

**JOINT LEGISLATIVE FISCAL COMMITTEE**

Legislative Office Building, Rooms 210-211

Concord, NH

Friday, October 19, 2018

**MEMBERS PRESENT:**

Rep. Neal Kurk, Chair

Rep. Frank Byron (Alt.)

Rep. Lynne Ober

Rep. Mary Jane Wallner

Rep. Dan Eaton

Sen. Gary Daniels

Sen. Robert "Bob" Giuda

Sen. Lou D'Allesandro

Sen. Regina Birdsell

Sen. John Reagan

(The meeting convened at 10:02 a.m.)

**(1) Acceptance of Minutes of the September 21, 2018 meeting**

NEAL KURK, State Representative, Hillsborough County, District #02 and Chairman: Good morning, everyone. I'd like to welcome you to the October 19<sup>th</sup>, 2018, Fiscal Committee meeting. First item of business today has to do with the acceptance of the minutes of the September 21<sup>st</sup>, 2018, meeting. May I have a motion?

**\*\* GARY DANIELS, State Senator, Senate District #11:** So move.

CHAIRMAN KURK: Moved by Senator Daniels, seconded by Representative Eaton that the minutes be accepted as presented. 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}**

**(2) Old Business:**

CONSENT CALENDAR

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

CHAIRMAN KURK: We now turn to number three on our agenda, Consent Calendar, three items. Does anyone wish to remove those, any of those or have questions? I do so we'll take them up individually.

First one is Fiscal 18-192, a request from the Department of Transportation for authorization to transfer \$105 million in federal highway and other funds between various classes through June 30<sup>th</sup>, 2019.

\*\* DAN EATON, State Representative, Cheshire County, District #03:  
Move approval.

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

CHAIRMAN KURK: Is there a second? Moved by Representative Eaton, seconded by Senator D'Allesandro. Discussion? Questions? There being none, are you ready for the question? All those in favor, please indicate by say aye? Opposed? The ayes have it. The item is approved.

\*\*\* {MOTION ADOPTED}

CHAIRMAN KURK: Just in case there are some new folks here who haven't been to one of these before, the fact that we just approved 100 million -- \$105 million of transfers without discussion or apparent consideration does not reflect the reality. The reality is that each of us has had these notebooks with all of the details of each item for up to a week. We've had meetings with various officials about these. And so when we vote in favor of something, we've been satisfied. When we don't vote in favor of something, we have questions, there are still questions which we haven't had answered which we feel need additional questioning. So I don't want folks to think that we're not concerned, \$105 million is nothing. Moving on.

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Fiscal 18-193, request from the Department of Health and Human Services for authorization to transfer \$1,469,859 in General Funds between various payroll class lines and decrease federal revenues in the amount of \$98,893, and create new expenditure class codes through June 30<sup>th</sup>, 2019. Is there a motion?

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

REGINA BIRDSELL, State Senator, Senate District #19:  
Second.

CHAIRMAN KURK: Senator D'Allesandro moves, seconded by Senator Birdsell that the item be approved. Is there someone from the Department who can answer a question?

KERRIN ROUNDS, Chief Financial Officer, Department of Health and Human Services: Good morning.

CHAIRMAN KURK: Good morning, Miss Rounds. Would you introduce yourself for the record?

MS. ROUNDS: Yes, Kerrin Rounds, Chief Financial Officer, Department of Health and Human Services.

CHAIRMAN KURK: Thank you. Question. These new expenditure class codes, why were they necessary?

MS. ROUNDS: I'd actually, if you don't mind, like to call up my Deputy CFO to answer that question.

MARY CALISE, Deputy Chief Financial Officer, Department of Health and Human Services: Good morning. Mary Calise, Deputy Chief Financial Officer, Health and Human Services.

MS. ROUNDS: I don't know that we did on this transfer.

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CHAIRMAN KURK: It indicates on our documentation that both for 193 and the next one, 208, that new expenditure class codes were created.

LYNNE OBER State Representative Hillsborough County District #37: In the first paragraph.

MS. ROUNDS: Okay.

CHAIRMAN KURK: If, in fact, none were created, then that's not an issue; but if they were, the question is why? Representative Ober.

REP. OBER: Then I would like to know why that's in our documentation that we read because we spend a lot of our weekend time reading these documents very carefully, and we expect them to be as honest as possible so that, you know, and as accurate as possible so that we can figure out what's going on and have fewer questions and know whether this is legitimate and good business or not.

MS. ROUNDS: We completely understand that.

MS. CALISE: So, for example, I believe we created a Class 12 in the Director's Office at the Sununu Youth Services Center to address the Interim Director and the labor grade and position that that individual is in. There was not previously a Class 12 in that budget.

CHAIRMAN KURK: I see. Is there -- were any policy changes effectuated through the creation of new expenditure class codes? That's the concern. Other than that, this is a normal transfer.

MS. ROUNDS: No, there were no policy changes. It was more of making sure that we're putting the appropriate cost in the appropriate accounting unit and not putting them somewhere they shouldn't be.

CHAIRMAN KURK: And where a situation occurred, such as the one you mentioned at Sununu --

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MS. ROUNDS: Yes.

CHAIRMAN KURK: -- a new class code had to be created.

MS. ROUNDS: Correct.

CHAIRMAN KURK: Thank you. Further questions? Thank you. 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}**

CHAIRMAN KURK: We now turn to Fiscal 18-208, another request from the Department for authorization to transfer \$6,571,453 in General Funds between various class lines and increase federal revenues in the amount of \$2,422,908 and increase other related revenues in the amount of 29,945 and create new expenditure class codes through June 30<sup>th</sup>, 2019.

REP. OBER: I have a question.

CHAIRMAN KURK: Miss Rounds. Thank you. Representative Ober has a question on this one.

REP. OBER: I'm on Page 1 of your Appendix B narratives, the very top one, the Human Resources Director's Office. You have to transfer money to accommodate increased conference attendance with no explanation of what that was done for. And we have the on-going issue with cell phones. Now, I know that cell phone dollars come out of DoIT and are given to every agency. And this is not the first month we've seen cell phone under budgeting an issues.

MS. ROUNDS: Hm-hum.

REP. OBER: We had an explanation of why you got them budgeted in the class line earlier.

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MS. ROUNDS: Yes.

REP. OBER: So I want to know about conferences; and, secondly, I want to know have you finally gone through all your AU, worked out your cell phone issues, and this is the last time we will see this this month? Because seeing the same kind of issue month, after month, after month, makes me wonder what's going on.

CHAIRMAN KURK: I think Representative Ober meant this year, not this month.

REP. OBER: Yeah, this year.

MS. ROUNDS: Understood. So with regards to telecommunications, what we've been doing is we have been looking at these types of things quarterly. So as of right now we had planned to do that quarterly, but what I can do is try to look at it for the total year and make sure that our next department-wide transfer takes care of telecommunications wholly. When we did just budget for '20 and '21, we worked to do that appropriately. And the same thing with travel. We had some issues with how travel and conferences were budgeted throughout the Department. And we have done the same thing with '20 and '21 to try to appropriately reflect where things should be reflected.

REP. OBER: But in this case your documentation says you had increased conference attendance. So it wasn't that it wasn't budgeted inappropriately. Something else changed, but it doesn't say what conference, it doesn't say who.

MS. ROUNDS: Okay.

REP. OBER: What are the details on that?

MS. ROUNDS: I don't have the details on that. I could get that for you if you would like, and I can look at including more information on that in the transfers in the future.

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REP. OBER: Mr. Chairman, I would like her to send that to Miss Clayman and she can -- or to LBA and they can disseminate it to every member of the Committee, please. Is that okay, Mr. Kane?

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Yes.

CHAIRMAN KURK: That's fine.

REP. OBER: Thank you.

CHAIRMAN KURK: Further discussion. Further questions for Ms. Rounds? There being none, thank you.

MS. ROUNDS: Thank you.

CHAIRMAN KURK: Further discussion or questions? May I have a motion?

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

CHAIRMAN KURK: Senator D'Allesandro moves, seconded by Representative Wallner that the item be approved. 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}

(4) **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 turn now to agenda item number four. This also is on the Consent Calendar. Anyone wish to remove any of the items? I'd like to remove Fiscal 18-196 and 197. Does anyone wish to remove any others?

\*\* REP. OBER: Move to approve the remaining items, Mr. Chairman.

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CHAIRMAN KURK: Representative Ober moves to approve the remaining items which are Fiscal 188, 194, 195, 198, and 209.

JOHN REAGAN, State Senator, Senate District #17: Second.

CHAIRMAN KURK: Seconded by Senator --

SEN. REAGAN: Reagan.

CHAIRMAN KURK: Senator Reagan. My apologies. The two that are removed are 196 and 197. Are you ready for the question?

The motion is to approve all of these items under Tab (4) except for 196 and 197. You ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it and those items are approved.

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

CHAIRMAN KURK: We turn now to Fiscal 18-196, a request from the Department of Health and Human Services for authorization to accept and expend \$323,967 in Federal funds through June 30<sup>th</sup>, 2019. Is there someone from the Department who could answer questions?

CHRISTINE SANTANIELLO, Controller, Division of Developmental Services, Department of Health and Human Services: Good morning. Chris Santaniello, Department of Health and Human Services.

WENDI AULTMAN, Director of Transitional Assistance, Department of Health and Human Services: Good morning, Wendi Aultman, Department of Health and Human Services.

MS. ROUNDS: Kerrin Rounds.

CHAIRMAN KURK: Thank you. Could you explain in English what No Wrong Door is? I've read the material that you sent us.

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MS. AULTMAN: Okay, thank you.

(Senator Giuda enters the committee room.)

CHAIRMAN KURK: The first item was incomprehensible. That is to say, it didn't address the issue. I did get some information from the second item. I went on-line and looked up No Wrong Door and got into the Federal Government and understand a little bit better. But I want to make sure that I understand this because I have a very important follow-up question.

MS. AULTMAN: Okay. Hum -- the No Wrong Door function is part of the Federal Administration For Community Living Program. And all states within the U.S. have a No Wrong Door system for access to long-term services and supports. In New Hampshire we offer that through our contracted ServiceLink aging and disability resource centers. And since 2002 we've been partnering with the Administration for Community Living to build the capacity and training for staff to perform the functions of a No Wrong Door system here in New Hampshire.

CHAIRMAN KURK: So this is available to anyone, not just Medicaid people.

MS. AULTMAN: Correct. This is all populations, all payers.

CHAIRMAN KURK: And it's for long-term care services.

MS. AULTMAN: Long-term services and supports throughout the life span. So we -- it serves birth to our older adults, and we provide that system of access through a phone number, through an informational website, through hubs around the state where people can talk to somebody face-to-face.

CHAIRMAN KURK: Now assume -- would you describe what this program does? As I understand it, you're trying to create a data system -- data system which will enable you to make a, quote, business case, whatever that means.

MS. AULTMAN: Okay.

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CHAIRMAN KURK: And determine the return on investment of this program. Could you elaborate?

MS. AULTMAN: Sure. So this is the next phase in some of the funding that we received from the Administration for Community Living to look at data elements and outcome measures that are going to show and demonstrate that the value of the work that our No Wrong Door system is doing. Oftentimes we are implementing some of these programs and we are weak in terms of the consistency of data collection. It's a bell-shape curve around the state and with other No Wrong Door grantees. So this grant really is focused on ensuring that we're providing some consistency around the data that is being collected for the work that all of these functions are doing, as well as coming up with some consistency around our performance and outcome measures for the program.

CHAIRMAN KURK: What is the business case and why would you be concerned about a return on investment?

MS. AULTMAN: Hum -- many of our Now Wrong Door systems of access, including New Hampshire, look to diversify their -- the funding and the components of the work that they do by partnering, for example, with hospitals and other agencies for the work that they do around counseling and helping people, for example, transition from hospitals to community, as well as we have a partnership with the VA Medical Center in Manchester and White River Junction to provide options counseling to veterans who are directing their services and directing their care. And we're planning on with this grant opportunity to partner with them as well as hospitals in two areas of the state to develop a more consistent and value-based outcome measure for those -- for those programs.

CHAIRMAN KURK: I don't understand what you mean by making a business case in this area.

MS. AULTMAN: Okay.

