

JOINT LEGISLATIVE FISCAL COMMITTEE

Legislative Office Building, Rooms 210-211
 Concord, NH
 Friday, May 16, 2025

MEMBERS PRESENT:

Representative Kenneth Weyler, Chair
 Representative Keith Erf
 Representative Gerald Griffin
 Representative Mary Jane Wallner
 Representative Karen Ebel
 Senator James Gray
 Senate President Sharon Carson
 Senator Regina Birdsell
 Senator Cindy Rosenwald
 Senator David Watter

(1) Rules and Procedures:

KENNETH WEYLER, State Representative,
Rockingham County, District #14, and Chairman: Good morning. I'll call the Fiscal Committee meeting to order on May 16th, 2025; and we'll start with Tab 1, which is a request to change the Rules and Procedures. Uh -- this is something we have approved before. Um -- normally this last session we've been upfront approving the audits and so on so that they'd be online as soon as they're done, and then rather than having it wait until we have them on our agenda. So this similar is going to want to stand for a -- a de facto approval of the American Rescue Plan through December 2026 and the bipartisan infrastructure law bills to December of -- or June 30th, 2027. Is there a motion to approve that change?

****** CINDY ROSENWALD, State Senator, Senate District #13: So move.

SHARON CARSON, State Senator and Senate President, Senate District #14: Second.

CHAIRMAN WEYLER: Okay. Motion by Senator Rosenwald, second by President Carson to approve. Is

there any further discussion? Seeing none, all in favor say aye? Opposed no? That is adopted.

***** {MOTION ADOPTED}**

(2) Acceptance of Minutes of the April 18, 2025 meeting

CHAIRMAN WEYLER: All right. Moving on to Tab 2, the minutes from our last meeting on April 18th. Any omissions or corrections? Is there a motion?

**** JAMES GRAY, State Senator, Senate District #06:**

Motion to approve.

SEN. ROSENWALD: Second.

CHAIRMAN WEYLER: Senator Gray moves to approve the minutes of April 18th, second by Senator Rosenwald. Is there any further discussion? Seeing none, are you ready for the question? All in favor say aye? Opposed no? The minutes are adopted.

***** {MOTION ADOPTED}**

(3) Old Business:

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

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

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

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

CHAIRMAN WEYLER: We have an item that's tabled. If there's no request to remove it from the table, we'll move on to the Consent Calendar.

Consent Calendar goes from Tabs 4 through 7. So far, I have a request to remove the following items from the Consent Calendar. Under Tab 4, items 25-111,

and items 25-115. And from Tab 6, 25-126, and from Tab 7, 25-139. Are there any other items any member wishes to remove from Consent Calendar? I'll entertain a motion to adopt the rest of the Consent Calendar.

** PRESIDENT CARSON: So moved.

SEN. GRAY: Second.

CHAIRMAN WEYLER: All right. Motion and a second to approve the rest of the Consent Calendar, other than those noted. Any further discussion? Seeing none, all in favor say aye? Opposed no? Consent Calendar is adopted with the following -- with the foregoing exceptions.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: We'll turn now to Tab 4, item 25-111, and someone in the Senate has a question on this. It's what I was told there would be a -- was it -- uh -- Senator Rosenwald?

KEITH ERF, State Representative, Hillsborough County, District #28: Senator Carson.

CHAIRMAN WEYLER: Senator Carson.

PRESIDENT CARSON: We talked about it and -- um -- yeah, David, you can probably remember.

DAVID WATTER'S, State Senator, Senate District#04: Madam President, we wanted to know what buildings we were keeping heating and why.

PRESIDENT CARSON: Yes, that's what it is. We were -- we were discussing about -- oh, excuse me. I'm sorry. Why are we paying to heat empty buildings? I -- I -- that are going to be torn down? So, can you explain.

CHARLES ARLINGHAUS, Commissioner, Department of Administrative Services: Sure. For the record, I'm Charlie Arlinghaus. I'm the Commissioner of

Administrative Services. Um -- and I think the question's about the Laconia property.

