

JOINT LEGISLATIVE FISCAL COMMITTEE

One Granite Place, Room 230

Concord, NH

Friday, June 19, 2026

MEMBERS PRESENT:

Representative Kenneth Weyler, Chair

Representative Keith Erf

Representative Gerald Griffin

Representative Mary Jane Wallner

Representative Peter Leishman

Representative Gary Daniels (Alt.)

Senator James Gray

Senate President Sharon Carson

Senator Regina Birdsell

Senator Cindy Rosenwald

Senator David Watters

(1) Acceptance of Minutes of May 15, 2026 meeting

KENNETH WEYLER, State Representative, Rockingham

County, District #14: Good morning. I'll call the Fiscal Committee meeting to order for Friday, June 19th. Item one is the Acceptance of the Minutes of the previous meeting of May 15th.

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JAMES GRAY, State Senator, Senate District #06:

So moved.

CHAIRMAN WEYLER: Senator Gray moves to accept the minutes.

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

CHAIRMAN WEYLER: Senator Rosenwald seconds. Is there any further corrections or additions? All in favor say aye?

COMMITTEE MEMBERS: [Chorus of ayes.]

CHAIRMAN WEYLER: Opposed no?

[No response.]

CHAIRMAN WEYLER: Those are adopted.

*** {MOTION ADOPTED}

SEN. PRESIDENT CARSON: Thank you. I'd just like to say, I'm going to ask the audience if you could please keep the noise down because it reverberates up here, and we can't -- it makes it difficult for us to hear. So if you could please keep the noise down. If you have a conversation, please go out in the hallway and have the conversation. Um -- I know I would greatly appreciate it. Thank you.

(2) Old Business:

CHAIRMAN WEYLER: Thank you. All right. Tab 2 is Old Business. And Mr. Kane has something.

MICHAEL KANE, Legislative Budget Assistant,
Office of Legislative Budget Assistant: Thank you, Mr. Chairman. And there's nothing under Old Business. It's just a joke so I could bring Pam up here. Pam has been with the state for 35 and a half years. Um -- she's been with our office 17

years, Pam?

PAMELA ELLIS, Administrative Assistant, Office of Legislative Budget Assistant: Nineteen.

MR. KANE: Nineteen and a half. I forget. Pam did not want to come today, but I knew you all wanted to thank her for everything she does. She's the front of our office. She's the face of our office. Greets everyone with a smile. We'll miss her, but she's ready to retire. And yeah. So I'm going to pass it over to Pam. She's going to thank you as well, but I just wanted everyone to have a chance to see Pam prior to her riding off into the sunset.

MS. ELLIS: Good morning.

CHAIRMAN WEYLER: Good morning.

MS. ELLIS: So out of my own curiosity, I went back and looked when I started with the LBA in 2007. And found that in nineteen and a half years I've worked with 55 Fiscal Committee Members, five chairs, two of which are still on the Committee today, and both of which have been on it for sixteen years.

I thank you for your kindness, and I have enjoyed working for you. I thank your staff and your aides, and also the agencies for the help they provide. And I wish you all a lovely summer. Oh, I forgot to say I've enjoyed

working with for you. (Laughter.) I wish you a lovely summer. Best of luck on your fall elections. And for those not returning, happy retirement. And thank you for letting me come to the table today and press the button.

CHAIRMAN WEYLER: You have always been a great face for the LBA. (Applause.)

MS. ELLIS: Thank you.

CHAIRMAN WEYLER: You give a good impression of the whole office whenever anybody walks in, and we appreciate that.

MS. ELLIS: (Inaudible) take care of you.

CHAIRMAN WEYLER: Thank you very much. I knew you would work on that.

MS. ELLIS: Thank you.

CHAIRMAN WEYLER: Thank you very much.

CONSENT CALENDAR

- (3) RSA 9:16-a, Transfers Authorized:
- (4) RSA 9:16-c, Transfer of Federal Grant Funds:
- (5) RSA 9:16-c, Transfer of Federal Grant Funds, and RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from Any Non-State Source:
- (6) RSA 9:17-d, Transfer of Appropriations, Judicial Branch:
- (7) RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from

Any Non-State Source and RSA 9:16-a, Transfers
Authorized:

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

AMERICAN RESCUE PLAN 2021
CONSENT CALENDAR

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

CHAIRMAN WEYLER: Okay. Moving on to Tab -- the rest of the calendar (3) through (9), or a Consent Calendar. There are two items to be removed from the Consent Calendar. Under Tab 6, item 26-128. Under Tab 9, 26-129. So those are removed from the Consent Calendar. The rest of the Consent Calendar I'd entertain a motion to adopt.

** SEN. GRAY: Move to adopt the Consent Calendar as amended.

SEN. PRESIDENT CARSON: Second.

CHAIRMAN WEYLER: Motion by Senator Gray, second by President Carson to adopt the Consent Calendar as amended? Further discussion? Seeing none. All in favor say aye.

COMMITTEE MEMBERS: [Chorus of ayes.]

CHAIRMAN WEYLER: Opposed no?

[No response.]

CHAIRMAN WEYLER: Calendar is adopted with the exception of those two.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: So we'll move to Tab 6, which deals with the office of -- the Administrative Office of the Courts. And I'll recognize Senator Rosenwald.

CINDY ROSENWALD, State Senator, Senate District #13: Thank you very much, Mr. Chairman. Good morning, Judge (Inaudible). Good morning.

CHAIRMAN WEYLER: You can introduce yourself.

CHRISTOPHER KEATING, Executive Director, Administrative Office of the Courts, Judicial Branch: Good morning, Senator. Chris Keating, State Court Administrator for the New Hampshire Judicial Branch, and I'm joined by Donna Raymond, the Fiscal Manager for the Administrative Office of the Courts.

SEN. ROSENWALD: Thank you. So I noticed when I was reading the transfers that the salary lines went way down, but the benefits lines went up almost by an equal amount across all three divisions. And I read the explanation that -- um -- the Branch sent over about how a lot of it was for the Office of the Medical Examiner. And so I understand that, but while we don't really do a line item budget for you, I'm just

wondering if you're considering in your next budget proposal putting those expenses into what would be the Medical Examiner lines, so that you don't have to come back here and answer these questions? And I do have a follow-up.

DONNA RAYMOND, Fiscal Manager, Administrative Office of the Courts, Judicial Branch: Absolutely. And I apologize. I know this is a very unique situation where the court saw an opportunity to be helpful in making sure that this very important task was resumed, not only in this Fiscal Year but, obviously, in next Fiscal Year where there was no funding for this work to be done.

My assumption is it's going to be Management's decision is that we will continue to fund this program in subsequent Fiscal Years. So, I anticipate that as we develop the next biennial budget for 28-29, we will be incorporating funding for this purpose.

SEN. ROSENWALD: Okay. Thank you.

CHAIRMAN WEYLER: Follow-up.

SEN. ROSENWALD: Thank you. So you -- you've asked for transfers a couple times. What's happened since April to necessitate such a large transfer?

MS. RAYMOND: Yeah, I tried to do a deeper dive this morning when I got the request. So it's basically me not

factoring in the increase in health and dental primarily that takes place every January. So, and when I sent an explanation out very last minute, so hopefully you've received that by now, but I looked at on the two accounting units where we had requested prior transfers of appropriation, 1880 and 8670. And in 1880 that was done, I think, through February 10th, whatever. So I only had eleven pay periods worth of actual data to look at. But my basic process is what have we spent actual dollars right through however many pay periods project out based on that for the next -- for the remainder of the Fiscal Year.

Well, by pay period, whatever it was, maybe it was pay period fifteen, I only had a couple of pay periods worth of increased health and dental data. So I didn't really factor it in. I didn't say, you know, increase this by five whatever they, you know, the percentage should have been. So I thought at the time, oh, I've got all this extra money. I've got eight hundred something thousand of surplus in my benefits lines. I can transfer out 780,0000, no problem, and still be able to close the expense line in the black by the end of the Fiscal Year. But then we have now up through pay period 25, right, of actual data, and that's not the case anymore. And it's a lot of it is because of the health and dental increases

that I did not factor in.

Similarly, with the circuit court, accounting unit 8670, I had, I think, 19 pay periods worth of data that were actuals by that time. I project out for the rest of the Fiscal Year with that. Um -- the average increase was higher. And, again, it's a constant churn because people can at any time of the year, really, it's a qualifying event. They can change their health and dental benefit elections. I just did not have an opportunity to do a deep dive and say, okay, what's the makeup of the health and dental plans as we've gone through the Fiscal Years to see if that also had an influence. But it's really tends to be a mix of things, of factors that go into it.

SEN. ROSENWALD: Thank you.

CHAIRMAN WEYLER: Further questions.

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SEN. ROSENWALD: Move the item.

CHAIRMAN WEYLER: Okay. Senator Rosenwald moves to adopt item 26-128. Is there a second?

SEN. GRAY: Birdsell.

CHAIRMAN WEYLER: Senator Birdsell seconds. Further discussion. Seeing none. All in favor say aye?

COMMITTEE MEMBERS: [Chorus of ayes].

CHAIRMAN WEYLER: Oppose no?

[No response.]

CHAIRMAN WEYLER: That item is adopted.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Moving on to Tab 9, item 26-129, Fish and Game or Department of Environmental Services, rather. Please identify yourself.

KIMBERLY BOONE, Acting Chief Financial Officer, Department of Environmental Services: Good morning. Kimberly Boone, the Department of Environmental Services. I'm the Acting CFO.

CHAIRMAN WEYLER: Thank you. Representative Leishman is recognized for a question.

PETER LEISHMAN, State Representative, Hillsborough County, District #33: Thank you, Mr. Chairman, and welcome. Thanks for taking my question. Um -- in the report back in '22, there was a note that eleven dams were receiving funding from the Federal Government. Do you know if all of those dams the work that was proposed has been completed?

MS. BOONE: The PM? What do you mean by PMs?

REP. LEISHMAN: Dams, like for holding back water.

CHAIRMAN WEYLER: Dams, D-A-M.

MS. BOONE: The dams. Most -- a lot of the work is completed, but we are still working on some of those projects to finalize them before the ARPA funding runs out.

REP. LEISHMAN: Okay. Further question, Mr. Chairman?

CHAIRMAN WEYLER: Further question.

REP. LEISHMAN: If we could get, like, a status report on where those eleven dams stand and whether there will be adequate funding to complete those projects?

MS. BOONE: Okay.

REP. LEISHMAN: Just one other, Mr. Chairman, if I could?

CHAIRMAN WEYLER: Follow-up.

REP. LEISHMAN: So right now the request is for five people that will be federally funded. A few years ago there were seven people that were federally funded. I'm just curious if this federal funding runs out, will the Department be coming in looking for general funds to continue this program?

MS. BOONE: No. We -- oh, so the dam program has different funding available, and we're using ARPA funds because that was available. And we have fees that come in to cover some of that work, and we have capital funding as well.

So we're -- we don't generally ask for general funds for dam projects.

REP. LEISHMAN: Okay. Thank you, Mr. Chairman.

CHAIRMAN WEYLER: All right. Senator Gray.

SEN. GRAY: If the Department would forward the information that was put out at the Capital Budget hearings, I think that will answer Representative Leishman's questions in large part because there was extensive -- there's a list of the dams. And although it wasn't on the presentation that they put out, there was also apparently in some of the other information that I -- I didn't get to review before the meeting a list of which one of those requests was for engineering and which one was actually for -- for work on the dams. So if they forward that information, I think it'll answer most of your questions.

REP. LEISHMAN: Thank you, Senator Gray.

CHAIRMAN WEYLER: Thank you.

MS. BOONE: Thank you very much.

CHAIRMAN WEYLER: All right. Further questions on this item? Seeing none, I'll entertain a motion.

