

JOINT LEGISLATIVE FISCAL COMMITTEE

Legislative Office Building, Rooms 210-211

Concord, NH

Friday, November 16, 2018

COMMITTEE MEMBERS:

Rep. Ken Weyler

Rep. Frank Byron (Alt.)

Rep. Mary Jane Wallner

Rep. Dan Eaton

Rep. Karen Umberger (Alt.)

Sen. Gary Daniels, Vice-Chairman

Sen. Bob Giuda

Sen. Lou D'Allesandro

Sen. James Gray (Alt.)

Sen. John Reagan

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

(1) Acceptance of Minutes of the October 19, 2018 meeting.

GARY DANIELS, State Senator, Senate District #11,
Vice-Chairman and acting as Chairman: Good morning. Bring the
Committee to order. First order of business is the acceptance of
minutes from October 19th.

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

ROBERT "BOB" GUIDA, State Senator, Senate District #02:
Second.

CHAIRMAN DANIELS: Representative Eaton moves approval,
seconded by Senator Giuda. Any discussion? Notifications?
Seeing none. All those in favor say aye? Opposed nay? Ayes
have it. The motion carries.

***** {MOTION ADOPTED}**

CHAIRMAN DANIELS: Announcements. Senator Gray will be -- has been appointed to replace Senator Birdsell for this meeting.

(2) Old Business.

CHAIRMAN DANIELS: Old Business.

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

CHAIRMAN DANIELS: Audit -- audit topic recommendation by Legislative Performance Audit and Oversight Committee. There was a letter from Representative Ober.

**** KAREN UMBERGER, State Representative, Carroll County, District #02**: I move that we approve the audit recommendation.

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

CHAIRMAN DANIELS: Representative Umberger moves that we approve the recommendation, seconded by Senator Reagan. Discussion? There being none, all those in favor say aye? Opposed nay? Ayes have it. Motion carries.

***** {MOTION ADOPTED}**

CONSENT CALENDAR

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

CHAIRMAN DANIELS: Tab number 4, Transfer of Federal Grant Funds, 18-219, Department of Environmental Services, authorization to transfer -- thank you -- authorization to transfer 89,000 in Federal funds through March 31, 2019.

**** REP. UMBERGER**: So move.

CHAIRMAN DANIELS: Moved by Representative Umberger.

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

CHAIRMAN DANIELS: Second by Senator D'Allesandro.
Discussion? Actually, this is on the Consent.

REP. UMBERGER: Right.

CHAIRMAN DANIELS: All those in favor say aye? Opposed nay?
Ayes have it. Motion carries.

*** {MOTION ADOPTED}

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

CHAIRMAN DANIELS: Tab number 5. Is there anything to be
removed from that? Hearing none, is there a motion?

** SEN. GIUDA: Move.

REP. EATON: Second.

CHAIRMAN DANIELS: Senator Giuda moves, seconded by
Representative Eaton to approve the items on Consent Calendar
under tab number 5. All those in favor say aye? Opposed nay?
Ayes have it. Motion carries.

*** {MOTION ADOPTED}

(6) RSA 124:15 Positions Authorized:

CHAIRMAN DANIELS: Tab number 6, Positions Authorized. The
Department of Safety, authorization to retroactively amend FIS
17-158 approved September 29, 2017, to continue one existing
temporary part-time Program Assistant II, LG 15, position for
the period October 1st, 2018, to June 30th, 2019.

** SEN. GIUDA: Move.

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REP. UMBERGER: What number is that?

REP. EATON: Tab 6.

REP. WEYLER: 18-237.

CHAIRMAN DANIELS: Thank you.

REP. UMBERGER: Okay.

CHAIRMAN DANIELS: Motion by Senator Giuda to approve, to authorize. Is there a second?

** FRANK BYRON, State Representative, Hillsborough County, District #20: Second.

CHAIRMAN DANIELS: Second by --

REP. BYRON: Byron.

CHAIRMAN DANIELS: -- Representative Byron. Any discussion? We're still on the Consent, aren't we?

REP. UMBERGER: Yes, that's why I was confused.

CHAIRMAN DANIELS: Okay. I'll get it. All those in favor say aye? Opposed nay? The ayes have it. Motion carries.

*** {MOTION ADOPTED}

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

CHAIRMAN DANIELS: Tab number 7, 18-232, transfer of federal funds for authorization through June 30th, 2019, to -- contingent upon approval of request number two, to transfer 88,000 -- excuse me -- to establish one temporary special -- Program Specialist III, Labor Grade 23 position, and to transfer 88,701 in federal funds.

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** REP. UMBERGER: So move.

CHAIRMAN DANIELS: Motion by Representative Umberger. Is there a second?

SEN. REAGAN: Second.

CHAIRMAN DANIELS: Second by Senator Reagan. All those in favor say aye? Opposed nay? Ayes have it. Motion carries.