PRESIDENT CARSON: Hm-hum.

MR. ARLINGHAUS: And there's a line in the budget that's called heat, electricity, and water.

PRESIDENT CARSON: Hm-hum.

MR. ARLINGHAUS: And it's a line for utilities. It doesn't necessarily mean heat per se.

PRESIDENT CARSON: Okay.

MR. ARLINGHAUS: And so the charges for the Laconia Campus are actually not to heat any of the buildings. There are a couple of the buildings where we, including the building that currently houses E-911, where we do actually heat it because, well, E-911, obviously. And in the winter you would heat some of the buildings that have equipment in them to a very low level. The over -- the overrun on charges here is related mostly to utility charges. And the lion share of it is the Winnepesaukee River Basin Project, which is a -- which is a wastewater treatment system that the State is a member of with a number of towns. And because of the nature of the agreement with that, when they raise their charges, we have to pay them, and they raised them a great deal.

If we were going to keep the property, we would renegotiate our deal with the Winnepesaukee River Basin -- um -- but we're selling the property. So we're not -- so we are, obviously, not going to. But those charges skyrocketed this year and that's the -- that's the 90,000.

PRESIDENT CARSON: May I ask a question?

CHAIRMAN WEYLER: Follow-up.

PRESIDENT CARSON: Were you informed as to why those charges skyrocketed?

MR. ARLINGHAUS: There's a -- I -- um --

there's an analysis. I don't -- I don't know the details off the top of my head, and I have people who work in Plant and Property who do, and I can get that information for you.

PRESIDENT CARSON: Okay. Thank you. I'd like to see that.

MR. ARLINGHAUS: Sure.

PRESIDENT CARSON: Because -- um -- you said that we have an agreement -- um -- and if the charges are going up that drastically -- um -- I -- I think we should be able to take a look at that. But you're right, the property is being sold as far as I know, so.

MR. ARLINGHAUS: It is.

PRESIDENT CARSON: So if -- does that -- is that agreement going to extend to the new buyers or are they going to have an opportunity to --

MR. ARLINGHAUS: I -- I think the new buyer would have to negotiate --

PRESIDENT CARSON: Okay.

MR. ARLINGHAUS: -- with the -- with the entity. So -- so when the entity was formed, it's a handful of towns, and don't ask me which ones, but in that area. And the only non-municipal member of the cooperative, if you will, is the State for the Laconia Campus. My suspicion would be that the new buyer will try to negotiate with the City, which we'll stay out of, some sort of an agreement to hook up to the City water.

PRESIDENT CARSON: May I ask a follow-up?

CHAIRMAN WEYLER: Follow-up.

PRESIDENT CARSON: Thank you. So this -- this adjustment, this requested amount, is this anticipated cost going forward or is this actual what happened over the -- I'd say maybe the last five or six months?

MR. ARLINGHAUS: These will be the actual charges for this year.

PRESIDENT CARSON: So it's -- may I follow-up, Mr. Chair?

CHAIRMAN WEYLER: Follow-up.

PRESIDENT CARSON: So this is for the entire year. Even though the property is being sold, we're going to carry that cost forward or are we going to be reimbursed for the time that we no longer have the buildings?

MR. ARLINGHAUS: Um -- when we sell the -- when the final closing is done on the property, all sorts of utility charges and things like that will be trued up --

PRESIDENT CARSON: Okay.

MR. ARLINGHAUS: -- for the -- for the back and forth. Um -- to be fair, I -- I don't expect a -- a closing probably for twelve months.

PRESIDENT CARSON: Okay. All right. Thank you very much.

MR. ARLINGHAUS: Sure.

CHAIRMAN WEYLER: And when you send that answer, send it to LBA, and he will forward it to all the members.

MR. ARLINGHAUS: Sure.

CHAIRMAN WEYLER: Thank you. I'll entertain a motion to adopt the item.