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SEN. GRAY: Move to approve.

REP. LEISHMAN: Second.

CHAIRMAN WEYLER: Senator Gray moves to approve 26-129, Representative Leishman seconds. Is there any further

discussion? Seeing none, all in favor say aye?

COMMITTEE MEMBERS: [Chorus of ayes.]

CHAIRMAN WEYLER: Oppose no?

[No response.]

CHAIRMAN WEYLER: The item is adopted.

*** {MOTION ADOPTED}

REGULAR CALENDAR

- (10) RSA 9:16-a, Transfers Authorized, RSA 9:16-c, Transfer Of Federal Grant Funds, RSA 14:30-a, VI, Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from any Non-State Source, and RSA 9:17-a, III, Limitations:

CHAIRMAN WEYLER: Moving on to the Regular Calendar and Tab 10. And the first item is Department of Health and Human Services. We have anybody? I think I saw Nathan White here. There he is. Okay. Item 26-113 is authorization to transfer \$4,233,089 in general funds between various class lines, increase and decrease Federal revenues resulting in a net increase of \$4,965,198, increase and decrease other revenues with a net increase of \$1,499,311 through June 30, 2027.

** SEN. GRAY: Move to approve.

SEN. BIRDSELL: Second.

CHAIRMAN WEYLER: Move to approve, a second on the item 26-113. Any further discussion? Seeing none. All in

favor say aye?

COMMITTEE MEMBERS: [Chorus of ayes.]

CHAIRMAN WEYLER: Oppose no?

[No response.]

CHAIRMAN WEYLER: The item is adopted. Thank you.

*** {MOTION ADOPTED}

(11) RSA 21-M:11a, XII(a) and (c) Youth Development Center Claims Administration and Settlement Fund:

CHAIRMAN WEYLER: Okay. Tab 11 is Youth Development Center, Administration of Settlement Fund, request for \$55 million. We're going to see the new Administrator, Honorable Gerard A. Boyle. Welcome. And I see have you the Attorney General with you.

HON. GERARD A. BOYLE. Administrator, Youth Development Claims Administration and Settlement Fund: Thank you. I would like to begin this morning by introducing myself. It's the first time I've appeared before you. I took over as the Administrator of the State's Youth Detention Settlement Funds on the 1st of May. I'm a Retired United States Marine Corps Colonel and Judge Advocate, having served for a total of 31 years; 13 of those years on active duty and 18 in the Marine Corps Reserve.

My last assignment on active duty was as a Legal Analyst and Cost Analyst in the Office of the Secretary of Defense for Casper Weinberger during the Reagan Administration.

In the Marine Corps Reserve, my last assignment was the Commanding Officer of Team Yankee, which is a Joint Service Reserve Unit out of Westover Air Reserve Base down in Massachusetts. And I commanded the largest Joint Service Reserve Field Mass Casualty exercise on the East Coast each year for five years. It involved over 3,000 service members from all branches of the Armed Forces Reserves. And we had several hundred scouts and civil air patrol who would be moulaged and dressed up with all kinds of injuries out in the field. And these reservists were tasked with going out, locating them, treating their injuries, transporting them either by in person, on their feet, or by Humvee, or by ambulance, or by helicopter, or by C-5 Galaxy aircraft and, ultimately, transported to major medical centers all over the East Coast. A huge reserve exercise each year.

At the same time, I was the Marine Corps Liaison Officer for all of the Navy and Marine Corps Reserve Units in the six New England states, New York, and New Jersey.

I spent 20 years in private practice here in New Hampshire with a state-wide practice mostly with criminal and

juvenile law prior to being appointed as a circuit court judge. I have spent the past 21 years as a circuit court judge, eleven and a half of those as the presiding judge here in the Concord Circuit Court. And I have resolved over 100,000 cases for the people of New Hampshire in my time as a judge.

Last year, I was honored to receive the Silver Buffalo Award from Scouting America, which is their highest national award for extraordinary service to youth on a national level. I had already received a similar award, the Silver Antelope for the regional level. That's Washington D.C. up to the Canadian border, and the state level, which is the State of New Hampshire, the Silver Beaver Award. So I was very honored to receive that award. I'm only the third person from the State of New Hampshire to receive that in 116 years.

I wanted to tell you all of that because I wanted you to understand who I am and where I come from as the steward of the State's money in this huge settlement fund. This is certainly one of the most shameful and emotional periods and chapters in our State's history.

You all probably saw on the front page of the *Union Leader* yesterday the two lead stories. On the left-hand side was the story about the State against -- the suit against the State from somebody who was placed there by the courts into

a private home. And on the other side of Page 1 was the story about the person at the Youth Detention Center right now who may be a staff member down there, who may or may not have a prior criminal record and how did that happen. YDC is on the forefront of people's minds in the State of New Hampshire right now.

I want to tell you about that case that is right now being tried just down the street at the Merrimack County Superior Court. That is not part of the YDC settlement funds because that is a state -- that is a suit against a private organization, where this child had been placed.

The issue -- one of the issues before the court that they have to decide is whether or not the State is liable for that, and I don't know what a jury is going to come back and say on that. I know the State's position is it's a private organization. We're not liable. And the claimant's position is just the opposite. We'll know in a couple of weeks what that jury is going to decide. And if they come back with a huge decision against the State of New Hampshire, that may have an impact, a very large impact upon the Youth Detention Center Settlement Fund. Because there may be a move afoot to move those kinds of cases against those private organizations into the fund at sometime in the future. But that's at least a year

away, assuming that that judgment is against the State, and then it's appealed and the Supreme Court rules against the State, it's at least a year, maybe two years down the road. But I wanted you to be aware that that's out there. And I wanted you to be aware that that is not what we're talking about here today as part of this settlement fund.

The cases that we have right now, we have about 1700 cases pending in the settlement fund. These cases are all being resolved as a result of a plugging the facts of each case into a matrix that was worked out by the Attorney General's Office and claimants' counsel that awards a certain amount of money for each particular type of offense, each particular type of abuse, whether it's sexual or other abuse, and then looking at the aggravating factors that might be involved in that case. Like how frequently did that abuse occur? And then looking at other mitigating factors. And then, ultimately, coming up to the decision as to what an appropriate amount is for that award.

I want you to know that the fund as it exists today runs out of money in October of this year. On the 1st of October there'll be no money in that fund. I have asked for \$55 million to fund -- to put into this fund, and that will allow us to begin hearings, and I'd like to begin those

hearings on the second week of August. And that will be able to provide enough funds for all of those hearings and all of our obligations through Fiscal Year 27. So through a year from now.

Historically, the average award that was given out in the previous three years -- no awards have happened in the last year because the fund has not been active in the last year with new hearings. But, historically, the average award given out was \$560,000 per claimant. That average award takes into consideration the first two years that the fund was in existence, where the matrix was different. The Legislature approved a larger settlement figures for each type of abuse and aggravating factors in 2024. The average amount of award that has been awarded since 2024 amendments is \$601,000 per claimant. The larger awards, of course, are all based upon sexual abuse. The smaller awards are based upon other types of abuse.

If there are no funds appropriated for this fund, then I cannot in good faith begin having hearings the second week in August. It is my intention to begin those hearings the second week in August with looking at a total of about 242 hearings between now and the end of Fiscal Year 27. That's about 22 hearings a month. If we go by the average

amount of the awards, and that's the 560,000 that was prior to the most recent amendments, and we -- and in each of those cases we give the average amount of the award, that comes up to \$135 million plus to be awarded over the next year.

Now, the Legislature changed the law to allow those awards not to be paid out in lump sum right now, but to be paid out over a period of time. That period of time can be up to ten years. Assuming that those awards are all awarded over a period of ten years, that means that we would have from the awards that we award this Fiscal Year an obligation of about thirteen and a half million dollars for FY 27.

Now, some of these awards have been paid out already over a period of years, and the amount due in FY 27 for those previous obligations is just over \$23 million. If we get the 55 million that we're asking for, that will allow us to have about \$37 million to award in the next year.

Now, the awards mostly have been given out as a result of a hearing. I am looking to institute, not right away, not until after we start these hearings, but I'm looking to institute a mediation program, which will allow claimants and their attorneys to work with the Attorney General's Office through the benefit of a skilled mediator to mediate some of these claims before they get to a hearing. That will enable

some of these litigants to resolve their cases a lot quicker.

If that is the case, we may award more in the next Fiscal Year than if we just had hearings on these. But it would allow us to move a lot more of these cases forward more quickly and not mean that this fund has to be around for the next five or six years.

Frankly, my goal is to end this operation in three years. If I look at the number of cases that were resolved in the first three years of the fund, that's not realistic because if I did them at the same rate as had been done before, that would be about a six-year program. I'd like to do it in three. Because it's costing the State of New Hampshire about \$5 million in administrative costs between the Attorney General's Office and the Fund Administrator's, and outside consultants have been brought in to do all of the mathematics for the long-term settlements over ten years. Um -- every year that we're not doing the fund, that's saving \$5 million for the State.

I can tell you that I have looked at the structure of the offices that existed before, my office, and I have significantly cut the number of people in that office and the salaries for the number of people that are in that office to be, in my opinion, far more realistic and far more

acceptable to be fiscally responsible.

So I'm asking for \$55 million. I know it's a lot of money to ask from the State. I know it's a lot of money that the State doesn't have. But I think the \$55 million is needed to move forward in this process. Awarding the 55 million would show that the State is serious about this fund, serious about settling these cases, and I think it would speak volumes to the claimants, at least one of which I believe is sitting behind me in the room here today. It would speak volumes to them about how serious the State is about making sure that this fund is adequately funded and is responsive to their needs.

I'm eager to take any questions that you may have. I have presented -- given to each one of you a business card with my contact information on it. I've already met with the Chairman one-on-one. I'd love to meet with all of one-on-one at your convenience at any time. Please give me a call or send me a text, send me an e-mail. I'd love to meet with you and I'll do that. So thank you.

CHAIRMAN WEYLER: Thank you for your service and for your distinguished back -- distinguished background you bring to this case. And I hope you can find, as you have already begun to do, some ways to save in this program.

Because it's been a little bit extravagant in my mind. I don't understand why 33 percent goes every time the case, and some of them are very duplicative and the lawyer has ten cases. They shouldn't all get 33 percent. And I'd like the Attorney General to comment on why we have to pay so much, especially when in duplicate of cases. The first case might take a little work. But then when you go to the third, fourth, fifth, sixth, you've got to start bringing down the percentage you're going to go, because it doesn't require the same amount of work in -- in for the cases.

So I think it's rather generous, especially when before we were paying the lawyers upfront while everybody else had time payments. Before we kind of supported people going to ridiculous high interest loans anticipating a big loan, and we're trying to pay them off when they had high interest rates. So why -- why is it necessary to have all these consultants in this situation? And why is it necessary to have that 33 percent be so high for all these cases which are all very similar?

JOHN FORMELLA, ESQ., Attorney General, Office of Attorney General, Department of Justice: Thank you, Mr. Chair, and Members of the Committee. I guess I'll just -- I'll answer your questions, but I just want to start by adding a couple

things to what the Administrator said.

First, I just want to say that I'm very happy that we have such an accomplished person to serve as the Administrator and serve as the successor to the prior Administrator. I will say as he's sitting here reading off his resume, it makes one feel a little inadequate sitting next to him; but it is great to have somebody with this type of experience, and we've had some good conversations thus far. And I do just want to thank Administrator Boyle for being willing to take this on.

I also wanted to be here today and sit here just to emphasize my support for this request and the support of my office for the request and make sure that that's clear, and to assist with answering questions. And, with that, I'll get to your question.

