

**JOINT LEGISLATIVE FISCAL COMMITTEE**

State House, Room 100  
Concord, NH  
Friday, September 5, 2025

**MEMBERS PRESENT:**

Representative Kenneth Weyler, Chair  
Representative Keith Erf  
Representative Mary Jane Wallner  
Representative Gerald Griffin (Alt.)  
Representative Karen Ebel (Alt.)  
Representative Maureen Mooney (Alt.)  
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 the June 20, 2025 meeting**

KENNETH WEYLER, State Representative, Rockingham  
County, District #14: Good afternoon. We'll call the  
Fiscal Committee meeting to order, our meeting on  
September 5th. First item is acceptance of the minutes  
from June 20th, 2025.

**\*\*** JAMES GRAY, State Senator, Senate District #06:  
So moved.

CHAIRMAN WEYLER: Senator Gray moves to accept,  
Senator Birdsell seconds. Is there any changes or  
omissions? Seeing none. Did I say something wrong?

CINDY ROSENWALD, State Senator, Senate District #13: No.

CHAIRMAN WEYLER: All in favor say aye?

Opposed no.

MAUREEN MOONEY, State Representative, Hillsborough County, District #12: I'll abstain, Mr. Chair. This is Rep. Mooney here on the end. Abstain.

CHAIRMAN WEYLER: All right. So noted.

Representative Mooney abstains.

GARY DANIELS, State Representative, Hillsborough County, District #43: Same here, Mr. Chair.

CHAIRMAN WEYLER: And as well. Okay. Thank you.

KEITH ERF, State Representative, Hillsborough County, District #28: You might point out that alternates don't vote. You might point out that the alternates don't vote.

**(2) Old Business:**

CHAIRMAN WEYLER: As an alternate you don't need to vote anyway. Thank you. Okay. Any Old Business that we want taken off the table.

MICHAEL KANE, Legislative Budget Assistant,

Office of Legislative Budget Assistant: So there's one item, Representative. This has to do with YDC Claims Administration. It was actually a request made for '25 funds. On Novem -- um -- that Fiscal Year is closed. On September 30th you received a preliminary ACFR. So for the next Fiscal Committee that Old Business will be removed. No further actions needed from the Committee.

CHAIRMAN WEYLER: Thank you.

**CONSENT CALENDAR**

- (3) **RSA 9:16-A, Transfers Authorized:**
- (4) **RSA 9:16-c, Transfer of Federal Grand Funds:**
- (5) **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 14:30-a, VI Fiscal Committee Approval Required For Acceptance and Expenditure of Funds Over \$100,000 from any Non-State Source and RSA 124:15 Positions Authorized:**

**AMERICAN RESCUE PLAN 2021**  
**CONSENT CALENDAR**

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

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

CHAIRMAN WEYLER: All right. So moving on to the Consent Calendar, I show on some items removed. Under Tab 5, items 223 and 224. Under Tab 6, item 222, and under Tab 7, item 231. Are there any further items that any of the Committee Members wish to remove from the Consent Calendar?

SEN. ROSENWALD: {Inaudible}.

CHAIRMAN WEYLER: Okay. Tab 5, 223 and 224. That's on your third page. And under Tab 6, on the bottom of Page 4, 222. And on -- um -- Page 5, Tab 7, two five -- 25-231. Are there any other items any Committee Member wishes to remove? Seeing none, I'd entertain a motion to adopt the Consent Calendar --

\*\* SEN. GRAY: So move.

CHAIRMAN WEYLER: -- with the remaining items.

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

CHAIRMAN WEYLER: Motion by Senator Gray, seconded by Senator Birdsell to approve the Consent Calendar with the exception of the items mentioned.

Further discussion? Seeing none. All in favor say aye?  
Opposed no.

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

CHAIRMAN WEYLER: All right. We will move on  
Tab 5, items 223.

SHARON CARSON, State Senator and Senate  
President, Senate District #14: {Inaudible}.