** SEN. GRAY: So move.

SENATE PRESIDENT CARSON: So move.

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

CHAIRMAN WEYLER: All right. Senator Gray moves and Representative Griffin seconds that we adopt the item. Is there any further discussion? Seeing none. All in favor say aye? Opposed no? 25-111 is adopted.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: We're moving on to Tab 6. Oh, wait a minute. We'll move on Tab 11 to item --

SEN. GRAY: Number still at four or 115.

CHAIRMAN WEYLER: Tab 4, 115.

SEN. ROSENWALD: Mr. Chairman.

CHAIRMAN WEYLER: Tab 4, item 115.

SEN. ROSENWALD: I'm not sure if anyone from DOJ is -- ooh, yes. Great.

CHAIRMAN WEYLER: And Senator Rosenwald --

SEN. ROSENWALD: Thank you.

CHAIRMAN WEYLER: -- is recognized for a question.

SEN. ROSENWALD: So -- um -- your explanation of the item is that at the time you developed the budget, you were expecting to add a fourth pathologist. It's no longer necessary. My question was is the funding for that temporary fourth pathologist put into the next biennial budget?

KATHLEEN CARR, Director, Division of Administration, Department of Justice: Good morning. For the record, my name is Kathleen Carr. I'm the Director of Administration for the Department of Justice. And, no, we did not put it into the 26-27 Budget. We took it out.

SEN. ROSENWALD: Thank you.

CHAIRMAN WEYLER: Any further discussion on item 25-115?

** SEN. ROSENWALD: I would move the item.

SEN. BIRDSELL: Second.

CHAIRMAN WEYLER: Senator Rosenwald moves the item and who seconded?

SEN. GRAY: Senator Birdsell.

CHAIRMAN WEYLER: Senator Birdsell seconded. Any further discussion? Seeing none. All in favor of adopting item FIS 25-115 say yes? Opposed no? The item is adopted.

*** **{MOTION ADOPTED}**

CHAIRMAN WEYLER: Now we'll move to Tab 6.

SEN. GRAY: Just to show we don't blindly follow you.

CHAIRMAN WEYLER: I'm relying on you. And it's 25-126. And that's Department of Health and Human Services. And Representative Erf is recognized for a question, and these gentlemen will introduce themselves for the record. We know who they are.

HENRY LIPMAN, Director, Division of Medicaid Policy, Department of Health and Human Services: Good morning. Henry Lipman, State's Medicaid Director.

NATHAN WHITE, Chief Financial Officer, Department of Health and Human Services: Good morning. Nathan White, Chief Financial Officer with the Department of Health and Human Services.

REP. ERF: Thank you, Mr. Chair, and thank you for being here. Um -- I just am trying to understand how the money flows here. Could you just explain that?

MR. LIPMAN: Sure. So you're aware that we have an agreement with Medicaid Managed Care Organizations, and we pay them a monthly capitation rate. Um -- built into that capitation rate is -- um -- approximately two percent of a large portion of the capitation rate. Things that are like -- there's a couple things excluded, but there's a two percent withhold. And so that withhold is -- um -- basically -- um -- to make sure that certain quality metrics that we're trying to advance, certain operational metrics we're trying to advance that they meet those targets. And those targets are usually set on a basis that's better than they did the year before. Um -- so we're trying to continually move the program.

If they do not meet those targets, then the -- the dollars stay with the State. So they stay in our coffers, if you will, to collect interest, and we create what we call -- um -- an incentive program. So, basically, if they don't meet the metrics in the first period -- um -- they have another opportunity to earn back that withheld amount. And so each of the MCOs' amounts that they don't achieve, becomes like a competitive pool for new sets of -- of incentives or -- or metrics. And so that the idea is, you know, rather than accepting non-performance, we create a pool that create incentives to strengthen performance going forward. The reason we just don't keep the money has to do with actuarial --

(Loud noise occurs.)