The first, on the consultants, I think you heard Administrator Boyle say that he's taking a look at that and is looking to streamline that and reduce those costs. Because I think we're all -- I think we are all united in our desire to see the bulk of these funds go to claimants and not to administrative costs. We're certainly going to be looking closely at that in our office, too, and on the cost that we incur on the Department of Justice side. I think we're all --

we're all united in that mission. But I think some good steps have already been taken on that front as we move this process forward.

Um -- to your question about attorney's fees, the 33 percent as we've always discussed is a maximum. It's not a floor. It's not a set amount. We always intended for some of the first claims to get close to or at the cap of attorney's fees because as you -- as you -- you sort of hit on this point, Mr. Chair, that when you -- when claimants' counsel start putting together their first set of claims, I think it's more work. It's, you know, they're doing it for the first time. They're learning the process. They're guiding their clients through the process for the first time. I think it's more of a burden on attorneys for the first set of claims that they do.

The more that they do, not that they're cutting corners, but they're more familiar with the process, I think less time probably goes into each claim. And it's my opinion that it would be very fair to have that amount start to come down for firms that have large amounts of cases. They should still be compensated, but it's my view that it would be fair for that amount to come down. That will ultimately be a decision in each case for the Administrator. So I'm not -- I'm

not purporting to speak for the Administrator when I say that. You asked me for my view. That's my view. I think the Administrator will -- will look at that and come to fair conclusions on a case-by-case basis. But I think as a general matter, it's fair to say that the more cases one handles as an attorney, I think you can start to see that fee come down as they start to get -- they start to pile up the cases, if you will.

CHAIRMAN WEYLER: Who will make that decision? Administrative Boyle?

ATTORNEY GENERAL FORMELLA: Yes, that is a decision that the Administrator makes in each case. And, again, I'm not purporting to speak for him. He can answer that question if he would like. But I also am sensitive to the fact that he came on in May. He's done a lot of work to get up to speed, and we're not even going to have the first hearings with the Administrator until we get to August. So I -- I don't -- I don't think he should feel pressured to answer that question at this point, but I certainly am not purporting to speak for him if he wants to answer it.

I will say that I wanted to add one -- to one point that the Administrator made, which is that we will be looking where we can to resolve cases without a hearing. I

think that's the most efficient way to proceed. It's the way to get these resolutions done faster where we can. I'm not sure we'll -- we'll start doing that a lot until we've had the first hearings with the Administrator, because we'll be -- we'll all be looking to iron out the process that is going to exist under his direction. But we will be looking to do that where we can and as funds allow, and as this Committee approves funds that are available to do that.

CHAIRMAN WEYLER: Other Committee Members that may want to comment? First Senator Gray, then Senator Watters, and then President Carson.

SEN. GRAY: In the Senate caucus getting ready for this meeting, we had a big discussion about what money was available and what money wasn't available. Uh -- right now and I'm going to speak round figures, so there's about \$15 million that could be put towards this, and that we have money to fund.

Uh -- what I talked to my caucus about was about not 55 million but 20 million to start with. We are going to do the ACFR process in and have the results of that in October. That will give us the June, July, August, et cetera, that will be to know more about, and certainly revisit where the money would go and what money is available.

Certainly, we have the back of the budget cuts

in several Departments that are problematic, and certainly later in this agenda we have the Corrections. People who are spending a lot of overtime. So that is what I have suggested to the caucus for the Senators. That would give you enough money to pay off all of the outstanding obligations that you have for this year and next year, would fund the office, and would provide between four and five million dollars that at least we could start looking at those settlements and possibly provide more money after we do the review in the October time frame. Comments on that, please.

ADMINISTRATOR BOYLE: I'm sorry, Senator. How much did you say total?

SEN. GRAY: Twenty million.

ADMINISTRATOR BOYLE: Twenty million. So 20 million will get us to the 1st of November. That's as far as it will take us, if we make awards.

SEN. GRAY: Again, that's the question is what -- how much -- how many awards that you could make and getting you past that October when the ACFR comes in, and we will know more what we will have to do. I'm not trying to -- to make a big fund for you to make awards right now.

ADMINISTRATOR BOYLE: I understand.

SEN. GRAY: And if you want a meeting in my

office, just call my aide and we can talk about what happened before. Certainly, I don't want to talk about that here.

ADMINISTRATOR BOYLE: Sure, and I will certainly do that. But as I indicated, 20 million will get us to the 1st of November. We'll have no money to proceed after the 1st of November, if assuming that we make awards beginning in August, and those awards are in line with what the history has been. That is somewhere in the vicinity of five or \$600,000 on average. It depends on the kinds of cases that we do between now and then. If we're doing cases that involve simply other types of abuse beyond sexual, that's less money. If we do mostly sexual, that's a lot more money. And because the average sexual case is in the vicinity of a million dollars, not 600,000.

SEN. GRAY: The way --

ADMINISTRATOR BOYLE: So -- but I -- so we'd have to come back.

SEN. GRAY: The way that number was calculated, is the real number is like 15.9; is that correct, Mike? That if we're not making any additional awards, that's what you need to get to the end of Fiscal Year. All right. And that's why I said that 20 million would provide between four and five million dollars that you could use for awards. And if those

awards are on a ten-year basis, that means that you really have \$50 million that would be spread out.

ADMINISTRATOR BOYLE: Yes, sir.

SEN. GRAY: And again --

ADMINISTRATOR BOYLE: I understand that.

SEN. GRAY: -- I'm not -- because of the limitations on the budget when it came from the Governor's Office, we did try to put some money back into it. But, again, until that ACFR happens in October, okay, there is certainly severe implications if I drip -- go back into the Rainy Day Fund and take money out.

ADMINISTRATOR BOYLE: I understand.

SEN. GRAY: Okay. And that -- but again, not looking at you going through full process on a lot of these claims, but some limited process to get us to October when we'll know more and possibly would be able to give you additional funds for your --

ADMINISTRATOR BOYLE: And that money -- and that money will get us through October, that 20,000 -- 20 million rather will get us through October but not beyond. So at that point, I would not be able to do any more hearings in good faith.

SEN. GRAY: You and I can discuss that in my

office.

ADMINISTRATOR BOYLE: I'm happy to do that and eager to do that. Thank you, sir.

SEN. GRAY: Appreciate that.

ADMINISTRATOR BOYLE: You know, I met earlier with the Chairman, and he told me when I told him the 55 million he says, well, let me tell you -- um -- we have this amnesty program right now on taxes that's bringing in some money. We thought it bring in about 50 million. It's probably going to bring in a hundred million. That's the good news. Bad news, every agency in the State is looking for a piece of that. I said I fully understand that, and I know that there are -- there's all kinds of obligations the State has to meet. This is one of them. I understand. But eager to sit down with you, Senator. Thank you.

CHAIRMAN WEYLER: Senator Watters.

DAVID WATTERS, State Senator, Senate District #04: Thank you, Mr. Chairman. And, Administrator Boyle, thank you for your service to the country and now.

ADMINISTRATOR BOYLE: Thank you, sir.

SEN. WATTERS: What you're bringing to this gives a great deal of confidence to hear your attention to this and your proposals as they're supported by the Attorney

General. And before I ask my question, I just wanted to say in particular that I appreciated your use of the word shameful. I think we have a legacy now of decades of -- of this abuse. And I -- I also, before my question, want to offer, as I did in the Senate floor, my apologies as a legislator since 2008 for my own failures -- um -- to the -- to the victims here that we did not do the job or I felt was not done in the Legislature to investigate to make sure that these things were not happening in agencies that we fund and do audits for and investigate. So I did want to say that.

If I could return to the questions that were asked by Senator -- Senator Gray. One of the issues for us is that if we're looking at the potential 1700 cases and the record we have of the amount of settlement, and then over how many years the funding, and one can do the math of 1700, and it's many hundreds of millions of dollars. And so, you know, we have to be able to have some sense of -- of what the obligations are actually going to be, and then figure out how to -- how to pay for it.

Is it correct to say based on your statements about your plans, potential of the hearings, and to try to expedite without hearings some of the cases and so forth, that if we want to get a reasonable sense of actually how things are

going to be going in the future and the amounts of settlements, and how many cases you can settle, that you need that \$55 million to start that process so we would have some indication as to how things are going to go under your administration?

ADMINISTRATOR BOYLE: I believe that's correct, but that 55 million will bring us through the end of this Fiscal Year. So what the Chairman or what the Senator suggests -- uh -- if we have enough money to get us through October, and then look at it again -- uh -- you know, that's certainly something that's doable. We'd rather not come back every month or every other month looking for more money. But we'd like to be able to let the claimants and their counsel know that this money is there and we're moving forward, and we're serious about this -- uh -- and not be coming back. Everyday that I'm back here before the Committee is a day that I'm not holding a couple of hearings. So that just delays the process a little bit, and adds to the administrative costs.

SEN. WATTERS: If I may follow-up? And this will be my last, Mr. Chairman. Um -- so if we wait until October, it does seem to me that it is difficult for you to offer those assurances to the victims here that this process is going to move forward, because you won't be able to have as a, you know, the kind of plan to settle cases. And -- um -- you

know, so I guess -- I guess what I'm saying is how does this disrupt your schedule?

And then, secondly, if -- if it does appear in the eyes, as I think it has over the last year, that the State is kind of has -- has failed to establish a system that could continue. I mean, you're here and it's going to be different now. But the -- what will be the consequences of more individuals deciding not to go the settlement route, but to go to court potentially for costs for the State?

ADMINISTRATOR BOYLE: Well, for costs for the State, as we all know, the one and only case that's been tried so far came back with a jury of our peers deciding that this particular claimant was entitled to \$38 million. That's one case. If you add -- if you multiply 38 million times the remaining 1700 cases, that's an astronomical number that I can't even phantom.

Let's see what happens in the next two weeks with this other case that's being tried right now. Let's see what a jury comes back. If a jury comes back with tens of millions of dollars in that case, that will have a tremendous impact upon this fund, and what the expectation is of claimants in this fund, and moving forward whether other cases then are going to have to be put into this fund to continue the fund out

for many years beyond what I anticipate as an impact. But these cases -- and any claimant if they don't like decision that I make, can go to -- can say nope, we're not doing that. We're going to take this to Superior Court for jury trial that they may have in five or ten years. But the reason, one of the reasons that we have this program is so that these claims can be resolved a lot quicker. And it's a lot -- it's a finite number that State is -- realizes that they're going to be responsible for, as opposed to relying upon what twelve people on a jury are going to come up with and think is appropriate. They may come back with zero. They may come back with tens of millions of dollars, as they already have. That's the danger.

CHAIRMAN WEYLER: President Carson. Anybody else on the House side? Representative Leishman after President Carson, and Representative Erf.

SEN. PRESIDENT CARSON: Good morning, Judge Boyle.

ADMINISTRATOR BOYLE: Good morning, Senator.

SEN. PRESIDENT CARSON: It's a pleasure to meet you and as with my colleagues, I'd like to thank you for your service --

ADMINISTRATOR BOYLE: Thank you.

SEN. PRESIDENT CARSON: -- to this country.

This is -- this issue, I think, has been difficult for quite a while. Um -- when this fund was first formed, we were told \$100 million should take care of this. And so as we started going through the process, it came back another 60 million. So we gave another 60 million. But, in my opinion, we had difficulty getting information from the previous Administrator about what -- how exactly the money was moving around. And it really started, I think, a questioning period.

Um -- but I want to make sure that everyone understands there is no question about the fact that this is about compensating the victims. The victims should always be put first in this process. And I discovered that that wasn't the case. That it was the attorneys. They were being paid upfront, and then the victims had to wait for the money, and I felt that that was wrong. That the system was backwards. It should always be the victims come first, and then everybody else behind.

