

JOINT LEGISLATIVE FISCAL COMMITTEE - Special Meeting

VAST Conference

Thursday, May 28, 2020

MEMBERS PRESENT:

Rep. Mary Jane Wallner, Chair

Rep. Ken Weyler

Rep. Susan Ford

Rep. Lynne Ober

Rep. Peter Leishman

Rep. David Huot (Alt.)

Rep. Patricia Lovejoy (Alt.)

Rep. Erin Hennessey (Alt.)

Sen. Lou D'Allesandro

Sen. President Donna Soucy

Sen. Jay Kahn

Sen. Cindy Rosenwald

Sen. Chuck Morse

(The meeting convened at 10:05 a.m.)

MARY JANE WALLNER, State Representative, Merrimack County, District #10: I think we will get started now.

FALLON REED, Chief of Planning and Grants, State Coordinating Officer, New Hampshire Department of Safety, Homeland Security and Emergency Management: I'm going to hit record and then conference recording started.

CHAIRWOMAN WALLNER: Great. Thank you. Good morning. Mary Jane Wallner, I'm the Chair of the Joint Fiscal Committee of the New Hampshire General Court. And as Chair of the Fiscal Committee of the General Court, I find that due to the state of emergency declared by the Governor as a result of the COVID-19 pandemic, and in accordance with the Governor's Emergency Order Number 12, pursuant to Executive Order 2020-04, as extended pursuant to Executive Order 2020-09, this public body is authorized to meet electronically.

Please note that there is no physical location to observe and listen contemporaneously to this meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, I am confirming that we are, one, providing public access to the meeting by telephone with additional access possibilities by video or other electronic means. We are utilizing Vast Conference for this remote meeting.

All Members of the Committee and the staff of State Agencies with agenda items have the ability to communicate contemporaneously during this meeting and through this platform, and the public has access to contemporaneously listen and, if necessary, participate in this meeting through dialing the following phone number: 1-800-356-8278 and the six digit conference code 125563, followed by the pound sign. And, two, by providing public notice of the necessary information for accessing the meeting, we previously gave notice to the meeting -- to the public of the necessary information for accessing the meeting electronically. Instructions have also been provided in the House and Senate Calendars and the Fiscal Committee agenda and the website of the Office of Legislative Budget Assistant.

Three: Providing a mechanism for the public to alert the public body during the meeting if there are problems with access. If anyone has a problem, please e-mail NHeoc@dos.nh.gov during the meeting if the public is unable to access the meeting. In the event that the public is unable to access the meeting, the meeting will be adjourned and rescheduled. Please note that all votes are taken at this meeting -- all votes taken at this meeting will be by roll call.

Today, I have invited the regular Fiscal Committee substitutes to participate and to join in the questions during this meeting. So when the Clerk calls the roll, could you please include them in the roll call. And let's start the meeting by taking a roll attendance. When each member states their presence, please also state whether there is anyone in the room

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with you during this meeting which is required under the Right-To-Know Law. And I'll ask the Clerk to call the roll. Thank you.

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

CHAIRWOMAN WALLNER: Representative Wallner is here. I'm at my home in Concord, New Hampshire, and I am alone.

REP. WEYLER: Representative Leishman.

PETER LEISHMAN, State Representative, Hillsborough County, District #24: Good morning, Representative Weyler. I am at my home in Milford and I'm alone.

REP. WEYLER: Representative Ford.

SUSAN FORD, State Representative, Grafton County, District #03: Thank you, Representative Weyler. I am home in my house in Easton, and I am alone.

REP. WEYLER: Representative Weyler. I am in the living -- in the dining room alone in my home in Kingston. Representative Ober.

LYNNE OBER, State Representative, Hillsborough County, District #37: I'm home. I'm alone.

REP. WEYLER: Alternate Representative Huot.

DAVID HUOT, State Representative, Belknap County, District #03: Representative Weyler, Representative Huot is here and I'm in my home, and I am alone.

REP. WEYLER: Alternate Representative Lovejoy.

PATRICIA LOVEJOY, State Representative, Rockingham County, District #36: Good morning. I am here in my home in Stratham, and I'm alone.

REP. WEYLER: Alternate Representative Hennessey.

ERIN HENNESSEY, State Representative, Grafton County, District #01: Representative Hennessey. I'm in my home in Littleton with my two minor children.

REP. WEYLER: Senator D'Allesandro.

LOU D'ALLESANDRO, State Senator, Senate District #20: Senator D'Allesandro. I'm at home in Manchester by myself and, Kenny, great to hear your voice. Glad you're feeling better. Welcome back.

REP. WEYLER: Thank you very much, Lou. Representative Soucy. Excuse me. Senator President Soucy.

(No response.)

REP. WEYLER: Senator Soucy I did not hear a reply.

Senator Kahn.

(No response.)

REP. WEYLER: Senator Kahn I did not hear a reply.

DONNA SOUCY, State Senator and Senate President, Senate District #18: Representative Weyler, this is Donna Soucy. I am here at my home in Manchester and I am alone.

REP. WEYLER: Thank you. Senate -- Senator Kahn.

JAY KAHN, State Senator, Senate District #10: And Senator Kahn in Stoddard and alone.

REP. WEYLER: Thank you. Senator Rosenwald.

CINDY ROSENWALD, State Senator, Senate District #13: I am home alone, and it is great to hear your voice again, Representative Weyler.

REP. WEYLER: Thank you, Cindy. Senator Morse.