*** {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 DANIELS: Tab number 8, 18-231, Department of Safety, authorization for the period of October 1st, 2018, through June 30th, 2019, to retroactively accept and expend \$720,870 in Federal funds, and to -- and contingent upon approval of request number one, continue two temporary full-time positions consisting of a Program Specialist IV, Labor Grade 25, and Program Specialist II, Labor Grade 21. Is there a motion?

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

REP. UMBERGER: So move.

CHAIRMAN DANIELS: Moved by Senator D'Allesandro, seconded by Representative Umberger. All those in favor say aye? Opposed nay? Ayes have it. Motion carries.

*** {MOTION ADOPTED}

(9) RSA 7:12, II, Assistants:

CHAIRMAN DANIELS: Tab number 9, 18-211, Department of Justice, authorization to accept and expend a sum not to exceed 1,175,000 from funds not otherwise appropriated for the purpose

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of covering projected shortfalls in the general litigation expense incurred in the defense of the state in the prosecution of criminal law through June 30th, 2019.

** SEN. GIUDA: Move.

CHAIRMAN DANIELS: Moved by Senator Giuda. Is there a second?

SEN. REAGAN: Second.

CHAIRMAN DANIELS: Second by Senator Reagan. Discussion? There being none, all those in favor say aye? Opposed nay? Ayes have it. Motion carries.

*** {MOTION ADOPTED}

(10) RSA 622:28-a Industries Inventory Account:

CHAIRMAN DANIELS: Tab 10, 18-216, Department of Corrections, authorization to purchase a 2013 New Holland TS4.5 Tractor with front bucket and forks for an amount not to exceed \$30,000 in Other Funds from -- through June 30th, 2019.

** SEN. REAGAN: Move approval.

REP. UMBERGER: I have --

CHAIRMAN DANIELS: Senator Reagan moves approval. Is there a second?

REP. EATON: Second.

CHAIRMAN DANIELS: Second by Representative Eaton. Representative Umberger.

REP. UMBERGER: Thank you very much. I just wanted to know how much firewood the folks at Concord are producing.

CHAIRMAN DANIELS: Someone from Corrections.

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REP. UMBERGER: I'm not opposed to this.

CHAIRMAN DANIELS: Understand. We'll get an answer for you. Good morning.

ROBIN MADDAUS, Director, Division of Administration, Department of Corrections: Good morning. Robin Maddaus, Director of Administration, Department of Corrections. And with me is Ron Cormier, the Administrator of Correctional Industries.

CHAIRMAN DANIELS: Did you get the question?

MS. MADDAUS: No.

CHAIRMAN DANIELS: Representative Umberger.

REP. UMBERGER: Thank you. I was just wondering how much firewood you were producing, which is what the bucket loader to move the trees, I assume.

RON CORMIER, Administrator, Division of Correctional Industries, Department of Correction: It is. We use it to move the logs around, load the firewood kiln, et cetera. So in the past -- in 2018, we produced 34,475 one cubic foot bundles of firewood. The year prior to that 2017 was 32,526 bundles. We are expecting increase in 2019. We picked up a few more of the State Parks. So we are expecting increase of around 5,000 bundles. So we should be close to 40,000 one cubic foot bundles of firewood. About 350 cords.

CHAIRMAN DANIELS: Follow-up.

REP. UMBERGER: Yes. Is this sufficient for the Parks? I mean is that enough or are you -- do the Parks ask for more?

MR. CORMIER: No, we've been sufficient. We have been able to provide what they've asked for to this point. We are providing pretty much everything south of Berlin. We do not provide for the Parks in the far North Country. The

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transportation and stuff becomes a problem. So they do have a local vendor for those small parks up north.

REP. UMBERGER: Thank you very much.

CHAIRMAN DANIELS: Representative Weyler.

KEN WEYLER, State Representative, Rockingham County, District #13: Thank you, Mr. Chairman. So what do you get for a cubic foot bundle?

MR. CORMIER: We charge \$3.75 to the State Parks. Out of that, there's a 35-cent discount that we're giving them because they purchased us a firewood kiln in 2016 as part of an MOU so we could dry the wood to their specs.

CHAIRMAN DANIELS: Further questions? Thank you. Seeing none, motion on the floor is to approve 18-216. All those in favor of that motion say aye? Opposed nay? Ayes have it. Motion carries.

*** {MOTION ADOPTED}

(11) Chapter 156:151, Laws of 2017, Lottery Commission:
Authority to Purchase Real Property Granted:

CHAIRMAN DANIELS: Tab number 11. Thank you. 18-217, New Hampshire Lottery Commission, request to authorize -- authorization to enter into a contractual agreement with Burt R. Whittemore Revocable Trust of 1993 to purchase the real estate located at 14 Integra Drive, Concord, New Hampshire, for a price of \$2,975,000 to serve as the Lottery's headquarters contingent upon approval of Request #2, and, (2) contingent upon request -- approval of Request #1, enter into an agreement with Northway Bank of Berlin, New Hampshire, to finance the Lottery's purchase of real estate located at 14 Integra Drive, Concord, New Hampshire, for a price of \$2,975,000 over a period of 20 years at a fixed rate of 3.35%.