Um -- and then we learned about these, I guess maybe the best way to put these predatory loans that some of these victims were taking out. And from what I understand, it was -- some were against the advice of their own counsel who said don't do it. But you can't stop them from doing it. But I found out that we were also paying off those loans. And

that, to me, was a little disturbing because the State wasn't responsible for those loans. And oftentimes the interest rate, as you know, sometimes is well over 20%.

And so what I -- I would just like to say, I hope these are issues that you address in your tenure as the Administrator of the Fund; and as well I'd like to just encourage you to talk with the Legislature. It was -- I will tell you it was a little difficult getting information. And what we got oftentimes just it was incomplete.

So I'm just asking you, my door's always open. I know Senator Gray, his door is always open. If you have any questions, just come -- just come to see us and we'll -- we'll sit and have a conversation.

ADMINISTRATOR BOYLE: I can assure you that I will and that works both ways. Love to hear you. If you have any questions at all, please text me, e-mail me, call me. My numbers are right there in front of you. Please contact me, and -- and I will make sure that I -- I meet with Senator Gray and yourself very quickly.

SEN. PRESIDENT CARSON: Thank you.

ADMINISTRATOR BOYLE: Yeah.

CHAIRMAN WEYLER: Representative Leishman.

ADMINISTRATOR BOYLE: Excuse me. I am fully

aware of that pay day loan situation. And I, too, am very concerned about that.

Uh -- there's a new wrinkle that has come up in the last six months, and that is structured settlements. So we're making an award, for example, to somebody for a million dollars to be payable over ten years, to be payable to the claimant and to their attorney over the ten years. But some of the claimants are now going to structured settlement companies who are coming in and saying, and this is a rough example, we'll give you half of it right now, and we'll take the payments over the next ten years.

So that \$1 million award that the Administrator gave out to the claimant is now \$500,000 to the claimant, and that seems to be acceptable to the claimant because they want their money right now and upfront. That's not something, in my opinion, that I as the Administrator should be involved in at all. That's between the claimant and their attorneys.

The same thing with these pay day loans. If a claimant has taken out a pay day loan, with or without the advice of their counsel, that's up to them as to how that gets paid off. That's not something that I as the Administrator should be concerned with. That's not something that in the statute that enables this process addresses. I understand your

concern.

SEN. PRESIDENT CARSON: Thank you.

ADMINISTRATOR BOYLE: You're right.

CHAIRMAN WEYLER: Representative Leishman.

REP. LEISHMAN: Thank you, Mr. Chairman, and welcome and, again, thank you for your service and taking on this Herculean, I guess, task.

So I had just a couple of questions, and based on what you told us that the average settlement could be between 500,000 and 600,000. If -- if you just factor that out using 1600 cases that are settled, that's like \$800 million.

ADMINISTRATOR BOYLE: That's correct.

REP. LEISHMAN: And the concern I have, we've already spent with the amount of the installments, what's been paid out, about a quarter of a billion dollars. And I just echo what my colleague, distinguished colleague, Mr. Emerick from Hampton said to us when this started back in '23, that this could bankrupt the State.

You heard from Mr. Kane that we've got about \$16 million available right now. All of us are sickened with what happened at the Youth Development Center. But I also am concerned about the State's financial health going forward that this is kind of like a runaway train as far as expense. I

don't know if you could comment that you think that -- excuse me -- that that \$800 million figure could be an accurate impact on the State going forward or is it premature to even suggest that.

ADMINISTRATOR BOYLE: I honestly believe that the figure would be more than that. Because the amendments that the Legislature made to increase the amount of money that's paid to each claim, and I think over --

REP. LEISHMAN: Excuse me.

ADMINISTRATOR BOYLE: -- and the sexual assault claims are payable at a much higher rate than the other types of assault. And so I think it could be closer to a billion dollars in the end. And if we have to deal with these other cases from non-state agencies, but places where courts have assigned these juveniles, and they were assaulted and abused in private homes and things like that, we have to deal with those, we're talking way more money.

But as we pointed out before, the alternative is very, very scary, if these cases go to the Superior Court and a jury of our peers decides that each one of these cases isn't worth 600,000 or a million dollars, each one of them is worth \$38 million or \$50 million dollars. That will bankrupt the State certainly. That's why the settlement fund is a good

idea. And it at least lets the State know upfront what the potential liability is out over the next ten years.

REP. LEISHMAN: Thank you.

ADMINISTRATOR BOYLE: Thank you, sir.

CHAIRMAN WEYLER: Senator Rosenwald.

SEN. ROSENWALD: Thank you, Mr. Chair. Good morning. It's so nice to meet you --

ADMINISTRATOR BOYLE: Nice to meet you, Senator.

SEN. ROSENWALD: -- Judge Boyle. Thank you for, echoing my colleagues' comments, thank you for your service and for taking on this job.

So, if I look at a billion dollars that you want to settle all these cases within three years, that is basically \$76 million a year if they're paid out all over ten years. And that's a big commitment, but it makes me think that it might be easier on the State's finances if they were not all settled so quickly. Worse for the victims, for sure. But as Representative Leishman said, we have to consider the State's finances as well, our bond rating, and what other needs we have. But did I hear you say that you would pay every claim out over a ten years, even the small ones?

ADMINISTRATOR BOYLE: My intention is to do that, quite frankly. So that we can get as many of these

claims resolved as quickly as possible. That they're not out there hanging over people's -- hanging over the State with uncertainty, but to get as many as possible.

Now, there may be a -- there may be a claim for 30 or \$50,000 or something like that where it's going to get paid and that -- we may make an exception for something like that. But in the hundreds -- anything over \$100,000 is not going to be paid out immediately, because the State does not have the funds for that. And I cannot as a steward of the State's funds be doing that.

SEN. ROSENWALD: Follow-up.

CHAIRMAN WEYLER: Follow-up.

SEN. ROSENWALD: Thank you. I think we're all happy that the settlements can be paid out over a period of time. We were not able to do that in the statute as the AG originally drafted it. So that was a positive change in 2024. But -- um -- I've been trying to work these numbers on my calculator, and I've been texting with my kids. I've been using my calculator.

So, if we were to appropriate \$55 million and that would stretch out for ten years, at an average one year payout of 60,000, that'll be one-tenth of 600,000, that would allow you to settle 90 cases about. So it's clear that the

State is going to be on the hook for hundreds and hundreds of million dollars through this fund regardless, I think, of what happens --

ADMINISTRATOR BOYLE: There's no question.

SEN. ROSENWALD: -- with the court system.

ADMINISTRATOR BOYLE: No question of that. And the sooner that we settle all of these cases, the less money the State's going to be on the hook for, because the administrative costs are not going to be there once they're all settled, and the -- and we'll have a finite number that we're going to know that we're on the hook for. Because these payments that are being made out over a period of ten years are being paid out with interest.

SEN. ROSENWALD: Right.

ADMINISTRATOR BOYLE: It's five and a quarter, I think, percent interest; but they're being paid out with interest.

SEN. ROSENWALD: Follow-up. If you'll indulge me, Mr. Chairman. This is off topic, but the Attorney General is here and hasn't been here for a few months. So this is on a different topic.

It's my understanding that there are attorneys at State Agencies that are paid more than some of the attorneys

at the Department of Justice, because they're classified so they get overtime. And that I noticed that some attorneys migrate from your Department where they get great training, then they go out to the agencies. But they also have to pay their own bar dues, which are \$600 a year, I think. Are -- are you working, in your thinking about the next budget, on ways to maybe equalize attorney salaries versus other agencies?

ATTORNEY GENERAL FORMELLA: Yeah. Thank you for --

SEN. ROSENWALD: And thank you, Mr. Chairman, for indulging me.

ATTORNEY GENERAL FORMELLA: Thank you for that question, Senator. That's absolutely an issue I've been working on really since I became Attorney General. I think that's historically a problem in State Government, has been a problem that there is an inequity or has been an inequity in some instances between attorney positions in State Agencies and the Department of Justice.

We've increased salaries significantly, the Department of Justice, over the past few years. And thanks to the support of legislators and both Governor Sununu and Governor Ayotte. When I started at the DOJ, I think the lowest paid attorney was making in the low 60,000s. Our lowest-paid

attorney now makes \$86,000 a year. So, we've been significantly been increasing salaries, and we're working on -- on addressing some of those issues that -- that still exist with -- with some of the inequities in pay.

I think it -- it has really changed significantly in the last few years. I think we've addressed many of the issues. I think the gap has shrunk, but we have some -- we have some thoughts that I -- I don't want to detail here, because they -- you know, they involve discussions with the Governor's Office and with the Legislature in the next budget process. But we have some thoughts on how we can continue to address that. But I appreciate you raising the issue. It -- it has been an issue. We've been working to address it.

It's not the type of thing that you can change over night, because you've got existing employees in State government, in agencies, who have signed up for a certain arrangement. And you can't -- you can't start cutting salaries and raising salaries all -- all at once; but you can gradually shift the system. And -- and I think we've been doing that. And it's important to do that, because attorneys at the Department of Justice are unclassified. They're not limited to 40 hours per week. All of them work far more than 40 hours per

week. Sometimes they work 80 or 90 hour weeks if they're in trial or they've got a heavy workload or major cases. They do get great training. They do become very valuable to the private sector when you have that DOJ credential. So you're certainly compensated, I think, for the work you do at the Department of Justice; but that -- that still means that it's important to -- to look at the pay scales for attorneys across State Government, and we're doing that. We've been doing that. And, yes, we are going to be looking at that again in the next budget to continue to -- to get it to the place where it needs to be. We made good progress, but we've still got work to do.

SEN. ROSENWALD: Great thank you. Thank you, Mr. Chair.

CHAIRMAN WEYLER: Representative Wallner for a question.

MARY JANE WALLNER, State Representative, Merrimack County, District #19: Thank you. And I'm going to go back to Mr. Boyle. I'm looking at the report that was in our packet today. It was a report from April 30th. And I was looking at the number of cases that get withdrawn or denied. And I wondered if you anticipate that that will continue at that -- at the same pace that -- um -- as in this report?

ADMINISTRATOR BOYLE: I think it will. But the

reason for those cases being withdrawn or denied are some claimants decide, you know what, it's been too long. I really want to just get back on the list over at the Superior Court and have a trial. Uh -- some of them have been -- may have been denied because their packet wasn't complete. They have certain number of days to complete the packet, and then we notify them if they haven't and then more days. But I think that as we go through these, the process has been around now in the -- it was a year ago that you had to file your claim by. So as we go through some of these, I think that there will be more that will be withdrawn or, you know, or denied. So that will -- that number I think will continue.

REP. WALLNER: Great. Could I have a follow-up?

CHAIRMAN WEYLER: Follow-up.

REP. WALLNER: So I was wondering, do we have any idea how many cases are pending over at the Superior Court?

ADMINISTRATOR BOYLE: I have absolutely no idea. Maybe the Attorney General does.

REP. WALLNER: Attorney General.

ATTORNEY GENERAL FORMELLA: We can get those numbers for you. The -- there's overlap between the two, because the way -- the way the Fund works, right, if you come into the Fund you have to stay your case that's, you know, in

Superior Court. So the cases are still technically pending. You can technically have a pending case in Superior Court and a pending case in the Fund with the -- with the agreement that if your case is resolved to your satisfaction in the Fund, your case in Superior Court gets dismissed. But what I -- what we could get for you are the numbers of how many, I would say, active cases in Superior Court. So cases that have not been stayed, where they haven't gone into the Fund and stayed their cases. I don't have that number off the top of my head, but we can get that for you.

REP. WALLNER: Great. I think that would be helpful.

ATTORNEY GENERAL FORMELLA: Yep.

CHAIRMAN WEYLER: Further from Committee Members? Senator Gray.