CHUCK MORSE, State Senator, Senate District #22: Thank you, Representative Weyler, and it's great to hear your voice. In my office in Atkinson alone.

REP. WEYLER: Thank you very much. The roll call is completed. All are present.

CHAIRWOMAN WALLNER: Thank you, Representative Weyler. And yes, it is great to hear your voice back again.

So today's a special meeting, and we've asked Mr. Kane, the Legislative Budget Assistant, give us a briefing today on the funding that's come into the State of New Hampshire for the COVID-19 emergency. If everyone can mute their line and use the star -- the 5* if you would like to speak. We do hear -- we can hear wrestling of papers and activity in the background. So if everyone can mute their line and then if you want to speak, use the 5* and then you'll be recognized. And I think that'll help a lot with the background noise.

So Mr. Kane is going to do a presentation. I think we all got some information from him yesterday, last night, with sort of an outline of what he's going to go over.

We also have with us today people from each of the -- from a number of the agencies that if we want to ask more specific questions they will be available. What I'd like to do is have Mr. Kane go through his presentation and then after his presentation we'll be open for questions, and we can also bring in people from the agencies at that point to get more in-depth information about the funding and what's happening at the

agencies. And I think at this point I will ask Mr. Kane to proceed with his presentation, unless there's questions or other things that Members need at this point. Hearing none, I will ask Mr. Kane to start his presentation. Thank you.

MICHAEL KANE, Legislative Budget Assistant, Office of Legislative Budget Assistant: Good morning. Good morning, Madam Chair, Members of the Committee. My name is Michael Kane. I'm the Legislative Budget Assistant. I am here at my home in Warner.

So I had e-mailed the Members a copy of the briefing this morning, as well as posted it on our website for the public and the membership. It was sent out early this morning because, as you know, COVID-19 expenditures are changing on a daily basis. I just want to thank the agencies, GOFERR, HHS, Employment Security, all the agencies that have helped, Education, et cetera, for providing the information, both on the GOFERR website and to me for any additional questions.

So I'm going to run through the presentation. Pretty brief. Go over a high level and then I have invited the agencies here, which I appreciate their participation. They'll be able to answer any specific questions that you have since they have been the ones involved in the day-to-day activities relative to COVID-19.

So I'm going to begin on Page 1. This is a summary of the CARES Coronavirus Relief Fund Allocation. This is also referred to as so-called CARES Flex Fund. This is the amount of money that the GOFERR Committee or the GOFERR Office has been working with the Advisory Board and the Governor to distribute out to various entities.

What you'll see on this page are two columns; first column being the commitments to date. So this is as of yesterday or as of this morning. The allocation, again, \$1.25 billion from the Federal Government that has to be used on COVID-related activity and expenses.

You can see, I'm going to run through quickly, Emergency Healthcare System Relief Fund. The Governor has provided \$100 million towards that currently, which includes 50 million towards hospitals and other healthcare providers which was one of his first Executive Orders. And then Executive Order number 44, another 30 million to long-term care providers, another 20 million to all other healthcare providers.

In the gray column you'll see that the GOFERR Legislative Advisory Board had proposed 20 million to long-term care providers and another 40 million for all other healthcare providers. You'll see 150 million for hospitals and other healthcare providers. What the Legislative Advisory Board had recommended is in addition to the 50 million under Executive Order 9 to add another hundred million dollars of assistance to hospitals. So that was the Advisory proposal. You'll see in the white column what has been committed to date.

First Responder and Frontline Stipend Program is \$24 million. The Legislative Advisory Board had recommended \$25 million. This First Responder Stipend Program is available to full and part-time law enforcement, corrections officers, as well as line personnel, firefighters, EMS. In addition, about \$500,000 is relative to Child and Adult Protective Service Workers and Juvenile Justice and Parole Officers.

Long-Term Care Stabilization Program, \$75 million which was committed by the Governor prior to the Legislative Advisory Board, but it is recognized by the Legislative Advisory Board for that Stabilization Program, which is a stipend program for everyone in a -- working with Medicaid eligible individuals who can't work remotely. So anyone with face-to-face contact with individuals, and that's both state -- that's both private and county.

Municipal and County COVID Cost Reimbursement Program, \$40 million. That was the GOFERR Legislative Advisory Board's proposal based on the Governor's announcement of that 40

million, \$32 million to Municipal and 8 million to county. And that can be used for -- allocated based on a formula you can find on the GOFERR website and that's the cap amount of money that's available to aid to municipalities and county. That has to be used for COVID- related expenditures. Anything not related -- not used for COVID-related expenditures is subject to abatement by U.S. Treasury. So I know the GOFERR's going to be keeping an eye on those. And so that's more of a reimbursement program.

New Hampshire Agriculture Grants. You see the Legislative Advisory Board proposal of \$5 million and what was actually committed by the Governor is \$10 million for agriculture grants, four and a half million of which will go to dairy farmers, another one and a half million towards fruit, vegetable, ornamental plants. There's a typo. I do apologize. Maple Syrup Growers and Producers. Anyone with revenue I believe it is of \$50,000 a year or more for those producers would be eligible for a grant (Inaudible).

Then putting aside another \$4 million of Stability Emergency Grants, more of a reserve if there's any issues with food supply. That's something that Department of Agriculture will be working on through December to monitor that issue.