** REP. EATON: Move approval.

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CHAIRMAN DANIELS: Representative Eaton moves approval.

SEN. REAGAN: Second.

CHAIRMAN DANIELS: Seconded by Senator Reagan. Discussion? Representative Umberger.

REP. UMBERGER: Thank you. I just have one question. Does this cover any refurbishment that has -- will be done to the building or will that be a budget request?

CHAIRMAN DANIELS: Someone from the Department.

JOHN CONFORTI, Chief Compliance Officer, New Hampshire Lottery Commission: Good morning. John Conforti, Chief Compliance Officer for the Lottery Commission. I'm here with our Chief Financial Officer, James Duris. To your question, Representative Umberger, this is just for the purchase of the building in an "as is" condition at this point. We have no current plans to do any significant renovation or expansion. We have reviewed from an engineering and cost standpoint doing that in a -- at a future time. But for now the dollar figure in front of you is just to purchase the building and land as is.

REP. UMBERGER: Thank you.

CHAIRMAN DANIELS: Representative Weyler.

REP. WEYLER: Thank you, Mr. Chairman. Was there any estimate of what it would have cost if you had moved?

MR. CONFORTI: There was. So the Commission went through a fairly extensive RFI and RFP process to look at other locations in the Concord area. By statute we're required to be in the Concord area. And I believe we referenced in the -- in the letter that the only other suitable property would have been approximately a 6 to \$8 million build out. So much more expensive than remaining at the current location.

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REP. WEYLER: So you didn't really compute all the bulk stuff you would have had to move?

MR. CONFORTI: Right.

REP. WEYLER: I'm just looking at the cost of the building rather than the cost of moving.

MR. CONFORTI: Correct. We were looking at the cost of a build-out at a second location. There'd, obviously, also be costs to move operations and, obviously, also potentially an income cost for disruption during a move of operations.

REP. WEYLER: So you saved a lot of money. Thank you.

MR. CONFORTI: Hopefully.

CHAIRMAN DANIELS: Representative Byron.

REP. BYRON: Thank you, Mr. Chairman. Did you have an independent appraisal done on the value of the property?

MR. CONFORTI: We did. In fact, there were two appraisals done and one came back for \$2.78 million which was done in approximately 2017. The other one was done a little bit later than that in early 2018, which came back at \$3 million. The purchase price came between those two appraisals, a little bit on the higher end of the range for a couple reasons. One is in addition to getting the appraisals, we did some informal market research and found that there would be no other suitable properties in that price range for us within Concord. And, secondly, we negotiated an earlier purchase. We have our lease at the current location until April, but by negotiating an earlier closing date in December, we're estimated to save about \$68,000 in lease payments which would bring it essentially into the middle range of those two estimates.

REP. BYRON: Thank you.

REP. WEYLER: Good work.

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CHAIRMAN DANIELS: Any further questions? Seeing none. Motion before us is to grant the authorization to the New Hampshire Liquor Commission. All those in favor?

REP. EATON: Lottery.

CHAIRMAN DANIELS: I'm sorry.

REP. WEYLER: Lottery.

CHAIRMAN DANIELS: Still started with L. The Lottery Commission. Thank you. All those in favor of that motion say aye? Opposed nay? Ayes have it. Motion carries.

*** {MOTION ADOPTED}

(12) Chapter 342, Laws of 2018, New Hampshire Granite Advantage Health Care Program Established:

CHAIRMAN DANIELS: Go on to tab number 12, number 18-218, the Department of Health and Human Services, request for review and recommendation of the proposed Interim Rule for implementation of Senate Bill 313's "work or community engagement requirement". Commissioner Meyers.

JEFFREY MEYERS, Commissioner, Department of Health and Human Services: Good morning, Mr. Chairman. How are you?

CHAIRMAN DANIELS: Doing well.

MR. MEYERS: Good, thank you. Would you like me to begin?

CHAIRMAN DANIELS: Yes.

MR. MEYERS: Thank you. Senate Bill 313 requires that I bring the administrative rule to implement the work and community engagement requirement for review and recommendation to this Committee prior to it going to JLCAR. The Fiscal Impact Statement and the proposed Interim Rule has been filed with

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JLCAR. It's also now been approved by the Joint Health Reform Oversight Committee as is required separately under another New Hampshire law.

What is before you, in addition to the Fiscal Impact Statement, is the text of the rule. We're doing it on an interim basis because that's what met the timeline in order to get this in place by December 31st. We will, obviously, come back and do a regular rulemaking process.

Our waiver for this program remains pending with the Federal Government, Centers for Medicare and Medicaid Services. I was in Washington earlier this week. I met with the new federal Medicaid Director and a number of members of her staff. They have assured me that the waiver will be issued on or before December 1st. So we're -- it's in kind of the later stages of federal approval. It's not just reviewed internally within CMS. It goes to the Office of Management and Budget. It goes to the U.S. Department of Justice for legal review as well. And so that process is now ongoing, and then it comes back from Justice to CMS and will be issued. So I have every confidence that the waiver is going to be issued by the statutory deadline.