MR. LIPMAN: Doesn't have anything to do with that.

PRESIDENT CARSON: Okay. It's like whoa! Yeah. Everybody's like, oh, yeah. We're all awake.

MR. LIPMAN: Okay.

CHAIRMAN WEYLER: I think we're through shooting.

PRESIDENT CARSON: Yes.

MR. LIPMAN: So -- um -- we --

(PAUSE.)

CHAIRMAN WEYLER: I guess we won't hear the echo one.

SEN. GRAY: {Inaudible}.

CHAIRMAN WEYLER: Continue, please.

MR. LIPMAN: Thank you. As I was saying, the money that is -- um -- should I continue or wait?

CHAIRMAN WEYLER: Yes, I think we can hear you with --

MR. LIPMAN: Okay. Um -- so the money that -- um -- we take back, if you will, and hold onto, we create these incentive pools for them to -- to perform better and to compete against one another so that a portion of MCO A's could be earned by B, or B by C, and so forth. Again, these are things to strengthen the performance in the program.

Um -- this was the first time in the 2018 to '24 procurement that we had this type of program in there. And -- um --- in 3.0, which we just procured recently, we actually strengthened it even further. But -- um -- so what's happening here is there's the actuarial certification of the rates, meaning that the total funding of the program has to meet a certain standard from an accounting standard standpoint, and that's -- that's what's left in the program for them to compete against.

When we reach the end of the program, we're required to -- to pay it all out based on relative performance and that's what we're setting ourselves up to do here. In -- in the next version, we'll probably try to create stronger incentives that won't be as -- um -- wait till the end of the program; but we'll do it along the way -- uh -- a little bit further. Um -- but I think it's been a valuable addition to the program. It's led to better performance and -- um -- I think it's, you know, having competition among the plans to

do better on quality and operations. Um -- you know, one major area where that we had the program, I know when we talked about the unwind, one of the incentives that we built in was for them to help us with that. And, you know, just to give you a sense of for people who may not otherwise want their coverage or may no longer be in state or whatever such is that. You know, doing that outreach, we've been able to in a year's time for people who expressed that they no longer want coverage, have moved out of state or whatever, we've reduced enrollment by about 11,000 individuals in the past year. And, again, it's sort of a combined effort. We're not taking people off who aren't -- who shouldn't be taken off. These are people who either expressed I don't need it anymore, something's changed, and so I think these -- these extra dollars add extra value to the program.

REP. ERF: Follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. ERF: Great. And -- and -- and I -- the program I appreciate and it's fantastic. It's that word withhold. It sounds like you don't actually withhold. You actually pay them upfront and then they pay you back.

MR. LIPMAN: Yes.

REP. ERF: Is that more accurate?

MR. LIPMAN: That's -- that's -- that's the way we do it. And that's, I think, to -- to -- relates to how the federal match works.

****** REP. ERF: Okay. Thank you. Move to approve.

CHAIRMAN WEYLER: All right. So it -- it sounds like it's a worthwhile program with the places where you found where people are on there that don't need to be there. And I wonder if you're doing this Caroline that I've heard so many comments about? Are they one of the ones that are being analyzed? That's the one that takes care of the retired employees.

MR. LIPMAN: Um -- this is only doing within the -- the Medicaid component. Uh -- that would -- I'd have to talk to the --

CHAIRMAN WEYLER: Oh, it's not that program. Thank you. All right. We have a motion to approve.

SEN. GRAY: Second.

CHAIRMAN WEYLER: Second by Senator Gray. Is there any further discussion on --

REP. ERF: Senator Rosenwald.

CHAIRMAN WEYLER: Senator Rosenwald.

SEN. ROSENWALD: Thank you. Just to follow-up on Representative Erf's questions. Are we left with any money at the end of the year or are at least some of the MCO's performing up to the standards that all of that withhold has been redistributed?