New Hampshire Food Bank Grant, you can see that the Legislative Advisory Board proposed \$5 million and the Governor has committed 2 million to Emergency Grant and another 3 million to be held for the purpose of addressing the Food Banks. So the \$5 million is equal to what the Advisory Board proposed.

New Hampshire Child Care Relief, the Advisory Board proposed \$25 million. The Governor has committed 20 million for emergency funding and holding another 5 million in reserve providing that 25 million to that purpose.

For Public Higher Education System Grants, the Legislative Advisory Board had proposed \$20 million. The Governor has so far committed 10 million to the University System of New Hampshire

and 5 million for the Community College System of New Hampshire. And this has to be used for COVID-related remote learning at UNH, any COVID-related expenses at CCSNH. They do have a lot of hands-on training, Back to the Lab I believe it's called, that their \$5 million grant can go to help support that.

Nonprofit Emergency Relief and Recovery Fund. The Legislative Advisory Board had proposed \$30 million. The commitment from the Governor is \$60 million. And those the requirement and the process of that program is still ongoing. I think that should be released by June 5th to all the nonprofits that were impacted by COVID and the guidelines released.

Main Street Relief Fund. The Governor's Legislative Advisory Board proposal had recommended about \$100 million for small business grants. The Governor has committed \$400 million for that purpose. This is something that the Governor's Office as well as DRA, which will be on the call today to answer any specific questions, provide to those businesses in New Hampshire with revenues of \$20 million or under. I know that the GOFERR and that the involved parties at the State level will be looking at that \$20 million threshold to see if it should be lowered, as well as is the \$400 million sufficient or, you know, and then an appropriate level depending on the need.

Businesses need to apply for these grants by tomorrow to be eligible. So there is a kind of a preliminary eligibility period where businesses will have to submit, you know, their receipts for the year and what they're requesting so that the GOFERR can actually understand the need that's out there. So that's something that's still ongoing. But businesses in order to be eligible for any of these grants need to apply preliminarily by tomorrow.

Business Finance Authority Safe Harbor Forgivable Loans, \$30 million. That is a loan program to businesses as they need it. And the other thing to keep in mind is there are various federal funds that we'll get to at the end of my presentation that GOFERR's monitoring to make sure that these CARES funds are

being used to those entities or businesses that aren't double dipping to make sure they're being used for a separate purpose. That if they did receive funds from any other source that they at least disclose that to GOFERR so they can understand the full meaning. That goes for any entity.

Agency COVID Expenses Not Covered by FEMA of \$50 million is what's committed by the Governor. At the time the Legislative Advisory Board had estimated about \$65 million rounded of what the agencies had submitted so far. So on the 11th on this proposal they had spent about \$65 million, and what the Governor had committed is \$50 million because a majority or a lot of this money, almost half, will be covered by FEMA. And that's another -- another process that GOFERR is looking at to not allocate CARES funds and the Legislative Advisory Board as well, not allocate these Coronavirus Relief Funds if there's other assistance also available just so you don't double count.

Oversight and Federally Mandated Expenses. Right now committed is about \$8 million. The GOFERR Office, the Governor's Office for Emergency Relief and Recovery, the administration portion is about \$2.2 million of GOFERR funds. I'm sorry, of CRF funds that will be used for administration, and another approximately \$5.78 million for various central services from other agencies that are allowable use of CARES funds, financial and compliance audit, the big single state audit, and any other mandated cost as a result of the CARES Funds has been set aside for this purpose.

Emergency Child Protection and Domestic Violence Relief, couple of first Executive Orders 21, 22, of the Emergency Child Protective Order about \$2.1 million which has been set aside by the Governor; another \$600,000 Domestic and Sexual Violence Relief Fund of \$600 and rounded up to another 273,000 of other costs.

At the time Legislative Advisory Board did not recommend that only because I believe there was a needed clarification of

whether or not this was going to be handled within the current budget or it would be additional fund.

So, in total, Legislative Advisory Board had recommended about \$600 million of the \$1.25 billion of CARES funds being distributed, and then another \$650,000 rounded would be held in reserve for future needs at the time. What the Governor based on his commitments to date, \$845 million has been committed leaving about \$405 million of uncommitted CARES funds right now, and the biggest one, obviously, is the Main Street Relief for those businesses.

If I continue on to Page 2, I had mentioned earlier the agency COVID expenses not covered by FEMA. Department of Health and Human Services has been preparing a daily report on State Agency COVID-19 expenditures, not only for their Department but also pulling information from other departments and then posting this on the GOFERR website which has a great supply of documents for COVID expenditures.

Agency Health and Human Services related costs are about \$85.5 million. The first two are what we had previously mentioned above, but another \$1.6 million in personnel, 1.8 in operating, almost \$64½ million in personal protective equipment. Another 14.8 million for surge-related costs, all other departments and services other agencies. In total, COVID related expenditures are for personnel about almost \$5 million, operating costs about 6.9.

For Employment Security, personnel costs of about \$4.2 million and operating costs about \$993,000 for a total of about 5.2. This does not include unemployment insurance costs that are reimbursed from the Federal Government that we will get to in another slide. This is just specific for Employment Security. It also does not include (Inaudible) on the grant the U.S. Department of Labor for the IT related costs.

Department of Safety personnel costs about 2.7 million, operating costs about \$700,000. And then Department of

Education daily personnel costs about 449,000, daily operating costs about 14. And Department of Military and Veterans Affairs personnel costs about 126,000, operating costs about 28,000. So, in total, based on this daily expenditure report about \$106.7 million has been spent relative to COVID, of which almost 56 million of that is reimbursable to FEMA. This is the leftover. The agency need to go back to the previous 50 million of non-FEMA not covered by FEMA amount. This would be part of that.