The rule before you simply implements the statute. We've done nothing different than what is provided in Senate Bill 313, all of the qualifying activities, all of the exemptions, and I will point out that towards the back of the packet that you receive are the forms that the Department will utilize for certification of frailty, for good cause, and other exemptions, and that is all -- it's the last kind of five or six pages or so of the packet. Those forms were developed by the Department, we feel are fully consistent with the statutory requirements in terms of implementing the program, and we are ready to move forward once the waiver is issued. I'd be happy to answer any questions.

CHAIRMAN DANIELS: Thank you. A motion first, then we'll get into discussion.

** REP. EATON: Move approval.

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SEN. GIUDA: Second.

CHAIRMAN DANIELS: Representative Eaton moves approval, seconded by Senator Giuda. Representative Wallner.

MARY JANE WALLNER, State Representative, Merrimack County, District #10: Thank you, Commissioner Meyers.

MR. MEYERS: Sure.

REP. WALLNER: I was looking -- I did have the applications or the request forms earlier, and I looked over them and I thought they looked -- do people get -- do people in your Department, are they there to assist the clients as they try to fill these forms out, because they're pretty complicated?

MR. MEYERS: Yes, absolutely. Some of the forms are complex, and I will acknowledge that; but we will be providing assistance. We're going to ask our Managed Care vendors to provide assistance as well. The forms are going to be pushed out to hospitals and physician offices. So we're going to undertake a very significant outreach campaign to make sure, number one, that these forms are out there and accessible to everybody.

REP. WALLNER: Hm-hum.

MR. MEYERS: In fact, we will work with people on a case-by-case basis, obviously, to make sure that they're able to understand how to fill them out. We are also going to engage the Community Mental Health Centers and the Area Agencies to provide DD services so that people who are exempt are able to understand their exemption and able to file the forms.

REP. WALLNER: Thank you very much.

MR. MEYERS: You bet.

CHAIRMAN DANIELS: Representative Umberger.

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REP. UMBERGER: Yes. As you know, I was involved in the Medicare Expansion thing and also involved in work on the legislation.

MR. MEYERS: Yes.

REP. UMBERGER: And as I read through the rules, it really would take a lawyer to understand them, as far as an individual applying for this new expansion, and I'm pretty much distressed that we are embarking on a new program that adds so much complexity for the 50,000 people that we're roughly talking about. And we also know from the Senate Committee that there was a tremendous amount of churn that went on. So even though you had your relative 50,000 people that probably really equates to 75,000 people over the course of a year as the churn goes.

MR. MEYERS: I see what you're saying. Yeah, yeah.

REP. UMBERGER: And so we're not talking about just the 50,000. We're talking about some number beyond that 50,000 that are going to be caught up in this. And I -- and one of my main concerns is that as I read this everything that seemed to be in here it sounded like delay in that, you know, we -- it just seemed to me that it was going to require a lot more time and energy, not only for the individual, which we don't want to exclude them, but also for the Department and for the contractor. And I, you know, we heard complaints about the contractor not being as quick as they should be, but I am -- I am just very, very concerned with the complexity of what you have put together. And it disturbs me that what we thought was going to be a relatively straightforward transition from the private market to -- what's it called, wellness whatever?

MR. MEYERS: To the Managed Care Program.

REP. UMBERGER: Managed Care Program.

MR. MEYERS: Granite Advantage Health Care Program is the title.

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REP. UMBERGER: To the Managed Care Program to me has just turned into a nightmare for the people that are going to be applying.

CHAIRMAN DANIELS: Is there a question in there or --

REP. UMBERGER: That was just more of --

CHAIRMAN DANIELS: -- just a comment.

REP. UMBERGER: -- more of a statement because I'm very, very concerned that the people that we're trying to reach are not going to get reached.

CHAIRMAN DANIELS: Okay.

MR. MEYERS: May I address that just very briefly?

CHAIRMAN DANIELS: Sure.

MR. MEYERS: Thank you. So the rules aren't written for beneficiaries. The rules have to be written for various legal reasons and purposes. The Department understands that and we are -- have a very broad plan to reach out to everyone. We are going to be -- we not only are sending letters -- we've already started sending letters to every Medicaid beneficiary. There's already been one letter been sent out and there's a second that's about to go out.

REP. UMBERGER: The expanded population.

MR. MEYERS: The expansion population which is roughly about 51,000 currently. In addition to that, we are going to be making calls to every single Medicaid member about the transition. There's information that's being distributed to where this population goes, not only to their physician's offices, but we're putting posters and materials in our district offices. We're putting posters and materials in supermarkets and other kind of local places so that people understand the transition that is going to occur from the Exchange added to

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Managed Care. We are buying radio time on 98 stations in the State of New Hampshire. We believe the population listens to radio, and there's a combination of AM and FM stations that we're going to be standing up ads on to push out information about the transition and what they need to do. So we are very proactively reaching out and doing everything that we can to make this seamless. We've done this before. This is not the first time we have taken folks from one type of coverage to another.

