

JOINT LEGISLATIVE FISCAL COMMITTEE

Legislative Office Building, Rooms 210-211

Concord, NH

Friday, January 19, 2018

MEMBERS PRESENT:

Rep. Neal Kurk, Chair

Rep. Kenneth Weyler

Rep. Lynne Ober

Rep. Mary Jane Wallner

Rep. Daniel Eaton

Rep. Frank Byron (Alt.)

Sen. President Chuck Morse

Sen. Gary Daniels

Sen. Regina Birdsell (Alt.)

Sen. Lou D'Allesandro

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

(7) RSA 198:15-y, III, Public School Infrastructure Fund:

NEAL KURK, State Representative, Hillsborough County, District #02, and Chairman: Good morning, everyone. Welcome to the January 19, 2018, Fiscal Committee meeting. At this time, without objection, I'd like to take up item number seven on the agenda which is Fiscal 18-011.

LYNNE OBER, State Representative, Hillsborough County, District #37: You said Tab 7, Mr. Chairman?

CHAIRMAN KURK: It is Tab 7, 18-011, request from the Office of the Governor for approval to authorize General Fund expenditures from the public school infrastructure fund in the amount of \$10,078,085 through June 30, 2019, and recognize His Excellency, Governor Christopher Sununu.

Good morning, Governor, and Welcome to the Fiscal Committee.

HIS EXCELLENCY CHRISTOPHER SUNUNU, Governor of New Hampshire: Well, good morning. Thank you for having me.

CHAIRMAN KURK: Did you wish to make a presentation or would you like to see us take a vote?

GOVERNOR SUNUNU: I'm all about expediency. But no, if you don't mind, I just want to come over and give a few words. My first chance in 2018 to come over and at least first say hello to both you, Mr. Chairman, and Members of the Committee, and you always know big things are happening by the look of the crowd. And it's kind of a who's who in that crowd. So I suspect today's going to be a big day for this Committee and for the State.

But I did want to come over and have the opportunity, if I may, to make a few remarks to the Fiscal Committee on School Infrastructure Safety Fund, which is a project that we came from kind of an inception and idea. What we hoped would be a good project, I think, has turned into the potential to be a great project for a variety of different school districts across the state. And we just want to make sure that we can, hopefully, earn your support and answer any questions that we may have on it.

I'm joined today, obviously, by the Commissioner of Education, Frank Edelblut. I believe, Perry Plummer. Is Perry here? Perry is here. Perry Plummer, our head of Emergency Management has also joined us, both of which really took -- went through the process we're going to talk about a little bit in great painstaking detail to make sure that we got it right. I think it's important that we always make sure we do our homework and get things right before we come before a Committee such as this.

Today is the accumulation of an effort that began in my proposed budget to give a boost to School Building Aid by granting dollars directly to communities to rebuild our classrooms' infrastructure, an issue I think we all hear quite a lot about, I've heard quite a bit about over the past few years. Specifically, schools with clear and imminent dangers to the

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health and safety of students and towns that might not be able to otherwise address issues like asbestos, lead paint, and other important critical safety issues.

Our goal is to make our schools the safest in the nation. I think that's something that we can all agree upon. And if we can't put our kids on the school bus and know that they're safe, well, frankly, nothing else matters. It really has to start there. Not just for us as elected officials, but for the families and individuals across the state.

Today, I have before you for consideration a proposal for those goals and the individual projects were thoroughly vetted by the School Infrastructure Safety Commission and my office prior to coming before you today.

In total, there are 170 individual projects in this proposal that spans school districts all across New Hampshire, and they're focused on the issues and needs that are immediate and critical in nature. This first investment of over \$10 million in one-time funds for one-time projects will not only ensure that our schools are the safest learning environments possible for our students, teachers, and administrators, but should also help provide property taxpayers in local communities with some relief.

This is my first visit to you in 2018, but I think I feel confident in saying it will not be my last, because the Committee has shared the applications that are -- that keep flowing in and, hopefully, we think that we could close as many as 300 individual projects across this state, which I think would be a paramount achievement and provide the scope and breadth and opportunity for these individual communities, again, to ensure that we simply have the safest schools in the country.

As you recall, when I first proposed the creation of a public school infrastructure revitalization trust fund in my budget address last year, we anticipated a fund with about 8, \$9 million in it. I think about eight and a half was the exact number. But thanks to some fiscally conservative management of

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the State's finances, continued growth of our economy, we now actually have, as you know, about \$19 million, more than twice as we anticipated to bring to bear in helping districts.

I want to thank the School Infrastructure Safety Commission. They did a tremendous job. They put in considerable work, not just researching these projects, following up, looking at the details of them, but at the same time also trying to make it a simple process for these communities to apply. That's one thing I think we all wanted to stress. Make sure when funds are available we need to create barriers for communities that they would have to overcome. We didn't want to stress them with lawyers figuring out pages and pages of rules, really simplify the process. And Commissioner Edelblut, I think, deserves a lot of the credit in making sure that not only was the process simple, but there was a good feedback. And in doing so, I think that helped the projects come to bear a lot faster than maybe we even anticipated.

I also want to thank the Legislature and a lot of the individuals in the Legislature that were representing their schools and their districts that worked directly with the Commission. They were -- also helped us, I think, advocate as to the real needs. And that's, I think, one of the most important aspects of this first phase of the funding. It's going at direct needs as defined by the communities, not just political desires defined by Concord. We really reached out and asked them what they need, and in some cases we were able to provide a considerable amount of funding. Different percentages based on the projects and based on some of the stipulations that were set up in how the cash flow in some cases be even moved, but without this money there's no doubt that the vast majority of these projects would go ahead or if they were to go ahead they would be solely on local taxpayer dollars.

You know, something I think we all take frustration with sometimes in the state is we do have significant property taxes and so one of the challenge always is, well, how can the State at the State level really help offset some of those costs. I think we've been able to do it in a variety of different ways.

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Obviously, the 30 million plus million dollars we returned back to cities and towns last year for roads and bridges was a huge first step. We have the Groundwater and Clean Drinking Water Infrastructure Fund that is being head by Senate President Morse. I think he's been doing just a fantastic job looking at \$275 million over the next 25 years or so being rolled out to communities to offset what otherwise would be local costs or costs directly to those taxpayers. And today we have the first phase of a \$19 million fund. Again, going to projects that traditionally would be solely picked up by those local communities allowing the State to step in and participate and provide some relief to get those projects, those well-needed, well-deserved projects really off the ground.

As I mentioned today, you know, we are joined by Education Commissioner Frank Edelblut and Perry Plummer as well. I think these two gentlemen have done just a terrific job in getting me this detail. So what I'd like to do is kind of in some ways leave it in their hands. They understood, I think, a lot of the details of the individual projects, how they were decided and will probably be best to answer some of the technical questions that I imagine the Committee may have or you can just take a vote, that's fine, too.

I do want to thank you for the opportunity to come here. This is one of those days where I think we can all agree we're doing good things. We are doing some really good things for some very needed projects across the state. So thank you for the consideration of this.

CHAIRMAN KURK: Thank you, Governor. If you -- at this point you have other business and need to leave, we'll be pleased to deal with the Commissioner and Mr. Plummer.

GOVERNOR SUNUNU: I'll be right over there and I think you all have my cell number so if you need anything. My sense is these guys can take it from here, but you know where to find me, and I just want to thank everyone again for the opportunity to come over. Appreciate it.

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CHAIRMAN KURK: Thank you.

(Governor Sununu leaves the Committee Room.)

CHAIRMAN KURK: Gentlemen, I have --

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

PERRY PLUMMER, Director, Division of Homeland Security and Emergency Management, Department of Safety: Perry Plummer, Director of Homeland Security and Emergency Management for the State of New Hampshire.

CHAIRMAN KURK: Thank you. I've looked over all of the titles and descriptions and three of them stand out as being somewhat different. One is for Mast Way Elementary School for building expansion. The second --

REP. OBER: Where you reading, Mr. Chair?

CHAIRMAN KURK: This is on Page 5 of 9, eight up or nine up from the bottom, Mast Way Main Office Building Expansion. On Page 8 of 9 at the very bottom of the page Milan Elementary School for re-roofing upgrade. And the last one is the top of Page 9, Salem High School exterior wall and window replacement. These three things didn't have the same kind of security/safety relationship that all of the others had, and I was wondering if it's just a question of description or whether there -- this is a different direction that the program is taking?

MR. EDELBLUT: So I can -- I'll start at the back and then I didn't catch your middle one so you may just have to reorient me again as well.

So Salem is on that list. Salem is undergoing a school building project in the local community. And while they were working on that project, they had to tear down some walls and when they did, they discovered that there were some structural flaws in the construction not only associated with what they

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were going to be rebuilding, but those structural flaws continued into the same spaces that were supposed to be remaining. It was basically steel that had a certain type of corrosion on it. So there was a fault associated with that. And so this cost here is really to -- it's kind of the emergency aspect of it is that there was a safety issue in existing structure that they had to repair not associated with the new construction.

CHAIRMAN KURK: And the roofing upgrade, bottom of -- this is Milan Elementary or Milan Elementary, excuse me, eight -- Page 8 of 9 at the bottom, 450,000.