Next the largest -- one of the largest programs or the largest impact on COVID has been with unemployment. Obviously, the unemployment numbers have increased significantly, as well as various enhancements that have been passed by the federal government. You can see relative to the Federal Pandemic Unemployment Compensation of \$383.5 million has been provided as of 5/28, as of today or as of yesterday. The payments represent the \$600 enhancement added to the weekly benefit which are from April 4th through July 25th.

Now, this is going to be a hundred percent federally paid and it's drawn down from a federal account so it won't show up as a grant on the final document that you'll see we have. This is a draw down based on the need. So almost \$383.5 million for that additional 600.

In addition, Suspended Waiting Week reimbursement from Department of Labor for benefit payments paid during the first week of eligibility because they have suspended the waiting week is about \$25.4 million and that is 100% federally reimbursed to the State Trust Fund. Again, not a hit on the CARES fund, the 1.25, or any of the further federal funds down below.

Federal Pandemic Unemployment Assistance is about \$84.3 million, and this is payment to individual households for the extended unemployment insurance program during the first 26 weeks of eligibility, one of the other areas of state unemployment benefit or the federal benefit. So this is the additional amount relative to that.

Emergency Administrative Grant, this was received on the Family First Coronavirus Response Act. This is the 4.4 that's being used for administrative and IT costs in connection with pandemic. You'll remember seeing an item similar to this that came through Fiscal.

So almost \$500 million of the additional unemployment insurance expenses that the Department of Employment Security will receive federal reimbursements from various sources.

And then the final part of our -- of the kind of migration for turning it over for questions and for the agencies to answer specific is just a sheet that we've been updating. The numbers change almost daily of everything that New Hampshire has received. And you can see the first on Page 4 Coronavirus \$1.25 billion. That's everything that you see on Page 1 of the document. That's the so-called Flex Fund.

And all the various other areas of funding I won't read through all of them, but you'll notice education, the Governor's fund was education aid that came through Fiscal as an informational item. K through 12 aid that had gone based on the Title I aid formula out to cities and towns. Higher education funds had gone to individual institutions, both our public and private to help out with COVID-related costs and students, and then couple other higher education, smaller distribution to the IAG's or institute -- institution of higher education.

Administration for Families -- for Children and Families or ACF, Child Care and Development Block Grant of about \$7 million, Low-Income Energy Assistance of about 6.7, and HeadStart of about 1.3. So what you'll see in these documents are the amount in thousands so that and then the primary recipient whether or not it's the state, local, or other entity.

And I won't read through all of these. I'll kind of stop at a few of them. You can see CDC grants, you remember initially HHS came in, I believe it was in March, March for the first \$5 million roughly that they were going to get relative to

respond to COVID before the Legislature actually suspended activities, and another \$5.4 million of additional CDC grant. You'll see the CDC testing fund of about \$61 million that I know Governor -- Senator Shaheen had a press release relative to those type of funds.

Housing Resources and Services Administration, Health Resources and Services Administration, about \$6.8 million to community health centers, one of their largest ones. 2.4 million for testing capacity. You'll see a couple at the bottom there that went to the health profession schools directly.

And then on Page 5 Emergency Grants and Mental and Substance Use Disorder under SAMHSA, \$2 million that was provided to states. You saw that as an informational item under Fiscal.

One of the larger items on this sheet you'll see the \$164.6 million from the U.S. Department of Health and Human Services, Offices of the Secretary. This is for provider relief funds to both hospitals and other health care providers. First allocation 164 million and then an additional allocation to rural providers of another 115 million.

And so these are the different pots of money that GOFERR and the Advisory Board needed to be aware of as they're trying to determine what to recommend for allocation. Because there are, as you'll see, several pots of money out there that do help certain entities or individuals. I'll just go pretty quick so we can go for the agencies.

You'll see the Community Development Block Grant, Page 5. Community Development Block Grant for state and local, about 2 million to locals, about another almost 10, 11 -- \$10 million to the State for those Block Grant.

Department of Transportation, you'll see on Page 5 a general distribution of about 24 Urbanized Area Grant with specific program about 13.7, and then Grants-In-Aid to airports,

including Manchester Regional at about 15.2, and that went directly to the airports.

And then on the final page Independent Agencies. For Election Security the State has \$3.2 million in Federal funds, and Institute of Museum and Library Services 123,000, National Endowment for Arts and Humanities also \$200,000 apiece that you saw in an informational item. And so for total grant funding that includes the CARES or the CARES CRF fund 1.25 billion, almost \$1.8 billion so almost an additional \$600 million in additional federal funds available to various entities throughout the state on top of the 1.25 that GOFERR is keeping track of.

On top of that you do have the 500 million from the unemployment insurance so that's almost 2.3. That's a significant number, almost 2.3 million of federal assistance to New Hampshire. Almost as large as our General Fund Operating Budget. It's a pretty significant dollar amount.

And then in addition to the other programs, the non-grant funding. So these are loans provided to small businesses, majority. You can see almost 2 million -- \$2 billion for the Paycheck Protection Program through April 16th, and then an additional distribution of about \$2.5 billion to small businesses for Paycheck Protection Program, and then an additional \$120 million for Economic Injury Disaster Loans, and then another \$46,000 on top of that. It's almost \$170,000 between those two.