SEN. GRAY: Um -- before I make a motion, I do want to ask some question about other cases similar to the one that's routine in the news. And it is the best of my recollection that would take additional legislation to have those go in. And I just want either the Attorney General either to respond to that today or -- or in a separate e-mail communication with me, because my recollection may not be correct. And -- and --

ATTORNEY GENERAL FORMELLA: You're correct, Senator. To include those types of cases in the Fund it would take a legislative change. But I do want to be clear, the Administrator hit on this, but I want to emphasize it, too. Those are different cases, and they're factually different. There are some different legal issues at play. That first trial is happening now. And so while, yes, it is true that it would take a legislative change to include those cases in -- in the Fund, I would not recommend that at this point. I think that's premature. I think we have to see how some of these issues play out in court before we would make that decision.

SEN. GRAY: And the funding, if an award was made, does not come through the Fund. It comes through a separate funding that we have no -- no choice but to do; right?

ATTORNEY GENERAL FORMELLA: I -- I don't want to give you a definitive. The answer to the question as to whether the funding would come out of the settlement fund, yes, no, it would have to come from a separate place. But as to what happens if there's a large judgment against the State, and there's no appropriation, and there's a question about what funds are available, that involves enough legal issues and -- and enough potentially areas for dispute that I don't want to start answering questions like that definitively as to what

choice you may or may not have.

** SEN. GRAY: Thank you. Mr. Chairman, I move the item with the reduction down to \$20 million from 55 million.

CHAIRMAN WEYLER: Is there a second?

GERALD GRIFFIN, State Representative,
Hillsborough County, District #42: Second.

CHAIRMAN WEYLER: Second by Representative Griffin. Motion by Senator Gray, second by Representative Griffin to reduce the award to \$20 million at this time. Further discussion?

SEN. ROSENWALD: Yes. And it's my understanding that the Administrator could come back every month and ask for more money?

CHAIRMAN WEYLER: Yes.

SEN. GRAY: That is a provision in the law that they can come back, and this would not change that.

SEN. ROSENWALD: Thank you.

CHAIRMAN WEYLER: Senator Watters.

SEN. WATTERS: Yeah, thank you, Mr. Chairman. And I appreciate the discussion in our caucus on Wednesday about this or the pre-fiscal -- um -- with Senator Gray's motion. I will vote for it. I do believe, though, that we have heard from the Administrator and from the Attorney General

that there may be severe consequences to us in not providing the 55 million. Um -- there are consequences to providing it to the State Budget, but I think that to use the Administrator's words, we're in a -- a kind of a different category of funding. This is from a shameful history.

So I will reluctantly vote for this, but I do think we are rather quickly going to have to make sure that we provide the funding so that the Administrator can move forward with confidence. Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Further? Shall we do this by show of hands or roll call?

SEN. GRAY: Your choice.

CHAIRMAN WEYLER: All right. All in favor raise your hands. Appears hands down. Any nos? Appears unanimous.

***** {MOTION ADOPTED}**

CHAIRMAN WEYLER: Twenty million dollars is awarded at this time. And, of course, that's because of the situation we're facing with the revenue we have at this time. You may come back later and see if revenue has improved.

ADMINISTRATOR BOYLE: I do understand. Thank you very much.

CHAIRMAN WEYLER: Thank you.

SEN. WATTERS: Mr. Chairman, may I ask a

question of you?

CHAIRMAN WEYLER: Yes.

SEN. WATTERS: In our pre-fiscal meeting on Wednesday, we had some discussion with LBA about what other states are doing. And because some states are potentially facing, you know, billions, hundreds of billions of dollars. And I wondered if it would be useful for us to ask the LBA to report to us in a meeting about the bonding possibilities or what other ways the states are finding to try to deal with these extraordinary expenses. Just a suggestion, but whatever your pleasure is on that, I think it might be helpful.

CHAIRMAN WEYLER: Mr. Kane.

MR. KANE: Yes, we can do some research on that and report back.

CHAIRMAN WEYLER: Thank you. Okay. We have concluded our discussions of the item. Moving on to the next one, 26-119, Department of Corrections.

(12) Chapter 140, Laws of 2025, Agency Footnote:

WILLIAM HART, Commissioner, Department of Corrections: Good afternoon. Bill Hart, Department of Corrections.

CHAIRMAN WEYLER: Pretty sure. All right. The

next item is Department of Corrections, authorization of additional funding in the amount of 240,000 in general funds to cover shortfalls through June 30th, 2026.

** REP. LEISHMAN: Move the item.

SEN. BIRDSELL: Second.

CHAIRMAN WEYLER: Motion to approve the item.

Second. You got the names?

KEITH ERF, State Representative, Hillsborough County, District #28: Leishman and Birdsell.

CHAIRMAN WEYLER: Okay. Further discussion?

Seeing none. All those in favor say aye?

COMMITTEE MEMBERS: [Chorus of ayes.]

CHAIRMAN WEYLER: Opposed no?

[No response.]

CHAIRMAN WEYLER: That item is adopted.

MR. HART: Thank you.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: I guess the next one is also Department of Corrections, 26-120, Department of Corrections, authorization of additional funding in the amount of \$8,370,000 to cover shortfalls through 26 pay periods through June 11, 2026. Discussion? Senator Gray.

SEN. GRAY: Um -- my concern is more next year

than this year. And if I'm looking at an additional, with the money that we've already, you know, provided, and this additional eight point million, where am I going to be next year, and what steps are we taking to get me to a more neutral position?

MR. HART: Um -- we're looking at, at least based on prior years, we're looking at five plus years of this, about the same number of hours for overtime expenditures going backward. So, I would expect we'd be in this vicinity.

This year is somewhat lower. About perhaps \$1.5 million lower this year than it has been, even though the hours have remained fairly static. We've looked at a couple of different ways. First and foremost, through recruiting. We've graduated the first class in over a year back in March. Those folks are on the floor today. We're looking at a September class, and we're looking at 30 to 40 folks to come aboard in that class. Um -- and then we're looking again in March. Um -- so from a recruiting point of view, we're taking those steps.

We're also looking at different ways of potentially putting civilians in non-security positions; but assisting in that overtime fight with, for an example, control room facilities, things like that. So we're looking at

everything. We've also asked for money for a staffing analysis going forward that we've already begun to take some baby steps on to look at better ways to wrestle with this overtime issue.

So, short answer is I don't think we're going to be in a very different place next year; but we're continuing to try to whittle away at it.

SEN. GRAY: So, for the record, what am I looking at for next year?

MR. HART: I'm not in the business of predicting the future, but based -- if the past is, in fact, prologue, we're looking at probably \$25 million again next year.

SEN. GRAY: Thanks.

CHAIRMAN WEYLER: Senator Watters.

SEN. WATTERS: Thank you, Mr. Chairman. And thank you, Commissioner. So I appreciate the recruitment efforts. It's good to hear about the -- at the Academy. And I see the class that is coming in. And I also appreciate the changes in the reciprocity opportunities through rules that that might help some as well.

Do you think it would be possible, you know, in a sense following up on what Senator Gray has asked, to have some kind of indication or -- or plan over the next few years as to what your goals are in the vacancy rate reduction? I

mean, I see there's been some progress that you're reporting here.

MR. HART: Hm-hum.

SEN. WATTERS: But I think in terms of our budgeting process if we had some sense of -- I mean, you know, as the hours and the pay and so on. So, the vacancy rate in and of itself isn't going to necessarily, you know, immediately or fully reduce the cost. But I think we had some sense of what your plan was for getting the vacancy rate to what level over how many years, that might help -- help us in terms of understanding the budget request.

MR. HART: Thank you for the suggestion, Senator. Happy to do that. And I'll plan to get that to the Chair, say by the end of July.

SEN. WATTERS: And if I may follow-up?

CHAIRMAN WEYLER: Follow-up.

SEN. WATTERS: And I don't know whether it would create issues for the Police Standards and Training. But, you know, perhaps you and Director Scippa can kind of think about if we're trying to increase the -- the capacity there, if that's needed, what would that mean for Police Standards and Training?

MR. HART: I do want to take a moment to address

that, Senator. Um -- we've looked at and worked with Police Standards and Training to change some of the ways in which we recruit. So, heretofore, a county corrections officer had to go through the full Police Academy in order to become a State certified corrections officer. Working with Director Scippa, we've created a program similar to the one offered for police officers for out-of-state, federal, and correction -- county corrections officers to use the Pathways Program where we take a look at the curriculum, and we try to make an assessment as to what the differences might be in order to get that person certified as a State Corrections Officer. That went into effect in the last Council meeting late May. And so we're right now actualizing how we're going to make that happen. What are our recruiting efforts going to look like towards BOP folks, towards potential county officers, and towards out-of-state folks. So that's something that we're working on deliberately.

CHAIRMAN WEYLER: Commissioner, what's your vacancy rate of your corrections officers?

MR. HART: Fifty-two percent currently. That is worse at NCF. Men's is probably the best, and the women's prison is similar to men's, depending on the day. But it's worse at NCF.

CHAIRMAN WEYLER: So are you using that payroll where you don't have to pay people that aren't there --

MR. HART: Yes.

CHAIRMAN WEYLER: -- to reduce the overtime?

MR. HART: Exactly correct. A portion of our overtime has been trans or will be transferred in and has been transferred in to reduce that overtime.

CHAIRMAN WEYLER: But it still comes out this high. This is you're paying double time on overtime.

MR. HART: That's correct.

CHAIRMAN WEYLER: What's the typical person getting in overtime?

MR. HART: I'm sorry, I don't have that information at hand. I can certainly get it to you. We are paying double time on a substantial portion of the folks who do get overtime. I have no comment on that.

CHAIRMAN WEYLER: Okay.

SEN. GRAY: Senator Birdsell.

CHAIRMAN WEYLER: Senator Birdsell.

SEN. BIRDSELL: Thank you, Mr. Chair. Thank you for taking my question. For those who are going through the Academy, is there an obligated period of time that they have to work so to make sure that we're keeping them as long as

possible?

MR. HART: For those who go through the Academy and don't get the recruiting bonus of \$10,000, there is not. So a person could get to the end of the Academy and decide this isn't for them; and frankly, as hard as that is for us to expend the money on doing a background, and then putting somebody through the Academy, that if they don't want to be in this challenging job, high stress situation, that's probably the best choice.

That said, if a person, and most of those folks are eligible who come to the Academy now, take the \$10,000 bonus, they're obligated for a year beyond that period of time from the graduation date.

SEN. BIRDSELL: How many actually go through -- do you know how many actually go through the Academy and then don't accept the money and basically washout?

MR. HART: We've not had anybody who went through any part of the Academy and then received the bonus. So people -- there have been some people, I think two or three in this last Academy who left early, didn't receive the bonus. Those who graduated are still aboard.

CHAIRMAN WEYLER: Does the Committee wish to proceed?

**

SEN. WATTERS: Move to approve.

SEN. BIRDSELL: Second.

CHAIRMAN WEYLER: Is this money we have?

SEN. GRAY: Yes.

CHAIRMAN WEYLER: Okay. Motion by Senator Watters, second by Senator Gray to approve the item. Further discussion? Seeing none. Those in favor say aye?

COMMITTEE MEMBERS: [Chorus of ayes.]

CHAIRMAN WEYLER: Opposed no?

[No response.]

CHAIRMAN WEYLER: That item is adopted. Thank you.

*** {MOTION ADOPTED}

MR. HART: Thank you for your time.

(13) Miscellaneous:

(14) Informational Materials:

CHAIRMAN WEYLER: Okay. We move on to late items. There is in these folders. The first one is from New Hampshire Veterans Home, 26-130. I think we have the Commandant here.

KIMBERLY MACKAY, Commandant, New Hampshire Veterans Home: Good afternoon. For the record, Kim MacKay, Commandant, New Hampshire Veterans Home. And with me our Chief

Financial Officer, Susan Glover.