CHAIRMAN WEYLER: And --

SENATE PRESIDENT CARSON: {Inaudible}.

CHAIRMAN WEYLER: Doing my best. Sorry I -- I  
missed. I was in the middle of projects and,  
thankfully, Representative Erf reminded me of this  
meeting.

REP. ERF: {Inaudible} thankfully.

CHAIRMAN WEYLER: No, I -- I have a good record  
of not meeting -- missing meetings, so.

REP. ERF: Yes, you do.

CHAIRMAN WEYLER: All right.

SENATE PRESIDENT CARSON: {Inaudible}.

CHAIRMAN WEYLER: Okay. Item FIS 25-223 is the  
Department of Health and Human Services. They're here  
ready. And I guess Representative Mooney has questions.

REP. MOONEY: Thank you very much, Mr.

Chairman. Thank you both for being here. It seems to me that there have been numerous attempts on the House side to connect, of course, Medicaid with DOE records to sort of streamline information, and those attempts have been rejected on the House side. And then I see this item using such verbiage like interface between the New Hampshire Department of Education, share relevant data files to determine eligibility, interfaced to automate application, processing, and tracking for eligibility. So I'm just interested in how this item plays with the previous attempts to connect these two departments with regards to this subject matter. Thank you.

KAREN HEBERT, Director, Division of Economic Stability, Department of Health and Human Services:

Thank you very much for the question. For the record, my name is Karen Hebert, and I'm the Director for the Division of Economic Stability with DHHS. So, again, thank you for the question.

So this particular item would provide the funding necessary to create or establish a single database between the Department of Education and DHHS for the purposes of identifying children who are eligible

for the Summer EBT Program. So it isn't directly related to Medicaid. The Summer EBT Program, that particular benefit is available for children who are receiving Medicaid, but it isn't a database that is intended to assist the Department in any way to support eligibility for Medicaid. It's to support eligibility for the Summer EBT Program.

REP. MOONEY: Thank you. And that passed a term ago. So this is basically the infrastructure to make that Summer EBT program.

MS. HEBERT: That's correct.

REP. MOONEY: Thank you.

MS. HEBERT: You're welcome.

CHAIRMAN WEYLER: Representative Erf for a question.

REP. ERF: So, actually, the Medicaid angle came from me, not from Representative Mooney, and my question was, and I understood what you were doing with EBT Program, but my question is looking forward -- um -- it would be nice, as I'm sure you're aware, we're looking at Medicaid for Schools, if we be thinking about that as well. And I'm just wondering is it -- and when we get to that point is it going to be yet another

database and a whole separate development effort, or are we going to try to do some sort of integrated over time database plan?

MS. HEBERT: Yeah, I think it's -- thank you for the question, Representative. I think that there is always an opportunity to really take a look at how can we streamline databases and information so that we don't have to duplicate efforts and spend more money than is necessary. So I think that when we establish something like this, it is very much looked at a little bit more narrowly from the Federal Government's perspective, and what the requirements are that we need to put into place.

So moving forward for the future, I think we will always be looking at how can we tie some of the things together so that we do effectuate that kind of positive change.

CHAIRMAN WEYLER: Thank you. So when we look at catastrophic aid, and we look at how much the local district pays before they qualify for catastrophic aid, we are never informed how much of that may be Medicaid funds that they're counting in as their effort -- as their total effort. By doing these combination, both

HHS and Education, are we going to be able to look at that number and identify it or will it still be this HIPPA thing where you won't let us know?

MS. HEBERT: So thank you for your question. I'm not sure I can answer your question as it relates specifically to Medicaid, and I would defer to my colleague from the Division of Medicaid. But -- um -- so this specifically is about the Summer EBT Program pretty exclusively.

CHAIRMAN WEYLER: I know it's specific to that.

MS. HEBERT: Okay.

CHAIRMAN WEYLER: But since you're combining two databases --

MS. HEBERT: Hm-hum.