Then the Federal Reserve has a program, what's called the Municipal Liquidity Facility. This is kind of it's a loan program. Oh, not even a loan program. It really helps with bonding if states want to take advantage of that. They have not taken advantage of that. They are cash -- even though revenues are down, they're in a good situation relative to cash on hand. They have not taken -- taken this allocation yet. And municipalities have not contacted the state that I'm aware of, although other agencies on the line.

So, in total, the non-grant funding alone, Paycheck Protection and Economic Injury was almost \$5.6 billion. So between the two point -- the 1.8 grant funding, the another \$500 million roughly for unemployment insurance so far, so the 2.3 and the 5.6 roughly you're almost close to \$8 billion of funds that the state has -- state entities have received from the Federal Government in the first (Inaudible).

And another thing I just wanted to mention, it's not on this presentation but you may have tuned into Ways and Means, House Ways and Means actually had some great things from various agencies on revenue. So the impact on the current Fiscal Year for '20 and then '21, and they're currently working within committees to come up with revised estimates from the House side on where they think revenues will be.

I think one of the most significant one will be your business taxes, obviously, but also your Meals and Rooms taxes which have almost haven't stopped completely; but, you know, 70 to 80% of the economy is in Meals and Rooms revenue. And so you do have, you know, revenue sources that from DRA only that could be in the \$160 million plus under plan for '20, which hasn't been accounted for. Obviously, there's a lot of activity that occurs in June that the Committee still needs to see, that DRA needs to see because there were some delayed payments from the initial filing dates that they have to monitor that activity and come up with some estimates. But just DRA alone is about -- DRA collective revenues is about \$167 million.

On top of that, you have the other agencies. Lottery down a little bit. Liquor down a little bit. Insurance is actually up, but you have various other decreases. You could have a, potentially, a \$200 million, I think it was discussed yesterday, shortfall in revenues, general and education trust fund just for '20. But, again, it's very early. You do have to see how things play out, especially with the delay.

As you know, a lot of New Hampshire taxes look back from the prior year's activity, and then also any adjustments from the businesses as far as payments on when they want to pay that. Really, your biggest impact is your FY 21 impact and that's something that the Committee will probably provide a range, at least House Ways and Means, a range of where they think that would be, but that's your significant impact. That could be an additional three hundred plus, hopefully minus, of revenue impact.

You do have the various sources. You're talking between 15 and 30 plus percent decreases in your revenue sources, mostly your Meals and Rooms and your businesses and then your lag in your interest and dividends for '21, as well as your realty transfer. So I just recommend that the Committee Members if they get a chance to go onto the General Court website and there is a -- not only you'll see a recording of the agency work sessions yesterday with Ways and Means, but a lot of the documents that they provided and New Hampshire Fiscal Policy, Phil Sletten did a great presentation of kind of what New Hampshire's -- what the impact on the economy is for New Hampshire. Again, unpredictable because we don't know how quick we're going to come out of this, and when things are going to get back to the new normal, but it is some great information.

I just wanted to mention that before I stopped the portion of my presentation. There are agencies here. So I just mention press 5* if you do have questions and then Fallon can recognize you. In addition, the agencies that are on the line, depending on the question if they want to press 5* so Fallon can recognize who will answer the question that will be helpful. And I'll answer anything else then. So that's my briefing, and then I'll turn it over to the Committee and agencies for the question and answer portion.

CHAIRWOMAN WALLNER: Thank you. Thank you, Mr. Kane. I think that was very informative, and thank you for the materials that you provided us. Let's open for the Committee to ask questions and remember to 5*.

MS. REED: Senator Kahn has his hand raised.

CHAIRWOMAN WALLNER: Senator Kahn, yes.

SEN. KAHN: Sure. Thank you, Madam Chair, and glad to get some questions started. I have two. One is relative to the unemployment insurance pool of funds, the 500 million that was as a part of Mr. Kane's presentation. We began this crisis at the end of February I believe with a fund balance in our state unemployment insurance at around \$300 million. And I'm wondering if the federal 500 million identified here is the commitment in total through May or at least the date in May noted, or have we also drawn down on that unemployment insurance balance?

MR. KANE: I think Employment Security is on the line so your question not only the 500 million, which is the federal portion, but what has the State committed from their Unemployment Trust Fund as well. So I think someone from Employment Security can provide a better answer.

RICHARD LAVERS, Deputy Commissioner, Department of Employment Security: Yes, Senator, This is Rich Lavers, Deputy Commissioner of Employment Security. How are you?

SEN. KAHN: I'm very good. Thank you for all the good work you're doing.

MR. LAVERS: Thank you for that comment. So a good question regarding the state of the Trust Fund. So we started at 300 million. When we factor in the various benefit programs that are federally paid right now and what is state paid, we are at about \$251 million currently in our Trust Fund account. The funds that are -- continue to be borne entirely by the State Trust Fund are those individuals that are filing as a result of a temporary lay-off, a temporary closure from their employer. The CARES Act still requires that states pay those benefits out of their Trust Fund.

Other individuals that are unemployed directly related to a CARES Act reason that's articulated in the CARES Act for the various COVID-19 scenarios, those benefits are what you see reflected in the Pandemic Unemployment Assistance line for about 84.3 million. So those -- those folks are being paid benefits in parallel with folks that are being paid benefits out of the State Trust Fund. Those are the individuals that are receiving benefits for -- that are newly unemployed.