MR. EDELBLUT: So the Milan Elementary, this was one that we had quite a bit of discussion about. So Milan had actually upgraded their roof back in I think it was about early 2000, maybe 2002. They went through that process of putting a new roof on the building. There were some structural flaws in terms of the construction that was done. They got insurance claims against the roof contractor. They took that same money. They didn't redirect it anyplace. They put it back into the roof. And in spite of efforts over the years to try and correct the systemic flaw that's associated with it, it has not been able to be corrected and really has resulted in some leaks that are either causing or at risk in certain parts of the building of causing mold problems as well for students. And so this would -- this project is to finally fix that problem correctly so that it won't be -- pose a problem going forward for the district.

CHAIRMAN KURK: Safety issues is the actual --

MR. EDELBLUT: The safety issue is really the leaking and the mold associated with it.

CHAIRMAN KURK: The third one is on Page 5, about nine up from the bottom, Mast Way. It said building -- main office building expansion. That doesn't sound like safety or security.

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MR. PERRY: It is a vestibule that creates a safety lock and so it's redoing their vestibule and putting expansion on the vestibule so they have two doors and they have proper security.

CHAIRMAN KURK: So it's a description.

MR. PERRY: And, you know, kind of put that in perspective, there's the three types of projects that we look at under the RSA. One is the life safety, which is imminent danger and health risk that creates a hardship immediate for that school. That's the roofing piece. That's the other piece that Commissioner Edelblut will talk about. There's the fiber optics piece that's in there, and then there's a security project. So the security projects go through. They have to have a security assessment done by my team. We have a team that goes out, meets with the school, the first responders, police, fire, EMS, and goes through and creates a security assessment, gives the report back, and they have to be identified in that security assessment, so.

CHAIRMAN KURK: I think the issue here was that --

MR. PERRY: The description.

CHAIRMAN KURK: -- the language used to describe this didn't encompass what -- what you explained is actually happening. Are there any other questions from members?

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Representative Ober.

** REP. OBER: I would move to approve.

KENNETH WEYLER, State Representative, Rockingham County, District #13: Second.

CHAIRMAN KURK: Moved by Representative Ober, seconded by Representative Weyler. Discussion? There being none, are you

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ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

***** {MOTION ADOPTED}**

CHAIRMAN KURK: Thank you, and we look forward to the next one or two. Senator Birdsell, welcome.

REGINA BIRDSELL, State Senator, Senate District #19: Thank you.

CHAIRMAN KURK: Good to see you here.

(1) Acceptance of Minutes of the December 15, 2017 Meeting.

CHAIRMAN KURK: The next item on our agenda is the first item which is the approval of the minutes of the December 15th, 2017, meeting. Is there a motion? Representative Eaton moves, seconded by Senator Birdsell that it be approved. Discussion? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it, and the item is approved.

***** {MOTION ADOPTED}**

(2) Old Business:

CHAIRMAN KURK: Under Old Business, is there any of the three items that were tabled that anyone wishes to remove from the table?

LOU D'ALLESANDRO, State Senator, Senate District #20: Mr. Chairman.

CHAIRMAN KURK: Senator D'Allesandro.

**** SEN. D'ALLESANDRO**: Thank you, Mr. Chairman. 17-207.

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CHAIRMAN KURK: Senator D'Allesandro moves to remove 17-207 from the table.

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Is there a second?

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

CHAIRMAN KURK: Seconded by Senator Morse. This is a question of removing it from the table. It's not subject to debate. Are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is off the table.

***** {MOTION ADOPTED}**

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Representative Ober.

REP. OBER: I have an item to remove from the table.

CHAIRMAN KURK: Why don't we first remove --

REP. OBER: That's fine. I just want you to know there was another one and not to pass on.

CHAIRMAN KURK: I'll be glad to take that motion just as soon as we dispose of this one.

REP. OBER: Thank you.

CHAIRMAN KURK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman. I think all of us have received additional information with regard to this issue, a letter dated January 9th, 2018, from Steven R. Lavoie addressing the queries that were posed at the time this was

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tabled. And the situation I think had to do with this is an opioid situation, to purchase -- to purchase some materials. I think that was the question. I hope it has been addressed, and we can move forward.

I did speak with the Commissioner. I believe someone from Safety is here if we need further information. But I was satisfied and I hope that my colleagues have received the information they requested and are prepared to move forward with this item. The Commissioner says this is very significant, and we should deal with it, and it does deal with a considerable amount of money over a period of time.

CHAIRMAN KURK: Thank you, Senator. I take it you're moving off to approve the item.

** SEN. D'ALLESANDRO: That's correct.

CHAIRMAN KURK: Is there a second to that? I'll second it.

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Further discussion? Representative Ober.

REP. OBER: This item, unfortunately, got put on the table because when it came to us it was explained as we need to train people in how to use Narcan. Okay. And when we asked about their budget piece and what are you doing here, then it was suddenly we are buying Narcan.

It would really be good when agencies come, not just this one, but all agencies if we got complete information because the item that I would next like to remove from the table was in the same situation. We got partial information. We asked questions. We didn't get full information. So it would really be helpful to not only the agencies but to us if we got complete explanations, complete information, and we could move on it then and not have to waste time putting things on the table, taking them off, getting lots of e-mails. Thank you, Mr. Chairman.

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CHAIRMAN KURK: I have a question for someone from the Department, if they're available.

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

NICK MERCURI, Department of Safety: Good morning. Nick Mercuri from the Department of Safety.

DAVID MARA, Governor's Advisor on Addiction, Office of the Governor: David Mara from the Governor's Office.

CHAIRMAN KURK: Thank all three of you for being here. The question is this is a significant amount of money and the question is how are you going to determine whether or not this program has been successful?

MR. LAVOIE: So this program has certain reporting requirements that are attached to these federal funds. We need to report data related to the follow-up visits, when they're occurring, how often they're occurring, who's receiving the Narcan and the materials, and so we will be tracking that and using that to determine the effectiveness. And I would pass it on to Nick Mercuri to provide more detail there.

MR. MERCURI: That, I think, is really the crux of it. If we can increase the amount of first responders that are able to actually get on scene to deliver the Narcan, and the amount of people that we're actually able to see as a follow-up visit much like home care does. And the amount of people we are able to do, or able to see, and the amount of people we're actually able to train and help them to get into treatment is how we are looking at that right now. There may be some additional data that we'll collect and we are working on that with SAMHSA right now.

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Representative Ober.

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REP. OBER: Thank you. This goes back to what I just said about incomplete information. Where in your explanation will we see the reporting requirements you plan to do and the data you're going to collect, and I have in front of me the document you submitted.

MR. MERCURI: Actually, it's within our grant application, those couple of things that Mr. Lavoie and myself just talked about are the data benchmarks that we submitted.

REP. OBER: So that's part of the data that did not get to us when you submitted the documentation.

(Mr. Mercuri nods his head.)

REP. OBER: That's the kind of information that really helps us make a decision. So I'm not just -- moving forward so we don't run into the same thing.

MR. MERCURI: Thank you. That helps us clarify for next time.

CHAIRMAN KURK: But here's my problem with this. All you're doing is collecting data on what the program does.

MR. MERCURI: Hm-hum.

CHAIRMAN KURK: In terms of the number of visits, but I assume that's not the purpose of the program simply to have visits. I assume the purpose of the program is to have visits and the visits are supposed to change behavior in some way. There will be fewer deaths.

MR. MERCURI: Hm-hum.

CHAIRMAN KURK: Or whatever it might be. In other words, that's what we are paying this money for is to change behavior, not just simply to train people. The purpose of training people is so that they can do something with that training and what they do with that training is what we're attempting to buy with

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this \$700,000. So I'm -- I don't plan to try to hold this up for that. But when you come forward with these programs, you really need some serious outcome measures so that we can decide whether this is a good use of federal or state taxpayer dollars. Simply to train people is not a reason to spend this money. It's training them to accomplish something and what they accomplish is what we need to know. Thank you. Senator Daniels.

GARY DANIELS, State Senator, Senate District #11: Thank you. I would share the Chairman's concerns. I know we're trying to address the opioid crisis. Is there any provisions within this whole plan that is going to require people who will receive Narcan to be directed toward a program to which they can be helped?

MR. LAVOIE: Yes. I mean, that's ultimately one of the primary goals of this -- of this program is after the first responder responds to an at-risk individual, someone who's overdosing, administers Narcan, the current model there's no further communication between those individuals. What this model is trying to do is after that incident occurs, first responders could then visit the at-risk individual in their home and connect them with those resources, give them those resources to recovery and treatment programs, hopefully within their area. If they're not available within their area to statewide resources to encourage them to connect so they can get into a recovery program.

From an outcome perspective, I think that's one area that we're looking at, how many of these individuals will enter into a recovery program. But that's -- that is the intent is to make those connections.

SEN. DANIELS: Follow-up.

CHAIRMAN KURK: Follow-up.

SEN. DANIELS: Are there any funds that are available within this grant that would be directed toward recovery centers?

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MR. LAVOIE: I don't believe so.

MR. MERCURI: No, there's not.

MR. LAVOIE: Not in this money.

SEN. DANIELS: Okay. Thank you.

CHAIRMAN KURK: So one of the -- so one of the pieces of information you're going to collect is what proportion or what numbers of people who receive this follow-up care actually entered into these recovery centers?

MR. MERCURI: Correct.

MR. LAVOIE: Yes.

CHAIRMAN KURK: Then, of course, of those people, how many were successful in completing recovery?

MR. MERCURI: We'll certainly collaborate with the local organizations on that.

CHAIRMAN KURK: I know that's hard to do.

MR. MERCURI: Yes.

CHAIRMAN KURK: That's really what it's all about at the end.