Initially, everybody was in Managed -- the Expansion population, that is, everybody was in Managed Care and they had to go to the Exchange. So we've already done this once before and I think it worked fairly well. We also had an MCO leave. We had a transition roughly -- I forget the exact number of people, but twenty plus thousand people I think, if I remember correctly. We managed that transition very well. So I think we're doing a lot to ensure that people aren't -- aren't falling through the gaps.

With respect to the work requirement -- work and community engagement requirement specifically, at the end of the day after you account for people who are already working, after you account for people who have already met statutory exemptions, for example, people with developmental disabilities are not subject to the requirement as you know. People with serious mental illness are not subject to the requirement, as you know. We think there's a population between 20 to 25,000 that will ultimately may not be working sufficiently to meet the requirement that we have to reach out and work with, and we have a very significant plan to do so.

The intention of this requirement, as I think the sponsors made clear, certainly Senator Bradley did and Senator Morse and others as the process went through, the Governor, myself, others, this is -- this program is not intended to drop people from health care coverage. It's intended to give them the opportunity to health care in the community. That's how we want it implemented. You also know, Representative, that we have \$3 million that's been allocated to reduce barriers for the

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population that may need certain supports in order to meet this requirement. We are far ahead in our plan in terms of distributing that money as well and getting ready for that. Thank you.

CHAIRMAN DANIELS: Understanding what's before us, it is an interim implementation rule.

MR. MEYERS: Yes, sir.

CHAIRMAN DANIELS: When will you have the rules ready for JLCAR?

MR. MEYERS: Oh, this is filed with JLCAR. We are asking JLCAR to approve this version as Interim rulemaking. So we'll come back I think -- haven't filed it yet. We are about to file the regular rulemaking notice. But these rules will be legally -- we hope they'll be legally effective and control the program beginning January 1st. We chose to file it initially as an Interim Rule because the timeline didn't allow a regular rulemaking process after the passage of the law.

CHAIRMAN DANIELS: So we have the interim. I'm asking Phase II, if you will.

MR. MEYERS: Yes.

CHAIRMAN DANIELS: When are you going to have the rest of it ready?

MR. MEYERS: Well, it will simply be re-filing this as a regular rulemaking notice. We're not adding to it.

CHAIRMAN DANIELS: Okay.

MR. MEYERS: This constitutes the full rulemaking.

CHAIRMAN DANIELS: Okay. Senator Giuda.

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SEN. GIUDA: Thank you, Mr. Chairman. Commissioner, thank you for showing up today.

MR. MEYERS: Sure, of course.

SEN. GIUDA: Always a pleasure. I'm looking at Section I, Self-Attested Exemptions. This may be operator unfamiliarity, but the second circle, parent/caretaker to dependent child under six, no verification required. Does that mean --

MR. MEYERS: Well, we can verify that with our records ourselves. We have an electronic means. We know how many families have kids under six years old, because they're in our system.

SEN. GIUDA: Okay. Thank you.

MR. MEYERS: You bet.

CHAIRMAN DANIELS: Any further questions? Okay. The motion before us is the approval of the interim implementation rule. All those in favor of that motion say aye? Opposed nay? Ayes have it. Motion carries.

*** {MOTION ADOPTED}

MR. MEYERS: Thank you very much.

(13) Miscellaneous:

CHAIRMAN DANIELS: Is there anything else to be brought before us under number 13, Miscellaneous? Mr. Kane.

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Good morning, Mr. Chairman, Members of the Committee. My name is, for the record, Michael Kane, Legislative Budget Assistant. I'm here to request authorization to publicly release the FY18 CAFR, as well as the Turnpike, Liquor, and Lottery Annual Reports when they become available. By statute, the CAFR has to be released by

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December 31st. Right now they're on schedule to release by that time. In the event that they finish before then, we'll be able to post this on our website and distribute.

REP. EATON: Move approval.

SEN. GIUDA: Second.

** REP. WEYLER: I move we publicly release the Fiscal Year 18 State CAFR and the Turnpike, Liquor, and Lottery Annual Reports and Financial Statements when they become available.

CHAIRMAN DANIELS: And that's seconded by Representative Eaton. Any discussion? Seeing none. All those in favor say aye? Opposed nay? Ayes have it. Motion carries.

*** {**MOTION ADOPTED**}

CHAIRMAN DANIELS: While you're there --

MR. KANE: Yes.

CHAIRMAN DANIELS: -- as we go on to the informational items, I'd like to recognize you. The National Council of State Legislators -- National Legislative Program Evaluation Society has awarded the LBA Audit Division with a 2018 Certificate of Impact for its 2016 Performance Audit on the Bureau of Developmental Services on spent appropriations. Congratulations!