The breakdown that we are seeing right now percentage-wise for the newly unemployed is about 52% are being paid with State unemployment dollars and about 48% being paid with PUA federal dollars. And, again, all of that is driven by the reason for separation that the individual indicates on their initial claim, and then as they file their weekly claim. And I can answer any other questions that you might have regarding any of that, Senator.

SEN. KAHN: Great. I -- I, you know, while you're at 5*, how many people are still awaiting that have filed, are still awaiting a determination? I continue to get a few every week drifting in, but there -- obviously, the intensity of their need is now ten weeks further along. So do you have a general number that you can share with us because I don't think it's just these couple of people. I gather from their cases that there's a certain category and I've heard you speak that not getting -- not easily attended to; but I don't have a sense of what that total looks like.

MR. LAVERS: Yes. So currently, Senator, we're paying about 95% of active claims. So you have folks that filed their initial claim and then a smaller percentage than historically actually from those initial claims then file weekly claims. So people that are filing active claims, 95% are being paid. Those that aren't being paid, and that's where our focus continues to be, are -- tend to be more complicated cases that as a result of requirements are not only driven by the Federal Government but with our own State requirements, we need to thoroughly look at

some of the elements of their claim to make sure that those individuals are eligible. Because you still have situations, even though we have broadened eligibility and we've lowered the thresholds for prior earnings and work attachment in order to be eligible, you still have individuals that are not eligible for benefits right now. So we need to look at that.

We also need to look at some particular circumstances that you see on claims. The ones that are -- are -- have been difficult to resolve, the biggest group of those are individuals that have earnings from multiple states. We have been recently reminded by U.S. Department of Labor that we cannot shortcut the federal required process on confirming that those individuals aren't filing against multiple states simultaneously. So we need to make sure that with those types of claims that you are reaching out using the federal process for getting wages from those other states.

In some instances, the individual would have eligibility in that other state and they need to be provided with the option of which state they want to collect against.

A lot of those are individuals that have wages in Massachusetts. Massachusetts has higher weekly benefit amounts. So we really need to make sure to present those options to individuals and that does result in a delay. Not a delay that's attributed to New Hampshire, but a delay that is oftentimes attributed to the other states. We are currently working with all of our -- the New England states to try to identify some of the problems that we've been experiencing with Massachusetts and other states have been to try to expedite those claims.

Other -- other cases that can delay payment include those folks that are working while they're collecting. And those folks that receive a large payout at the time of their separation, either through cashing in their accrued PTO or some other sort of severance payment. That delays their eligibility based upon the size of the payment and then the earnings that someone could have while engaged in part-time work while still being able to

file for unemployment. Those earnings need to be calculated to determine whether or not that person still has a benefit rate for that week.

So those remaining 5% of active filers we have on a daily basis we still are re-deploying our resources to the areas of most need and making sure that we continue to get through all of those claims as quickly as we can. We do, obviously, those that we deal with that are in a hardship situation, we escalate those right away so we can get those individuals taken care of. We've actually had staff that have driven and hand delivered checks to individuals because of various types of hardship. But the way that we're going about adjudicating those claims is exactly the way that we're required to by Federal Government and our own State Law. When you start to shortcut some of those eligibility reviews is when you start seeing problems like other states have been experiencing.

I'm sure folks saw the reports out of Washington State over the holiday weekend where they had reported having paid hundreds of millions of dollars to foreign bad actors who had been able to submit fraudulent claims. You have not seen New Hampshire's name in those headlines in those articles yet, and we want to make sure that we don't. So we want to make sure that we continue to properly evaluate all of those claims. Despite having followed the process, we are still ahead of where we were during the Great Recession, even though the volume that we're currently experiencing far and away anything we ever experienced during the Great Recession.

SEN. KAHN: Thank you. So around five, six thousand cases are still pending. Chairman, if I could ask just one more?

CHAIRWOMAN WALLNER: Yes. Yes, please.

SEN. KAHN: The -- and thank you, Assistant Commissioner. This one is more for the Main Street Relief or the Not-for-Profit Relief Funds. And the end date for the CARES Act funds says December 31st. And I'm wondering if that end date

also applies to grant funds that are, you know, the guidelines are still being developed. There's a process for application and award. Will that December 31st deadline also apply to those two programs and the businesses or not-for-profits that receive those funds?

MR. KANE: Senator, I think for the Main Street we do have staff from GOFERR listening in who maybe can answer some of those questions as far as timeline. I do believe it is December 31st, but we could have GOFERR weigh in; and then as far as Main Street, they can weigh in on that as well. Just so you know, Commissioner Stepp is here since she is involved in Main Street Program for businesses. So, Fallon, I don't know if someone from GOFERR or DRA can answer any of those.

MS. REED: Yes, Commissioner Little I believe is on and his line's open.

JERRY LITTLE, Commissioner, Banking Department: Thank you, Fallon. Good morning, Chairwoman Wallner, and Members of the Joint Legislative Fiscal Committee. This is Jerry Little, usually before you as Commissioner of the Bank Department, on re-assignment to the Governor's Office for Emergency Relief and Recovery serving here for the time being as Director. I am in the GOFERR Office, which we are sharing space with the business -- with the BEA at this point in time. In the room with me are Matthew Smith who is our General Counsel, Rhonda Hensley, Lisa English, Steve Giovinelli, John Frasier, and Shaun Thomas. We are around a 26 foot wide conference table and socially distancing at this point in time.