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CHAIRMAN KURK: Because I make the assumption and certainly when we spend taxpayer dollars we in the Legislature try to make sure that these programs are valuable, that we are getting some benefit for the money that we expend so presumably you've already made the business case or this program wouldn't exist.

MS. AULTMAN: Sure. In --

REP. OBER: Mr. Chair.

MS. AULTMAN: -- in some ways we have and in other ways there are individual level outcomes in terms of assuring that we're providing choice and providing self-direction within these programs and that consumers are satisfied. We oftentimes are better at performance measures versus actual outcome measures. And we've also found that it's hard to get the pulse on what we're preventing. If we're preventing it, then how are we -- how are we able to measure that, and that's something that across the board in all of our states are looking to do a better job at. And that can show the value in the business case for investing dollars into the program, whether that's at the State level with public dollars, at the Federal level, or private dollars. Because as our population grows and age, we're often found to be providing services to more with the same dollars.

CHAIRMAN KURK: The last question. Let's assume that you do this and it's a very strong business case with a very high return on investment. What will happen to society at-large and how will this affect the State Budget?

MS. AULTMAN: Well, I think it's a process of visioning the plan to expand. So, for example, if we find that we're able to measure value in self-direction in our partnership with the VA, we're going to be able to make the case that perhaps we should be providing more services to veterans. Currently, right now in New Hampshire, for example, we're only slotted to be able to serve 130 veterans. That doesn't necessarily hit the mark in how many veterans may want to choose to self-direct their care and be more flexible with the dollars that the VA gives them. So

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this will help provide a business case to ensure we can advocate for funding and programs that will serve more veterans.

CHAIRMAN KURK: But this goes far beyond veterans. So let's talk about the rest of it.

MS. AULTMAN: Sure.

CHAIRMAN KURK: Where the big dollars are.

MS. AULTMAN: Sure. Currently, we are providing formal, and when I say formal we have a partnership and agreement with two hospitals within the state who partner with our ServiceLink Resource Centers, Cheshire Medical Center and Lakes Region Hospital. And it's also a partnership within our integrated delivery network system that the Department has. And we are aiming to look at the value of formal hospital transitions, presenting re-admission to hospitals, and making the business case to the other hospitals within the state that they should be engaging in this kind of partnership.

CHAIRMAN KURK: Isn't this going to, as a result of your success in this area, isn't this going to result in a huge increase in non-nursing home long-term care service expenditures in New Hampshire?

MS. AULTMAN: Uh -- one of the data elements that we're really looking to examine more is the payer source of some of the individuals that are transitioning. Not all of them are on Medicaid or receiving public funds. They're private pay, their Medicare, they are using private insurance and that's one of the measures that we're trying to get the pulse on is who is the payer source and how are we able to structure their dollars or wherever that's coming from in order to prevent more costly care.

CHAIRMAN KURK: I'll make a prediction. That as a result of this there will be a very substantial increase in non-nursing home Medicaid expenditures. This is the woodwork effect. And what you're going to be saying is, gee, it's less expensive for

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us to treat people at home rather than in a nursing home, which is correct, you don't need a business case model to do that, and the net result will be, of course, that there will be many, many more people who take these services because they're available at home, who wouldn't take them if the only choice was a nursing home, and the State Budget will go through the roof in this area. That's a prediction. Representative Ober.

REP. OBER: Thank you, Mr. Chairman. I think part of the problem, and I share a little bit, is when you have asked the speaker about the business case she immediately jumps into the program. So let's try it a different way. Define the term business case without mentioning any program.

MS. AULTMAN: Business case defined by the Administration for Community Living is really looking at outcomes that show impact to the individuals who are receiving services and the value that can be the perspective of the individuals getting those services, the Department of Health and Human Services who helps to fund the public funding that helps to fund those services, or private payer or other insurance. So really it's pointing at how do we measure impact and how do we measure value.

REP. OBER: So could you based on that give us four concrete examples of what you will be measuring with these dollars?

MS. AULTMAN: That's really the focus and purpose of the grant is to work with the Administration on Community Living in taking stock in what we currently measure. Some of that is done through consumer satisfaction surveys, working with the VA and the hospitals on face-to-face assessments and collecting that information, but doing it in a coordinated way is really what this grant is focused to help us be able to do is put all that data together and determine are we currently measuring things that can identify impact and value or do we need to collect new things that are important that would determine the value and impact.

REP. OBER: So if I might paraphrase that just to make sure I understand what she said, Mr. Chairman and have her confirm?

CHAIRMAN KURK: Sure.

REP. OBER: I'm looking on Page 2 of 3. And we have paragraphs 1 and 2, but we could have summarized that by saying the purpose of this grant is to develop measurable objectives that will be meaningful. I think -- she can't record a head nod. You have to say yes or no.

MS. AULTMAN: Yes.

REP. OBER: Thank you.

MS. AULTMAN: Sorry.

REP. OBER: Thank you, Mr. Chairman.

REP. EATON: On your left.

CHAIRMAN KURK: Senator Daniels.

SEN. DANIELS: Thank you. The Chairman has asked a question regarding, you know, if this was about long-term care. You answered that it had to do with long-term support and services. And my question is, is there a difference between long-term care and long-term supports and services? Because in one sense you mentioned from birth on. You also mentioned payment from Medicare and Medicare doesn't cover long-term care. So I'm a little bit confused as exactly what we're talking about.

MS. AULTMAN: So the broad definition of long-term supports and services from the Administration for Community Living view at the Federal level and New Hampshire is those services that somebody may be receiving in order to, for example, persons with physical disabilities or who have an acute hospital stay and then have needs in order to be able to perform their activities of daily living, like eating, walking, ambulating, things like that. I think it's relative that long-term care can often be

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connected to nursing facility or home and community-based services covered by Med -- Medicare or Medicaid.

Medicare does have a huge number of people who are admitted to hospitals and then readmit to hospitals. So a lot of our programs, including our No Wrong Door system, is there to assist with those individuals who may go to a hospital under a Medicare stay and transition to the community and have resources to pay for their services and supports and just need help navigating or coordinating that.

SEN. DANIELS: Follow-up.

CHAIRMAN KURK: Follow-up.

SEN. DANIELS: So in New Hampshire, as I understand it, the eligibility for long-term care is that you can't perform your three activities of daily living or your activity of daily living, eating, bathing, toileting, dressing, continence, and transferring. Are there people other than that that are included in this program?

MS. AULTMAN: Yes, there is. We help a portion of people who qualify for our home and community-based waiver program funded by Medicaid called Choices for Independence. But there are a number of people who we are helping who do not qualify for Medicaid and wouldn't necessarily have to meet all of those checked boxes as well. They're just looking for help, navigation, and some of their -- what some people are calling now social determinants of health. So just looking for ways to support and stretch their dollars.

SEN. DANIELS: Follow-up.

CHAIRMAN KURK: Follow-up.

SEN. DANIELS: Isn't it true that if someone was in long-term care and they went to the hospital that basically would be covered under their -- say their Medicare supplement or other insurance, not their long-term care policy?

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MS. AULTMAN: Yes, that's true.

SEN. DANIELS: Okay. Thank you.

CHAIRMAN KURK: What would happen if this is turned down? Short-term, obviously, you wouldn't do the work but long-term.

MS. AULTMAN: Long-term I think the Administration for Community Living has invested in New Hampshire for many, many years around its No Wrong Door system. We're looked at as a high-performing state, and they look to us to sort of be a trailblazer around some of the work that we're doing for our aging and disability resource centers. So I imagine that there would be disappointment. But it would take a longer time and using other resources to sort of figure out how do we build that business case and we may lose the opportunity to be able to do that.

CHAIRMAN KURK: You haven't explained why it's important to anybody else except you folks to build that business case.

MS. SANTANIELLO: Go ahead.

CHAIRMAN KURK: Wouldn't change the services that we are providing.

MS. AULTMAN: It wouldn't change the services we are providing, but I think that when we're trying to communicate the value and the impact of this to other providers and other areas of the state, including the public which, you know, our system of access really is to make sure people are planning and preventing more costly care in a crisis. It's there to help support family caregivers who are a big component and part of our service delivery system, ensuring that people are cared for outside of what they may be able to pay for for their supports and services. And I think it would -- the impact of not having this grant would prolong our ability in this fast-growing aging state to be able to make a bigger impact early on.

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CHAIRMAN KURK: Thank you. Further questions? Senator Giuda.

ROBERT "BOB" GIUDA, State Senator, Senate District #02: Thank you, Mr. Chairman. What is it that this study will deliver that the Department can't deliver on its own?

MS. AULTMAN: That's a good question. The No Wrong Door system of access really is a partnership with our Administration for Community Living? They're not only looking at New Hampshire to develop its own state level outcomes and looking at impact and value, but they're also looking at the State of New Hampshire and other high-performing states to work on developing a national outline and framework for value and impact as well. And that's the value to them is that we are able to contribute and impact their ability at the national level to have this message.

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Assuming this goes through, and the results are everything you want them to be, will you be asking for additional money in your budget for anything?

MS. AULTMAN: Not that I'm aware of.

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Thank you. Representative Ober.

REP. OBER: Thank you for your previous answer. When you answered the Senator what would the cost be, you said this is going to let New Hampshire participate in developing national levels. What is the cost to New Hampshire for doing that?

MS. AULTMAN: Nothing in terms of helping being a partner with the Administration for Community Living you mean?

REP. OBER: No, I'm trying to figure out. So you're saying no staff, we're not going to put any benefit dollars for staff

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who are working on this. No office space. No telephones. No cost to New Hampshire.

MS. AULTMAN: The grant is outlined to be able to cover an outside evaluation partner who the majority of the work would be dedicated to. Oftentimes when we do evaluation and outcome measures we're partnering with other entities to perform those evaluations versus doing it internally.

REP. OBER: Well, I look at your presentation and, for example, you've got more than \$5,000 in cost in travel. And the way that's budgeted it would appear it's taking current staff, not an outside agency, away from doing other work in New Hampshire.

MS. AULTMAN: We are required to have leadership within our Bureau of Elderly and Adult Services involved in terms of administering the grant.

REP. OBER: So that is cost. It's not zero cost. There is some cost to the State for doing this.

MS. AULTMAN: Okay.

REP. OBER: And now the question is how much is that cost will go forward if we went with the national? And I'm concerned that we don't know what we're getting out of this, right now nothing. We're having to pay nearly \$400,000 to develop alternatives to measure to see if we have measurable data. And it's taking staff time and it's leading to our involvement nationally when we have so many needs internally. Just spent a day and a half, Chris was there as well, and we heard over and over about needs that HHS has with staff that need to be working internally with people here in the state.

MS. SANTANIELLO: I think one of the benefits of this opportunity is it really enables us using external evaluators to really determine New Hampshire is the second oldest state in the nation, what are some of the measures, what do we need to be looking at, like Wendi said earlier, to prevent people from

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coming onto public assistance? And so are there things that we need to be looking at differently, and we have no intention of expanding the dollars for this program. But the data may show us that we need to shift some of our priorities to meet some of those needs for the long-term. And I think we have lots of challenges with our elderly and adult service system. The ServiceLink is where people go, but we want to figure out ways to get there earlier, 'cause oftentimes people will reach out when they're in crisis and possibly, like Wendi mentioned, there's multiple different payers, and if we can through this grant and other opportunities which we are going to talk about in the next item, how do we get to those people earlier while they're on other forms of assistance, whether it's private pay or other insurances before they impact Medicaid.

MS. ROUNDS: Can I just add to that? I just wanted to speak to the finance side. You mention that there's no Class 10 or benefits in the chart there. So one of the things that's difficult to explain at times is how cost allocation ties into our accounting system. So when we receive this grant, it's increasing the revenue in this accounting unit, and there will be expenditures that increase because of that. How this revenue applies to each class line as cost allocation is done each month and each quarter it closes out may mean that some of these funds are applied to Class 10 and that Other Funds are applied to some of these other class lines. Cost allocation doesn't exactly match sometimes with what is in the statement of appropriations in the sense of each class line. That's something we can walk you through when we present our budget. It's something I planned on doing. But I just wanted to say just because that isn't there doesn't necessarily mean that we won't cost allocate to it.

REP. OBER: Mr. Chairman, if I might?