MR. KANE: Thank you very much. Just want to thank our auditors who are behind me and worked on that, and thank the Legislature, as well as the Executive Branch, and the DD and ABD community who also helped to implement that.

REP. WEYLER: Can we recognize them by name?

MR. KANE: Sure. We have standing in the doorway that's Jay Henry. He's our Director of Performance Audits. We have Steve Smith, who's our Director of Audits. And Steve -- back there we

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have our Senior Audit Manager, Steve Grady, who also worked on that audit.

REP. WEYLER: Congratulations!

CHAIRMAN DANIELS: One more.

MR. KANE: Phil Sletten doesn't work for us anymore but he used to, former performance auditor, now with New Hampshire Fiscal Policy Institute, but he also worked on that audit.

CHAIRMAN DANIELS: Thank you for being here for being recognized.

(Applause.)

MR. KANE: Thank you.

(14) Informational Materials:

CHAIRMAN DANIELS: Thank you. Number 14 is our Informational items. Anything to be addressed on that? Representative Byron.

REP. BYRON: Yes, I'd like to ask for some information on the DHHS Dashboard, if possible.

CHAIRMAN DANIELS: Commissioner Meyers.

MR. MEYERS: Again, for the record, Jeff Meyers, Commissioner of Health and Human Services. With me is Karen Rounds, Chief Financial Officer of the Department.

CHAIRMAN DANIELS: Representative Byron.

REP. BYRON: Okay. On table number five, that's the DCYF Child Protection Social Workers staffing update.

MR. MEYERS: Yes.

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REP. BYRON: I was just referring to the bottom where I think it's the State Fiscal Year 19, State Fiscal Year 18.

MR. MEYERS: Yeah.

REP. BYRON: Vacant transition positions.

MR. MEYERS: Yeah.

REP. BYRON: I'm wondering right now out of a total positions authorized of 129, we have roughly on Assessment Workers 16 -- 16 vacancies, on Family Services we have 11. Can you describe what we are doing in order to try to fill those positions to make sure that we have the resources we need?

MR. MEYERS: Yeah, of course, of course.

JOSEPH RIBSAM, Director, Division of Children, Youth and Families, Department of Health and Human Services: Good morning. Joe Ribsam, Director of DCYF. Thanks for the question.

So we're steadily in a state of hiring folks. We're also, you know, as been shared with the Legislature many times in the past, you know, there's still significant turnover within the Department or within the Division. So what you're seeing there is really kind of that turnover coming to realization and then we're steadily hiring folks.

We have been able to hire all the new positions that were accounted for. Some of those resulted in transitions of some folks moving up into supervisory roles or moving into other roles and left a vacancy behind them. So what you're seeing there is kind of that regular churn that we're seeing with the turnover that occurs within the Division.

MR. MEYERS: Overall, the turnover rate has decreased over the last --

MR. RIBSAM: That's correct.

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MR. MEYERS: -- more than a year now.

REP. BYRON: Can you describe what the turnover rate was and what it is now?

MR. RIBSAM: Absolutely. The turnover rate for CPSW frontline positions, and we calculate by Federal Fiscal Year just because that's how we did it for the past couple years so we have a consistent comparison plan, last Federal Fiscal Year the turnover rate was about 29% for frontline CPSW positions. Those are child protective service workers. The turnover rate for Federal Fiscal Year 18 was just about 18% for child protective service workers. So it is a pretty drastic improvement. Not quite what I had -- what I'd hoped for ultimately. I think it's a sign that things are moving in the right direction though.

REP. BYRON: So what are we --

CHAIRMAN DANIELS: Follow-up.

REP. BYRON: Thank you, Mr. Chairman. Sorry. What are we doing to try to get these filled? I mean, is there a program we have in place?

MR. RIBSAM: So there is steady recruitment efforts through, you know, universities. There are programs for universities to -- to bring child welfare workers up with partnering with the social work schools have interns come in and, ultimately, move into child welfare positions. The postings are constant, the interviews are constant. As I said before and as I said in the past to Division III, we don't seem to have a hard time hiring people. We seem to be bringing them in the door. With the turnover rate, you know, you're constantly on that treadmill of keeping up and that's really what I think these numbers represent.

CHAIRMAN DANIELS: Senator Giuda.

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SEN. GIUDA: Thank you, Mr. Chairman. Can you quantify the reasons for turnover? Is it pay? Is it just stress, caseloads, those types of things?

MR. RIBSAM: Yeah. I think it's a combination of a lot of things. So I'll share, you know, this is not a foreign challenge in child welfare. This is something that a lot of child welfare agencies are seeing around the country. The state that I came from, New Jersey, when we were at a crisis point, our turnover rate was well near 30% as well. When we left after being stable for good ten years of steady resources and steady ability to recruit and retain staff, our turnover rate went down to 7%, which industry standard for anything is about a 10% turnover rate. What I think we see here is that, you know, we still do have pretty high caseloads. Very appreciative of the staff we have but there's still additional needs that, hopefully, we'll address the next budget cycle.