CHAIRMAN WEYLER: -- will it help with that question?

MS. HEBERT: I can take a look at that and, perhaps, I can respond outside of the meeting here today.

CHAIRMAN WEYLER: All right.

MS. HEBERT: If that's helpful.

CHAIRMAN WEYLER: You can get back to me on that.

MS. HEBERT: Sure.

CHAIRMAN WEYLER: Thank you.

MS. HEBERT: Thank you.

CHAIRMAN WEYLER: But it's something that's been a concern. Senator Carson.

SENATE PRESIDENT CARSON: Thank you, Mr. Chair. I'm not sure if this would -- if you would be the person that I would speak with, but I'm glad to see that you're looking to interface between the Department of Education and the Department of Health and Human Services. Um -- one issue that has come up and it has to do with School Districts and the number of students that they have during the regular school year on free-and-reduced lunch. Is there any way to, when this program is up and running, to ensure that the Districts, the School Districts are filing for reimbursement for the federal -- from the Federal Government for free-and-reduced lunch? Is there a way to keep track of that with this program or would it need to be something bigger than this?

MS. HEBERT: I -- I think it is bigger than this particular --

SENATE PRESIDENT CARSON: Okay.

MS. HEBERT: -- item. And, again, I would want to consult with my colleagues from the Department of Education --

SENATE PRESIDENT CARSON: Okay.

MS. HEBERT: -- to provide a more -- a better answer for you.

SENATE PRESIDENT CARSON: Okay. Thank you.

MS. HEBERT: Thank you.

CHAIRMAN WEYLER: Any further questions on item 223? I'll entertain a motion to adopt the item.

**\*\*** SEN. GRAY: So move.

CHAIRMAN WEYLER: Senator Gray moves to adopt, Senator Rosenwald seconds on item 25-223. Is there any further discussion? Seeing none. Are you ready for the question? All in favor say aye? Opposed no?

REP. MOONEY: No.

CHAIRMAN WEYLER: No. You wish to be recorded?

REP. MOONEY: Yes.

CHAIRMAN WEYLER: All right. Senator Mooney votes no. All right. The motion passes.

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

CHAIRMAN WEYLER: Moving on to FIS 25-224.

Again, Department of Health and Human Services. And, again, Representative Mooney is recognized for questions.

REP. MOONEY: Thank you, Mr. Chairman. Thank you again. Just curious as to what entails the phrase "high quality services" found on Page 2 of the request. If you could expound on that, that would be great. Thank you.

MS. HEBERT: Certainly. Thank you for the question. So I think that what I can do is provide you with the standards that the Office of Child Care through the U.S. Department of Health and Human Services sets for what those early learning standards are and how they define quality specifically. I'd be more than happy to send you that information.

REP. MOONEY: Very well. Thank you.

MS. HEBERT: You're welcome.

CHAIRMAN WEYLER: Any other member have a question on item 224?

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

SEN. BIRDSELL: Second.

CHAIRMAN WEYLER: Senator Gray moves to approve, Senator Birdsell seconds. Is there any further

discussion? Seeing none. Are you ready for the question? All in favor say aye? Opposed no? That item is adopted.

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

CHAIRMAN WEYLER: Moving on to Tab 6 and item 222. And, let's see, who had the question on this?

SEN. GRAY: Senator Rosenwald.

CHAIRMAN WEYLER: Senator Rosenwald has a question.

SEN. ROSENWALD: Thank you very much, Mr. Chair.

CHAIRMAN WEYLER: And, again, HHS.

SEN. ROSENWALD: Um -- a couple of questions. I think a couple. I mean, when I look at the Dashboard caseloads in CFI have been trending down since State Fiscal Year 2023, both in home -- home care and in mid-level care. Um -- so I'm wondering how this program is successful.