CHAIRMAN KURK: Representative Ober.

REP. OBER: I was aware of that, but when she said this would lead to New Hampshire participating nationally then I wanted to know based on Chairman Kurk's question about the future budget and the impact on the future budget when I can see

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that there's staff impact here. I understand staff is already budgeted. We know how that money walks.

MS. ROUNDS: Yes.

REP. OBER: The question is what happens if we participate nationally as opposed to the dollars that we just heard about that we so desperately need in-state. So that was future-looking question, not what do you have budgeted here.

MS. ROUNDS: Okay, thank you.

CHAIRMAN KURK: Further questions. Thank you, folks. Chair recognizes Representative Byron for a motion.

\*\* FRANK BYRON, State Representative, Hillsborough County, District #20: Chairman, I'd like to make a motion that FIS 18-196 be denied.

CHAIRMAN KURK: Is there a second?

SEN. DANIELS: Second.

CHAIRMAN KURK: Discussion? There being none are you ready for the question? If you're in favor of not approving this item, please now indicate by raising your hand. One, two, three, four, five, six. If you're opposed to that motion, please raise your hand. One, two, three, four. The item passes and the motion is -- excuse me. The motion passes and the item is not approved.

\*\*\* {MOTION TO DENY APPROVAL ADOPTED}

CHAIRMAN KURK: We now turn to Fiscal 18-197, authorization to accept and expend, this is a request from the Department of Health and Human Services, for authorization to accept and expend \$708,909 in Federal funds through June 30<sup>th</sup>, 2019. Is there someone from the Department who can answer some questions about the PACE Program.

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MS. SANTANIELLO: Chris Santaniello, Division of Long-Term Supports and Services.

MS. ROUNDS: Kerrin Rounds, Chief Financial Officer.

CHAIRMAN KURK: Thank you. Could you indicate what impact the PACE Program will have on counties and county budgets?

MS. SANTANIELLO: Hum -- so one of -- so this would be people that are already eligible for nursing facility level of care. So PACE Program in order to qualify for PACE an individual has to be eligible for nursing facility level of care. So, presumably, if that person was receiving services either through the home and community-based waiver or in a nursing facility, the county would still have some liability. The goal of PACE Programs is to keep people at home for as long as possible and integrating different funding streams and looking at the acute care cost which is not the liability of the county. So bringing that in. So -- so if PACE is done correctly -- and we still don't know if counties want to do PACE, you know, and that's one of the things they've expressed an interest in doing PACE, some counties have. Hum -- they've also expressed an interest in doing PACE like and so, you know, a virtual PACE or something; but the goal of PACE is to keep people at home and out of costly nursing facilities for as long as possible.

So following that train it -- train of thought, not the train, but the train of thought -- it would potentially lead to less cost for counties.

CHAIRMAN KURK: But it's optional at the county level.

MS. SANTANIELLO: Correct. It is not required. And there's been a couple of counties that have expressed an interest. So for those counties that don't want to do PACE, they don't have to do PACE.

CHAIRMAN KURK: Thank you.

REP. OBER: Mr. Chairman.

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CHAIRMAN KURK: Representative Ober.

REP. OBER: Thank you. Since the Director and I worked together the last couple days I was able to give her a heads up about this.

MS. SANTANIELLO: Yep.

REP. OBER: On Page 2 of 3 of this item, item number two.

MS. SANTANIELLO: Yep.

REP. OBER: We are seeking funds to engage with a consultant and then it says to evaluate increased capacity --

MS. SANTANIELLO: Hm-hum.

REP. OBER: -- et cetera, et cetera. Item number three said the Department is to use a portion of these funds to hire consultant to assist with the development. So I had asked the Director to be prepared to tell us the difference about engaging. Is that working with one person or two people on a short project as opposed where you actually hire a consultant, what would you want that consultant to do. So I'm sure she's ready by now.

MS. SANTANIELLO: I am, after I figured out exactly what you were asking. We are not hiring any staff with these dollars. Okay. So we will be working with -- we don't -- so number two is a different -- would be a contract with an external contractor as would number three. And so because they're very different services, so we would have multiple contracts and to work on for number two would be, okay, really what would a community-based system, what do we need to strengthen, what do we need to alter. Number three would be really the mechanics and working closely with the counties on how do you set up a PACE program. Did that answer your question?

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REP. OBER: So number three you're working longer term, more hours involved 'cause you've hired, as opposed to number two where you're just engaging, is that a shorter term, fewer hours?

MS. SANTANIELLO: It would be that this money is time limited. And so we have not -- we would start to work on developing a proposal for an external consultant, and it would -- I guess I probably should have used the word we would contract in both and not use engage or hire. We would contract with somebody. We would have deliverables. We would have measures. We would not pay until we got the measures and so it would evolve as we determined which direction we're going in. So we would probably start small to determine if we wanted to do PACE, and then if we do determine then we would say, okay, what does that then look like.

REP. OBER: Thank you.

MS. SANTANIELLO: You're welcome.

CHAIRMAN KURK: So if this is -- if this goes forward, you will be making a more comprehensive PACE Program proposal to the counties for their approval that none of this is going to require county taxpayers to pick up additional cost for long-term care services, unless the County Delegation approves this.

MS. SANTANIELLO: We would sit down with the County Association and a couple of them have already approached us to say what do you -- what do you want to be looking at? Can we do PACE? Some of them are looking at some different alternatives. And so we would sit down with them and say we have this opportunity. Who's interested? And every -- and a few counties may say, oh, we're really interested early on. We want to learn a lot more. We want to look at the financing, and then as we go down maybe one county or two counties. So nothing is required. It would be up to each county. We would just be bringing the resources, the opportunity to those counties.

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CHAIRMAN KURK: And when you do this, will you be in the position to say while your cost per case will go down, because of PACE.

MS. SANTANIELLO: Hm-hum.

CHAIRMAN KURK: Your total expenses will go up, because more people will take advantage of the more desirable service than currently take advantage of the less desirable services.

MS. SANTANIELLO: I would say, probably not in those exact same words --

CHAIRMAN KURK: I'm sure.

MS. SANTANIELLO: -- I would paraphrase, but I would say PACE is an opportunity, and while your cost may go up initially because you have greater people participating, if you want to look long-term and looking at the trends and the numbers, it could have the result to bring your cost down; and we would explore all of that and cost would be a part of this and looking at trending and all of that, absolutely.

CHAIRMAN KURK: The last question. Is there anything in PACE that would impact our current moratorium on nursing home beds? Because if that stays in effect, I don't see the long-term benefit from PACE.

MS. SANTANIELLO: I think we would have to really look at all of that because how -- we'd have to really look at that as part of this. I don't know the answer to that question specifically.

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

REP. BYRON: Hum -- thank you, Director. I was going to ask a question on item six. Item six --

MS. SANTANIELLO: Hm-hum.

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REP. BYRON: -- starts out with the wording the Department will contract to hire a Housing Specialist; and I'm assuming based on what you said a moment or two ago that it will be worded or should be worded as the Department will contract a Housing Specialist?

MS. SANTANIELLO: We would actually contract with an organization that does housing and ask them to bring somebody on for the duration of these funds. So we would not be hiring a position.

REP. BYRON: That's what I wondered. Thank you.

MS. SANTANIELLO: I will change that in future requests as well.

CHAIRMAN KURK: Your explanation clarifies it. The language as was written was somewhat -- struck us as somewhat bizarre but your explanation makes a lot of sense.

MS. SANTANIELLO: Thank you.

CHAIRMAN KURK: Further discussion? Is there a motion?

REP. BYRON: No.

CHAIRMAN KURK: May I have a motion?

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

SEN. GIUDA: Second.

CHAIRMAN KURK: Moved by Senator D'Allesandro, seconded by Senator Giuda that the item be approved. Further discussion or 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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MS. SANTANIELLO: Thank you.

CHAIRMAN KURK: Thank you, folks.

(5) **RSA 124:15 Positions Authorized:**

CHAIRMAN KURK: We turn now to agenda item (5), Fiscal 18-189, a request from the Department of Safety for authorization to retroactively hire six temporary consultants for the period of September 10<sup>th</sup>, 2018, through June 30<sup>th</sup>, 2019. Is there a motion?

REP. OBER: How can you retroactively hire a person?

CHAIRMAN KURK: Is there someone from the Department who can answer a question? Mr. Lavoie. Good morning. Thank you for being here.

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

REP. OBER: So I'm inquiring about your time machine. Today is October 19<sup>th</sup>. How can you go back in September and hire somebody that we haven't approved till today?

MR. LAVOIE: That's why we're here requesting the retroactive authorization.

REP. OBER: Oh, you hired without approval.

MR. LAVOIE: We did not have approval at that time.

CHAIRMAN KURK: Doesn't something happen, lightning or something happen when this occurs?

MR. LAVOIE: I wish it would, yeah.

REP. OBER: Save you from coming here, right?

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MR. LAVOIE: Right. So clearly, clearly, you know, this is not the type of item I want to bring before this Committee, but --

CHAIRMAN KURK: I'm happy to hear that.

MR. LAVOIE: -- the situation had to deal with timing. We had a grant award that was presented that was awarded at the end of August. This is -- this was a one-week assessment with individuals from across the country to take a look at our EMS system and that grant funding expired in September -- September 30<sup>th</sup>. So that's why we are here today asking for that retro-active authorization to pay these individuals for their time.

CHAIRMAN KURK: In other words, our system requiring approval and so forth in the case of a very short-term project doesn't work.

MR. LAVOIE: It presents us with some challenges.

CHAIRMAN KURK: What a nice way to say it doesn't work. Further questions of Mr. Lavoie?

\*\* REP. OBER: I'll move approval.

CHAIRMAN KURK: Thank you, sir.

MR. LAVOIE: Thank you.

CHAIRMAN KURK: Representative Ober moves approval.

SEN. BIRDSELL: Second.

CHAIRMAN KURK: Seconded by Senator Birdsell. 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. Lightning did not strike apparently.

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\*\*\* {MOTION ADOPTED}

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

CHAIRMAN KURK: We now turn to item number --- agenda item number (6), Fiscal 18-200, another request from the Department of Safety for authorization through June 30<sup>th</sup>, 2019, to establish Class 046 and transfer 40,000 in Federal funds, and contingent upon that approval authorization to hire six temporary consultants. I take it these have not yet been hired; is that correct?

MR. LAVOIE: That's correct.

\*\* REP. OBER: Move approval.

SEN. BIRDSELL: Second.

CHAIRMAN KURK: Representative Ober moves approval, seconded by Senator Birdsell. Questions? 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}

(7) RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from Any Non-State Source and RSA 9:16-a Transfers Authorized:

CHAIRMAN KURK: We turn now to Fiscal 18-199, a request from the Department of Health and Human Services for authorization through June 30<sup>th</sup>, 2019, to accept and expend \$786,449 in Other Funds and transfer \$786,449 in General Funds, and contingent upon that approval for authorization to accept and expend \$2,359,346 in Federal funds. Is there a motion?

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

SEN. BIRDSELL: Second.

CHAIRMAN KURK: Moved by Senator D'Allesandro, seconded by Senator Birdsell that the item be approved. Questions? 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 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 Fiscal 18-187, a request from the New Hampshire Insurance Department for authorization through June 30<sup>th</sup>, 2019, to accept and expend \$280,076.12 in Federal funds, and to establish a Class 046 consultant position to enter into contracts for consulting service with various vendors.

Is there a motion? Senator Reagan moves, seconded by Senator Birdsell that the item be approved. Questions? Discussion? There being none. All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

\*\*\* {MOTION ADOPTED}

CHAIRMAN KURK: Senator, that was just to indicate that I did remember your name.

REP. OBER: At this particular moment not to be confused in five minutes.

(9) RSA 162-H:8-a, III, Application and Filing Fees:

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CHAIRMAN KURK: We turn now to Fiscal 18-201, request from the Site Evaluation Committee for authorization to increase all application and filing fees specified in RSA 162-H:8-a, II, by 20% effective upon Fiscal Committee approval. May I have a motion?

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

CHAIRMAN KURK: Senator D'Allesandro moves, seconded by?

REP. EATON: Second.

CHAIRMAN KURK: Representative Eaton that the item be approved. Discussion? Questions? Senator Daniels.