Our assessment caseloads today are around 35. National standards should be about 12. So we're still a long way from having healthy caseloads for staff and I think that really puts a lot of pressure on folks.

MR. MEYERS: But, again, before I became Commissioner the caseloads were about a hundred so we've made very substantial progress.

MR. RIBSAM: The progress has been tremendous, and I think you do see that in reduction of the turnover rate over the last year, and I think I hear that when I go out and I talk to folks.

I think the other challenges are around, you know, implementing some of the things around improving our service array. You know, if you look at the adequacy and enhancement assessment, the talk there around within that review about the things that we need to do to really improve the services for kids and families. I think social workers come to this work because they want to serve kids and families. And when they get frustrated by the challenges within the system and by the over work, they're going to leave; and if they feel rewarded and they

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feel successful, they're going to stay. I think that was proven by my experience in New Jersey, and I think that's what we're starting to see here is some hope that people sticking around a little longer.

SEN. GIUDA: Thank you.

CHAIRMAN DANIELS: Further question? Representative Byron.

REP. BYRON: If my memory serves me, I think Division III also when we got into one of the final bills that we dealt with increasing the number of CPSWs, we also increased the number of clerical staff if I remember correctly.

MR. MEYERS: That's right, that's right.

REP. BYRON: Can you describe the impact of those staff? Have they done anything in terms of relieving, I'll call it, the field effort?

MR. RIBSAM: Yeah. I mean, it's a huge relief. You know, in Division III I was very grateful. In fact, when the bill came over to Division III, there weren't any clerical staff in it and Division III added a couple. That was very well-received by our staff and folks feeling really good about the outcome there. There were two clerical staff added. So we put those inside of our two highest volume offices. It does provide support for the staff.

Our social workers really need to be spending their time engaging with families, supporting families, going out visiting kids, visiting families. And when you have too few clerical staff to support the back office operations, they spend a lot of time doing documentation and paperwork and filling out, you know, forms on computer systems instead of really engaging with families and help solve their problems. I think it's a tremendous relief. Something, again, going on the next budget cycle I hope we'll be able to find more support for our staff to do more of that.

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CHAIRMAN DANIELS: Follow-up.

REP. BYRON: I have follow-up on other sections of the report. You okay with moving on, Mr. Chairman?

CHAIRMAN DANIELS: That be fine. Anyone else on this? No. So Representative Byron, go ahead.

REP. BYRON: Thank you, Mr. Chairman. Table 6, which is the Department's census of Sununu Youth Services.

MR. MEYERS: Yes, yeah.

REP. BYRON: I'm looking at the latest data that you have, and it goes up to September of '18 --

MR. MEYERS: Right.

REP. BYRON: -- which is an average daily census of 31.

MR. MEYERS: Right.

REP. BYRON: I had heard that there was now a census of 17. What is the latest census? Shouldn't have sat down.

MR. RIBSAM: That's right. Sorry about that. The census yesterday, I haven't looked this morning, yesterday there were 23 youth in the facility. It does -- it changes daily, sometimes hourly, based on what's happening in the community.

MR. MEYERS: On a rolling basis, though, if I could add, if you look at the census over six-month rolling, a six-month period, you know, I've got some numbers. It really was the height of the census on a rolling basis in the period of January '16 to June '16 was 73.4. And in May '18 through October '18 it's about 35, 35.8. So almost 36. So there's clearly been a drop, I mean, over that time. If you look at when the changes in the law went through, which was in '17, it's really come down only from about 50 to about 35. So it's been kind of, on a rolling basis, kind of a net decrease of about 15.

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REP. BYRON: Okay. Yes, I had done my own rolling average as well. Different period though.

MR. MEYERS: Yeah.

REP. BYRON: Is there anything that you're planning on the upcoming budget, and I'm not sure we want to get into that, is there anything that you're foreseeing based upon declining populations that you intend to do or consider with Sununu?

MR. MEYERS: I've said publicly I think -- I acknowledge the fact there's a low population. I acknowledge the fact that there's different views of whether or not the population should be there or somewhere else, and I think we have to have a conversation, all of us, I think the Governor, the Legislature, the Department, stakeholders across the state, and I think we need to hopefully come to some consensus about the role of that facility in the juvenile system in the state.

REP. BYRON: Okay.

CHAIRMAN DANIELS: Further questions.

REP. BYRON: Yes, Mr. Chairman. Table 15.

REP. UMBERGER: Could I just --

CHAIRMAN DANIELS: Representative Umberger.

REP. UMBERGER: Yes. As you know, we have that Study Committee.

MR. MEYERS: Yes.

REP. UMBERGER: Are there any recommendations out of the Study Committee that you find helpful in dealing with the Sununu Center?