MR. MERCURI: And we don't disagree. It's getting all those people together at the table and the collaboration.

CHAIRMAN KURK: Thank you. Further questions or discussion? There being none, are you ready for the question? The motion is to approve the item. If you're in favor of that motion, please now indicate by saying aye? Opposed? The ayes have it. The item is approved. Thank you, gentlemen.

*** {MOTION ADOPTED}

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MR. LAVOIE: Thank you.

MR. MERCURI: Thank you.

CHAIRMAN KURK: Representative Ober is recognized for a motion.

** REP. OBER: Thank you, Mr. Chairman. I'd like to remove item 17-179 from the table.

CHAIRMAN KURK: Is there a second?

SEN. D'ALLESANDRO: Second.

CHAIRMAN KURK: Seconded by Senator D'Allesandro. Representative Ober is recognized to speak to the issue.

REP. OBER: Do we speak to these motions?

CHAIRMAN KURK: I apologize. You're correct. The motion before us is to take this item off the table. If you're in favor of that, please now indicate by saying aye? Opposed? The ayes have it. The item is off the table.

*** {MOTION ADOPTED}

CHAIRMAN KURK: Now recognized to speak to her motion is Representative Ober.

REP. OBER: Thank you, Mr. Chairman. I'm going to move to approve this item. You have an additional information sheet placed in front of you. The situation with this item we asked about the sheriff's services. They came last time and they said, well, we've overspent the budget. We said how could you have overspent the budget so quickly? And the reality is in Fiscal 17 they spent \$79,000. They budgeted \$60,000. Why the agency is budgeting below what they spent knowing they'd have a problem is a discussion I don't want to get into. But they did receive this grant July 17th, long after the budget had passed, so they could

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not put the money into the budget. This grant may be used for the items mentioned, plus to bring up the sheriff's services to what they need. Again, this is an example of we didn't get complete information so this ended up on the table because of it. Thank you.

CHAIRMAN KURK: Is there a second to Representative Ober's motion to approve the item?

DANIEL EATON, State Representative, Cheshire County, District #03: Second.

CHAIRMAN KURK: Seconded by Representative Eaton. Further discussion? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

CONSENT CALENDAR

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

CHAIRMAN KURK: We now turn to the Consent Calendar under Tab 3. Is -- does anyone wish to remove any of those items? I wish to remove 18-001 and 18-016. That leaves two other items, 02 and 014.

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

REP. OBER: Move to approve.

CHAIRMAN KURK: Senator D'Allesandro moves, seconded by Representative Ober that items 18-02 and 18-014 under Tab 3 be approved. Discussion? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it and those two items are approved.

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REP. WEYLER: Who seconded?

CHAIRMAN KURK: Ober seconded, D'Allesandro made the motion.

REP. WEYLER: Okay.

CHAIRMAN KURK: We turn now to Fiscal 18-001, a request from the Department of Safety for authorization to accept and expend \$580,513 in Other Funds through September 30th, 2018. Is there somebody from the Department who can respond to questions?

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

CHAIRMAN KURK: Thank you for coming, Mr. Lavoie. Could you tell me what you expect to achieve by this program, what are the outcomes?

MR. LAVOIE: So the outcomes of this particular program, this -- this is money to conduct additional DWI, DUI patrols within the State of New Hampshire. The outcome is to reduce the number of DWI fatalities and DWI related incidents and deaths in the state, and we would expect that outcomes from an arrest perspective would be similar to the prior year activities because we're funding at the same level.

CHAIRMAN KURK: So last year was 141 arrests which were made.

MR. LAVOIE: Correct, 141 for driving under the influence.

CHAIRMAN KURK: And you would expect the same thing this year?

MR. LAVOIE: We would expect similar numbers, given the amount of funding. It's hard to say. It's not a direct one-to-one comparison because it depends on number of individuals on the road at the time during the patrols.

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CHAIRMAN KURK: Is there any connection between these incidents and the number of deaths or serious injuries? Is that the concept? If we have these patrols, and we have more arrests we will reduce the number of deaths and serious injuries?

MR. LAVOIE: Correct. If we remove an intoxicated driver from the roadways, a driver who's not able to operate their vehicle safely, then there's less risk of accident, injury and death to non-intoxicated drivers who may get -- be involved in an accident with that individual.

CHAIRMAN KURK: Thank you. Representative Ober.

REP. OBER: It costs -- there were 141 arrests which is approximately \$5,000 per arrest based on the amount of money. Is that a good use of this money?

MR. LAVOIE: Uh -- this money is intended to remove DUI -- drunk drivers from the road, individuals driving under the influence from the road. There are more arrests than just DUI arrests. That's one element of this. So this actually increases our overall patrol hours with these federal funds. So while we are removing 141 DUI incidents from the road, there are other arrests, there are other violations that are also captured. So yes, it's -- it is a good use because we have taken 141 drunk drivers off the roads.

CHAIRMAN KURK: If you had the same amount of money, is there any other program that you could do which would reduce safety at a lower cost per incident, removing more drunk drivers from the road? In other words, is this the most efficient use of 700 -- sorry -- \$580,000?

MR. LAVOIE: Well, this \$580,000 is from the Office of Highway Safety. It's federal money, and this is the only use that we have of this -- of this money. So for this specific bucket, yes, that's the best use for these funds.

CHAIRMAN KURK: Thank you. Senator Birdsell.

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SEN. BIRDSELL: Thank you. So there's a total of 141 arrests for DUI. What were the -- of that -- is that 141 of the 531?

MR. LAVOIE: That's correct.

SEN. BIRDSELL: Follow-up.

CHAIRMAN KURK: Follow-up.

SEN. BIRDSELL: Just an approximate or ballpark -- ballpark figure what were the rest -- the rest of the arrests for?

MR. LAVOIE: Hum -- some of them were for illegal possession. Some of them were for open container as a separate item. So they're not intoxicated, but there's an open container, operation after suspension. Really, it's any motor vehicle violation that the patrol officer witnessed at the time.

SEN. BIRDSELL: So all under the umbrella of DWI.

MR. LAVOIE: That's the intent. Increase patrols to stop and prevent DWI. They're scheduled at times when DWI crashes are most prevalent; but if there's other moving violations those are captured as well.

SEN. BIRDSELL: Thank you.

CHAIRMAN KURK: Thank you. Why is it you have to pay overtime? Why is it that you couldn't use -- that these officers would be considered doing a different job and therefore would get straight time, for example, or some contract rate of pay for this particular service?

MR. LAVOIE: So these from -- these are extra duties. We -- because of the federal funding nature of these -- of the source of funds, we would be unable to supplant their day patrols with these DWI Federal funds. So it has to be extra and in addition to what we normally have scheduled.

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CHAIRMAN KURK: Thank you. There being no further questions, you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved. Thank you, Mr. Lavoie.

MR. LAVOIE: Thank you.

REP. OBER: I don't recall we had a motion.

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

CHAIRMAN KURK: I thought D'Allesandro moved and Ober seconded?

REP. OBER: I did not second.

REP. WEYLER: That was to take it off the table.

REP. OBER: That was to take it off the table.

CHAIRMAN KURK: Apologies. Senator D'Allesandro moves to approve the item, Representative Wallner seconds. Are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is passed.

*** {MOTION ADOPTED}

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Mr. Chairman, just to -- for the audience, 178 is also tabled, has been withdrawn by the Department. So we just wanted to announce that.

CHAIRMAN KURK: Thank you. For the record then, Fiscal 18 --

MR. KANE: 178.

CHAIRMAN KURK: 17-178 has been withdrawn by the Department?

MR. KANE: Yes.

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CHAIRMAN KURK: Thank you, Mr. Kane. Moving on to 18-016, request from Department of Education for authorization to accept and expend \$500,000 in Other Funds through June 30th, 2019. Is there somebody from the Department who can address this?

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

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

CHAIRMAN KURK: Thank you both for being here. I read this one-page explanation of what this money is to be used for and it's very unclear what the outcomes are going to be and how you're going to measure them. And, frankly, compared to the detail that we get with other programs, this really is lacking in depth and clarity. Commissioner.

MR. EDELBLUT: Yes, happy to address that. So this is a grant opportunity that came to us very late last year. I think we actually made the grant application on December 21st. We heard that Pfizer was interested in making a grant. So we quickly assembled a grant application which consisted of the language that you see in front of you. So it was very short, very short grant application that we made to Pfizer, and we were awarded that grant. We received the check on January 9th. And we have that in our safe right now, and we need to get that deposited into the bank. And so what will happen is we will now take these programs, because this is what we have proposed, and develop in more detail what it is we will do relative to the evidence-based on-line substance misuse prevention program for the youth, the campaign in social media to reach out to youth, as well as the recovering housing needs. That portion of the grant actually, in particular, was something that was added to the grant application working with Marty Boldin, the Governor's Policy Advisor for prevention, treatment, and recovery and something that he felt was important that we add.

CHAIRMAN KURK: Let's just take this last one. You're going to pay rent for the first week or two in recovering housing in

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New Hampshire. What's that going to do that not paying that rent would also accomplish? In other words, what kind of behavioral changes are we getting for spending however much and you don't really say how much is being spent on each one of these. For whatever amount of money we are spending on this, what are we getting?

MR. EDELBLUT: So that particular item is a \$50,000 item in the grant application. And this is actually targeted at individuals who are coming out of the recovery programs and they don't have any place to land, either they don't have a family that they can go live with or they don't have someplace else. So it is in order to create some type of temporary transitional housing so that they don't end up the street and, theoretically, then end up back in the addictive condition that they ended up in recovery to begin with.