SEN. DANIELS: Thank you. I'm concerned about this one. I remember the last time we met we approved the extension of some people following these different projects. But I think we need to be cognizant of the fact that when you look at the list of the projects that are going on, a lot of these are -- are things like Eversource or Public Service, gas, or whatever. What we're doing here is by approving a 20% authorization for them to increase the price of the application, we're just pushing -- we're just pushing that off as a higher price to consumers, because the utilities are not going to eat that 20%. So what you're basically doing is a, you know, approving a 20% increase on application fees that will be passed onto consumers. I will be voting against this.

CHAIRMAN KURK: Senator, how then are we to pay for the Site Evaluation Committee's work? It was originally set up -- it was originally set up in a way to have the cost of these determinations be paid for by those who were asking for them. If that's not going to be the method, then we need some other method, perhaps General Funds. But if we set up a process by which applications for various projects require State permission, then we have to figure out a way to pay for it using General Funds to pay for some people's use of electricity and other people's use of gas may not be the best method either. So

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I don't -- I'm just questioning what the alternative is should we not decide to use fees.

SEN. DANIELS: I guess my opinion is, I mean, we will continue to use the fees but tying together the action that we took last time in saying, yeah, we'll let these things that seem to go on forever. And because they're now going on forever, now there's more money that's needed to fund them. So I'm just putting the two together and saying that something needs to be worked out to more effectively come to closure on these cases and that we shouldn't be continuing to increase the fees by stretching things out.

CHAIRMAN KURK: Thank you. Senator Giuda.

SEN. GIUDA: Thank you, Mr. Chairman. I note that the -- under explanation the first paragraph says that current fees are not for all the allowed expenses.

REP. OBER: Which page are you on, Senator?

SEN. GIUDA: We should know what those allowed expenses are.

SEN. BIRDSELL: First page.

CHAIRMAN KURK: You had a question of someone, not the Committee. Is someone from the Site Evaluation Committee available to answer a question? Gentlemen, good morning. Thank you for being here. Can you identify yourselves for the record?

MARTIN P. HONIGBERG, Chair, Site Evaluation Committee: Good morning. Martin Honigberg, Chairman of the Public Utilities Commission, which by law also makes me the Chair of the Site Evaluation Committee.

ROBERT SCOTT, Commissioner, Department of Environmental Services: Bob Scott, Department of Environmental Services and Vice-Chair of the Site Evaluation Committee.

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CHAIRMAN KURK: Thank you. Senator Giuda has a question.

SEN. GIUDA: Thank you for coming forward. In your explanation, the very first paragraph, it says that the current fees do not cover all the allowed expenses of the SEC. I'd just like to know what those expenses are. Before we raise the price, maybe we should look at what we are covering in terms of expenses.

MR. HONIGBERG: There are two -- there a number of ways to split up the expenses, but there's two broad categories. There's the category of expenses that the SEC will incur regardless of what it does. It has one employee. It has rent and other expenses. That was originally estimated to run around \$250,000 a year. In fact, it's more like 185, \$190,000 a year.

The second category depends on what business the Site Evaluation Committee has to do; what applications come in for certificates, what other types of business it has. Transfers of existing facilities, petitions to determine whether the Site Evaluation Committee has jurisdiction or should take jurisdiction. Those things work -- in the past, prior to 2015, the only expenses an applicant would incur were for the State's experts, lawyers, court fees, pay nothing else. When the law changed in 2014 to set up the new structure, the fee schedule implemented in 2015 has the applicant paying much more than it used to.

I do want to address something Senator Daniels said a moment ago. Many of these projects are not -- do not come from the regulated utilities or to the extent that they are, they are from companies that are related and may not have their rates regulated by the Public Utilities Commission. So-called merchant projects like Antrim Wind or the proposed Northern Pass transmission line or the -- any gas pipeline, the gas pipeline that was originally floated but did not ever come to fruition in the southwestern part of the state. Those so-called merchant projects, those are not directly rate regulated. Those are private entities made decisions and charge what they can on the open market.

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So I want to make sure that there's not a misunderstanding about how the money may flow or be required to flow. That's not to say that there aren't utility-based projects that then would go into rates as other prudent expenses of utilities would.

CHAIRMAN KURK: So let me understand this. The reason why this item is before us is because you charge a predetermined fee for each application, X dollars plus so much a mile or whatever it might be.

MR. HONIGBERG: That's correct.

CHAIRMAN KURK: And there's no relationship between that fee and the time and money it costs the Site Evaluation Committee to deal with the item. For example, Northern Pass cost the Site Evaluation Committee much, much more than the fee that was paid in. Another activity might cost much less than the fee that's paid in. The point is each application does not cover its costs.

MR. HONIGBERG: I would disagree with the "no relationship to" part of what you said. The fee schedule was developed with some historical information about how much prior projects had required in terms of days of hearing, amount of work that was done on those projects. And so the fee schedule was developed using that historical information knowing that it was going to be an imprecise measure and that it was going to miss likely in every case by some amount, whether high or low. So the result of what you said, Representative Kurk, it is correct that sometimes that fee is a little higher, sometimes it's a little lower, sometimes it misses by a little bit more; but it's the theory behind it was based on historical practice trying to project what it would cost to process applications.

CHAIRMAN KURK: Representative Eaton.

REP. EATON: So level this out a little bit. Would a statement be accurate that the marketplace or industry would prefer to have this for transparency and stability knowing in advance versus any other scheme?

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MR. HONIGBERG: Yes, I think that is true. I think that the fee schedule that was enacted by the Legislature in 2015 was similar to but not identical to something that a working group of industry representatives, BIA, perspective applicants, advocacy groups like the Forest Society and Conservation Law Foundation, and representatives of various State Agencies met and tried to come up with what would be -- what the cost would be and ways that they could be covered. They came up and then proposed to the SEC a fee schedule that then became legislation. That legislation wasn't enacted exactly as envisioned, but it's very clear that industry wants certainty, even if it's a relatively high fee they want to know that's what they'll have to pay, and it won't be more if the consideration of theirs becomes more complicated or drags out longer.

CHAIRMAN KURK: Representative Giuda -- excuse me -- Senator Giuda.

SEN. GIUDA: Thank you, Mr. Chairman. Rather than a blanket 20% increase, would it be possible to develop a surcharge schedule so that in the event a certain project from a certain applicant goes beyond what the fees that are established in the fixed rates we have right now would cover we would, if you will, charge the person causing the increase, the entity causing the increase instead of a blanket 20% rise?

MR. HONIGBERG: Yes, that would be possible. Discussed by the Committee, not the approach that was recommended and not the approach that became law. Under current law that would not be possible; but that is certainly another way to do this.

CHAIRMAN KURK: Further discussion or questions?

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Excuse me, Senator Birdsell.

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SEN. BIRDSELL: So -- thank you, Mr. Chair. So the industry is accepting of this increase; and they're aware, obviously, it's going to cost them more money.

MR. HONIGBERG: I -- it was the subject of a noticed Site Evaluation Committee hearing that was attended by members of the public. I can't as I sit here recall who was there; but yes, it was discussed in a publicly-noticed meeting, became a recommendation as pursuant to existing State Law. The law that was passed in 2015 specifically contemplates this approach. SEC review the fees and expenditures each year and determine whether you need to make a request of the Fiscal Committee.

CHAIRMAN KURK: Representative Ober.

REP. OBER: Thank you. Could you enumerate for us specifically what caused the shortage in your current funds, what topics, projects; I don't want to put words in your mouth but please tell us.

MR. HONIGBERG: The item has attached to it a description of the projects that had gone through the Committee as of last spring.

REP. OBER: No, I want to know the ones that were -- caused the extra money.

MR. HONIGBERG: I'd have to go through each one and take a look. In each instance there was a miss. For the first one the fee was higher than the expenses. For the second it was lower. That was the Antrim Wind Project. For the third one it was a little higher, but it was only \$3,000 fee and \$1500 in expenses. The fourth one didn't have an application fee, but the Committee incurred \$3,000 of expenses. That's covered by the fund. The next one another, the rulemaking which is not subject to any fee cost the fund \$15,000.

REP. OBER: Could you stop. Could we do this one at a time? For example, the one you just named, there was no application fee so why did you incur cost?

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MR. HONIGBERG: For Tennessee Gas Pipeline?

REP. OBER: Hm-hum.

MR. HONIGBERG: Because there are certain things that the Committee has to do by statute. The hiring -- a lawyer gets hired to consider what legal issues may come in. That's done through the Attorney General's Office but is paid out of the SEC Fund. There are fees for the court reporter, things like that.

REP. OBER: So, clearly, that should have had an application fee because fees are supposed to cover those costs. So how does the law have to be changed to ensure that -- I understand what Senator Daniels is saying and why he's going to vote no, and I somewhat feel the same way; but when I looked here why wouldn't you have them pay a fee if you have to pay costs? Because it was our understanding when we passed that legislation that everybody would pay something and it would overall cover their cost.

MR. HONIGBERG: There are certain items that have no application fee at this time. And just as the Committee used to do business without application fees, it was required to continue to do business and process to the extent necessary without an application fee using the money in the fund.

I'll just note that the next item on your agenda is a transfer of funds from the Renewable Energy Fund to cover an existing shortfall as we've been going along.

REP. OBER: I'm a definite no on that one, because it looked to me like we weren't collecting fees where we should have here.

MR. HONIGBERG: There was never an application filed and no fee. A docket was opened because they were in the pre-filing portion of RSA 162-H, which requires action by the State but there's no fee associated with it. That's how the statute is currently structured.

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CHAIRMAN KURK: Senator Daniels and then Senator Giuda.

SEN. DANIELS: Thank you. If this is approved, will this 20% increase apply to those projects that we have before us that are already in existence?

MR. HONIGBERG: No.

SEN. DANIELS: So just those going forward.

MR. HONIGBERG: Correct.

SEN. DANIELS: Follow-up.

CHAIRMAN KURK: Follow-up.

SEN. DANIELS: So we're two and a half months away from a new session. Why is it -- why is it important now to have, you know, this small committee make a determination on whether this should be increased by 20% as opposed to someone putting in legislation and have the Legislature determine that there should be a 20% increase?

MR. HONIGBERG: In your wisdom you could certainly do that. We are following the statute as it is presented to us. We do not know what legislation may come out of next session. We believe it is important to follow what the law requires us to do, which is to review the fees and expenses, and if we see a shortfall recommend to the Fiscal Committee that the fees be increased.

SEN. DANIELS: Thank you.

CHAIRMAN KURK: Senator Giuda.

SEN. GIUDA: Thank you, Mr. Chairman. I'm referencing SEC Docket 2015-02 on Page 2, and down about one, two, three, four paragraphs says 27 petitions to intervene were filed and 25 petitions granted resulted in 12 intervenor groups.

MR. HONIGBERG: Hm-hum.

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SEN. GIUDA: Would it be correct to say that those intervenor groups would extend the period and, therefore, the expenses required of the SEC?

MR. HONIGBERG: I think in general there's a correlation between the number of intervenors and the level of complexity of the case, but it's not a perfect one to one. I think that one intervenor well-funded and organized could have the same effect as 15 intervenors and relatively non-controversial projects could generate such interest that you could have a lot of intervenors and still not turn it into a complicated matter.

SEN. GIUDA: Follow-up.

CHAIRMAN KURK: Follow-up.

SEN. GIUDA: Thank you, Mr. Chairman. So do intervenors pay any fees in this process?

MR. HONIGBERG: They do not. Just whatever fees they themselves incur.

SEN. GIUDA: So there's not any mandate if you want to be an intervenor you would also contribute to paying for the expenses which your project might be incurring.

MR. HONIGBERG: That's correct.

SEN. GIUDA: Thank you.

REP. BYRON: Chairman.

CHAIRMAN KURK: Representative Byron.

REP. BYRON: To follow-up on Senator Giuda's question, while an intervenor doesn't absorb a fee to file, does the State absorb costs because of an intervenor files?

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MR. HONIGBERG: I think that's consistent with -- consistent with the answer I just gave Senator Giuda. Probably in general the projects become more complicated and more expensive the more intervenors there are; and one of the expenses of the SEC is reimbursement to the agencies for some of the time that their employees spend sitting in hearings and in which the record is made and then making the decisions.