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MR. MEYERS: You know, what I took away personally from the recommendations was there needed to be further discussion about what the role of that facility is and that's what I just said. I think there was kind of a consensus that there was maybe some opportunity to use the facilities in different ways. We're already doing that. We have got a drug treatment -- adolescent drug treatment center that is, you know, about to open and start receiving kids for treatment. But, clearly, there's -- there's 153 acres down there. There's a number of buildings down there. There's a secure facility.

I believe very strongly that the State needs a secure facility. I mean, you know, when the Police Chief in Manchester, you know, takes a dozen kids in on a Saturday night after some sort of incident in Manchester and they've got to be detained, there's got to be someplace for them to go that's secure. We don't want to put them in the Valley Street Jail in Manchester. That's not the right place for these kids. So there's got to be a secure facility; and if it's not there, then where is it going to be? And I think, you know, those are some of the issues I think we all have to really work on together.

REP. UMBERGER: One, just a follow-up.

CHAIRMAN DANIELS: Follow-up.

REP. UMBERGER: Is the drug -- the adolescent drug program --

MR. MEYERS: Yes.

REP. UMBERGER: -- is that beds in the facility or is that just --

MR. MEYERS: No, it's beds.

REP. UMBERGER: Okay.

MR. MEYERS: There's 36 beds in a segment of the facility that is now non-secure. It has a separate entrance -- a brand

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new separate entrance, kind of new remodeled parking lot, and it has reception area, and it leads into a -- what I call a pod. There are four pods of 36 beds there. And so this leads into one of the pods that has 36 beds for residential treatment.

CHAIRMAN DANIELS: Follow-up.

REP. UMBERGER: The question I guess I have is that do you think that the 36 beds are going to be sufficient?

MR. MEYERS: Yes. Based on what I know now, yes. I think -- I think one of the things that was discussed in front of the Commission this summer was the advisability of opening up, you know, a second pod potentially for outpatient services, and I think that's part of the discussion that should be had this year.

REP. UMBERGER: I just -- if I could? I just worry that we're -- that we are going to end up in the same kind of situation that we have at the -- my mind is blank -- at the psychiatric hospital that we are just going to run out of space quickly.

MR. MEYERS: For adolescent treatment I don't believe so.

REP. UMBERGER: You don't think so.

MR. MEYERS: No, I really don't believe. I think if we -- if we should locate outpatient services there, I think that would potentially be very successful and serve certainly a need as well as the residential services. But we don't anticipate a need for more than 36 beds residential services at this time for kids. We're talking about kids between 12 and 18 years old.

REP. UMBERGER: I know, I know.

CHAIRMAN DANIELS: Moving on to Representative Byron, you had a question on Table 15.

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REP. BYRON: Yes, thank you, Mr. Chairman. On Table 15 I was looking at the Governor's Commission and I'm only bringing this up because it's part of your report so --

MR. MEYERS: Yes.

REP. BYRON: -- I'm hoping you can answer it. It says here if you look at that section that only discusses the Governor's Commission, State Fiscal Year 18 contract encumbrances brought forward and then it says State Fiscal Year 19 contract encumbrances.

MR. MEYERS: Right, right.

REP. BYRON: One of the columns says provider contract funds unspent.

MR. MEYERS: Right.

REP. BYRON: Does that mean that there is roughly in this case \$6 million, 6.5 million that's totally unspent by the Governor's Commission on Alcohol and Drug Abuse?

MR. MEYERS: Well, that was the number as of 8/31. So when we say unspent that means there's been no billing against it. The billing lags. So the money's all been allocated. This tracks what's --

REP. BYRON: That's what I'm trying to figure out.

MR. MEYERS: Yeah, it's been allocated. The question is whether it's been spent and not all of it has been spent yet. But this is -- we're now in November. So 8/31 is awhile ago, a little while ago, so more of that money, I'm sure, has been spent. I can get an updated figure and provide it to you if you'd like.

REP. BYRON: Won't do you any good, Commissioner. This is my swan song. I appreciate though the offer. Maybe Miss Rounds --

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MS. ROUNDS: 6.5 is encumbered, yes, by the contract.

REP. BYRON: That is going to be allayed against contracts that have already been spent.

MR. MEYERS: Absolutely, yes.

MR. ROUNDS: Yes, yes.

REP. BYRON: Okay. Same thing for the other one, the clinical services and prevention services?

MR. MEYERS: Absolutely, yes.

MS. ROUNDS: Yes.

CHAIRMAN DANIELS: Any further questions?

REP. BYRON: Thank you.

MR. MEYERS: You bet.

CHAIRMAN DANIELS: Thank you, Commissioner.

MR. MEYERS: Thank you very much.

CHAIRMAN DANIELS: Are there any other informational items that we need to discuss? Seeing none. I guess our next meeting will be at the call of the Chair.

REP. WEYLER: The new Committee.

CHAIRMAN DANIELS: The new Committee. With that, we'll be adjourned.

(The meeting adjourned at 10:45 a.m.)

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CERTIFICATION

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

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