CHAIRMAN KURK: So has anybody followed these people now to know how many go back into the street and continue their addiction? And has anybody figured out what this is likely to do to reduce that number? I mean --

MR. EDELBLUT: I don't know the answer to that at this point yet. And, again, we haven't even structured the program. So I can't really address that for you. So the request before the Committee is an accept and expend funds. If the Committee is uncomfortable with the expend aspect of it, we are happy to accept and then once we flesh out and determine how these programs will be rolled out, then we can come back before you to do an expend. But right now I just think it was important to -- so Pfizer's made the grant out of their Foundation and the check is literally sitting in the safe and it made sense to me to try to get it into the bank.

CHAIRMAN KURK: Is there -- Mr. Kane is not here. Can we just accept this and defer approving a particular program until the Commissioner provides us with significantly more detail?

MR. EDELBLUT: Right. Once I know what those details are, happy to provide those.

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REP. OBER: So you're proposing to allow -- let me understand -- proposing to allow the Commissioner to deposit the check, come -- but not approve the item, come back with what he's going to do with it, and then we will approve the item. If we don't approve it at that time, he has to return the money. Is that what you're proposing?

CHAIRMAN KURK: No. I think if we don't approve it at that time he would revise his proposal until such time as it was approved. I'm sure the Commissioner can come up with an appropriate program.

REP. OBER: Mr. Kane is back fortunately. I can't answer that. I was just trying to clarify what you had in mind.

CHAIRMAN KURK: Mr. Kane, I have, and perhaps others on the Committee have a problem with the lack of specificity and detail in this particular proposal. The Commissioner would like authorization from the Committee to accept the funds so that the check he's holding can be deposited, and then come back subsequently with a more fleshed out, detailed proposal. Is there a way for us to do that?

MR. KANE: Yes. You could make a motion to accept, not expend.

CHAIRMAN KURK: And nothing more.

MR. KANE: And nothing more. Then they come back to expend the funds at a later date.

CHAIRMAN KURK: Is there someone who wishes to make that motion?

** REP. WEYLER: Move to accept.

SEN. D'ALLESANDRO: Move to --

CHAIRMAN KURK: Second?

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SEN. D'ALLESANDRO: I second it.

CHAIRMAN KURK: Representative Weyler moves to accept the proposal and the -- to approve the acceptance of the money, seconded by Senator D'Allesandro. Discussion? Questions? There being none. Senator D'Allesandro.

SEN. D'ALLESANDRO: No, I think the point's well-taken. So the operative plan for how the money would be expended would be brought before us and then we would execute the expend.

CHAIRMAN KURK: Correct.

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

CHAIRMAN KURK: Further discussion? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it.

MR EDLEBLUT: Thank you for that.

CHAIRMAN KURK: We'll see you soon.

MR. EDELBLUT: I'll be back.

CHAIRMAN KURK: Thank you.

*** {MOTION ADOPTED}

(4) RSA 124:15 Positions Authorized:

CHAIRMAN KURK: Moving on to Consent Calendar, Tab 4. Does anyone wish to remove any of these? There's only one item. The motion -- is there a motion to approve Fiscal 18-004?

** SEN. D'ALLESANDRO: Move approval.

REP. OBER: Second.

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CHAIRMAN KURK: Senator D'Allesandro moves, seconded by Representative Ober that the item be approved. Discussion? Questions? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {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 and RSA 124:15 Positions Authorized:

CHAIRMAN KURK: We turn now to Tab 5 on the Consent Calendar. Does anyone wish to remove any of these items? I think we better remove Fiscal 18-010 because there's a substitute item for that. I'd like to remove 18-003, which leaves us with one item, 18-005. Is there a motion to accept 18-005?

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

REP. OBER: What about --

CHAIRMAN KURK: Just that one.

REP. OBER: You're correct. I didn't turn the page. My apologies.

CHAIRMAN KURK: Is there a second to Senator D'Allesandro's motion to approve Fiscal 18-005?

SEN. PRESIDENT MORSE: Second.

CHAIRMAN KURK: Seconded by Senator Morse. Discussion? Questions? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

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CHAIRMAN KURK: We turn now to Fiscal 18-003, a request from the Department of Corrections for authorization through June 30th, '19, to accept and expend \$900,000 in Other Funds and contingent upon the approval of number one. Number two, for authorization to establish one full-time temporary position coordinator, program coordinator position. Is there somebody from the Department who can discuss this? Good morning.

HELEN HANKS, Commissioner, Department of Corrections: Good morning, Members of the Committee. My name is Helen Hanks, the Commissioner of the Department of Corrections, and with me today is Director Robin Maddaus over our finance portion. We'd be happy to answer questions on this item.

CHAIRMAN KURK: Thank you. As I understand this, you're giving Narcan to women who are leaving Shea Farm on early release; is that correct?

MS. HANKS: No, sir.

CHAIRMAN KURK: Could you explain that then?

MS. HANKS: Yes, sir. The proposal before you is to train and dispense Narcan to individuals at all facets at all of our facilities with opioid use disorders and substance use risk behaviors upon release. So you have -- the proposal is to have a member of the team, the re-entry coordinator proposed here, who goes and meets with those individuals and trains and does education, because 72 hours post-release from institutions is the highest risk period for relapse. And currently right now we do not provide Narcan upon release. In a harm reduction model, this proposal made sense and that's why it's before you today.

CHAIRMAN KURK: So these folks are being released, not just from Shea Farm but throughout the facility. And are these folks only on early release or is it for anyone who's released even if they fully served their sentence?

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MS. HANKS: Any type of release, sir, that would be applicable.

CHAIRMAN KURK: And if they had an addiction they're being given Narcan?

MS. HANKS: In this proposal, they'd be having the opportunity to have Narcan. They could refuse or decline to take it.

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: I'm --

MS. HANKS: If I could further clarify?

CHAIRMAN KURK: Yeah.

MS. HANKS: The National Institute on Drug Abuse speaks to relapse in substance use issues. And much like other chronic illnesses, hypertension and diabetes, we have people departing our institutions with nitroglycerine in the event that they go out and continue to engage in those psychological and physiological behaviors that impede that chronic illness. That's no different than people with drug addiction and substance use issues. Relapse is a part of recovery and the goal of this proposal is to decrease the incidence of relapse, decrease the incidence of overdose, so that we as a state can intervene and help engage people in their substance use which is the other component that I've done a lot of research.

Areas such as Kentucky Department of Corrections, and Oregon Department of Corrections, and The National Institute on Criminal Justice indicate that assertive case management and prior to release, and that is collaboration, not just with the probation/parole officer, but the person being released and community partners, have demonstrated increased treatment compliance, decreased re-incarceration rates, as well as decreased recidivism. Those are the outcomes that we're trying to target and demonstrate we can be effective in doing in this

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pilot. And then if so, we would then expand that assertive case management upon release to the other areas of the Department, as well as being a partner in reducing the overdose death rate in New Hampshire and giving families the opportunity to work with their loved ones out in the community, not just on parole in general, but on probation and other facets to save a life.

CHAIRMAN KURK: So we're releasing the person who at the time of release is not addicted; is that correct?

MS. HANKS: It would be fair to say that the person hasn't engaged in substance use and is still grappling with their addiction, hence the ongoing need for treatment and engagement and to reduce the risk of opioids in a high-risk period post-release.

CHAIRMAN KURK: It strikes me on the one hand you're saying do not use and on the other hand you're saying use because we're going to help you avoid death if you do.

MS. HANKS: Narcan --

CHAIRMAN KURK: A contradiction which I'm trying to deal with.

MS. HANKS: I appreciate the frustration that not just you but other members in the community feel; but Narcan isn't a go and use drug. It's an intervention that has been used for decades in emergency rooms and other facets of our medical system to help people who have drug addiction, who relapse, to give them another chance at life.

CHAIRMAN KURK: Representative Ober.

REP. OBER: Thank you. Commissioner, there are a couple of problems with this and I have a couple of questions. But let me discuss with you the problem which you're not addressing at all. All of us are here hearing from our local first responders about making repeat visits to the same address to administer Narcan over and over. So we're hearing that. The problem is by

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approving this we're enabling them and saying, hey, it's okay to use drugs, and if you overdose, here's the medicine to take care of it. So you become an enabler of the disease. You're not addressing that at all.

The other thing is I don't hear you say anyone who takes this will be remanded for mandatory outpatient drug therapy so that they continue to get help, and we're not just putting them on the street to say, hey, go ahead, use the drugs, here's the Narcan, we're enabling you. Do you see the dichotomy here and what we are trying to get at and can you address those various little pieces, please?

MS. HANKS: Yes, I'd be happy to.

REP. OBER: Thank you.

MS. HANKS: So I regret to leave that impression with you all. We do have other case management services and our probation/parole officer is part of that continuity for the other individuals not considered under the re-entry coordinator pilot. So there is a continuity of care planning that requires a person moving to engage in their substance use, their mental health, and their other health care needs. That part is not excluded. This is just another element we're adding. We're going to use our client management system to track that we provided this to someone, as well as an outreach between the case manager and the probation/parole officer so they know this event has happened. So that dialogue will happen. Treatment and continuity will happen. That is part of what we do today. We don't provide Narcan as the element that we don't do today.

CHAIRMAN KURK: Could this program go forward if you did not include the Narcan component?