CHAIRMAN KURK: Follow-up.

REP. BYRON: I think yesterday we had a brief discussion about trying to do this under new legislation that could potentially establish some type of a set fee, with the exception of any of the hours used or any of the resources used by the SEC could be charged back to the applicant. I understand that that may not be something that's palatable or looked at favorably by some of the applicants, but I think it's only fair that those charges would go back and the Legislature I think in the future should consider that.

CHAIRMAN KURK: Mr. Honigberg, if, in fact, such a system were in effect, would there be a deficit?

MR. HONIGBERG: Uh -- I would think not if it were structured properly.

CHAIRMAN KURK: Next question. If this item is not approved or, indeed, even if it is, where do you get the money to pay your bills if you don't collect it from fees?

MR. HONIGBERG: The SEC, the new SEC that was reformulated was funded by a grant from the Renewable Energy Fund. I've forgotten the exact amount of money. It's in the paperwork of the next item. And the legislation in two thousand or the budget in 2017, again, specified Renewable Energy Fund to be the backstop for the SEC Fund. The SEC Fund gets money -- got money from the REF, got money from application fees and built up. It has been expended over time and, again, the numbers I think are in the other item are around a million dollars has come in, a little bit more is coming out.

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CHAIRMAN KURK: So if this item were not approved and if the next item were not approved, would you still have enough money from the sources you mentioned to continue in business until the end of the next legislative session?

MR. HONIGBERG: No.

CHAIRMAN KURK: When would you run out of money?

MR. HONIGBERG: Now essentially, right?

EUNICE LANDRY, Business Administrator, Office of the Commissioner, Public Utilities Commission: The end of October.

MR. HONIGBERG: We expect we'd be in a negative position by the end of this month.

CHAIRMAN KURK: When you're in a negative position, what does that mean?

MR. HONIGBERG: We owe more money than we have.

CHAIRMAN KURK: I understand that. What does that mean in terms of opening your doors to new applications, new filings?

MR. HONIGBERG: Well, a new application would fund the fund and so there might be money. The agencies wouldn't be reimbursed for their time, for the time of their employees. There are certain other expenses that wouldn't get covered. I don't know how we would function, frankly.

CHAIRMAN KURK: Thank you.

MR. HONIGBERG: That's right. Commissioner Scott reminds me we also the public members of the SEC for their time. I'd forgotten that.

CHAIRMAN KURK: Thank you. Senator Giuda and then Senator D'Allesandro.

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SEN. GIUDA: Just an observation. Would it be safe to say that predicated upon the assumption that intervenors might drive costs forward that the ratepayers who will be essentially paying for this 20% increase are, in fact, paying the cost of challenges made by intervenors?

MR. HONIGBERG: To the extent that a project is from a regulated -- a utility whose rates are regulated by the State, more expense if prudently incurred will go into rates. If it is not a rate regulated utility, like Antrim Wind, the answer is I don't know. It really depends on what that private merchant entity can charge and how much of its expense it can recover in what is -- in what its private contracts with purchasers end up being.

SEN. GIUDA: Thank you.

CHAIRMAN KURK: Let me ask the question following up on Representative Giuda. I want to understand the economics of this suggestion. He's suggesting that intervenors should be charged because they're incurring additional expense for the application, but I could see that this would bankrupt a whole variety of relatively small political - not political - environmental action groups, for example, because they would have to come up with this kind of money, effectively cutting off their -- what I would think are their free speech rights. They would have to pay to play because someone else, a company that can go back to the ratepayers for money, or privately financed, decides to go forward with this. And I think we'd have -- or let me ask the question. Wouldn't we have a very different kind of Site Evaluation process were that approach to financing the Site Committee put into effect?

MR. HONIGBERG: It would be highly unusual to charge entities or individuals who have a right to intervene in administrative proceedings. It's not just free speech. There are property rights involved. Those who are near or abut or whose property is involved in whatever project is proposed may have constitutional property rights at stake, and the right to

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participate in any proceeding that would affect their rights charging them to participate in a proceeding would, as I said, be highly unusual.

CHAIRMAN KURK: Senator D'Allesandro. Wait. Senator Giuda to continue the conversation.

SEN. GIUDA: Your first incorrect presumption is your initial statement. I'm not suggesting any such thing. I'm exploring. My second point is --

CHAIRMAN KURK: I misunderstood. I'm sorry.

SEN. GIUDA: Well, you misstated. My second point is that in no way do we have to use the existing fee schedule if we were to propose something. But the fact that we're looking at charging ratepayers across the board for others to participate who may not have those ratepayers' interests at heart to me seems somewhat concerning. Thank you, Mr. Chairman.

CHAIRMAN KURK: I share that. I'm sorry that I assumed you were proposing, is simply exploring. Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman. Chairman, we have a process in place. We have laws in place. These two gentlemen are following the law that was created by the Legislature. If the Legislature wants to change that, we have an opportunity to do that in the next session. Right now, we have a situation that the law covers and they're asking us to conform to the law because of the problem that they are bringing forward.

I think it's quite clear, had some great talk, some great discussion about changes, but those changes can't take place unless the Legislature decides to do it. Right now we have a problem. There's a methodology to solve it. There's a law that covers it. We ought to conform to the law. We all took an oath to do that. So we should do that and move forward. Thank you, Mr. Chairman.

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REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Representative Ober.

REP. OBER: Thank you. The law allows them to come and ask for fee increase. I don't believe anybody envisioned that they would ask for 20% fee increase at one time, especially with the increase and the cost of living is so low. And I think that's part of what has led this discussion.

CHAIRMAN KURK: Is there a question for these folks?

REP. OBER: I just wanted to Senator D'Allesandro and I'm going to ask him if he agrees. I also think that if we have people not paying application fees and we are spending money on them, the law should be changed, which would be part of next time, and I believe Senator Giuda was exploring and using this opportunity to explore reasonable options. If I misunderstood Senator Giuda, I apologize, but I thought that's where you were trying to go. And I wonder if the good Senator could tell us if given what the cost-of-living increase is, what the Consumer Price Index increase is, how we can justify a 20% increase in application fees at one time?

SEN. D'ALLESANDRO: Is that for me?

REP. OBER: Yes, it was, because you were kind of chastising me because I was thinking about voting no.

SEN. D'ALLESANDRO: You can vote whatever way you want.

REP. OBER: Because I don't think the law set a fee.

CHAIRMAN KURK: Folks. I recognize Senator D'Allesandro.

SEN. D'ALLESANDRO: The only thing I said, and I want to repeat it so it's clearly and succinctly, we have laws on the books. These gentlemen have come here in accordance with the law. In their best judgment they are bringing forward a proposal that they believe allows them to continue to perform the duties

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that we have assigned them. I think we either vote for that or we vote against it.

REP. OBER: I'm in agreement with that.

CHAIRMAN KURK: Further questions, Senator Giuda, of these gentlemen?

SEN. GIUDA: My concern is that we implement a 20% increase for atypical situation that may have existed relative to one or month projects that brought this deficit forward. And so I'm interested in knowing if you can pinpoint for us was there a project? Is this an extraordinary period of time over the last year or so that has caused the one-time increase in these fees that would not justify a 20% permanent increase?

MR. HONIGBERG: If I understand your question correctly, I think the answer is no. I think as the fee schedule was discussed and developed it was based on historical information and projections, everyone secure in the knowledge that they would be -- that we would be wrong, but not knowing in what direction with respect to which types of projects and how often. And in some instances more money has come in than has been expended, and in other situations less money has come in than has been expended and that was expected. While a relatively heavy workload over the last few years compared to historical numbers for the SEC, it's still not that many items. It's a relatively small number of projects.

One of Commissioner Scott's favorite words for this process is that it's lumpy. The money comes in in big amounts and gets expended slowly and may come in again and expended in different -- different schedules. So I don't think there's one type of situation that you can point to or one project that's way over, we need to adjust it for that. We don't have that situation in front of us.

\*\* REP. EATON: Move the question, Mr. Chair.

REP. OBER: Can't do that in Committee.

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MR. SCOTT: If I could add, Senator, you know, this was unanimous vote by the Committee. I can tell you some of my rationale was the observation is as history changed, as the law changed, it added more public participation. That takes more time. We've also seen, and even since we voted we've seen projects now seem the trajectory appears to be we are seeing more requests for reconsideration once a decision is issued and more of them being taken to court. Not that there was none in the past, but that seems to be the trajectory. So that helped guide my thinking of, gee, when we originally set this we were looking more historically looking towards the future. And the trajectory that seems to be happening with public participation and objections that, gee, that seems to be adding to the cost and time and similar things that you have been discussing.

So as Chairman Honigberg mentioned, we know we are going to be wrong unless we charge after the fact. Here's the actual costs. But that went into the thinking of, gee, why does it look like moving forward, if I have to guess, it looks like we'll be more expensive than it has been in the past.

CHAIRMAN KURK: Follow-up.

SEN. GIUDA: Thank you, Mr. Chairman. So in the event that this 20% increase would produce an excess of revenue beyond what you're required, what happens to that excess?

MR. HONIGBERG: Each year the statute requires the SEC to look at its receipts and expenditures and determine whether the fees should be adjusted in either direction. And if the fund looked like it was building up too quickly, we would be back here looking for a decrease.

SEN. GIUDA: Thank you.

CHAIRMAN KURK: Senator D'Allesandro.

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SEN. D'ALLESANDRO: Thank you, Mr. Chairman. I think we are confusing something. They are asking for the ability up to 20%, not 20% but up to 20% and it says --

REP. EATON: No, no.

SEN. D'ALLESANDRO: -- by up to 20%.

REP. BYRON: That's what the statute says.

SEN. D'ALLESANDRO: With approval by --

CHAIRMAN KURK: The statute says they can ask for anything up to 20%. They are asking specifically for 20%. They could have asked for 18, but they're asking for 20.

SEN. D'ALLESANDRO: Okay. I stand corrected.

REP. OBER: I have one last question.

CHAIRMAN KURK: Representative Ober.

REP. OBER: I'm on Page 5 of your document, gentlemen. For Northern Pass the applicant paid \$626,000 in fees. You apparently had charges billed of \$588,438. Under your proposal they would now pay an additional \$12,530 in fees for an application that seems to have covered the cost already; is that correct?

MR. HONIGBERG: Not necessarily. The date of this document was last April, I believe, and Northern Pass was not done at that time and, in fact, it's still not done. So there were more charges incurred after the date of this document for Northern Pass. I don't know where Northern Pass stands in terms of its total.

CHAIRMAN KURK: But, in any event, Northern Pass would not be paying an additional 20% should this pass?

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REP. OBER: Yes, they would. They would have with a similar project. That was the question.

CHAIRMAN KURK: Right, a similar project but not the Northern Pass Project.

REP. OBER: But it's an additional \$12,530 that --

CHAIRMAN KURK: I think it's 125,000.

REP. OBER: Twenty-five thousand?

CHAIRMAN KURK: Hundred twenty-five.

REP. OBER: No wonder we are concerned about electricity rates going up.

CHAIRMAN KURK: Senator Giuda.

SEN. GIUDA: In that very same very last paragraph on Page 5, if you would, total charges billed 588,438. Total charges paid 455,819. Is that because the fee structure only requires 588 and/or -- I'm sorry -- 455?

MR. HONIGBERG: No. It's because certain of the State Agencies did not submit for reimbursement. There were probably reimbursement requests from the agencies that came in after this date that would increase that 455. I'm aware of one of the State Agencies that just did not submit some of its time and chose for whatever reason to do that.

SEN. GIUDA: What agency is that?

MR. HONIGBERG: DOJ, right? Attorney General's Office, Department of Justice.

CHAIRMAN KURK: Further questions of these gentlemen, Senator Giuda.

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SEN. GIUDA: Do you have an amount that they didn't request that they should have?

MR. HONIGBERG: Is it the delta between what we're looking for?

MS. LANDRY: The amount not billed on Northern Pass was a little bit more than 126,000.

CHAIRMAN KURK: From the AG's Office?

MR. HONIGBERG: Is that just the AG's Office?

MS. LANDRY: No, there's a small amount from another one. I don't have that with me.

MR. HONIGBERG: There's a small amount from another agency. The bulk of it is from the AG's Office, and we don't know which agency it was as we sit here.