MELISSA HARDY, Director, Division for Long-Term Supports and Services, Department of Health and Human Services: Thank you for your question. I'm Melissa Hardy. I'm the Division Director for Long-Term Supports

and Services. Can I just ask a clarifying question? When you say this program, you're talking about CFI or you talking about MFP?

SEN. ROSENWALD: No, the Money Follows the Person.

MS. HARDY: Money Follows the Person. Thank you. Um -- Money Follows the Person is -- um -- 100% federally funded. That actually provides more services than what we can provide under CFI with looking at transitions from institutions to home and community-based care.

So under Money Follows the Person, there's extra services such as, you know, funding for home furnishings, housing navigation, person-centered planning. So it's above and beyond what CFI provides, as far as the support to the individual. And it's -- um -- you have specialized case management that comes along with that. That is up to 365 days post-discharge from an institution.

So the flexibility in Money Follows the Person really is what makes it different than what we can do under CFI as far as the supports we can give that are not, you know, that are not matched funds. These are

all federal dollars.

CHAIRMAN WEYLER: Further question.

SEN. ROSENWALD: Thank you. So how much federal funding will we be getting over the five year?

MS. HARDY: Yeah. So we were appropriated at the beginning, we were told we'd get \$5 million for project, you know, building up the project in infrastructure, and then we can go back and ask, you know, for additional funds if we have other projects we want to work on.

So recently we went back to CMS and asked if we could use some of the money for IT infrastructure to help, you know, providers and users of the system to ease into the services that are available. So we were able to ask for additional funding, again, not -- not any State funds but Federal funds to help our IT system. So they did approve that. So we're able to ask for additional funds above and beyond what they initially give us as funding.

SEN. ROSENWALD: One more, if I could. So I was reading the operational plan for Money Follows the Person, and I'm familiar with what that program was like originally.

MS. HARDY: Yes.

SEN. ROSENWALD: And I noticed that in year one your target is to transition five people out of nursing homes and by year five it's 35 people. So it's not a lot of people for a lot of money. Um -- is it -- is the money going to be spent mostly on staffing or you could buy a lot of furniture for \$5 million?

MS. HARDY: Yeah. I -- I do think the numbers that we cited in there are pretty modest. Um -- you know, we have -- we just got our protocol approved last month, so now we're able to start that actual trans -- excuse me -- transition phase. So I'm hoping that, you know, it's more than what we project on there. But it was -- those numbers were what we negotiated with CMS as far as looking at our budget and what's reasonable.

I will say as far as staffing, we have -- um -- two staff members at DHHS that administer the program, and we're looking to contract out some services as far as the intensive case management service and some of the housing navigation services.

So -- um -- it is, you know, when you look at the numbers right now, looking at, you know, administratively costly -- um -- but when you compare

that cost to somebody living in the community versus in an institution or somebody who's living at New Hampshire Hospital -- um -- you know, I think we will see the cost benefit there for people to live in the community.

SEN. ROSENWALD: Thank you.

CHAIRMAN WEYLER: Any other questions from any other Member of the Committee on this item? I'll entertain a motion to adopt the item.

\*\* SENATE PRESIDENT CARSON: So move.

SEN. GRAY: So move. I seconded. She can first it.

CHAIRMAN WEYLER: Senator Carson moves to adopt item 25-222, Senator Gray seconds the motion. Is there any further discussion? Seeing none. All in favor say aye? Opposed no? That item is adopted.

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

CHAIRMAN WEYLER: Okay. Moving on to Tab 7, item 231. And I believe it's Senator Birdsell had a question on the item.

SEN. GRAY: I think it's Senator Rosenwald.

CHAIRMAN WEYLER: Oh, is it Senator Rosenwald

again? Yeah, Senator Rosenwald is recognized.

SEN. ROSENWALD: Well, thank you. And -- and the question's kind of been answered, but just in the interest of transparency, we were all told that ARPA funds had to be locked down as of the end of last year. And now we're hearing that sometimes they can be reallocated. So -- um -- could you please explain.