MS. HANKS: If the Committee chose to allow us to do the portion around assertive case management and re-entry coordination, I would defer to Health and Human Services who is the individual who facilitated the grant award to us, but I would like to proceed with all of it, obviously, and the

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re-entry coordinator is a separate component. You could defer to others.

CHAIRMAN KURK: Representative Wallner.

MARY JANE WALLNER, State Representative, Merrimack County, District #10: Thank you. I'd just like to go back to the Narcan for a minute. When a person is leaving the corrections facilities, are there family members involved in also learning how to use the Narcan and having it available? Do you work with family members, also?

MS. HANKS: We don't dispense it now. So the proposal would be to join those individuals as part of that discharge plan. So in your question, that's our goal. It's not just to send a lone person out there with this information but to involve all those people who are part of their transition.

REP. WALLNER: Thank you.

MS. HANKS: Thank you.

CHAIRMAN KURK: Senator Daniels.

SEN. DANIELS: Thank you. We just approved an item of over \$785,000 for the Department of Safety for program to train and administer Narcan. Why can't the agencies work together to accomplish that, rather than having separate silo items?

MS. HANKS: I believe Department of Safety's initiative is the other facets of our communities as a state, and I was putting this forward since I really have intimate control over the process of release into the community. So rather than detract from resources for local municipalities, this was a resource specifically for Corrections.

SEN. DANIELS: Follow-up.

CHAIRMAN KURK: Follow-up.

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SEN. DANIELS: Could you not do the same thing but instead of administering giving them the Narcan, giving them guidance on where they can go to get help?

MS. HANKS: We certainly do that now. This was just, again, an attempt during that very high-risk period that research has proven that 72 hours post-release, going out into the community once leaving the institution, and really the temptations of our communities, it indicates this was the right recommendation to make to the State of New Hampshire for Corrections.

CHAIRMAN KURK: Representative Weyler.

REP. WEYLER: Thank you, Mr. Chairman. Thank you for coming. In addition to the other issues, what caught my eye was the salary and benefits 81,000 and benefits 68,900. That's 85%. Why are the benefits so high? You putting in some other benefits in there for other employees?

MS. HANKS: I would defer to the benefit calculation.

MS. MADDAUS: No, that's for typical employee. It does include retirement and medical benefits.

REP. WEYLER: Eighty-five percent now typically?

MS. MADDAUS: It's -- depending on what group, it can be up to 38%. I'd have to verify the figures. I'm sorry.

REP. WEYLER: It says eighty-five percent for benefits.

MS. MADDAUS: Yes.

CHAIRMAN KURK: Perhaps I could help that. The \$81,000 for salary for temporary employees, how many employees is that for?

MS. MADDAUS: One.

CHAIRMAN KURK: And that one employee is going to get \$68,000 of benefits?

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MS. MADDAUS: Yes. It would be a partial year this year. Next year it would be.

REP. OBER: Would be more?

MS. MADDAUS: Depending on what their family situation.

REP. WEYLER: This isn't a Group II person, is it?

MS. HANKS: No.

REP. WEYLER: Excuse me.

CHAIRMAN KURK: That can't be right.

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Representative Ober.

REP. OBER: Robin, could you break down the benefit? So much for health, so much for this for us?

MS. MADDAUS: I don't have that information with me, I apologize.

REP. EATON: Upon approval, can you send an e-mail to Janet to disburse to the members?

MS. MADDAUS: For sure.

** SEN. DANIELS: Move to table.

CHAIRMAN KURK: Motion to table. Is it seconded?

REP. OBER: Second.

CHAIRMAN KURK: Seconded by Representative Ober. If you're in favor of tabling this item, please now indicate by saying aye? Opposed? Show of hands, please. All those in favor of

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tabling, please raise your hand. One, two, three, four, five, six. Opposed? One, two, three. The motion carries 6 to 3. The item is tabled.

*** {MOTION ADOPTED}

CHAIRMAN KURK: We turn now to Fiscal 18-010, a request from the Department of Environmental Services. The request has been -- the item has been replaced and everyone should have this item in front of you. It's dated today, January 19th. So the question before us is on replacement item Fiscal 18-010, as contained in this --

** REP. OBER: Move to approve.

CHAIRMAN KURK: -- four page item. Motion is to approve by Representative Ober. Is there a second? Senator Morse?

SEN. PRESIDENT MORSE: Second.

CHAIRMAN KURK: Senator Morse seconds. Discussion? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

CHAIRMAN KURK: I'd like to thank the Department for their speedy work and their ability to work with the Committee.

(6) RSA 7:12, I, Assistants:

CHAIRMAN KURK: We now turn to Tab 6, Fiscal 18-009, a request from the Department of Justice for authorization to accept and expend a sum not to exceed \$886,537 in funds not otherwise appropriated for the purposes of covering projected shortfalls in general litigation expenses incurred in the defense of the State and the prosecution of criminal offenses through June 30th, 2018. Is there a motion?

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** REP. OBER: Move approve.

REP. EATON: Move to approve.

CHAIRMAN KURK: Representative Ober moves to approve, seconded by Representative Eaton. Discussion? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it and the item is approved.

*** {MOTION ADOPTED}

(8) RSA 215-A:23, IX and RSA 215-C:39, X Registration Fees And RSA 124:15 Positions Authorized:

CHAIRMAN KURK: We have done item number (7). So we'll move now to item number eight. Fiscal 18-006, request from the New Hampshire Fish and Game Department for authorization through June 30th, 2019, to transfer \$551,139 in unexpended funds from excess registration fees to the Fish and Game OHRV Fiscal Year 2018 and 2019 Operating Budgets, and contingent upon approval of that request, for authorization to create three full-time temporary positions consisting of two conservation officer trainees and one program assistant.

REP. OBER: Did we have questions on this?

CHAIRMAN KURK: Is there somebody from the Department who can answer questions? Good morning, gentlemen.

GLENN NORMANDEAU, Executive Director, Department of Fish and Game: Good morning, sir. For the record, Glenn Normandeau, Director of Fish and Game. Colonel Kevin Jordan's with me, our Chief of Law Enforcement. We also have Captain Dave Walsh who manages our OHRV Program.

CHAIRMAN KURK: Representative Ober.

REP. OBER: I think yesterday we were asking about the amount of money we were talking about in excess fees, what was

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budgeted, what was actually collected. This is your explanation on Page 2. Talks about makes excess fees collected in the same proportion as described. What was budgeted? What was excess?

MR. NORMANDEAU: So let me just understand. You're asking versus the budget what -- what was collected in excess of the budget?

REP. OBER: Your explanation at the bottom of Page 2 says, which I didn't write but somebody over there wrote, in each year of the biennium the Fish and Game Department and the Department of Resource and Economic Development may expend the excess fees collected in same proportions described. So I was asking what was it -- what was the amount in excess and what was budgeted? I mean --

MR. NORMANDEAU: Okay. I understand. So what was budgeted is on the first page, which was I guess 4.9 approximately. So in the -- in the typical year we -- we budget for an assumed amount of -- of OHRV and snowmobile registrations, historically lower than what our average is so that we're safe. Last year we had an all-time record in sales of registrations, and I believe our excess in the account is 700 and -- 719,000 currently, approximately.

REP. OBER: That was the excess for the year?

REP. WEYLER: Just for the year looks like 435.

MR. NORMANDEAU: That was the unobligated cash balance which came forward into Fiscal 18.

REP. OBER: And the excess for the year? If I might, Mr. Chairman?

MR. NORMANDEAU: Well, that was the balance that came into '18. Fiscal 18 is not done yet. So we don't have a -- an obligated balance for '18 yet. That was '17's unobligated balance forward.

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CHAIRMAN KURK: Let me comment on that. To some extent the Legislature is partially responsible for the issues we are having here because you had conflicting instructions from House and Senate.

KEVIN JORDAN, Chief of Law Enforcement, Department of Fish and Game: We did, sir.

MR. NORMANDEAU: We did, sir.

CHAIRMAN KURK: Sometimes we understand that and sometimes we are not coordinated as we need to be. That having been said, one of the positions is for dealing with the problem that we've had for many years and the Colonel has provided some information to me to indicate that there is a proportionality between the money coming from the OHRV funds and the use of the vehicles.

COLONEL JORDAN: That's correct, sir.

CHAIRMAN KURK: With this new position that will not be an issue in the future. We'll have actual data.

COLONEL JORDAN: We would track that.

CHAIRMAN KURK: To deal with that.

** REP. EATON: Move approval.

CHAIRMAN KURK: Further questions though. Representative Eaton moves the item be approved. Is there a second?

SEN. D'ALLESANDRO: Second.

CHAIRMAN KURK: Seconded by Senator D'Allesandro. Discussion? Questions? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

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CHAIRMAN KURK: Thank you, gentlemen.

COLONEL JORDAN: Thank you.

MR. NORMANDEAU: Thank you, sir.

CHAIRMAN KURK: It will go much more smoothly next year.

COLONEL JORDAN: I can promise you it will.

MR. NORMANDEAU: We will make every effort because we would rather not have to come here, with all due respect.

CHAIRMAN KURK: That seems to be the general opinion.

COLONEL JORDAN: Thank you very much.

MR. NORMANDEAU: Thank you.

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

REP. OBER: Nine. Move approval.

CHAIRMAN KURK: We turn now to Tab 9, Fiscal 18-015, a request from the Judicial Council for authorization to receive an additional appropriation from funds not otherwise appropriated in the amount of \$100,000 in General Funds through June 30th, 2018. Representative Weyler moves approval, seconded by Representative Ober. Discussion? Questions? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

***** {MOTION ADOPTED}**

CHAIRMAN KURK: Senator Morse.