(The court reporter interrupts.)

CHAIRMAN KURK: Ma'am, could you identify yourself, please.

MS. LANDRY: Eunice Landry, Business Administrator for the Public Utilities Commission.

CHAIRMAN KURK: Senator Giuda.

SEN. GIUDA: When was that 126,000 billed?

MR. HONIGBERG: It wasn't.

CHAIRMAN KURK: Let me see if I understand this. When there are hearings there are participants in those hearings by statute who are members of agencies. The agency of which they're a member then bills the Site Evaluation Committee for the time of that employee. In the case of the Attorney General, a variety of Assistant Attorney Generals attended the hearing or did some

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work on this, and the Attorney General's Office did not bill for their time, at least as of today.

MR. HONIGBERG: Well, the time has passed because the books were closed on some of the periods for which they didn't bill. But the Site Evaluation Committee's statute RSA 162-H establishes the position of counsel for the public in the Attorney General's Office. And when applications or other large projects come in, the Attorney General routinely appoints counsel for the public to, as I think the statute says, represent the public's interest in energy and environment essentially the charge of the counsel for the public. And the funding statute that was enacted in 2015 put counsel for the public on an equal footing in terms of reimbursement with the agencies who provide people to serve on the Site Evaluation Committee; Public Utilities Commission, Department of Environmental Services, and the others.

CHAIRMAN KURK: Further questions of these gentlemen? There being none, thank you both. May I have a motion?

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

REP. BYRON: You have a motion, Mr. Chairman. The motion is moved by Senator D'Allesandro, seconded by Representative Eaton.

CHAIRMAN KURK: Thank you. Is there a discussion?

REP. OBER: Roll call.

CHAIRMAN KURK: There being none, you ready for the question?

REP. OBER: Roll call, please.

CHAIRMAN KURK: You don't want a show of hands?

REP. OBER: No, I do not.

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CHAIRMAN KURK: Representative Ober has requested a roll call. The motion before us is to approve Fiscal 18-201. If you're in favor of that motion, you'll answer yes when the clerk calls your name. If you're opposed, you'll answer no. The clerk will now call the roll on Fiscal 18-201.

REP. BYRON: Representative Weyler's absent. Representative Ober.

REP. OBER: No.

REP. BYRON: Representative Wallner.

REP. WALLNER: Yes.

REP. BYRON: Representative Eaton.

REP. EATON: Yes.

REP. BYRON: Representative Byron votes yes. Representative -- excuse me -- Senator Daniels.

SEN. DANIELS: No.

REP. BYRON: Senator Giuda.

SEN. GIUDA: No.

REP. BYRON: Senator D'Allesandro.

SEN. D'ALLESANDRO: Yes.

REP. BYRON: Senator Birdsell.

SEN. BIRDSELL: Yes.

REP. BRYON: And Senator Reagan.

SEN. REAGAN: Yes.

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CHAIRMAN KURK: How about me?

REP. BYRON: I thought you were abstaining, Mr. Chairman.  
Representative Kurk.

CHAIRMAN KURK: Yes.

REP. BYRON: Mr. Chairman, the motion to approve 18-201 passes by a vote of 7 to 3.

CHAIRMAN KURK: Seven having voted in the affirmative, three in opposition, the motion carries and the item is approved.

\*\*\* {MOTION ADOPTED}

(10) **RSA 162-H:21, III, Fund Established; Funding Plan:**

CHAIRMAN KURK: We now turn to Fiscal two -- Fiscal 18- 202, another request from the Site Evaluation Committee for authorization to accept a transfer of funds from the Renewable Energy Fund in the amount of \$480,000 through June 30<sup>th</sup>, 2019.

\*\* REP. EATON: Move approval.

SEN. BIRDSELL: Second.

CHAIRMAN KURK: Moved by Representative Eaton. Approval moved by Representative Eaton, seconded by Senator Birdsell. Are there questions? Is there discussion?

REP. OBER: I have a question for Mr. Scott.

CHAIRMAN KURK: Representative Ober has a question for Commissioner Scott. Do you want Mr. Honigberg, too?

REP. OBER: No. Mr. Scott, the last time we had one of these transfers out of the -- this fund into the Site Evaluation Committee you, unfortunately, came and testified against such a transfer. May I assume today you are in favor and how did you arrive at that change?

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MR. SCOTT: I'm in favor of that and, again, this is according to the existing law that's in place. The existing law basically points to either the General Fund and if there's no General Fund appropriation it directs the Site Evaluation Committee to use the Renewable Energy Funds, with approval of the Fiscal Committee, of course.

CHAIRMAN KURK: The question though was previously you had voted against --

REP. OBER: Well, he lobbied us not to take the money out.

CHAIRMAN KURK: I'm sorry.

REP. OBER: He testified to the Committee not to take the money out.

CHAIRMAN KURK: The question is what caused you to reverse your position.

MR. HONIGBERG: That's not true, Bob.

MR. SCOTT: I have to confess, I don't have memory that I opposed this. Doesn't mean I didn't. Age is creeping on me, obviously.

REP. OBER: Creeping on all of us. Thank you, Mr. Scott.

CHAIRMAN KURK: Mr. Honigberg, did you wish to contribute to this?

MR. HONIGBERG: I do. Thank you, Mr. Chairman. There are actually two different events that are being, perhaps, identified. During part of the budget process in 2017 there was a proposal to take money from the Renewable Energy Fund for a very different purpose, and I've forgotten now what it was.

MR. SCOTT: Oh, Homeland Security. I remember now.

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MR. HONIGBERG: That's right. It was Homeland Security. And the Commission did oppose that.

REP. OBER: Mr. Honigberg.

MR. HONIGBERG: Let me finish, if you don't mind, Representative Ober. I'm sorry. The money from the Renewable Energy Fund to seed the Site Evaluation Committee was a consensus position of every stakeholder; the agency, advocacy groups, and industry, and there was no opposition to it at the time.

REP. OBER: My question actually went back to the subcommittee that set up the original legislation. We were working with Senator Bradley at that time. I sat on the subcommittee. We had testimony before the legislation passed. So I've gone farther into the distant history. Mr. Scott says we're all aging. Thank you for your comments about 2017, but the law had passed by then.

CHAIRMAN KURK: Further questions of these gentlemen on this item? Thank you. We have a motion to approve Fiscal 18-202; right?

REP. BYRON: We have a motion to approve by Representative Eaton, seconded by Senator Birdsell.

CHAIRMAN KURK: Further 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) **RSA 198:15-y, III, Public School Infrastructure Fund:**

CHAIRMAN KURK: We turn now to Fiscal 18-210, a request from the Office of the Governor for approval to authorize General Fund expenditures from the Public School Infrastructure Fund in the amount of \$1,953,697 through June 30<sup>th</sup>, 2019. Is there

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someone -- is there someone from the Governor's Office who might respond to questions?

PERRY PLUMMER, Director, Division of Homeland Security and Emergency Management, Department of Safety: Good morning.

CHAIRMAN KURK: Good morning, gentlemen.

FRANK EDELBLUT, Commissioner, Department of Education:  
Good morning.

MR. PLUMMER: I'm Perry Plummer. I'm the Director of Homeland Security and Emergency Management.

REP. EDELBLUT: Frank Edelblut, Commissioner of Education.

CHAIRMAN KURK: Thank you. I've noticed as I go through these projects that a substantial proportion are going to have security systems which basically means security cameras. Could you explain how they will be used or if there's a State policy on how they will be used to provide for safety in the event of some sort of incident at the school, and if there are any provisions to protect privacy rights so that Johnny caught kissing Janie on camera is not going to be a public to-do?

MR. PLUMMER: Great. Thank you very much for the question. It's a good question. So from a youth standpoint to keep our schools safe, it's about surveillance, it's about having the right people in our school and the people that we do not want in our school in our schools, and early notification.

Obviously, there's two ways that they're using the cameras in public space. One is for the exterior of the building for surveillance and one is for the common areas, the hallways for the schools. So, obviously, the exterior is being monitored and, obviously, if they see someone approaching that should not be approaching a school, whether by person that they know about or by what they're carrying or have concern, then that early notification so they can provide lockdown, they provide notification to teachers for their -- for their procedures.

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As far as inside goes the same method applies, but it does add a little bit. So, obviously, if someone's in a school, say they were carrying a weapon, and there was concern about that, then they could put lockdown procedures in so they lock the doors, keep the students safe, and invoke those procedures. They also are used to identify where that person is as law enforcement comes up and monitor that throughout the incident so they know whether they tell the students to run, hide, or fight. So, obviously, the most success is when you get people out of the building, out of the situation, depending on where that threat is. So that early notification is important. So that's how they're using those types of cameras.

The grant was not set up for investigative purposes. So they, you know, so nobody watches them. They just go back and look later on to see who did what. That wasn't the purpose. Now that doesn't mean that they won't be used that way but that's not the purpose of the grant.

As far as a State policy there is, you know, obviously, Federal Law and State Law that they are expected to follow when installing these cameras and using these cameras, and there are some laws about having cameras in classrooms for instruction and those types of things. So we would expect them to use -- to follow State and Federal Law. We do not -- as of right now we do not have a statement that they -- ensuring that they'll do that. If this Committee feels as though that's important, we could send out the current State and Federal laws to them so they're aware of them, and then we could have them sign off saying that they will conduct their activities in accordance with that.

CHAIRMAN KURK: Will any of this be transmitted to police on a live feed basis so that as a call went in to the police because there's an active shooter that as the police approach the building they would have access to this -- to these cameras so they wouldn't have to wait until they got inside the building. Is that part of this?

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MR. PLUMMER: In some cases, yes. It's not a requirement. It is a recommendation from our office that they tie directly to law enforcement and are monitored by somebody, whether it be at the school level and/or the police department. A good many of them tie right to the police dispatch so they have that constant viewing or scrolling viewing, but that's not a requirement.

CHAIRMAN KURK: You mean that you're recommending that 24/7 what's going on inside the school be sent to the police department even though there's no event?

MR. PLUMMER: That they have access to them real-time if they need that. That's -- the most effective piece of that camera would be is if they could pull that camera view up immediately should they receive notification or concern of a threat; but that's not a requirement of the camera system. Some identified that they are doing that. Some are not. Some would be reviewed at the school level and then make the call and then they could -- and then the third piece of that is some can be tapped into from the incident command vehicle because they're web-based. So they do give those access to the school and to the law enforcement once their command center is set up.

CHAIRMAN KURK: So you're saying that at the school's discretion they could allow the police by flicking a switch at the police station or dispatch or in a cruiser to view what's going on on the inside of the school, even though there has been no threat called in, just an ordinary day, at Odum Elementary.

MR. PLUMMER: That is correct. I'm sorry, did you say we recommended that or are allowing that?

CHAIRMAN KURK: I didn't say you were recommending it. I said --

MR. PLUMMER: Okay. That is correct. There are some of the systems that are transmitted -- that have the ability to transmit directly to their dispatch center and flick and turn that camera on without another precursor event.

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CHAIRMAN KURK: Before I recognize others, could you describe what limitations there are in the Federal or State Laws that would impact the use of these cameras in public schools?

MR. EDELBLUT: Something I can try and address that. So the limitations on the use of videos in schools is governed by RSA 189:68 which is dealing with student privacy. And it is actually a fairly broad, you know, law that is in place. The restrictions are principally around the restrictions of videotaping in classroom setting. So in instructional settings. So those -- this law doesn't have any part of it or any statutes associated with it that apply to kind of common spaces, which would be the corridors and the hallways and the perimeter of the building. So current State Law, you know, does not limit that.

It does, also, you know, it also provides for some guidance around the use of video recording for educator training opportunities. So that there's an opportunity to, you know, videotape a teacher who's doing a student teaching and capture that, but they have to do it under certain parameters, as well as the use of video recording with students that have IEPs or special-education students in certain circumstances to be able to use video in the instructional practices. But, generally speaking, you know, there's nothing else in the statute that prohibits or limits the use of videotaping in kind of the more common areas in that educational setting.

CHAIRMAN KURK: So no -- none of these video cameras will be in the classroom or in the bathrooms, I assume. Just in the hallways and the perimeters, the public spaces, the gymnasium, perhaps.