The answer to your question, Senator Kahn, is that all of the CARES Act Flex Funds must be distributed and expensed no later than December 30, not 31st, December 30 of 2020, and that applies to both of the programs you have mentioned, the Main Street Relief Program, as well as the Non-Profit Program.

CHAIRWOMAN WALLNER: Thank you. Do you have further question, Senator Kahn?

SEN. KAHN: No. That answers the question and speaks to the -- how quickly those dollars need to get out and how prepared those entities need to be to put those into play. Thank you very much.

CHAIRWOMAN WALLNER: Great. And thank you, Mr. Little. Do we have further questions?

MS. REED: Senator Rosenwald has her hand raised.

CHAIRWOMAN WALLNER: Senator Rosenwald.

SEN. ROSENWALD: Thank you, Madam Chair. I've a couple of questions, but I think my first one is for Mr. Kane. And thank you for this briefing, Mike. I think the public's very interested in exactly where the CARES Act funds are going and for what those specific purposes are. So I'm wondering if you believe that we will start to see reporting under RSA 9-F:1 by June 15th? And that would require reporting in quite a bit of detail as to who and when and what accounting unit class codes are getting the money. You expect that June 15th will be the first report?

MR. KANE: So that's -- yeah. I'll have to reach out to Administrative Services who kind of does run that. So what Senator Rosenwald is referring to is a check register that Transparent New Hampshire. So it's nh.gov/Transparentnh does provide a monthly update on all state expenditures. There's one component of where the money goes is the area that the so-called check register or state expenditure register that does have that list.

Let -- Senator, let me reach out to Administrative Services and get back to the Committee albeit e-mail on what their plan is. Is their plan to also include in that any CARES funds, CARES funds distributed, which would include organizations or entities that receive the funds. There are some redacted, you know, some information that needs to be redacted. I know the GOFERR Office

does have some relative to the health care or at least the Health Care System Relief Fund of who's received those. They may pose that question -- let me pose that question to Administrative Services, but I may want GOFERR to kind of maybe comment on any reports they plan to issue going forward once these grants go out. If that's okay with GOFERR to comment on that.

SEN. ROSENWALD: Yes, I mean -- thank you. As I read 9-F:1, it doesn't seem to give discretion to the Department of Admin Services about whether or not they will report, seems like it's required.

MR. KANE: Right. And I'll just (Inaudible).

SEN. ROSENWALD: Okay. Thank you. Madam Chair, I have a few questions of the Department of Health and Human Services if they're on the call.

CHAIRWOMAN WALLNER: Yes, thank you. And is someone from Health and Human Services available?

MS. REED: Yes, I believe Kerrin Rounds is on.

SEN. ROSENWALD: Hi, Kerrin, and thank you, Madam Chair. The \$25 million or 20 million that's going out as emergency relief to the child care centers, how quickly is that going to be getting out to these centers? It's my understanding that we've lost about 80% of the capacity and we need -- we need to get child care up and running again fast so parents can go back to work.

MS. ROUNDS: I don't have a date for that, but I can definitely get you that information. Mary Calise is also on the line. I don't know if she has the date for that.

MARY CALISE, Department of Health and Human Services: No, I do not.

MS. ROUNDS: Okay. All right. We'll get that information to you, Senator.

SEN. ROSENWALD: Thanks, Kerrin.

MS. ROUNDS: I know they're actively -- I know they're actively working on it.

SEN. ROSENWALD: Of course. I'm also curious about some of the Health Care Emergency Relief Funds. I've noticed that there have been some zero interest loans that could be turned into grants that have gone to private medical practices and also for-profit health care companies. And at the same time I read in the paper the other day that our biggest hospital system in the state and our only academic Medical Center, Dartmouth Hitchcock, had to go and borrow and get commercial credit at a 2% loan rate. I think they borrowed something like 10 -- \$10 million. So I'm just curious how the decisions were made to give zero interest loans that could be forgiven to private entities and not to our non-profit hospitals?

MS. ROUNDS: Sure. So as a member of the Review Committee I can speak a little bit to our process and also direct you to some information that's on-line as to our process.

So we -- we looked at the applicants that were considered frontline COVID applicants and reviewed their responses to the questions and scored them, as well as asked for some additional information from several of the applicants, and that's how the decisions were made. And then the Committee made recommendations to the Governor, and then the Governor would approve or not approve those recommendations. So that's how the process has worked.

As far as for-profit versus non-profit, you know, we didn't really add weight for, you know, for being a non-profit or a for-profit. We really looked at the services they were providing from a frontline COVID perspective and also, like I said, their current financial situation.

SEN. ROSENWALD: Have you released any of the scoring?

MS. ROUNDS: I don't -- I don't know the answer to that question. I think it would be the Governor's Office that would need to release that.

SEN. ROSENWALD: Uh-huh. Okay. And one more question, if I might, Madam Chair?

CHAIRWOMAN WALLNER: Of course.

Sen. ROSENWALD: A couple of Fiscals ago we talked about some of the cash flow transfers that the Department had made. I believe it was \$8 million out of Substance Use Disorder Treatment Aid, 4 million out of the State Loan Repayment Program for healthcare workers, the Secure Psych Unit, funding homeless, low-income senior drug assistance, and at the last meeting the Department said there had not been a reversal of any of these transfers at that point. So I'm just asking that question again. Have any of these transfers been reversed or are they standing as cuts?