MR. LIPMAN: So I think we set the standards. I said we're trying to stretch from what they did before. So the expectation is that they're not going to get it all in one year. That would -- I don't think that's usually the way it works. Uh -- and -- and in our program, again, because we set the rates the way we do, that we need that -- those dollars to eventually be available within the program. Because the rates from an actuarial standpoint have to be a reasonably efficient MCO needs to be able to achieve that and that's what the -- the actuary sets the rates at.

CHAIRMAN WEYLER: Any further discussion? Mr. White, anything to add?

MR. WHITE: No, not at this time.

CHAIRMAN WEYLER: Thank you. All right. A motion -- and I believe we have a motion and a second. Any further discussion on the item? Seeing none. All in favor say aye? Opposed no? That item is adopted.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: The next one removed was --

SEN. GRAY: Tab 7.

CHAIRMAN WEYLER: Tab 7. Twenty-seven -- 25-139, Department of Energy. Welcome.

JARED CHICOINE, Commissioner, Department of Energy: Good morning, Mr. Chairman. For the record, Jared Chicoine. I'm the Commissioner of the Department of Energy, and joining me today is Josh Elliot, our Director of Policy and Programs.

CHAIRMAN WEYLER: And Representative Erf has a question on the item.

REP. ERF: Thank you, Mr. Chair, and thank you for taking my question. So just curious as to why the replacement did you -- that you no longer need the position and why that was the case. Why that is the case.

MR. CHICOINE: Okay. Thank you, Representative. That's a good question. So we evaluated the resources that we have in our business office and came to the conclusion that we can handle this with existing staff. Um -- and we have some space constraints at our office -- um -- and some other factors; but we just felt we could do this without the additional position, and also understanding the current budget situation, sensitive to that. So we decided not to move forward with that piece of this.

REP. ERF: Great.

CHAIRMAN WEYLER: Appreciate it. Further discussion on the item?

** REP. ERF: Move to approve.

SEN. BIRDSELL: Second.

CHAIRMAN WEYLER: Okay. We have a motion to approve and a second. Any further discussion? Seeing none. All in favor say aye? Opposed no? The item is.

adopted. Thank you very much.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: Okay.

SENATE PRESIDENT CARSON: {Inaudible}.

CHAIRMAN WEYLER: Okay. Moving on to Tab 8 with the Regular Calendar, item number 25-114, Department of Health and Human Services. Any questions on the item.

****** SEN. GRAY: Move to approve.

CHAIRMAN WEYLER: Senator Gray moves to approve.

MARY JANE WALLNER, State Representative, Merrimack County, District #19: Second.

CHAIRMAN WEYLER: Representative Wallner seconds that we approve item 25-114. Is there any further discussion? Seeing none, are you ready for the question? All in favor say aye? Opposed no? The item is adopted.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: Next item on the Regular Calendar under Tab 9. That was -- item was withdrawn. So we're moving on to Tab 10, School Security Improvement Projects. There's a list of them. This has been in our calendar for quite a while.

****** SEN GRAY: Move to approve.

CHAIRMAN WEYLER: Senator Gray moves to approve.

SEN. BIRDSELL: Second.

CHAIRMAN WEYLER: Second from Senator Rosenwald or was it Senator Birdsell?

SEN. GRAY: Rosenwald. I mean --

CHAIRMAN WEYLER: Rosen --

SEN. GRAY: -- Birdsell.

CHAIRMAN WEYLER: Okay. Senator Birdsell. Um -- item 25-131. Any further discussion? Seeing none, you ready for the question? All in favor say aye? Opposed no? That item is adopted.

***** {MOTION ADOPTED}**

(11) Miscellaneous:

(12) Informational Materials:

CHAIRMAN WEYLER: Moving on to the Miscellaneous and the Information items. Is there anything any of the members wish to have questions answered on? Seeing none. We have no audit on the calendar. So, we've come to anything else any member has a question on? Seeing none.