MR. EDELBLUT: I mean, that may be considered an instructional area.

CHAIRMAN KURK: So doesn't that mean that we -- law enforcement personnel are handicapped by the lack of their ability to know what's going on in particular classrooms should there be an incident, because there can't be cameras there?

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MR. PLUMMER: Well, the -- the answer is probably; but when you look at the expense of having one in every classroom, the privacy laws and complying with these RSAs, the common space and the open space around the school is probably far more useful or obtainable.

CHAIRMAN KURK: And final question from me. Are there any provisions with respect to how long these video recordings will be kept and who will have -- who, if any, of the public will have access to them?

MR. PLUMMER: So all I would refer back to is State and Federal Law that they're supposed to comply with State and Federal law. There's nothing in our award package or our requirements that changes that either more strict or less strict.

CHAIRMAN KURK: Thank you. Representative Eaton.

REP. EATON: Just a couple options. I can help shed a little light maybe and that is that the cameras for hallways, common areas, and all that would be available for law enforcement. If something is going on in the classroom, they can do a back review and find out where somebody is and have an idea what's going on. I think both gentlemen are aware that there's been a proposal made to the Governor's Office for \$1.8 million a year that would provide every school the opportunity to have every teacher have a hot button on their phone which would be active shooter, active fire, active something or other, panic alarm that would also allow law enforcement command; but also, obviously, on the scene through smartphones or tablets to be able to view live-time in any facility, any public facility, whether it was police department, fire department or school, whatever. I don't know whether the Governor's gone with that, but it's -- that is the current change in technology and what is going to be coming forward and what's available and it will be live-time.

REP. OBER: A new button to punch when you don't want to take the test.

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CHAIRMAN KURK: Senator Daniels.

SEN. DANIELS: Thank you. If there was a bullying incident which generally is a genesis for many of the incidents that's happened in school, would this -- normally, I think, those are taking place in the common area. Is this something that could be used by law enforcement to possibly curtail an incident later at school; is that correct?

MR. PLUMMER: I would say yes.

CHAIRMAN KURK: Further questions.

REP. BYRON: I did have one question.

CHAIRMAN KURK: Apologize. Senator -- Representative Byron.

REP. BYRON: And no desire to be a Senator, so. I served as the Chairman of the Board in Litchfield before. We had this very issue with trying to connect our police department into the camera system that functioned at our high school and other schools. And the school's attorney told us that that was impossibly connected under State and Federal requirements. That it would impose a level of scrutiny, I'll call it, from the police department onto the school system. And for many years, and I think even to this day, there was no connections so that if a police officer rolls up to an active shooter situation at the school, they're walking in blind. They have no idea what's going on. And the whole purpose of this was to try and give them the ability to get in, stop that risk, and save some kids.

I would strongly suggest that the Department of Education, as well as others, come up with some type of guidelines that really, really go through this and proposals for changes to the laws, if necessary, when they deny 68 to make these systems happen, because right now I'm telling you in the field we're getting opinions from attorneys that say you can't do it.

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MR. PLUMMER: We'll certainly do investigation of that, see where that stands. There has been times in this state where they have pulled up cameras from a command center with an event going on. So whether they did that legally or not we'll to look into that.

REP. EATON: Depends on the circumstances.

CHAIRMAN KURK: I would echo Representative Byron's suggestion that this needs to be put in statute so that throughout the state parents know that these cameras are going to be used for A, B, and C, and not D, and that after a certain period of time they will be deleted. That the public will or will not have access to them and under what circumstances. There are all sorts of Right-to-Know court cases that are going on immediately as we speak to get Laurie's list. I'm sure there will be court cases trying to get these videos for a whole variety of purposes. So legislation in this area, I think, is important just to clarify things so everybody understands what the rules are. Further questions of these gentlemen?

\*\* REP. EATON: Move to approve.

CHAIRMAN KURK: Representative Eaton moves approval, second by Senator Daniels. 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}

CHAIRMAN KURK: Thank you, gentlemen.

(12) Chapter 355:3, Laws of 2018 Transfer; Department of Health and Human Services:

CHAIRMAN KURK: We turn now to Fiscal 18-204, a request from the Department of Health and Human Services for

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authorization to transfer \$900,000 in General Funds through June 30<sup>th</sup>, 2019. This has been withdrawn.

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Yes.

CHAIRMAN KURK: And we will not consider this. My understanding this deals with the Sununu Center, and it will be brought up at our November meeting.

**(13) Miscellaneous:**

CHAIRMAN KURK: We now turn to agenda item (13), Fiscal 18-203, request from the State Treasurer on behalf of the College Tuition Savings Plan Advisory Commission for authorization for the release and distribution of the audited financial statements of the Unique College Investment Plan and Fidelity Advisor 529 Plan for the year ended September 30<sup>th</sup>, 2018, upon completion of the audits and prior to the presentation of the audit results to the Fiscal Committee. Mr. Kane, are there any issues with this request?

MR. KANE: No.

CHAIRMAN KURK: Thank you. May I have a motion?

**\*\* REP. BYRON**: I'll move that we release the audited financial statements for the college -- Unique College Investment Plan and Fidelity Advisor 529 Plan for the year ending September 30<sup>th</sup>, 2018.

SEN. DANIELS: Second.

CHAIRMAN KURK: Mr. Kane, is that sufficient motion?

MR. KANE: Yes. If you just move for approval of 18-203 that will be sufficient.

CHAIRMAN KURK: The motion is to approve 18-203.

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SEN. DANIELS: Second.

CHAIRMAN KURK: Moved by Representative Byron, seconded by Senator Daniels. 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}

(14) Informational Materials:

Audits:

CHAIRMAN KURK: We now turn to the audit. Mr. Smith.

MR. KANE: Mr. Chair, just to clarify, there is an informational item 18-190 relative to the Sununu Center. The Commissioner is not here to present and answer questions. So our office will keep this as an informational item till the November meeting.

CHAIRMAN KURK: Thank you, Mr. Kane.

STEPHEN C. SMITH, Director, Audit Division, Office of Legislative Budget Assistant: Good morning, Mr. Chairman.

CHAIRMAN KURK: Good morning, Mr. Smith. Welcome to you and your guests.

MR. SMITH: This first audit was performed by KPMG and before they present, Commissioner Edelblut, Department of Education, requested to introduce the audit, what the requirement was for it, and then I'll turn it over to Shawn Warren is the partner from KPMG, as well as Karen Farrell. She was the manager on this particular job.

KAREN FARRELL, Manager, KPMG: Good morning.

MR. SMITH: So I'll turn it over to the Commissioner.

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CHAIRMAN KURK: Good morning. As you speak, would you please introduce yourself.

MR. EDELBLUT: For the record, Frank Edelblut, Commissioner of Education, and I just wanted to introduce this audit to the Fiscal Committee because it's a topic that you have been exposed to before. So I wanted to kind of level set everyone before we go forward, because it has been some time since I had conversations with some of you about that.

If you recall, there was an audit by OSS, which is the Office of Student Support at the Department of Education, that was conducted back in 2015, 2016. And as a result of that audit, we had certain expenditures at the Department of Education that were unsubstantiated. So we had employees at the Department that were working on Title I, Title II, and Title III grants, and they had not completed documentation in terms of the allocation of their level of effort to whether it was Title I or Title II or Title III. We know that the employees were working on federal programs but it was -- we did not have documentation to be able to substantiate the actual grants that they were working on. And so we were -- OSS requested that we do an audit to determine the supportable or unsupported costs associated with those grants.

That audit was completed. The results of it, which KPMG is going to talk about in a moment, but basically reflect what we expected that they would reflect that because there was not a system of internal control in place in order to be able to substantiate where the level of effort was taking place during 2014, 2015, 2016, those costs were unsupported. And so the amount is consistent with what we had originally anticipated that it would be, and the audit results are as expected.

CHAIRMAN KURK: What happens to items that are unsupported? How does it affect the budget?

MR. EDELBLUT: Yep, so the next process that takes place is that this audit report is submitted. We have talked to the Department of Education. It will get submitted to one of two

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places. It will either get submitted to the audit clearinghouse at the Federal Government, in which case it will probably be about a six-month period where they evaluate what they will do as a result of the audit. And then based on their determination they will pass that over to the Department of Education or it will go directly to the Department of Education. In that case it probably would be less than a six-month before they determined how we will go forward. The go forward process there's a dispute resolution process that the Federal Government has set up. So we will enter into negotiations with them to try and decide how we will resolve the findings associated with this audit.

That could result in, you know, no findings, because this was a pilot fiscal audit under some new uniform guidance by the Federal Government or it could be that they, you know, request full reimbursement, and we don't know the direction that that will take at this point in time.

CHAIRMAN KURK: Assuming they request full reimbursement and after all the appeals process occurs, full reimbursement is required, impact on the State Budget?

REP. EDELBLUT: So if they request full reimbursement associated with this audit, it would be \$3.383 million that would be required to be reimbursed because of unsupported costs as well. So this was through 2016. The -- it would not be out of the realm of possibility so for them to ask for cost for '17 and '18, as the internal controls were put in place associated with those findings. So they may go beyond that. You can see from the list here that the amount is about a million dollars a year. My belief is that because of internal controls that have been put in place, you know, once this was determined to be a problem that the amounts would be something less than that in those subsequent periods, you know, but I don't -- we don't know the answer to that at this point in time.

CHAIRMAN KURK: This comes out of General Funds?

MR. EDELBLUT: It would.

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CHAIRMAN KURK: Reimbursement.

MR. EDELBLUT: It would have to go back to the Federal Government out of General Funds, that's correct.

CHAIRMAN KURK: Thank you.

MS. FARRELL: I'm Karen Farrell, for the record, Manager at KPMG, and just wanted to point out it was actually an examination of Management's assertion over these payroll costs which are in Exhibit 1. And just to note that during our examination we concluded that what is asserted here in Exhibit 1, as far as the three point -- almost \$4 million in payroll costs was fairly stated. So we concur they were not supportable under the Federal regulations that were in place at that time.

CHAIRMAN KURK: Thank you. Did you wish to add anything to that, sir?

SHAWN WARREN, KPMG: Representative Kurk, I think I'm okay.

CHAIRMAN KURK: Good.

MR. WARREN: In the interest of time.

CHAIRMAN KURK: Senator Giuda.

SEN. GIUDA: Just for the record to ensure the body knows it was not under the watch of our current Commissioner of Education that this audit result was produced.

CHAIRMAN KURK: Thank you. Do we need a motion to accept?

MR. KANE: Yes, and placed on filed.

\*\* SEN. BIRDSELL: So move.

MR. KANE: And released to the public.

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CHAIRMAN KURK: Moved by Senator Birdsell.

SEN. REAGAN: Second.

CHAIRMAN KURK: Seconded by Senator Reagan. 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 so dealt with.

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

CHAIRMAN KURK: Thank you all.

MR. WARREN: Great.

CHAIRMAN KURK: I appreciate the fact that even though we don't like to hear bad news, that we're making sure we are running our state correctly.

MR. WARREN: Absolutely.

CHAIRMAN KURK: We have another audit. This time with the Veterans' Home. Mr. Smith.

MR. SMITH: Thank you, Mr. Chairman. This is an Internal Control Review of the New Hampshire Veterans' Home and specifically the Members' Administration Account. To present our audit is Jim LaRiviere. He was the Manager on this. And joining us from the Home is the Commandant Peggy LaBrecque.

MARGARET LABRECQUE, Commandant, New Hampshire Veterans' Home: Good morning.

JAMES 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, and I'm here to present our report on our assessment of the internal controls and operation over the New Hampshire Veterans' Home Members' Administration Account during the nine months ended March 31<sup>st</sup>, 2018.

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If you turn to the Table of Contents, you'll see that Executive Summary, Summary of Results, Background, Objectives, Scope, and Methodology, and information on the Prior Audit are found on Pages 1 through 4 of the report.

There are 18 findings and recommendations, none of which suggest legislative action may be required. The Home concurred with each of the Observations.

The Appendix begins on Page 29 and contains an unaudited financial statement and current status of prior audit findings.

The Home maintains and operates the Members' Administration Account or account to provide residents with the option of an institution banking service that can securely receive, hold, and disburse money at the resident's direction.