CHAIRMAN WEYLER: Good afternoon. Any questions on the item? You may not have all had a chance to read it. You might briefly describe it.

COMMANDANT MACKAY: Okay. So we were asking for transferring monies to our overtime line. We have had in the last four weeks, we've had a lot of overtime incurred in our Food Service Department. So it was hard for us to judge when that was going to be happening. We were on target to not have to come back before you. But we do -- we are going to be short about two -- excuse me -- \$20,000 to make that last two payments. And then we had -- we're asking for 200 to be transferred into our holiday pay. It's always hard to judge how many people are going to end up working on a holiday and so we are short there. So it is a small amount.

And then we also have a transfer request to cover the cost of an indirect cost for SWCAP, which is the post-retirement fund. We pay that quarterly. But in the last Fiscal Year we actually paid five payments instead of four, because they -- we missed one in the Fiscal Year before that, so we only paid three. So we had a shortage there as well.

CHAIRMAN WEYLER: So, your request is to transfer within your present budget.

COMMANDANT MACKAY: Absolutely.

CHAIRMAN WEYLER: Okay.

**

SEN. BIRDSELL: Move to approve.

CHAIRMAN WEYLER: Senator Birdsell moves to approve, Senator Gray seconds. Is there any further discussion on the item? Seeing none, you ready for the question? All in favor say aye?

COMMITTEE MEMBERS: [Chorus of ayes.]

CHAIRMAN WEYLER: Opposed no.

[No response.]

CHAIRMAN WEYLER: That item is adopted. Thank you very much.

COMMANDANT MCKAY: Thank you.

*** {MOTION ADOPTED}

CHAIRMAN WEYLER: Okay. The next late item does not require a vote. It's just for information purposes, Health and Human Services. See Mr. Lipman is here. Director Lipman.

HENRY LIPMAN, Medicaid Director, Division of Medicaid Services, Department of Health and Human Services: Good afternoon. Want to thank you for allowing us to have this late item. By way of background -- um -- you have in your packet the informational letter. There's a slide deck which I think I want to focus most of our time on. I know you've gone

on for a while, so I want to be sensitive to your schedule; but we want to at least get through the key points here.

You know, just by way of background, Senate Bill 134, which was enacted, signed by the Governor on March 27th, I believe, it requires us to submit the State Plan Amendment as opposed to having to do an 1115 waiver. I think that was a wise move by the Legislature because the State Plan Amendment is a much less expensive process to go through than 1115 waiver.

Um -- there was a provision -- there were certain policy choices made within Senate Bill 134. I think the bill actually turned out very good in terms of compared to what the Feds have adopted as a rule. There are some things where within 134 where I think we'll share some of those today where I think we have to go to HHS Oversight. I'll give you some examples of that as we go through.

The rule, you know, it is implementing what was passed and what is was known as the Big Beautiful Bill, OB3, and now you'll see language Working Families Tax Cut Act is the way that the Feds are now talking about the bill; but they're all the same thing. So if you see that.

And so the interim final rule is published June 1st. Um -- it was 135 page Federal Register -- piece of

rulemaking. It did contain a few surprises, particularly around medical frailty -- um -- that threw, I think, all states into a little bit of a curveball; but we'll talk through that as well. And so we're trying to meet the 30-day deadline to the template to file the State Plan was published on June 3rd. And the -- the portal in which to submit it isn't stood up yet, but we've actually included in here. We printed off what was available as a publicly posted what's going to be there. That's the other item in your packet. You need an eye test to kind of read that. Probably much easier to read online. But we'll -- we think we can make the 30-day deadline as required in the legislation. That's what we're working for.

With me today is Olivia May is our Deputy Medicaid Director who's been working very closely with me in standing this up. We are trying to do it as cost-effectively as possible, particularly hearing all the financial challenges the State has in front of it.

Um -- if I could just have you turn to the third slide in -- in the slide deck. It's titled Policy Considerations From Recent Federal Rulemaking. The -- the first thing we'd like to lift up is the -- the bill originally that was signed by the President on July 4th said that CMS could not add any exceptions for hardship except what was in

the law. And so what those hardship exceptions are is if someone was institutionalized, if someone was in an area that had significantly high unemployment that was hard to get employment, if they needed to be hospitalized, and for out-of-state travel to get medical care.

Um -- in the rule, it says the State has to take all of those or none of them. And on Slide 4, got a little table there of kind of what we understand is going on nationally with information that's probably current, as current as we know about it. Um -- and I think in terms of hardship, we would be in the gray area right now of that because we haven't Health and Human Services Oversight approval. But our recommendation will be to go to HHS Oversight to ask for those hardships. I think those are reasonable and in keeping what our previous law had for the types of hardships for someone having a -- not being -- losing their insurance because of being institutionalized, hospitalized, having to travel for medical care.

So you can see so far 26 states have indicated that they intend to. There are a few states that are choosing because of whatever reason. Like at one example from down south where they have a lot of weather, natural emergencies that I don't think they wanted, and they frequently occur, they

didn't want to accept it. But I think the majority of the states ultimately accept it and I think we should, too. Any questions on that one?

CHAIRMAN WEYLER: Questions from the Committee Members? I don't see any. Thank you. Proceed.

MR. LIPMAN: So the next one I wanted to talk about is assessing compliance with community engagement. So unlike our historical law, in order to gain, if you've never had coverage before from Medicaid, in order to gain eligibility, Senate Bill 134 provided for the -- a one month of meeting the requirement before you could gain eligibility on Medicaid, and we're talking about eligibility here. We're talking for the expansion program Granite Advantage, not any other one. And so Senate Bill 134 was considered. The options were between one and three months to be able to do that. The Committee landed on that work, the work group that proposed the legislation ended up on one. We think that's the right choice. There's nothing to be done there, cuz we're consistent with the law.

The curveball, I guess, that would be sort of the next second bullet under the assessing compliance and community engagement is that laid on top of the work requirement bill is the requirement to check eligibility twice

a year, not just once a year. And that there's a six-month window in which that will happen, in every six months beginning January 1st. People will roll into that based on when their current 12-month eligibility expires. And so one of the requirements is to be able to complete not only the assessment of work requirements, but regular eligibility, and to be able to do that in a six-month window. And so the rule says that the maximum number of times that you can require that assessment would be three and that would be within that six-month window, because you would not be able to comply with the eligibility requirement of completing that assessment within a six-month window.

Going back to Page 4, I'm looking at Pages 5 and 6. We kind of put together some -- some maps. And we're -- we're building the system to do either one, two, or three. We're recommending to start with one because those states that have chosen to do more have some challenges of meeting that six-month eligibility process. Two examples of that are states that are looking to do more frequent, Indiana. In the news they're talking about bringing -- they have ten times as many enrollees than we do in New Hampshire here. But they're talking about bringing on 400 employees to be able to accomplish more frequent verification.

We're not coming here asking for any additional staff to deal with this. And because I think that, and then Montana, which is another example state. Now, they're a little bit bigger than us. They're looking at bringing on 60. And these are -- these numbers are based on public reporting.

So I think part of the issue is that it's the -- I think will be illustrative if I can let Olivia walk us through what is Slide 7 which does -- unfortunately, the page number didn't show up on that. So walk you through this, the scenario of what's involved in even just doing a one-month review. And the issue I think is with a 22 percent plus vacancy rate in eligibility, and all the efforts we're trying to do to make eligibility easier and do better with the time frame to get eligibility in long-term care and such.

My concern, and if we also spend some time getting into the rule, it's pretty complex to work through this for eligibility work. And I want to make sure that if we're doing it, we're able to do it cleanly and successfully. I'm concerned that if we try to do too much too quickly, and I think CMS in other parts of the rule has provided a one year sort of transition into sort of full implementation. And I think some of those flexibilities I think are worth taking so that we don't end up with a problem, either backlogs in

eligibility, exposure for not doing our eligibility within compliance and also, you know, I think the biggest challenge that we saw in the last implementation is the education process to get people to do what they need to do to maintain eligibility. So if we could do Slide 7.

OLIVIA MAY, Deputy Medicaid Director, Medicaid Services, Department of Health and Human Services: Thank you. Um -- so Slide 7 really depicts our attempt to dissect the operational process that takes place to renew a Medicaid eligibility case within the federal and state guidelines for noticing time frames before we can close an individual for non-compliance.

So the two dynamics, just to comment on with this diagram, is the availability of data in that six-month period to be looking at all three of the initial months at the time we start that process, which is really a three-month process to assess, and then take action if they're non-compliant. We won't have in-hand all of the data for those first three months just based on timing of payroll and when that becomes available to our system. So that sets one major pressure on our ability to achieve a case closure by the end of that -- that individual's six-month period.

The other dynamic is just the amount of manual

review should that individual provide us with documentation that becomes available after they're first notified that we don't have sufficient documentation to verify them.

Um -- between, you know, the orange box of the response due date and their redetermination date of April 30th, in the -- um -- from an operational standpoint, best case scenario, there's no information returned that we need to process and respond to, and we just move to closing that case with a proper noticing time frame. If we do get material to respond to, we can't close that case until it's all been processed and dealt with and responded to the individual. So that just sets us into a situation where their closure date may actually be forestalled, because we can't complete all that processing in time to set the final notice and close them at the end of the month.

MR. LIPMAN: I would also note that Senate Bill 134 allowed for 30 days for someone if we sent them a notice of closure, which isn't actually closing them, saying that you're potentially going to be closed. That they would be allowed 30 days within Senate Bill 134 to have a chance to provide that information. The -- the -- the regulation added a five day with additional to that to allow for the mailing to get to the person. Um -- that's sort of -- that's not any different

technically than any other 30-day notice in eligibility that there's a assumed. And then the rule also says that you can't close someone till the end of the month. So if someone is really not going to work at all, and they -- they don't meet any of the exemptions or what have you, the one-day option, I think at least at the beginning, would seem to be if someone is just not going to follow it, leads to a closure quicker than if you're doing two or three days. Because you're going to be having a longer time to collect the information and being able to act on that, and then you run into the issue of being compliant with the -- the overall eligibility period.

So I think what we're -- um -- looking to do is to start with one, build a system for the maximum, see how it works to begin with, and then be able to come back. A State Plan can be changed much more frequently than an 1115 waiver is a -- is a beast. In fact, the -- the just issued regulations on changing what's required of an 1115 waiver and -- um -- it, I think, would create more financial exposure as well for the State.

We put -- I'm -- I'm not sure how we're doing on time, Mr. Chairman. Um -- but if we could go to Slide 8. I just want to run you through some crosswalk that we did of 134 against the -- the rule. And -- and the first one -- um --

that we want to talk about here is medical frailty. What was the curveball to states and our Medical Director, Doctor Ballard's been involved at the national level meeting with other medical directors, is that not only do you have to have a condition. So the way states were planning this was to look at medical information, diagnosis information, and be able to say, you know, someone has cancer, as an example. Therefore, you know, maybe Stage II, Stage III cancer that we not only have to look at the diagnosis, but the State has to make an assessment, can that person meet the functional requirements of working. And so that process is not something like an algorithm approach. It requires an assessment of it. And so there are some obvious ones that we will be able to just go with medical diagnosis, like someone with Stage IV cancer. But other kinds of things, like, diabetes or, you know, other conditions that may affect someone, there's going to have to be a process that kicks out of our regular eligibility process, and we're going to have someone clinical be looking at that.

And so -- um -- you know, on the left-hand side of this chart is what we have in our law, and the other -- the other side is the interim rule. I think we're kind of aligned other than this fact that we have to go further. And this was not anticipated. I think this may be also something nationally

that's litigated on for the reason of -- um -- remember the Chevron difference laws, going beyond what is in the statute, I think there are some states that may make a case on this.