CHARLIE ARLINGHAUS, Commissioner, Department of Administrative Services: I'll explain my understanding, although there may be smarter people in the room. In fact, there most certainly are. I'm Charlie Arlinghaus. I'm the Commissioner of -- um -- of Administrative Services. I forgot for a minute. Um -- the -- um -- so my understanding in ARPA, and we all thought what you thought, but my understanding is that additional guidance from U.S. Treasury recently has been that for projects -- so think of construction. Like for most -- uh -- many of the ARPA projects are like construction projects where you think you're going to spend 10.65 million and you spent 10.55 million, let's say. And -- and what they've said is that -- is that you can take those little extras, if you will, the hundred grand it turns out you didn't need, and you can

repurpose it, but not for new stuff. You can repurpose it by adding it to old stuff. Something that's already been approved, already gone through the process and is already on the books, if you will.

So, for example, what -- what you'll see happening here is there's a construction project to build a new YDC, it's an existing already authorized project. We couldn't decide on our own to build a second YDC. I don't know why we would do that, but you can -- you can take some of the accumulations and move them to something that's already been approved. The technicalities beyond that, I would defer to Commissioner Caswell.

CHAIRMAN WEYLER: Was the project running over budget or was this the additional things we added at the last minute?

MR. ARLINGHAUS: They're -- they're the additional things. When the project was -- was bid, it was bid with 15 add alternates because we -- while we had an estimate for the price, we just weren't sure what was going to happen. And, in fact, we had one bidder that came in fairly high. So while we adopted some of the add alternates, this is some of the other add

alternates in the budget.

CHAIRMAN WEYLER: It can be finished by the deadline?

MR. ARLINGHAUS: Oh, yeah. It's going well.

CHAIRMAN WEYLER: Very good. Thank you. Any further questions on item 25-231?

\*\* REGINA BIRDSELL, State Senator, Senate District #19: I was -- I was just going to move to approve.

CHAIRMAN WEYLER: Okay.

SEN. ROSENWALD: I did actually have a question.

CHAIRMAN WEYLER: Okay. Further question.

SEN. ROSENWALD: Because yesterday when we spoke on the phone, Commissioners -- um -- you said that these three items were in the original plans. So now I'm a little confused.

LORI WEAVER, Commissioner, Department of Health and Human Services: Well, when we spoke, you asked specifically about the crisis stabilization and that was in the first part of the work. So it's not in the packet that you have today. The add alternate specifically for those dollars allotted or it's that amount of work, that amount of money for those -- that

are marked in the docket.

SEN. ROSENWALD: So if --

CHAIRMAN WEYLER: Follow-up.

SEN. ROSENWALD: So were we going to build this facility without a classroom?

MS. WEAVER: We were going to have to get creative with how we define classroom if we couldn't get the money to do classroom. Yes.

SEN. ROSENWALD: Okay. Thank you.

CHAIRMAN WEYLER: A motion by Senator Birdsell.

SEN. GRAY: Second.

CHAIRMAN WEYLER: Second by Senator Gray to approve item 25-231. Any further questions and discussions from Committee Members? Seeing none. All in favor say aye? Opposed no? Motion is adopted.

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

### REGULAR CALENDAR

(9) Miscellaneous:

(10) Informational Materials:

CHAIRMAN WEYLER: Finished with the Consent

Calendar and move to the Regular Calendar, which I guess there isn't one.

REP. ERF: {Inaudible}.

CHAIRMAN WEYLER: Okay. Informational items. Any questions on any of those? Seeing none. I guess we're ready to move to audit. Do you have any items? Thank you. All right. We're ready for the audit.

MR. KANE: Mr. Chair, just to remind the Committee, this audit has been released based on the previous actions of the Committee to release audits once they make it to the agenda.

CHAIRMAN WEYLER: Very good.

MR. KANE: So no further motions are needed.

CHAIRMAN WEYLER: The Erf motion.