SEN. PRESIDENT MORSE: I want to ask a question while Charlie is here. So now we have approved \$1 million worth of

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additional spending that leaves 700,000 for the rest of the year?

CHARLES ARLINGHAUS, Commissioner, Department of Administrative Services: Hum --

CHAIRMAN KURK: Commissioner.

MR. ARLINGHAUS: That's a more complicated question, Senator.

SEN. PRESIDENT MORSE: Well, if you read your latest document.

MR. ARLINGHAUS: So I just want to be very careful. The document I put out said current agency estimate suggests we will be 1.7 million ahead. If this were the only million dollars additionally appropriated, you would be correct. I think our current warrant estimate would be with the addition of this million-ish, would be more like 4.4. So you're probably --

REP. OBER: 4.4 million?

MR. ARLINGHAUS: Yeah, so you're probably under water by about 3 million.

SEN. PRESIDENT MORSE: Thanks for helping me out.

(10) **Chapter 156:183, Laws of 2017, Department of Health And Human Services; Unfunded Positions; Authorization:**

CHAIRMAN KURK: We turn now to Tab 10, item Fiscal 18-012, a request from the Department of Health and Human Services for authorization to fill three unfunded positions effective upon Fiscal Committee approval through the biennium ending June 30th, 2019. Is there a motion?

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

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CHAIRMAN KURK: Senator D'Allesandro moves. Seconded by? Representative -- Senator Morse. Discussion? Questions? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it and the item is approved.

*** {**MOTION ADOPTED**}

(11) Miscellaneous:

(12) Informational Materials:

CHAIRMAN KURK: Is there anyone who has questions under Miscellaneous -- sorry, under Information items? There being none then let's proceed to the audits.

Audits:

CHAIRMAN KURK: Good morning, and good to see you again, Mr. Smith, and the whole crew, in fact.

STEPHEN SMITH, Director of Audits, Office of Legislative Budget Assistant: Thank you, Mr. Chairman. For the record, I'm Steve Smith, Director of Audits in the Office of Legislative Budget Assistant. We're here to present the State of New Hampshire CAFR for the Fiscal Year ended June 3, 2017. Joining me is Marie Zimmerman. She is the partner with KPMG. KPMG we contract, have an agreement with for this State CAFR and also Comptroller Dana Call and Commissioner Arlinghaus, DAS, will be joining us as well. We'll now turnover to KPMG to present their audit.

MARIE ZIMMERMAN, Partner, KPMG: Good morning. Thank you, Mr. Chairman and Committee. Again, my name is Marie Zimmerman. I'm the lead engagement partner from KPMG that conducted the June 30th, 2017, annual financial statement audit. You should have in your packet our letter of our required communication. And since you've received it already, I will just highlight just a couple little points I wanted to note. I will not read through

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the letter and after going through that if you have any questions we can open it up.

We did issue our opinion on December 22nd and it is a clean opinion. Our opinion is in accordance with Government Auditing Standards and our opinion does not alleviate Management or the Fiscal Committee of their responsibilities. As Steve had noted, we did utilize LBA and worked directly with them through direct assistance and I would like to thank them for all their assistance throughout our audit.

We -- as we planned our audit and conducted our audit there were some significant accounting policies and this year there was three new accounting standards that we have listed in our letter and that Management have implemented. We reviewed their implementation of those and concurred with that. There were no unusual transactions during the period under audit or significant events that lacked authoritative literature.

If you are following along in the letter, I'm now on Page 3 under Management Judgments and Estimates. We have listed here each of those judgments and estimates that we evaluated throughout our audit. Those -- the more significant ones include the tax receivables, other post-employment -- employment benefit liability, Medicaid liability, Medicaid claims, litigation and now pension liability. For each of these estimates, we considered a possible Management bias in developing the estimates and determined that the estimates and assumptions used by Management were reasonable in all material respects.

We did also utilize our professional skepticism in evaluating some areas that did not result in liability and we inquired of Management and concurred with Management's assessment that no liability was required and, therefore, properly reported in the financial statement.

During our audit, we did identify five misstatements, which we discussed with Management and Management did record those. Those five are listed under the corrected misstatements here beginning on Page 3 and into Page 4.

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In the middle of Page 4 we have identified three additional misstatements, but in discussing with Management, Management has deemed not necessary to record. We also agree with Management's assessment that it does not materially misstate the misstatements to not record these adjustments. As you can see, we have noted the amounts of them, and we've listed them in detail. At the end, if anyone has any questions over those unrecorded adjustments, we're happy to discuss them.

Throughout the audit we worked closely with Management and the agencies and we had no disagreements with them and any financial accounting or reporting matters.

And then, lastly, we did not encounter any significant difficulties in dealing with Management performing our audit. And at this moment I'd like to actually thank Charlie, Dana, and their team for all their support throughout our audit in providing us the information that we needed for our audit.

So, with that, Mr. Chairman, and Committee, I know I went through it quickly. If you have any questions, I'd be happy to answer them before I turn it over to Management.

CHAIRMAN KURK: One very basic question. Aside from the technical details in the letter, have you any thoughts or advice, suggestions, of a positive or negative nature, about the financial condition of the State? Something perhaps that you came to a conclusion about that wasn't required to be identified in one of the letters?

MS. ZIMMERMAN: None that I have at this time. Those liabilities that I referred to were -- that I had referred to that we evaluated for professional skepticism, one of them related to the Medicaid for your funding and you'll be recognized and you have funding for those. So there's nothing that I had identified that could have additional -- that I would feel important to report to you that could have an impact to the financial status of the financials going forward. I do appreciate Charlie and Dana and their team. You know, we issued our opinion on December 22nd this year without an extension. So

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we appreciate that and as a testament to their Department as they're building their support.

CHAIRMAN KURK: Are there any accounting concerns about our unfunded pension liability?

MS. ZIMMERMAN: In terms of accounting and presentation of it? No.

CHAIRMAN KURK: Is there something -- so we have a significant unfunded liability, especially compared to many other states, not all. We are not in the same condition that Illinois is. But --

MS. ZIMMERMAN: Or Puerto Rico.

CHAIRMAN KURK: No word of wisdom or suggestions, cautions?

MS. ZIMMERMAN: No. I would leave that up to the Committee.

CHAIRMAN KURK: Thank you.

DANA CALL, State Comptroller, Department of Administrative Services: Thank you. Dana Call once again. Commissioner and I would just like to formally thank everyone involved in this CAFR effort is really a six-month effort on our part. My team in the Division of Accounting Services came together and I know you're well aware we had some turnover this past year. So all things came together well and I'd especially like to thank our enterprise funds, the folks at Liquor, Lottery, and Department of Transportation as our -- those are integral parts, as well as every other component unit of the State, but those are very integral in getting things done on time and we put out a pretty aggressive timeline this past year in hopes of getting our 9/30 CAFR in very good shape to make the ultimate audited CAFR in good shape and that worked out and everyone met their deadlines. So just want to pass that along.

CHAIRMAN KURK: I want to thank you for those efforts because this is one of those nice years.

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MS. CALL: Thank you. We plan to continue.

MR. ARLINGHAUS: I should say we should make sure that a lot of work was done and it depends on having a good team. And with Dana as Comptroller and Karen Burke in the audience who is the head of financial reporting who, I think, has three of her predecessors in the room right now. But we have probably the best team that DAS has had in a very long time.

CHAIRMAN KURK: Questions from Committee members? There being none. Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman. Just the litigation page.

CHAIRMAN KURK: What page is that?

SEN. D'ALLESANDRO: I believe it's --

REP. EATON: Four.

SEN. D'ALLESANDRO: Okay. Look at Page 88. You list the series of events. Have any of those been settled since this was put together?

MS. CALL: We have -- we do update that through December. So when we issue the CAFR, we get an update from the Department of Justice so any of the information that we had as of our issuance date is reflected in the narrative. We had one that was mentioned in the letter that settled. Rand versus Lavoie. So that is mentioned in here and specific dollar amount was agreed to and then, in fact, paid. But nothing has happened, I'm not sure if anything has happened since December.

SEN. D'ALLESANDRO: City of Dover, I thought we had settled that?

MS. CALL: Yes, and that's -- that should be reflected in there. What happens if we settle it during the year we keep the

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narrative in the CAFR so that if someone were reading year to year they could follow along. So once they have settled for a year, then we remove those items and add any new once.

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

MS. CALL: I also just would point out we didn't flip through the CAFR but Page eight is in our transmittal letter if anyone interested in the State's General Fund Education Trust Fund Surplus Statement. That is usually an item of interest and it's not part of the technically audited statements. It's in the Commissioner's transmittal letter so that is something that I just wanted to remind folks.

CHAIRMAN KURK: Thank you for reminding us.

MS. CALL: You're welcome.

CHAIRMAN KURK: Any other questions? We don't need to take a motion on this as we've already accepted and approved it for distribution. So thank you all very much.

MS. CALL: Thank you.

MS. ZIMMERMAN: Thank you.

CHAIRMAN KURK: The next audit is the Turnpike System.

MR. SMITH: As you stated, Mr. Chairman, the next audit is the Turnpike System and, again, as part of our agreement with KPMG they were the auditors for the Turnpike System this past Fiscal Year. Joining me from is the Manager from KPMG, Karen Farrell, and also from the Department of Transportation, Marie Mullen, the Director of Finance.