So, again, I think in terms of how we build out a system, our -- our plan is to allow as -- um -- is provided for in the rule in the first year, which would be January 1 through December 31st of '27. A person could make a claim that they're frail. We'll run our algorithm to -- to verify whether we're seeing that. But in the first year they're allowing -- um -- a person to make that -- that approach. And I think by running our algorithm alongside of that, we'll be able to see what is really needed to, if we have to go as far as assessing all these people individually in a -- in a process outside of just a -- an algorithm on clinical diagnosis, what it's going to take to do that. And when I look at what other states are doing in terms of adding workforce, I know we're not in a position to do that. I think we have to be -- be realistic of what we can do there. Um --

CHAIRMAN WEYLER: Senator Rosenwald.

SEN. ROSENWALD: Thank you. I have a question about the medical frailty. I noticed that -- um - on Page 12 a person can self-attest that they're pregnant or postpartum. But while we've always allowed people to self-attest for

medical frailty, we now may require documentation. Is the Department thinking about requiring documentation for medical frailty?

MR. LIPMAN: So, I think starting in year two, the rule would require us to be able to verify a claim. We might verify that based on what the person was able to give us. But in the first year, what they're allowing is a person can make that claim, and what -- what we're intending to do is to also run our algorithm of the diagnoses that are there and to be able to collect some information the first year to see what would be required to sort of manage what I'll call the manual part of this process of assessing someone's, not only their medical condition, but can they meet the instrumental activities of daily living to do the job, to work. And that's -- I think that's a harder thing to do. It's not necessarily something that I think our medical community at-large can absorb. And so I think being prudent how we sort of step this in and being fair to the individuals to -- to let's collect some information, run it in parallel so that by year two we have the appropriate plan to contend with that.

SEN. ROSENWALD: Follow-up.

CHAIRMAN WEYLER: Follow-up.

SEN. ROSENWALD: Thank you. So, I'm reading

this language on Page 8. And the -- the reference to ADLs seems to be limited by to someone who has a disabling mental disorder with a physical intellectual or developmental disability that significantly impairs their ability to perform one or more ADLs. And then there's a semi-colon, or a serious or complex medical condition. So the ADL part seems to only apply to someone who has some kind of a disability.

MS. MAY: That's correct. That the IADL or ADL concept does not, you know, explicitly get applied in the rule to every --

SEN. ROSENWALD: Every person.

MS. MAY: -- person. But what does apply broadly across medical frailty is really a notion of acuity and functional impairment that the medical frailty condition must relevantly bear on, you know, someone's ability to work. So, I think ADLs is a commonly used concept to get at that; but you're right, that it's only -- the ADL is only explicitly to find for one of the medical frail categories.

SEN. ROSENWALD: Follow-up.

CHAIRMAN WEYLER: Follow-up.

SEN. ROSENWALD: Thank you. So wouldn't some of those individuals who have the disability, that physical or mental or developmental, be on the DD waiver as an ABD waiver

or being part of aid to the permanently and totally disabled and not subject to this work requirement to begin with?

MR. LIPMAN: So if you're not on Granite Advantage, you're not subject to this requirement. So it would have to be on Granite Advantage. And sometimes, though, you may recall, that some people use Granite Advantage to get health insurance to begin with because that's only an income test, and then work on maybe getting on a waiver. So, it could apply in some instances as someone is getting -- getting their first level of insurance. That -- I think we pointed out in the budget process at one point or is that one of our concerns is that people may skip going on Granite Advantage where we get 90/10.

SEN. ROSENWALD: Right.

MR. LIPMAN: And then go directly to --

SEN. ROSENWALD: That's our target.

MR. LIPMAN: And -- and go directly to where they want to go. But sometimes your health situation wouldn't necessarily allow that. But I think that is a concern in terms of financially what that could mean.

SEN. ROSENWALD: Thank you.

MR. LIPMAN: So, I think some of the other things in the chart, I think we can, you know, skip if time is

of the essence here. But I guess I would want to just go to Slide 15, which has on the left side there's a concept called Specified Excluded Individuals. People on that list are not subject to the work requirement. And once they're established in an eligibility period for that, we don't have to check it because they're statutorily excluded.

Then there are people who have exceptions, and those things have to be assessed, and we have to look at documentation on those. And then at the bottom of that middle column you see the optional short-term hardships that we talked about earlier. And, finally, on the right are the activities that are qualified to meet the work requirement. Um -- and so I think that the last part of this is the attached after the slide deck is the actual template that was posted on line that isn't actually stood up in their portal yet. And so, you know, our intent is to -- to get to Health and Human Service Oversight next Friday, and then to be able to file as soon as the portal is out and take any further questions.

CHAIRMAN WEYLER: Senator Rosenwald for a question.

SEN. ROSENWALD: I'm curious what the financial impact on MMIS is going to be and whether the Federal Government is paying for it?

MR. LIPMAN: Great question. Um -- this based on what we already built we were able to repurpose that. We got a little over \$2 million in federal grants as part of the law and that's covering all our changes. So we have no new costs to make the system changes to our eligibility. Again, we're fortunate to be able to build off what we had built previously.

CHAIRMAN WEYLER: Very good. Any further questions? Thank you for that thorough review.

MR. LIPMAN: You're welcome. And we're happy to come back another time to give you a progress report.

CHAIRMAN WEYLER: Very good. Okay. The next item is the audits, the State of New Hampshire Doorway Program Performance Audit Report.

Audits:

CHAIRMAN WEYLER: We still got people ready for that? Yes, I see Miss Young.

CHRISTINE YOUNG, Director, Audit Division,
Office of Legislative Budget Assistant: Good afternoon, Mr. Chairman.

CHAIRMAN WEYLER: Good afternoon.

MS. YOUNG: Members of the Committee. For the record, I'm Christine Young, Director of Audits for the LBA.

We're here to present our performance audit report on the Doorway Program.

With me is John Clinch. He's a Senior Performance Audit Manager in our office. He was the In-Charge Manager on this audit, and he will present the report.

Also joining us from the Department of Health and Human Services is Katja Fox, Director of the Division of Behavioral Health. And Meredith Telus, Director of the Division of Program, Quality and Integrity.

Before I turn it over to John for the presentation, I wanted to mention our new report formatting. Committee Members may have noticed that this report looks different. This is due to our ongoing efforts to make sure our reports are accessible to people with disabilities under the Americans with Disabilities Act. You'll see differences in the report layout, the formatting, navigation features, and presentation to meet accessibility requirements and provide equal access to all readers.

We've spent a considerable amount of time learning how to properly format this report to meet the ADA requirements. And we'll continue to refine our process going forward as we implement best practices. So I just wanted to mention that. And now I'll turn it over to John for the

presentation.

JOHN CLINCH, Senior Performance Audit Manager,
Audit Division, Office of Legislative Budget Assistant: Thank you. Good afternoon, Mr. Chairman, Members of the Committee. My name is John Clinch. I'm the Senior Audit Manager with the Office of Legislative Budget Assistant. I'm here to present our performance audit report on the Doorway Program. I'd like to provide you with an overview of the report, and then I'd be happy to open it up for questions and comments at the end.

As shown on the transmittal letter on Roman numeral I, our objective was to determine whether the Department of Health and Human Services effectively monitored the services provided by the Doorway Program. Our audit period was State Fiscal Years 2022 through 2025. The audit period was originally State Fiscal Years 2022 through 2024, but we were able to add State Fiscal Year 2025 based on audit progress.

Please turn to our Executive Summary on Page 1, which briefly describes the results of our audit.

Excuse me. The Doorway Program was established in 2019. The program was authorized to develop, implement, and operationalize a state-wide network of regional hubs for opioid use disorder and recovery support services primarily using federal grant funds. The Department of Health and Human

Services contracted with nine hospitals around the state to provide these services.

We found the program needs to implement changes to improve its program monitoring and better measure its effectiveness in assisting people with obtaining treatment for their substance use disorders. Administratively, the program suffered from insufficient management controls, unleveraged client data, and a protracted reimbursement process.

Measuring effectiveness was a challenge. Substance use disorder is a chronic, relapsing health condition, a life-long medical disease to be treated rather than cured. We were unable to find the expected success rate for addiction recovery programs, so we could not compare the results of the program to any recognized benchmarks.

One measure that had to be reported to the Federal Substance Abuse and Mental Health Services Administration, SAMHSA, was the self-reported change in a client's quality of life over time. Using data collected by the program in New Hampshire, we found that quality of life improved in 45.5% of clients after six months in the program for the clients responding to the SAMHSA survey questions.

We also reviewed the Governor's Commission on Addiction, Treatment and Prevention, because it financially

supported some program services not covered by federal grant funding. We identified three deficiencies related to the Commission's operation related to the program that I'll discuss in a few minutes.

A Recommendation Summary begins on Page 3. It contains 12 Observations with Recommendations. The Department fully concurred with 10 Observations and concurred in part with two Observations. None of the recommendations require legislative action.

Turning to Page 7, our background section discusses the program in greater detail. On Page 9, Figure 1 shows the nine locations of the Doorways across the state.

On Page 10, Figure 2 shows the organizational chart for the program, including vacant positions.

On Page 12, Table 1 shows the non-payroll program expenditures by funding source. On page -- excuse me.

On Page 14, Figure 3 shows the number of clients served by the program over a three-year period. Complete data for State Fiscal Year 2025 was not available. We calculated the program serves an average of 1,805 clients per year. Figure 4 shows the number of clients reporting changes to their quality of life six months after program intake. 45.5% of clients reporting an improved quality of live. 20% of the

clients reported a deterioration in their quality of life, and 34.4 percent reported no change in their quality of life.

Because clients could refuse all or parts of the federal survey, and the clients answering the question were not randomly selected, the results of the Figure 4 should not be generalized to the entire population of individuals receiving services.

On Page 16, Figure 5 shows the number of monthly client clinical evaluations and treatment referrals for the audit period. Although the average number of unduplicated clients was 1,805 for each year during the three-year period, Figure 5 shows a total of over 16,000 treatment referrals and over 10,000 clinical evaluations over a four-year period. A client may receive multiple referrals for services.

On Page 17, our section on Management Control begins. This section includes four Observations dealing primarily with the need to establish formal policies and procedures, and implement all feasible recommendations made in two external program evaluations completed in 2023, including establishing formal written model of care framework to be followed by all Doorway locations state-wide.

Our next section on Program Operations begins on Page 27. This section consists of five Observations.

Observation number 5 recommends using federally required interview data to more effectively measure client outcomes.

Observation number 6 on Page 31 recommends collecting and utilizing client outcome measure data to determine program effectiveness and assess whether the program is achieving its goals.

Observation number 7 on Page 33, recommends ensuring all intake and follow-up interviews are completed as required by federal grant requirements.

In Observation number 8 on Page 34, we found monthly output reports were incomplete and prone to error. We recommend management improve the accuracy and completeness of monthly output reports by establishing policies and procedures for compiling, reviewing, and reporting output data, and recommend management consider automating the process to eliminate mistakes caused by human error.

In Observation number 9 on Page 36, we recommend DHHS evaluate its process for reimbursement requests with the goal of determining the root cause of payment delays and ensuring compliance with the 30-day payment terms in its contract with vendors.

Figure 6 illustrates the steps and the requests

for reimbursement process.

The next section starts on Page 39. This section reports on deficiencies noted with the Governor's Commission on Addiction, Treatment and Prevention, which helps financially support some activities of the program. There are three Observations in this section.

Observation number 10 deals with a need to develop comprehensive policies and procedures to support significant commission processes.

In Observation number 11 on Page 40, we found the Governor's Commission did not comply with key reporting requirements established in its governing statute, RSA 12-J. Table 4 provides a list of the statutory requirements and a description of non-compliance we observed.