MS. ROUNDS: So no, none of them have been reversed and no, none of them are currently being considered for cuts. What I would also share with you is that we did transfer almost -- I don't remember the exact amount -- but we transferred I think it's around \$17 million into the FEMA account from that original Class 103 class to serve as the FEMA match. We're now hearing from the President that we can potentially use CARES Act funding as the match for FEMA. We're waiting for final direction on that. So that would then move those General Funds back again. As you can imagine, there's a lot of moving parts right now; but nothing has been transferred back to its original -- its original place.

SEN. ROSENWALD: You're still hoping to?

MS. ROUNDS: Yes.

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

CHAIRWOMAN WALLNER: Thank you, Senator Rosenwald. Are there further questions of the Department of Health and Human Services that might since they're on the line? Do any other members --

MS. ROUNDS: Senator, I would also let you know that I have Perry Plummer here with me, if there are questions that pertain to the Emergency Management side.

CHAIRWOMAN WALLNER: Okay, great. Thank you. Any other questions for Health and Human Services?

MS. REED: Senator Soucy has her hand raised. I'm not sure if it's for HHS but her line's open.

CHAIRWOMAN WALLNER: Senator Soucy.

SEN. PRESIDENT SOUCY: Actually, it was a question for Deputy Commissioner Lavers so I can wait for the appropriate time.

CHAIRWOMAN WALLNER: I do have one for Health and Human Services myself if I could. Maybe I'll just ask that one now.

I was sort of surprised to hear that people working at New Hampshire Hospital were not getting the hazard pay that other -- that was happening in other parts of the State Government. I wondered if there was a reason for that and if someone could comment on why the workers at New Hampshire Hospital are not receiving that extra bonus payment?

MS. ROUNDS: I believe that's because they're considered a hospital and hospitals in the state are not receiving the stipend payment. Glencliff is a long-term care facility.

CHAIRWOMAN WALLNER: So even though it's a state-run psychiatric hospital, it's not receiving -- they are not receiving that.

MS. ROUNDS: Correct, it's a hospital.

CHAIRWOMAN WALLNER: Okay. Thank you. Further questions for Health and Human Services. Senator Soucy, again, you want Mr. Lavers, is that who you would like to have come back?

SEN. PRESIDENT SOUCY: Yes. Thank you, Madam Chair, if he's available.

CHAIRWOMAN WALLNER: Okay. Mr. Lavers still on the phone?

MS. REED: Yes, his line's open.

CHAIRWOMAN WALLNER: Okay. Great.

SEN. PRESIDENT SOUCY: Thank you. My question was regarding data. And I want to first say, of course, that I do appreciate the work of the Department, the challenges, the stress, and despite of all of that continues to, I think, produce good results for the citizens of New Hampshire and works through the areas where they've had issues. But, in particular, I know I had requested because I've seen it from several other states. I wondered if it was possible to provide information by gender of those who are experiencing and filing claims?

MR. LAVERS: Yes, Madam President. So based on that request, I have a query from the system looking both at the gender breakdown for initial claim filers and also the -- and seeing your request and then looking at other information that we capture on the initial claim. I was also going to include the number of initial claim filers that indicated having a dependent. That is -- I will follow-up with the vendor to find out the status of that query. I apologize for not having gotten that to you sooner.

SEN. PRESIDENT SOUCY: No problem. Thank you very much. I look forward to reviewing it. Thanks you so much, Deputy Commissioner.

CHAIRWOMAN WALLNER: Okay. Further questions from the Committee?

MS. REED: I'm not showing any other hands.

CHAIRWOMAN WALLNER: No other hands at this time? No other questions? Then if there are no other questions from Committee Members, I will move on to setting the date -- setting the time of our next meeting. So this was a special meeting.

MS. REED: Ma'am.

CHAIRWOMAN WALLNER: Yes.

MS. REED: I'm sorry. Mike Kane has his hand raised.

CHAIRWOMAN WALLNER: Oh, Mr. Kane.

MR. KANE: Sure. I did -- before you leave, I did just want to follow-up with Senator Rosenwald. I did reach out to Administrative Services but in the meantime I did look on the Transparent New Hampshire website and it does appear all transactions are in there. I will e-mail a link to -- when I say all transactions, April 30th. I'll e-mail the link to the members. Because there are ways you can choose your Fiscal Year and your vendor. So if you're looking for a specific vendor you can click on that. And then it provides the details down to what program that they received that for. So I did just want to update you on that. And then the Fiscal meeting has been set already for Friday, June 12th, at 10:00 a.m. That's all I wanted to share.

SEN. ROSENWALD: Thank you, Mike.

CHAIRWOMAN WALLNER: Okay. Seeing no other hands up or any other -- any other comments from Committee Members. Seeing none. Our next, as Mr. Kane just said, our next meeting will be Friday, June 12th, at 10 o'clock. And this is our regular meeting. So we will have -- our agenda will be posted. And I assume we'll have quite a number of agenda items on that -- on that day. So seeing no other business to come before the Committee, I'll adjourn the special meeting of Fiscal Committee.

SEN. KAHN: Thank you, Madam Chair.

CHAIRWOMAN WALLNER: Thank you.

(The meeting adjourned at 11:09 a.m.)

C E R T I F I C A T I O N

I, Cecelia A. Trask, a Licensed-Shorthand Court Reporter, do hereby certify that the foregoing transcript was transcribed from an audio recording of the VAST Conference meeting on Thursday, May 28, 2020, and it is a true and accurate transcription of that recording to the best of my ability, skill, knowledge, and judgment.

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