REP. ERF: I'm good for something.

CHAIRMAN WEYLER: And for reminding me.

**AUDITS:**

CHAIRMAN WEYLER: Good morning or good afternoon.

CHRISTINE YOUNG, Director, Audit Division, Office of Legislative Budget Assistant: Good afternoon, Mr. Chairman, and Members of the Committee. For the

record, my name is Christine Young. I'm the Director of Audits for the LBA, and we're here this afternoon to present the Management Letter for the Audit of the Liquor Commission.

Jim LaRiviere, he's a Senior Audit Manager from our office. He was the in-charge manager on the audit, and he'll present the report.

And joining us is Chairman Joe Mollica, Chief Financial Officer Tina Demers, Director of Administration Patricia Peters, and from DoIT Dennis Goulet, the Commissioner.

So, with that, I will turn it over to Jim for the presentation of the report.

JIM LARIVIERE, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant: Good afternoon, Chairman Weyler, and Members of the Committee. Again, for the record, my name is Jim LaRiviere, and we are here to present the New Hampshire Liquor Commission's Fiscal Year 2024 Management Letter.

If you turn to the Table of Contents, you can see this report contains thirteen Internal Control Comments, the first two, which are identified as material weaknesses. The Liquor Commission concurred

with all the Observations, except for Observation No. 6, which I will address later in this presentation.

Our Recommendation Summary begins on Page 3. None of the Observations suggest that legislative action may be required. The Observations begin on Page 6.

Observation No. 1. During the last quarter of Fiscal Year 2024, the Commission implemented a new computer system, the NextGen system. This Observation discusses the need for the Commission to strengthen internal controls over the NextGen system.

When the NextGen system went live, internal controls over the system had not been fully designed, developed, documented, or understood, contributing to the material weaknesses and significant deficiencies in internal controls described in this report.

This process -- this process expected to be performed by the system included the design of internal controls and the production of effective management reports and data, were not adequately planned or tested prior to being placed into operation.

We recommended the Liquor Commission expand its understanding of the NextGen system, create a data dictionary, develop and document policies and

procedures, including key controls for all transaction processes, and investigate the cause of the system automatically posting phantom transactions to NHFirst.

Turning to Page 8, Observation No. 2 recommends the Commission establish and document a formal risk assessment process for identifying, analyzing, and responding to risk, especially risk related to the implementation of the NextGen system, and that the Commission review its financial and operational activities for indicators of risk exposures and establish and monitor controls to address those risks.

Observation No. 3 on Page 10 recommends the Commission implement an effective process for reconciling its NextGen system accounts to NHFirst. Any difficulties encountered in the reconciliation process should be communicated to the Department of Administrative Services for their guidance.

Observation No. 4 on Page 11 notes that the Commission has not properly designed its daily cash receipt controls for the NextGen system, as the control did not include evidence of the reconciliation of daily cash receipts to the bank deposits.

We recommend the Commission develop policies

and procedures to effectively account for its daily cash receipts using the NextGen system.

Observation No. 5 on Page 12 recommends the Commission maintain subsidiary ledgers or other detailed support for its receivables and periodically reconcile its accounts receivable and payable balances recorded in NextGen to the corresponding balance in NHFirst.

Observation No. 6 beginning on Page 13 recommends the Commission reduce risk for services outsourced to third-party organizations by developing policies and procedures for determining whether a System Organization's Controls Report, known as a SOC Report, is needed.

A SOC Report can provide the Commission with important information about the design and effectiveness of internal controls over information technology systems and data that are outsourced, such as controls over financial reporting or controls unrelated to financial reporting like controls over security, availability, processing, integrity, confidentiality, and privacy of customer data. The SOC Reports can help the Commission identify if there are certain risks present at the third-party organization that need to be mitigated by

the Commission.

