretty well explained. You know, my -- my response to the cyber security finding was that I concurred, in part, and it was mostly because I think that, you know, when -- when -- when asked the question, you

know what is your cyber security strategic plan and how on does it relate to how we're operating inside the agencies, we didn't have an updated document on that. So that's something that I've taken as an action item to cure.

What I didn't feel is that there is a material problem with cyber security at the Department of Labor at this moment. And we have -- we're applying pretty tight guidelines, much tight -- you know, much tighter than a lot of other states as it relates to security and privacy in New Hampshire, and we continue to work on that. The Legislature's been great in appropriating capital funds each time as we request to keep up with our, you know, our enemies, frankly. So -- so, you know, my -- my thought on this is that we -- we need to update our now six-year old cyber security strategy and get that ratified by the IT Council, and continue to evolve our cyber function, and continue to -- and make it easier when -- I think when the auditors go into an agency to figure out, you know, what's going on there that we can give answers more crisply.

REP. EMERICK: Follow-up.

CHAIRWOMAN UMBERGER: Follow-up.

REP. EMERICK: My concern comes from whenever I hear the term we have shared responsibility, it's like doubles in tennis, and we both watch the ball hit the stripe between us. So that's -- somebody has to be in charge. I mean, and I'm -- I think it's your -- I would be looking to you to provide them guidance and get on your train rather than have two different trains.

MR. GOULET: Yes, I agree. And I will -- I will state that I'm the -- I'm responsible, my Department is ultimately responsible for the security of the data and systems in New Hampshire.

REP. EMERICK: Thank you, Commissioner.

CHAIRWOMAN UMBERGER: Thank you. Are there any further questions? Uh -- Mr. Merriweather, I'm not going to let you get by without answering or talking about it or whatever.

MR. MERRIFIELD: I'm sorry. For what it's worth, I think Senator D'Allesandro --

CHAIRWOMAN UMBERGER: Oh, okay. Okay. Sorry.

MR. MERRIFIELD: Okay. My only comment --

CHAIRWOMAN UMBERGER: You need to pull the mic closer.

MR. MERRIFIELD: Is that better?

CHAIRWOMAN UMBERGER: Yes.

MR. MERRIFIELD: My only comment would be that I really admire the professionalism of the LBA in this process. As you might imagine, for a small agency it is a very difficult process. Myself, our CFO, Amy O'Hara, the Deputy Commissioner and the -- Rudy Ogden who's with us today, and also the Director of the Workers' Compensation Division, we were the people involved in providing data and documentation to the LBA for greater than six months, I think. So it is a very in-depth process, but they probed our strengths, as well as our weaknesses, made us aware of certain control situations that we did not realize. So it was a very, very, good process for us and will help us grow as an agency. And I'm grateful to the LBA for the process.

CHAIRWOMAN UMBERGER: Are there any questions? I do have one. I know the audit identified some legislative action. Have you contacted anyone to make the change?

MR. MERRIFIELD: We have not. We have made similar changes because when the Legislature in 2011 created the restricted fund, there were several vestigial statutes just like this. Some of those -- four, I believe, four of those statutes were

directing funds not to the restricted fund but to dedicated funds. So in the review of -- uh -- dedicated funds, we discovered that that was changed in House Bill 4 in the last biennium, but we did not realize that this one still existed. So we'll -- we will seek legislative change.

CHAIRWOMAN UMBERGER: I'm not exactly sure when the Senate closes. The 27<sup>th</sup>. So I think you can just go to one of the Senators and say this is an audit finding, you know, will you submit this, so.

MR. MERRIFIELD: Sure.

CHAIRWOMAN UMBERGER: There are 24 of them, and I'm sure any one of them would be more than happy to take care of this.

MR. MERRIFIELD: Excellent. We will do that.