CHAIRMAN KURK: Good to see you.

KAREN FARRELL, Manager, KPMG: Good morning. Thank you. For the record, my name is Karen Farrell. I'm the Manager at KPMG responsible for the Audit of the Turnpike System's

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financial statements as of June 30th, 2017. Included in the Annual Report on Pages 8 and 9 is our opinion that was issued December 19th. Our audit was performed in accordance with professional accounting and auditing standards, and this opinion is a clean and modified opinion which means that the financial statements are fairly stated in all material respects.

A few other things I'd like to mention. We also do have some prior communications to mention to you. We received full cooperation from Management during the audit. We did not enter into any disagreements on accounting reporting or disclosure matters. And there were no significant changes in accounting policies from one year to the next.

We are also required to inform you that we did identify an uncorrected audit difference that approximated \$1.2 million whereby costs were capitalized that should have been expensed. Those -- the situation around that significant deficiency in internal controls is in another opinion that you received, which is the internal control over financial reporting and non-compliance and also Management's response is in there as well.

MS. MULLEN: It was uncorrected but we corrected it.

(Discussion between Miss Mullen and Miss Farrell.)

MS. FARRELL: Sorry. A little discussion about whether it was corrected or not. But we did deem that that audit difference was not material to the financial statements taken as a whole.

Lastly, I would just like to mention the debt letter which is another separate letter that you received. And in here we discussed the Turnpike System's compliance with their general bond resolutions and we did not note anything that they did not comply with those requirements in that bond resolution.

CHAIRMAN KURK: Thank you. The same question that I asked on the prior audit. Anything that you'd like to share with us as an

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area of concern or an area of strength that you think would be helpful, something beyond the technical material in here?

MS. FARRELL: Right; not an area of concern but just a significant change for the Turnpike this year was the change in their third-party back office service operator for the EZ-Pass system and just to mention that the change occurred in March. But the Turnpike did a really good job of increasing their testing around that and performing additional reconciliations. So we also increased our testing in that area and I just would recommend that they continue to do that into this year, which I'm sure that they have and it's something else that we'll be looking at you, know, next year.

CHAIRMAN KURK: And thank you so much for getting your documents in on time. Much appreciated.

MS. MULLEN: You're welcome.

CHAIRMAN KURK: Other questions? Representative Weyler.

** REP. WEYLER: Move we accept the report, place it on file, and release it in the usual manner

REP. OBER: Second.

CHAIRMAN KURK: Seconded. Moved by Representative Weyler, seconded by Representative Ober. Discussion? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it and the motion is approved. Thank you.

MS. FARRELL: Thank you.

*** {MOTION ADOPTED}

CHAIRMAN KURK: Our next audit is the Lottery Commission.

MR. SMITH: Thank you, Mr. Chairman. The audit of the Lottery Commission was performed by our office this year. And

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joining me is Jim LaRiviere. He was the Manager on the audit. And joining us from the Commission is Executive Director Charlie McIntyre and his new CFO Jim Duris.

CHAIRMAN KURK: Good morning, gentlemen. Thank you for being here.

JIM LARIVIERE, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant: Good morning, Mr. Chairman, and Members of the Committee. Again, for the record, my name is Jim LaRiviere. We are here today to present the results of our audit of the Lottery Commission's financial statements for the Fiscal Year ended June 30th, 2017.

The financial statement begin on Page 33 of the Lottery's Comprehensive Annual Financial Report in front of you this morning. Our audit -- our auditor's opinion -- excuse me. Our auditor's report and opinion can be found on Pages 15 through 17 of the report.

As described in the opinion paragraph on Page 16, we issued an unmodified or clean opinion on Lottery Commission's basic financial statements which also includes the notes to the financial statements. While our opinions speak directly to the basic financial statements and notes, no matters came to our attention that cause us to believe that other information in the financial section of the report was inconsistent with the basic financial statements.

Auditing standards require that we make a number of disclosures to you. You have previously heard from KPMG in identifying those disclosures. And in the interest of time we can say that we were satisfied with the cooperation of the Lottery and the progress of the audit, and that there's nothing that we need to bring to the attention of the Committee to any concerns with those required disclosures.

Also, in the back cover of the report is a multi-page letter that presents the results of certain agreed upon procedures we performed on the Lottery's operation of its Lucky

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For Life Game. All states offering Lucky For Life Game are required as a condition of participation in the game to have similar agreed upon procedures performed with the results reported to other participating state lotteries.

Finally, in accordance with Government Auditing Standards, we will also issue a report on the Lottery's internal control over financial reporting and on compliance and other matters as a by-product of our audit of the financial statements. That report will be included -- will be included in the Management Letter which will be presented to the Committee at a future meeting. That concludes my presentation.

I'd like to thank Executive Director Charlie McIntyre and the Lottery staff for their assistance during the audit. And with your permission, Mr. Chairman, I'll turn the presentation over to Director McIntyre who can provide Management's perspective on the Lottery and their report.

CHARLES MCINTYRE, Executive Director, New Hampshire Lottery Commission: Good morning, Mr. Chairman. Charlie McIntyre, Executive Director of the New Hampshire Lottery. With me this morning is our new Chief Financial Officer, Jim Duris, who is our fourth CFO in six years. I must be a mean guy apparently.

Certainly, the math before you speaks for itself. Initially, I want to thank our former Chief Financial Officer Cindy Baron who was not only my colleague but my dear friend and the woman I trusted deeply in our efforts who retired just recently. And also thank the Legislative Budget Office and Audit staff who are diligent about not only working on this but also meeting deadlines that we need to make for the state. So certainly, with that, I know you have a long day. Submit any questions you have, Members of the Committee, Mr. Chairman.

CHAIRMAN KURK: Thank you, Mr. McIntyre. We usually ask you about the percentage of your expenses as a percentage of, I guess, total sales and how that compares with other states.

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MR. MCINTYRE: Yes, sir. I would point you towards Page 72 on three comparator lotteries who are in terms of size and sales, and towards the right -- the second column from the right, their expense ratios. The District of Columbia is 12.2%, Iowa is 8.7%, Maine is 8.5%, and we are 6%. I would characterize that as good. And there are other lotteries that have lower ratios, but certainly those are Wal-Mart size scale. So, for example, Massachusetts is very low but Mass. also uses about 17 times our size so there are sort of economy of scales that come into play. So in our peer group we are best.

CHAIRMAN KURK: Who chose the peer group?

MR. MCINTYRE: Just based on the size of the lottery sales. There are two that are slightly smaller than us in terms of sales and there's one larger than us in sales.

CHAIRMAN KURK: There are no others. That's the total group.

MR. MCINTYRE: That's the group in terms of size. I would never compare us to New York. Similarly, I'd never compare us to Montana or Wyoming which I would have an expense ratio that's -- Wyoming's through the roof only because there's like seven people live in the state. I shouldn't say that. But there's a lot of windshield time in terms of servicing the customers. That's why I suggest that. Like, for example, the best comparator for us is always Maine. Same demographic, same region, same population base. Generally, the same education and income profile. So that's why. Us and Maine usually one-for-one match as close as we can. Obviously, we are way better as a state, but that's --

CHAIRMAN KURK: Even though they provide a higher proportion of revenue as prizes than we do.

MR. MCINTYRE: Yes. But our profitability is 76 million. There's is in the fifties. So we produce 40% more net revenue than they do. So I like our number better.

CHAIRMAN KURK: Nothing about Keno is in here.

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MR. MCINTYRE: No, sir. Keno didn't launch until December 15th of this current Fiscal Year. I would note that we were able to from passage of this body go to live and launch and sales in five months and two weeks. And that includes having had ballot petitions in 12 cities and more places than I care to recall visiting. I felt like I was running for Governor visiting all these various places. I am still in the process now through the towns. We launched in seven cities as December 15th and sales have been on a per score basis exceeding projections.

CHAIRMAN KURK: Do you think that you'll make the legislative estimate that we put in for '18?

MR. MCINTYRE: There is no legislative estimate for '18. There's only the spend for '19. I don't believe you -- I don't think there was no -- there's no number for this year.

REP. EATON: Because of ramp up.

REP. WEYLER: Yeah.

REP. OBER: Because it requires enabling. So without a town vote you couldn't make an estimate.

MR. MCINTYRE: We have only been before 12 of the 13 cities.

CHAIRMAN KURK: I seem to remember that when you were in Division II you had like 4 million for the first year and eight for the second year or something.

MR. MCINTYRE: Yes, but you did not approve it as part of the budget. We're -- we're hopeful -- it's depending on the voters. And, honestly, for that I leave it to the voters to decide. And certainly --

CHAIRMAN KURK: So you think we will make those estimates?

REP. OBER: He doesn't know, because the towns haven't voted. Ask him after March.

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MR. MCINTYRE: If they pass it, I like our chances. If they don't, for example, of the 12, five of them said no already, and those were cities that I hadn't anticipated saying no candidly, Mr. Chairman. There are -- Lebanon, for example, and Keene despite being on the border and the giant beneficiaries of cross border traffic, based on this product, said no. And so I hadn't anticipated those.

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Representative Ober.

REP. OBER: Charlie, how many towns are you aware of that have it on the ballot already for March? I know some towns have committed, some towns have not yet because that process is ongoing.

MR. MCINTYRE: I believe we are at 40 as of this morning and that number grows every day.

REP. OBER: Yeah.