In Observation number 12 on Page 43, we found the Governor's Commission had its website content dispersed between two different websites, one operated by DHHS and one operated by a contractor. We recommended consolidating the two websites.

The Appendices are found in the tab section of the report include their scope, objective, and methodology in Tab A; the DHHS's response to our audit in Tab B; results from the Doorway Program clients survey that was conducted by the

Doorway Program in Tab C, and the status of prior external program evaluations as November 2025 in Tab D.

Before I conclude my prepared remarks, I'd like to thank the DHHS management and staff for their assistance during the audit. I'm happy to take any questions you may have. And I also want to note that the Director of the Division of Behavioral Health and Director of Program Quality and Integrity is also here, and they may have comments. Thank you.

CHAIRMAN WEYLER: Thank you. President Carson for a question.

SEN. PRESIDENT CARSON: Thank you, Mr. Chairman. I was going to say good morning, but it's good afternoon.

One of the things I find interesting, I see on Page 14 and 15 where you talk about the number of clients that are served. Um -- do you have information about how many clients are repeat clients? Because we know that people are -- that are struggling with these types of addictions it is a life-long fight that they have to go through. Um -- and we know that sometimes they'll do great for a while, and then they'll fall back into addiction. So do you have numbers on any kind of like -- do they even collect numbers on the people that go through a program, do well for a while, and then

they're -- they come back because they've had additional deep relapses? That's the word I was looking for.

MR. CLINCH: That's not something we specifically looked at.

SEN. PRESIDENT CARSON: Okay.

MR. CLINCH: We had GPRA data to use to support our audit, which is based on a survey. The information that you're looking for would come out of the personal medical records of Doorways' clients, and we didn't have access to that information.

SEN. PRESIDENT CARSON: Okay. I -- I -- I just think that that would be something that the program would keep track of without, you know, having to deal with HIPAA or medical records or anything that if they have someone in their records as going through their program and being treated, and then they're coming back because they've had a relapse.

Um -- I'm just looking at Figure 4 on Page 15, and it looks like that under the deteriorated and the no change, that's more than half of the people that they see, and that's -- that really, for me, spurs the question how many of these are repeat clients that started the program and then end up coming back.

The other question I had for you is on Page 16

where you outline programs providing similar services. Um -- I think we probably would need to see a little bit more information on that, because we need to see are there duplicative services? Are there ways that we can consolidate the services, rather than having three separate programs -- um -- drawing on three separate funds, I guess if that's what you want to call it. So -- um -- is there any way that there's any additional information about these programs? Because as a legislators, if we're looking for a way to save money, I would think consolidation of services -- um -- would be a way to go, rather than having three different programs doing the same thing. Although, I do see that the certified community behavioral health clinics-- um -- they do provide mental health care. And we do know that these -- these types of addictions do not just occur here in one area. And they really need what I guess the terminology is wraparound services, which would include mental health to help them get to a better place.

So I'm just wondering if it would be more appropriate to put money into these types of programs that provide those other additional services to help someone be successful.

MS. FOX: So good afternoon. Again, Katja Fox, Director of the Division for Behavioral Health. That's a great

question, Senator. When you look at this and you say, okay, well, we have this program, then we have that program, and they both say that they're addressing substance use disorder. Uh certified community behavioral health clinics are relatively new to New Hampshire. You'll see the date here.

SEN. PRESIDENT CARSON: Hm-hum.

MS. FOX: And this is really a move throughout the country and specifically in New Hampshire to integrate services. We know that someone who has a substance use disorder may very likely have a mental health condition. And so we have been working hard to look at that integration, working with the Community Mental Health Centers. But they're also partnering with their providers in their communities to look at how they can better integrate those types of services, including physical health as well. So there's more to come as we evolve.

As you know, the Doorways were stood up under a circumstance that was very difficult for the state as we were experiencing all of those overdose deaths. And we had funding specifically for opioid use disorder. They've since broadened our ability to use those funds. So, as we move forward, we're going to be looking and asking the Legislature to support us as we look at integration of all of our services, so that someone

does not have to go to five different places for what really is a whole health approach that we need to take.

SEN. PRESIDENT CARSON: Okay. Thank you.

CHAIRMAN WEYLER: Further questions? Senator Rosenwald, then Senator Watters.

SEN. ROSENWALD: Thank you. Thank you, Directors Fox and Telus.

If we look at Page 19, I'm mindful that we're spending about \$9 million a year on this program. And I want to draw your attention to what I think is a remarkable phrase -- um -- under the model of care framework. The through line of this audit is basically no written procedures and policies. And the program has described its model as more of a vibe, and could you explain that to us, because \$9 million a year is a lot.

MS. FOX: So, just looking to the LBA. This was based on an interview with a particular staff member. I would not say that it's more of a vibe. I would say it's a well-established program that relies on evidence-based practices as well as clinical practices that are recognized by our federal partners. Um -- so while this may have been a quote from an interview, it does not reflect overall how we view this program and how it operates.

MS. TELUS: Thank you. Good morning. Um -- good afternoon. Um -- I just want to add to that. We also -- the contract that we have with the Doorways really outlines very clearly the practices that they're expected to employ and that really does establish the framework. What we haven't done is translate that into our own internal policies and procedures, which is going to be the next step so that we can say what do we consider to be the framework. And it will flow from our policies and procedures and how often we need to re-evaluate that framework, and who at the Department needs to be involved in it, and what kind of data we look at, and then the contracts will flow from that.

SEN. ROSENWALD: Follow-up.

CHAIRMAN WEYLER: Follow-up.

SEN. ROSENWALD: Thank you. On Page 1 -- um -- it seems like during the audit period you had an average of 1,805 unique clients per year -- um -- for that \$27 million dollars. So that's about five thousand dollars per person. Those 1805 clients spread out over nine hospitals comes out to something like four per week.

I'm just wondering since we're expecting the State Opioid Response Grants always to be diminished coming at us, will the closed loop referral system that's now being

tested up in the Dartmouth area, will -- will that help make the referral system more efficient? And you'd be able to deploy these funds differently? Maybe keep the centers open longer hours than 8 to 5 Monday through Friday, for example.

MS. FOX: Thank you for that question. We're always looking at ways that we can sustain these programs and not rely on those federal dollars. One is looking at our Medicaid Program and making sure that the hospitals are using Medicaid before they use this grant as required by SAMHSA. Um -- and, yes, there are lots of areas where we could use automation. Data is one that you just pointed out to make sure that we're collecting the data and reporting it out accurately.

Um -- and so, yes, closed loop referral is among those tools that will help in this. And we expect that also we will learn a lot through the Rural Health Transformation and having the ten Community Mental Health Centers, for example, as previously referenced, that will be on a common EMR, and some of the other telehealth and technology tools that are going to be used, and that we will learn and implement through the Rural Health Transformation Grant.

SEN. ROSENWALD: One more, if I could? Why is it going to take two years to write these policies when the Governor's Commission is going to take only one year to write

its policies?

MS. TELUS: It's really going to be a matter of prioritization; but I think that the scope of the Governor's Commission policies are going to be more limited whereas the -- it's policies, procedures, and work instructions. So it's really a series of operational tools that we're going to have to be writing, and we just anticipate the scope of the -- of the things that need to be covered for the entirety of the program are going to take a little bit longer. And we would prioritize those that relate to the Governor's Commission.

SEN. ROSENWALD: Thank you.

CHAIRMAN WEYLER: Senator Watters.

SEN. WATTERS: Thank you, Mr. Chairman. And thank you for this really important audit.

Um -- and, Mr. Chairman, this is actually more of a comment to you in that I serve on the Governor's Commission, and there been a lot of changes, a new chair, plus what we did in House Bill 2, plus my bill that actually put the Doorways Program in the statute and made a bunch of changes to the Commission as -- as well.

Um -- the Commission won't meet until August. That's our next scheduled meeting cuz we take July off. I know that this is being taken very seriously. We had a little

mention of it in the last meeting, but I'm wondering whether maybe in the September meeting it might be helpful to have the Chair come in and just talk through some of the issues around the audit. And -- um -- and, you know, I -- I do know the Commission Member that we have there's much less funding right now than there has been in previous budgets for the -- for the Commission. And so there's a lot going on. But I think the important issues here might help the -- the Fiscal to have the Chair in in September.

CHAIRMAN WEYLER: As I was reading it I was even entertaining having quarterly reports because there's so many things that --

MR. WATTERS: Yeah.

CHAIRMAN WEYLER: -- have to be done. Madam President.

SEN. PRESIDENT CARSON: Thank you, Mr. Cart -- Mr. Chair. I agree with both you and I agree with Senator Watters. I think we need to follow-up with this. We just need to figure out when would be an appropriate time. I think probably I would say October because, again, because of everything people are on summer vacations, and then kids are going back to school in September. I think maybe probably towards the end of October might be a good time --

CHAIRMAN WEYLER: Okay.

SEN. PRESIDENT CARSON: -- to schedule a meeting and get -- find out where they are with the recommended changes and -- and just to have a conversation about this program.

CHAIRMAN WEYLER: And every quarter after that.

SEN. PRESIDENT CARSON: Yep.

CHAIRMAN WEYLER: Yep. Very good. Can you comply with that?

MS. FOX: Certainly.

CHAIRMAN WEYLER: Okay. Further? Okay. And I believe we've already accepted the report and placed it on file. Thank you for all your hard work.

SEN. PRESIDENT CARSON: Thank you.

CHAIRMAN WEYLER: Thank you, Mr. Lynch -- Clinch. As usual, you're very thorough. Appreciate that.

SEN. PRESIDENT CARSON: I think we are done.

(15) Date of Next Meeting and Adjournment:

CHAIRMAN WEYLER: Okay. Next meeting.

MR. KANE: So, Mr. Chairman, no meeting in July was planned. The third Friday in August is August 21st.

SEN. PRESIDENT CARSON: In August?

CHAIRMAN WEYLER: You think we'll have to meet then?

MR. KANE: Third Friday in August.

SEN. PRESIDENT CARSON: Yep, that's the 21st.

Yep. Okay.

CHAIRMAN WEYLER: I had down the 21st of August.

SEN. PRESIDENT CARSON: Yep. Hm-hum.

CHAIRMAN WEYLER: 21st. Okay. All right. Any problem with that? Eleven o'clock okay again? Does that work out for everybody?

SEN. PRESIDENT CARSON: I think so.

SEN. ROSENWALD: Oh, my God! Are you kidding me?

SEN. PRESIDENT CARSON: What's the matter?
What's the matter?

SEN. WATTERS: I'm sorry. This side conversation. Our apologies.

SEN. PRESIDENT CARSON: Oh, okay. I thought there was some sort of disaster happening.

SEN. WATTERS: No, no, no, no, no, no, no.

CHAIRMAN WEYLER: Let it be published that the next meeting will be in August on the 21st at 11 o'clock. Any further matters to come before us, Mr. Kane?

MR. KANE: No.

CHAIRMAN WEYLER: I will entertain a motion from

you.

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SEN. PRESIDENT CARSON: So moved.

SEN. GRAY: Move to adjourn.

SEN. PRESIDENT CARSON: Second.

CHAIRMAN WEYLER: All in favor? Thank you.

Thank you for all this thorough work. Thank you for getting everything together and our best to Pam Ellis.

MR. KANE: Oh, sure. Just for the members, July 15th from 2 to 5. So I'll send another reminder. Just for open house for Pam.

CHAIRMAN WEYLER: All right. 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 the foregoing transcript is a true and accurate record of the official YouTube audio/video recording taken on June 19, 2026.

I was not physically present and have transcribed said audio/video recording to the best of my ability, skill, knowledge and belief.



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