Are we ready to look at a future date for the next meeting? The -- the usual Friday meeting would be on the 20th of June, summer solstice. Is there any problem with that date? The only problem we'd have is where we will meet.

PRESIDENT CARSON: Ooh.

CHAIRMAN WEYLER: We might have to ask for Room 100. This building will likely --

PRESIDENT CARSON: Yes, I know. It's -- it's -- yeah. Um -- the only thing that I can -- so you're looking at June?

CHAIRMAN WEYLER: Twenty.

PRESIDENT CARSON: 20th.

CHAIRMAN WEYLER: Friday.

PRESIDENT CARSON: Um -- is --

CHAIRMAN WEYLER: Should be done with Committees of Conference.

PRESIDENT CARSON: Right. The Children's Oversight Commission meets from 8 to 11. If we could meet from like 11 to 1?

CHAIRMAN WEYLER: Certainly. In Room 100?

PRESIDENT CARSON: In Room 100. And -- um -- during the summertime, we don't have to worry about the Oversight Commission for July and August because they're not meeting. We're not meeting. We'll start up again in September.

CHAIRMAN WEYLER: Hopefully, we won't have to meet either but we'll see.

PRESIDENT CARSON: Oh, well, you never know. We'll see.

CHAIRMAN WEYLER: Okay. Eleven clock, Room 100.

PRESIDENT CARSON: Yep.

CHAIRMAN WEYLER: In the State House for the next, June 20th.

SEN. GRAY: You may --

CHAIRMAN WEYLER: Senator Gray.

SEN. GRAY: You may want to think about doing it Reps Hall sometimes, too. Because, you know, the size of the audience at the beginning aren't all going to fit into --

PRESIDENT CARSON: Room 100.

SEN. GRAY: -- Room 100. {Inaudible}.

PRESIDENT CARSON: Oh, that's true.

SEN. BIRDSELL: Yeah.

CHAIRMAN WEYLER: All right. I will look into Reps Hall.

SEN. GRAY: Again, setting the tables up in the front of the room --

CHAIRMAN WEYLER: Yeah, takes a little time.

SEN. GRAY: So, again, I'm not -- I'm not telling you to, but when you look at the audience that we usually get at the beginning of the these meetings --

CHAIRMAN WEYLER: Yep.

SEN. GRAY: -- that they're not all going to fit.

CHAIRMAN WEYLER: We'll fill a few seats.

SEN. GRAY: Yep.

CHAIRMAN WEYLER: All right. If we've worked on that and we'll announce which place it will be, but that will be the time and likely the -- that will be the likely -- the date and time. Uh -- we said 11? No we said one.

PRESIDENT CARSON: Eleven.

CHAIRMAN WEYLER: Eleven. We said eleven. Very good.

PRESIDENT CARSON: All right.

SEN. GRAY: The change for eleven has worked out very good for me. So, you know.

PRESIDENT CARSON: Makes a busy day for me.

SEN. BIRDSELL: Well, we're happy for that.

CHAIRMAN WEYLER: We want to keep everybody happy, and we can do pre-Fiscal the same day. So it

works out well for us without having to commit an extra day. So there's no further business, I'd entertain a motion to adjourn.

** SEN. BIRDSELL: So moved.

SEN. GRAY: Second.

CHAIRMAN WEYLER: All right. Motion by Senator Rosenwald, second by Gray.

SEN. GRAY: Senator Birdsell.

CHAIRMAN WEYLER: Senator Birdsell moves, Senator Gray seconds that we adjourn. No further discussion, we are adjourned. Thank you all very much.

SENATE PRESIDENT CARSON: Thank you.

(The meeting adjourned.)

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

I, Cecelia A. Trask, a Licensed Court Reporter in the State of New Hampshire, do hereby certify that said transcript is an accurate transcription of the official audio recording of the proceeding in this matter. I was not physically present at this hearing. I have transcribed said audio recording to the best of my professional skills and ability.

Cecelia A. Trask, RMR
NH LCR #00047