MR. MCINTYRE: A number of the towns, Representative Ober, candidly I didn't sort of move towards only because there's no licensees in those towns and so those sales aren't really relevant for us. There's 207 towns in the state. Of those, you probably talking 40 that matter in terms of our gross revenues. And most of those the gravity on is on the border. We expect 70% of our revenues on Keno to be in Rockingham and Hillsborough County. And that's where currently 70%, not quite, 65% of our gross revenues are now. So \$25 million is already spent in Keno in Massachusetts by New Hampshire citizens. Getting that money back is our first priority and that's on the border. So that's where our concentration has been, Representative Ober.

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

CHAIRMAN KURK: Follow-up.

REP. OBER: In the areas where it has been approved --

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MR. MCINTYRE: Yes.

REP. OBER: -- are you seeing additional requests to have machines installed still?

MR. MCINTYRE: Yes. And certainly we noticed and I'll give up an example. Somersworth has a location that's number one location in the state, far and away. And they were the first one in Somersworth, and they're doing over \$3,000 a day in sales, mostly to people in other places because Dover said no. Folks in Dover are driving to Somersworth to play. So another location -- another location in Somersworth was, you know, wants some of that. So they applied as well. So we are seeing a lot of that, Representative Ober, and we will as well. We'll double back as our efforts to recruit.

CHAIRMAN KURK: There being no further questions.

REP. EATON: One quick one.

CHAIRMAN KURK: Sorry, Representative Eaton.

REP. EATON: By virtue of everybody being here at the table I assume none of you live in Merrimack? Representative Ober is not sure what happened in Merrimack.

REP. OBER: No, she's not.

MR. MCINTYRE: Somebody bought a ticket that won Powerball.

REP. OBER: Aha. This is what happens when you have a head cold, you go to bed as soon as you get home from here. And I have no clue what's going on in the world.

MR. MCINTYRE: And what is probably the happiest statistic of my professional career, we have been awarded more Powerball winnings in cash value in the last two years than we have sold in Powerball tickets cumulative in the last 15 years.

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REP. OBER: Excellent.

MR. MCINTYRE: So be over half a billion dollars to New Hampshire citizens in Powerball jackpot winnings in cash if this person collects cash over the last two years than we have sold in tickets in '15. So that's --

REP. EATON: The winning was 400 and --

MR. MCINTYRE: The jackpot size was 559 million, and the cash value -- I have it on my desk -- like 328 million in cash that is sitting in an account waiting for the winner to walk in my door.

REP. OBER: Uh-huh.

CHAIRMAN KURK: I'll be there tomorrow.

REP. EATON: One follow-up, Mr. Chair, if I might?

CHAIRMAN KURK: Representative Eaton.

REP. EATON: On the bizarre chance of somebody travelling through from out of state, they lost the ticket, nobody grabs it, what is New Hampshire's benefit from the rollover?

MR. MCINTYRE: So the winner has a year to file a claim. And a year and a day. We meet as a group, the national group, declare that ticket unclaimed and then the proceeds revert back as unclaimed prizes under the RSAs to the state, to each jurisdiction. So we would receive back our proportional number of that amount.

REP. EATON: Okay.

MR. MCINTYRE: Which ends up being about 1.2% of the amount so be 3.7 million, given or take. And we -- but also we consistently about 1% of the tickets sold go unclaimed. And so every year it's 2 to \$3 million is unclaimed prizes to the state.

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CHAIRMAN KURK: Thank you. Further questions. Representative Weyler.

** REP. WEYLER: Move we accept the report, place it on file and release in the usual manner.

REP. OBER: Second.

CHAIRMAN KURK: Seconded by Representative Ober. You ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. And the motion is adopted. Thank you, gentlemen.

MR. MCINTYRE: Thank you.

REP. WEYLER: Congratulations.

*** {**MOTION ADOPTED**}

CHAIRMAN KURK: We now turn to the last audit, State Liquor Commission.

MR. SMITH: Thank you, Mr. Chairman. The last audit was also performed by our office. Jean Mitchell, the Manager on the audit, will present it. And joining us from the Commission is Tina Demers, CFO, and Dan St. Hilaire, the Director of Administration.

CHAIRMAN KURK: Good morning to all of you.

DAN ST. HILAIRE, Director of Administration, New Hampshire Liquor Commission: Good morning.

TINE DEMERS, Chief Financial Officer, New Hampshire Liquor Commission: Good morning.

CHAIRMAN KURK: Thank you for being here.

JEAN MITCHELL, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant: Good morning, Mr. Chairman, and

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Members of the Committee. For the record, my name is Jean Mitchell. We are here today to report the results of our audit of the financial statements contained in the Liquor Commission's Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2017. Our auditor's report and opinion can be found on Pages 7 through 9 of the report. As noted in the opinion paragraph on Page 8, we issued an unmodified, also known as a clean or unqualified opinion on the financial statements.

I'd like you to note the date of the auditor's report. The Liquor Commission's timely preparation of its financial statements for the Fiscal Year ended 2017 contributed to the completion of the audit approximately five and a half weeks earlier than last year. For Fiscal Year 2017, the Commission issued a full CAFR that includes an introductory section, a financial section with management discussion and analysis, financial statements, notes, and supplementary information, as well as a statistical section. An important item to note no material adjustments to the accounting records were proposed. The auditor's disclosures you have previously heard also pertain to the Liquor Commission. I will not go through them individually, but will say there's nothing I need to bring to your attention.

While it is our understanding that the Liquor Commission did not consult with other independent accountants during Fiscal Year 2017 on issues related to the audit, the Commission did hire a CPA firm to assist them in the preparation of the financial statements. We will be issuing a report on our consideration of the Liquor Commission's internal control over financial reporting, compliance, and other matters based on our audit of the financial statements that was performed in accordance with Government Auditing Standards. That report will be included in the Management Letter that will be issued to the Committee at a future meeting. This concludes my presentation. I'd really like to thank the Liquor Commission management staff for their assistance during the audit. And, Mr. Chairman, with your permission I'd now like to turn the presentation over to the Commission for Management's perspective on the report.

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CHAIRMAN KURK: May I ask you a question?

MS. MITCHELL: Certainly.

CHAIRMAN KURK: Anything you care to share with us that we should keep our eyes on, beyond perhaps the technical four corners of your accounting opinion?

MS. MITCHELL: Nothing really comes to me at this time, but we also will have an opportunity as we present the Management Letter to you at the next meeting or the one after that. So we'll keep that in mind during that presentation.

CHAIRMAN KURK: No more missing pallets?

MS. MITCHELL: No. I think that they issued the financial statements very timely and the unauditeds were in good shape so it was a much improved product this year so really appreciate it.

CHAIRMAN KURK: Thank you.

MS. MITCHELL: Yep.

MS. DEMERS: Good morning, Chairman, Members of the Committee. For the record, my name is Tina Demers. I'm the CFO with the Liquor Commission. I'd like to take this opportunity to thank the LBA, specifically Jean and her team, for all of their hard work. Also, thank DAS for their support during this process, and a big thank you to my finance staff for all of their dedicated hard work, and will open it up to any questions.

CHAIRMAN KURK: Representative Weyler.

REP. WEYLER: I read in one section you have 79 stores and then I go to the pages that list the stores and there are number one through 81, 80 missing, which would appear to be 80 stores.

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MS. DEMERS: Number 46, our Ashland store, is closed. It's still listed there because there were sales from the prior years so it was there for comparative purpose.

REP. WEYLER: Answers that question. Thank you.

MS. DEMERS: You're welcome.

CHAIRMAN KURK: I'd like to thank you for your timely work through this. It's really helpful to all of us to get the CAFR out on time that you and Transportation do their -- do their work in a timely manner and thank you for accomplishing that.

MS. DEMERS: You're welcome. Thank you.

CHAIRMAN KURK: Questions? There being none. Representative Weyler.

REP. WEYLER: Do you have one?

SEN. BIRDSELL: No, no, no. Sorry.

CHAIRMAN KURK: Representative Weyler is recognized for a motion.

** REP. WEYLER: Mr. Chairman, I move we accept the report, replace it on file, and release in the usual manner

SEN. BIRDSELL: Second.

CHAIRMAN KURK: Second by Senator Birdsell. All those in favor, please indicate by saying aye? Opposed? The ayes have it. The motion is approved. Thank you again.

*** {MOTION ADOPTED}

MR. ST. HILAIRE: Thank you.

MS. DEMERS: Thank you.

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CHAIRMAN KURK: Mr. Kane, our next meeting is set for?

MR. KANE: Believe March 16th.

CHAIRMAN KURK: March?

MR. KANE: I'm sorry, February 16th.

CHAIRMAN KURK: Thank you.

REP. OBER: March or February?

MR. KANE: February.

REP. EATON: February 16th.

MR. KANE: February 16th.

CHAIRMAN KURK: Okay.

REP. WEYLER: Want to change it.

CHAIRMAN KURK: I will not be here for that meeting so the Vice-Chairman will be chairing the meeting at that time.

REP. WEYLER: You're allowed to leave.

CHAIRMAN KURK: And I assume someone will be appointed to replace me.

REP. OBER: Well, we have two alternates, so we already have our appointees.

CHAIRMAN KURK: Yes, but one of them will be appointed to replace me.

REP. EATON: Gary, be aware of substitute teacher syndrome.

CHAIRMAN KURK: Our next meeting being February 16th and no other business to come before us we stand adjourned.

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(The meeting adjourned at 11:36 a.m.)

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CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.



Cecelia A. Trask, LSR, RMR, CRK
State of New Hampshire
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