Resident balances in the account are pulled in a second -- excuse me -- in a single checking account at the New Hampshire Veterans' Home and in an investment account with State Treasury. The Home utilizes software to account for and report financial balances and activity in the account, which is not subject to the controls in NHFirst. The Home reports the account as a custodial fund.

During the nine months ended March 31<sup>st</sup>, 2018, financial activity in the account included approximately \$3.9 million of deposits and an equal amount in disbursements. At March 31<sup>st</sup>, the account included 260 subaccounts for resident balances, as well as two administrative subaccounts. The balance in the account at March 31<sup>st</sup> was \$1.2 million.

We conducted our audit in accordance with Government Auditing Standards. The objective of our audit was to evaluate whether New Hampshire Veterans' Home has designed, communicated, implemented, and operated suitable internal controls over the Members' Administration Account.

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As reported in the Summary of Results on Page 1, we found that the design and operation of the Home's internal controls over the Members' Administration Account were not sufficient to provide reasonable assurance the Home's control objectives for the operation of the account would be achieved. We found that the Home's controls over the operation of the account were largely supported by informal process descriptions, often not evidenced by having been reviewed and approved by management, or compiled into a manual or other accessible reference resource.

While we found weaknesses -- while we found weaknesses in the design of and operation of the Home's controls over the account, as well as concerning errors in the Home's recording and reporting of financial transactions, we did not identify evidence of fraud or abuse in the transactions that we tested. However, we noted weaknesses that raise significant concerns as to whether controls in place over the account's financial operations are sufficient.

Also concerning was that the Home's management had not addressed significant prior audit comments related to the operation of the account and did not appear to meaningfully involve itself in the account control processes.

The audit Objective, Scope, and Methodology are described on Pages 2 and 3, and the Observations begin on Page 5.

Observations 1, 2, and 3 recommend the Home establish and approve three critical aspects of its internal controls over the Members' Administration Account; those being establishing controls addressing all significant aspects of the account supported by well-designed and well-documented policies and procedures, establishing a formal risk assessment process to ensure risks are recognized and responded to in a timely manner, and improving communication and information sharing between management and employees.

In Observation No. 4 we recommend the Home review the adequacy of its current financial accounting and reporting system software to include obtaining expert advice from

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professionals experienced in selecting, configuring, and implementing appropriate accounting software that is consistent with best practices for an account similar to the Members' Administration Account.

Pending any decision and action to replace the software, the Home should strengthen controls in its available current software.

And in Observation No. 5 on Page 10, we recommend duties be reassigned as appropriate to eliminate or mitigate the current segregation of duties weakness as one manager level employee has access and authority to direct or perform essentially all activity in the account.

Observation No. 6 on Page 11 discusses errors identified by the audit in the Home's invoicing of room and board to residents. The Home's practice of including a spousal or dependent allowance as a component of resident income resulted in some residents being overcharged as much as \$312 per month for room and board. In analyzing the effects of this error, the Home estimated that it had overcharged 18 current and 18 prior residents that totaled approximately \$217,000.

In addition, other audit tests of 38 monthly room and board transactions identified 11 transactions where the Home's calculation of room and board was not supported by available documentation of the resident's monthly income. We noted one instance where resident account was incorrectly overcharged by approximately \$3,200 due to a misclassification of a resident's one-time revenue item.

We recommend the Home establish controls for accurately invoicing resident room and board and complete its review of the accounts of residents who have been over- charged.

In Observation No. 7, we recommend the Home establish policies and procedures to obtain information necessary to accurately charge room and board. And in Observation No. 8 on

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Page 14, we identified instances where the Home made errors in posting resident income to their accounts.

Observations 9 through 11 refer to disbursements made from the Members' Administration Account. Observation No. 9 on Page 16 recommends the Home ensure that all disbursements made from the resident accounts have resident's prior authorization.

Observation No. 10 recommends the Home review with legal counsel its authority and responsibility for processing disbursements from the accounts of deceased residents.

And Observation No. 11 recommends establishing check signing controls for disbursements from account.

In Observation No. 12 on Page 20, we observed that the Home's use of an adjustment account increases the risk of errors and frauds in the provision of banking services to the Home's residents. We recommend the Home recognize and reasonably mitigate the increased risk posed by the use of this account.

Observations 13 through 16 address additional risk areas where the Home does not have specific policies and procedures.

Observation 13 recommends policies and procedures for the periodic reconciliation of resident account balances with the cash and investment account -- cash and investment balances in the account. Excuse me.

Observation 14 recommends policies and procedures to ensure that the Home regularly credits the resident accounts with timely interest earnings.

Observation 15 recommends policies and procedures for addressing the appropriate handling of checks that remain outstanding for extended period of time.

Observation 16 recommends policies and procedures for determining and maintaining a reasonable checking account

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balance that meets the cash flow needs, maximizes earning, and minimizes risks in the account.

Observation 17 on Page 25 recommends the Home establish a process to periodically review the status of its administrative rules.

Observation 18 recommends the Home coordinate a financial reporting of the Members' Administration Account with the Department of Administrative Services and the State Treasury to ensure that the amounts reported for inclusion in the State's Comprehensive Financial Annual Report are complete, accurate, and properly categorized.

The Appendix beginning on Page 29 contains an unaudited statement of assets and liabilities for the Members' Administration Account for the nine months ended March 31<sup>st</sup>, 2018. And Page 31 reports the current status of prior audit findings. The status key at the bottom of Page 32 reports that the Home resolved one Observation, remediation was in process for three Observations, and five Observations remained unresolved.

This concludes my presentation. I would like to thank Commandant Margaret LaBrecque and the business office staff for their cooperation throughout the engagement, and I'd like to thank you, the Committee, for your time. We'd be happy to answer any questions you may have.

CHAIRMAN KURK: Thank you, sir.

MR. LARIVIERE: Thank you.

CHAIRMAN KURK: May we hear from the Commandant. Oh, excuse me, Representative Byron has a question.

REP. BYRON: I just want to understand on Page 31, 32, you have internal control comments that are listed there with two column, dots, bullet points next to them. Is that because this was observed by two different distinct audits or is this to say

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that this was observed on one audit or whatever was being remediated or whatever the case may be? In other words, are these Observations repetitive and not multiple audits?

MR. LARIVIERE: This was from our prior audit, financial audit of the Department back from Fiscal Year 2012. The bullets next to them, if there's two solid bullets that means the audit that we in this current audit, we evaluated that Observation and considered to be fully resolved. If it has one darken bullet and one undarken bullet, then the remediation was currently in process to resolve that Observation, and anything that has two unshaded bullets during the current audit, we evaluated it and determined that from that prior audit those comments remain unresolved.

REP. BYRON: Thank you.

CHAIRMAN KURK: Representative Ober.

REP. OBER: Just out of curiosity, is it discouraging to do a new audit when you look back and see that nothing was fixed from the prior audit? Just out of curiosity.

CHAIRMAN KURK: I don't know that that question requires an answer. Commandant, would you care to respond?

COMMANDANT LABRECQUE: Yes, thank you. Again, for the record, Margaret LaBrecque, the Commandant of the New Hampshire Veterans' Home. Again, to the respond to the 2012 audit, you know, we did put -- we did move forward with the corrective action plan. Unfortunately, it was not maintained. We have had a lot of overturn in the business office, unfortunately. We have an office of four people and two of those people have changed over three times since 2012, unfortunately. But moving forward, as you can see from our responses, we do concur with this. We are troubled by the findings here, and we will move forward swiftly to correct these findings. We are looking to add resources to the business office working with DAS to put one of our vacant positions in over to provide some oversight to ensure

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that the policies and procedures that were put in place that will be maintained and observed.

We have also put in place through the policies that those policies will be overseen by the Director of Administrative Services in our organization, as well as myself, will be much more formal policies and will not allow this to happen again. Again, I'm troubled by these findings. I do appreciate the professionalism of both Jim and Steve to sit down and talk about this. But, again, we absolutely have to do better, and we are moving forward to do just that.

CHAIRMAN KURK: Would you make sure that on December 31<sup>st</sup> and at the end of each calendar quarter thereafter you give Mr. Kane an update of where you are on each of these so that I -- I'm very impressed by the fact that you've already started to do many of these things, but a couple are still in progress.

MS. LABRECQUE: Yes.

CHAIRMAN KURK: Plus, the ones from prior audits. So a status report on where you are once a quarter until all of these things are completed would be much appreciated.

MS. LABRECQUE: Absolutely. And I do have the Board of Managers also will be receiving the updates as well.

CHAIRMAN KURK: Thank you. Are there questions? Senator Giuda.

SEN. GIUDA: Do you have a business manager?

MS. LABRECQUE: It's the position is the Chief Accountant in the position.

CHAIRMAN KURK: Follow-up.

SEN. GIUDA: Has that person been on your staff since 2012?

MS. LABRECQUE: Yes, sir.

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SEN. GIUDA: Follow-up. That person's being paid a salary to get this done for four years ignored it. Why is that person not here?

COMMANDANT LABRECQUE: Hum -- I'm responsible for the New Hampshire Veterans' Home. So I'm here to address these and will ensure that the employees that fall under me are held to their SJD's as the State allows.

CHAIRMAN KURK: Follow-up.

SEN. GIUDA: Have any bonuses been paid to that business person?

COMMANDANT LABRECQUE: Absolutely not.

SEN. GIUDA: Thank you. And I would ask the question rhetorically why is that person still at the job?

CHAIRMAN KURK: Further question? Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman. I think we've seen dramatic improvements at the Home. They did have a very, very disastrous audit some years ago. So I think progress has been made. What the audit indicates is that further progress has to be made in order to make the place as good as it could be. It's a wonderful entity, takes care of veterans in a very, very outstanding fashion. But this fiscal situation has plagued the institution for a long period of time. Seems to me we're making -- we're making progress at this point in time, but I concur with the Chair that that progress should be reported back, and they should do a little hand chart that says we are doing this, we are doing this, we are doing this until it's complete.

COMMANDANT LABRECQUE: Yes, sir.

SEN. D'ALLESANDRO: The history of the situation is not a good one. Thank you.

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COMMANDANT LABRECQUE: And I did want to address one of the findings with the spousal from the aid and dependence amount. I reached out to national counterparts, my national counterparts if they could give me some guidance on how exactly we can slice off what belongs to the spouse. If the benefit is maximized, it's very easy to see this amount belongs to the veteran and this amount belongs to the spouse. But when that benefit is not at its highest amount, there is -- you have to use an actual calculation percentage of the amount received which makes it difficult and not precise. And, unfortunately, we all know that we would like to be precise and exactly what belongs to the spouse and what belongs to the veteran. We are going forward with that.

Again, I have gotten some recommendations back from our national counterparts. Unfortunately, the federal rules and regulations only are very clear when they're at a maximum amount of money. And so that spouse deserves at the maximum amount it's 15.6% of the check received. And so we can only extrapolate that out on the lower amounts and assume that is the amount for the spouse. And we are at this time doing a complete and specific audit to go through even those veterans who are deceased going back at least six years that we have the data for to actually look at every individual one to ensure that we're making the veterans and their spouse whole and correct this error.

CHAIRMAN KURK: Representative Byron is recognized for a motion.

**\*\*** REP. BYRON: Thank you, Mr. Chairman. I'd like to motion the Committee accepts the report, places it on file and releases it in the usual manner.

CHAIRMAN KURK: Seconded by Senator Birdsell. 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 -- the motion is adopted. Thank you all very much.

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\*\*\* {MOTION ADOPTED}

CHAIRMAN KURK: And I'm very pleased you're going to be reporting to us regularly --

COMMANDANT LABRECQUE: Yes, sir.

CHAIRMAN KURK: -- so that everybody will know where you stand.

COMMANDANT LABRECQUE: Thank you, sir.

CHAIRMAN KURK: Where the Home stands. Our next meeting will be on Friday, September 16<sup>th</sup>.

SEN. DANIELS: November.

CHAIRMAN KURK: Sorry. Calendar goes the other way, doesn't it? November 16<sup>th</sup>. Is there any further business to come before us? There being none, we stand adjourned. Thank you all.

(The meeting adjourned at 12:15 p.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  
Cecelia A. Trask, LSR, RMR, CRK  
State of New Hampshire  
License No. 47