CHAIRWOMAN UMBERGER: Okay. Are there any other questions. Hum -- obviously, this audit sparked a lot of interest on the part of the Fiscal Committee. So -- hum -- I definitely want to thank the audit group for, obviously, doing a good job, and I want to thank Mr. Merriweather for his -- his work and understanding and knowing that things will get better. That's -- that's always what audits are supposed to do, so. Is there -- okay. Oh, did you have something else to say?

MR. SMITH: Just that the Committee needs to accept.

CHAIRWOMAN UMBERGER: Oh, we did that.

MR. KANE: We did that when you were coming over.

CHAIRWOMAN UMBERGER: When you were -- I don't know where you were hiding someplace.

MR. SMITH: Missed that. Thank you.

CHAIRWOMAN UMBERGER: But that's okay. That's okay. So next meeting. Hum -- oh, I'm sorry. Excuse me.

SEN. D'ALLESANDRO: (Inaudible).

CHAIRWOMAN UMBERGER: I can't hear you.

SEN. D'ALLESANDRO: At our last meeting we requested that the Department of Education come back here on October 1<sup>st</sup> and give us an update on the voucher plan. I don't see the Commissioner here. I don't know who's here from the Department of Education that's going to bring that report to us; but it seems to me everyone knew that that report was due on the 1<sup>st</sup> of October. So, indeed, if it's not here, it better be here for the next meeting.

CHAIRWOMAN UMBERGER: Yes. I spoke to Mr. Kane about this. Hum --

MR. KANE: Yes.

CHAIRWOMAN UMBERGER: Because I was also totally in agreement with you, Senator. And -- hum -- so, Mr. Kane, would you mind explaining what happened?

MR. KANE: Sure. So, initially, October 1<sup>st</sup> the Commissioner was scheduled to give a verbal update of the Education Freedom Account Program, along with various details. That meeting was cancelled. The Commissioner was unavailable today to present; but the Department did reach out and did state that he'd be available for the November meeting. I will reach out to Caitlin Davis and the Commissioner as well, and I know today with the minutes that were amended relative to kind of what you're looking for, I'll share that with the Commissioner as well.

SEN. D'ALLESANDRO: Thank you.

CHAIRWOMAN UMBERGER: Okay.

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

CHAIRWOMAN UMBERGER: Yes, I can't wait, too.

SEN. D'ALLESANDRO: I can't wait either.

CHAIRWOMAN UMBERGER: I know, I know. I was trying to think of something that should not go in the minutes; but, hopefully, it won't be a turkey. So, Ceil, please don't put that in. Okay. All right.

SEN. D'ALLESANDRO: Before we recess, Madam Chair, I want to compliment you on the way you've run the meeting. I think it was outstanding. You gave everybody an opportunity to speak, handled it brilliantly. So kudos.

CHAIRWOMAN UMBERGER: Thank you. Thank you.

(Applause.)

CHAIRWOMAN UMBERGER: Thank you very much. Uh -- Mr. Kane, I know that we had set a tentative date.

MR. KANE: Yes. The third Friday in November is the 19<sup>th</sup>, if that's okay with the Members.

SEN. D'ALLESANDRO: Check with Mr. Edelblut.

MR. KANE: We'll clear that. We'll make sure that -- we'll let them know you're expecting something, the Committee is.

SEN. D'ALLESANDRO: Thank you.

MR. KANE: Sure.

CHAIRWOMAN UMBERGER: Yeah, we're expecting a lot.

MR. KANE: Okay.

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CHAIRWOMAN UMBERGER: So okay. If there's no other business, could I have --

**\*\*** SEN. GIUDA: Move to adjourn.

CHAIRWOMAN UMBERGER: Okay. Senator Giuda moves to adjourn, seconded by Senator Daniels. Thank you all for coming today, and the work you did prior to the meeting, and I'm really happy that we did well. So thank you all.

(The meeting adjourned at approximately 12:15 p.m.)

#### **CERTIFICATION**

I, Cecelia A. Trask, a Licensed Shorthand Court Reporter in the State of New Hampshire, do hereby certify that the foregoing transcript was transcribed by me from a YouTube Video/Audio 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