The Commission disagreed with the recommendation and cites alternatives to managing vendor risk. However, those other alternatives have their own specific purposes and do not fully address the benefits that a SOC Report could provide, such as identifying financial reporting risk. Ultimately, the Commission management must decide how much risk they're willing to accept.

The Department of Administrative Services agreed to work with the Commission to identify relevant State contracts and the potential need to include a provision requiring a SOC Report in future contracts.

Observation No. 7, beginning on Page 16, has been a finding included in several Management Letters since 2019. It recommends the Commission develop an internal audit function in accordance with professional standards and that is supported by a charter designed to help improve the Commission's financial accounting, reporting, and compliance activities.

Observation No. 8, starting on Page 18, recommends the Commission make improvements to its accounting and reporting for leases in accordance with

Governmental Accounting Standard Board standards.

Observation No. 9, beginning on Page 19, recommends the Commission develop policies and procedures for estimating breakage for gift cards sold that will never be redeemed, and report and distribute to the State's Abandon Property Program those gift card balances exceeding \$250 that are more than five years old that have not been claimed in accordance with State Law.

Observations No. 10 through 13 are specific to information technology.

Observation No. 10 on Page 21 recommends NextGen system foundational documents, including a risk assessment, disaster recovery, and business continuity plan, security management plan, and an incident response plan be developed.

Observation No. 11 recommends the Commission develop a baseline configuration for its NextGen system in accordance with -- in accordance with the Department of Information Technology's configuration management policy, and implement the NextGen workflow process to ensure proper segregation of duties and transaction processing functions.

Observation No. 12 on Page 25 recommends excess NextGen system administrator accounts be deleted. And Observation No. 13 on Page 27 recommends that the Liquor Commission revoke developer's access to the NextGen production environment.

The current status of prior audit findings for Fiscal Years 2023 and 2022 begin on Page 29 located behind the tab. Of the combined nine comments contained in those reports, five have been fully resolved and four are still in the process of being remediated.

This concludes my presentation. I'd like to thank the Liquor Commission for their assistance throughout the audit. And with your permission, Chairman, I'd like to turn the presentation over to the Liquor Commission for any comments they have.

CHAIRMAN WEYLER: Thank you. Commissioner, your comments.

JOSEPH MOLLICA, Chairman, New Hampshire Liquor Commission: Thank you, Mr. Chairman, Members of the Committee. I'd just like to thank the LBA for their -- their work that they do with us every year. Christine and Jim, they do wonderful work.

Just a quick note that the Liquor Commission

was on its new system after leaving a 40-year old Legacy System for three months when this audit was done. And I think, historically, what you've seen from the Liquor Commission is when there is a problem, we remediate it, and we'll continue to do so. I'd be happy to take any questions that anyone may have. Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Thank you. Committee Members have any questions? Senator Gray.

SEN. GRAY: Um -- not just for Liquor Commission, but for all of the audits that we do, I want to have estimated completion dates for all the action items. Um -- I'm going to work with LBA and other people to go implement that. I want to know how many times it's been rescheduled, if it's rescheduled, what the original date was, and those kind of things. 'Cause when we looked at Claremont and their educational problems, the State knew, the School Board knew, nobody was tracking the stuff. And so with these audits, certainly for this one, Commissioner, I would ask you to provide completion dates for the old ones fairly soon, and for the new items to provide completion dates, you know, in the future, so that we can at least start that

process.

MR. MOLLICA: Certainly.

SEN. GRAY: Thank you.

MR. MOLLICA: Thank you.

CHAIRMAN WEYLER: Further from the Committee?

Senator Watters.

DAVID WATTERS, State Senator, Senate District #04: Yes, thank you. I want to thank my colleague, Senator Gray, for raising this issue in our pre-Fiscal meeting, and I -- and I do think that another suggestion that Senator Gray raised that we integrate into the joint fiscal meetings on, perhaps, a three-month basis or something, a review of -- of progress on previous audits. And I don't know if Senator Gray would want to remark more about that, but I think that that's a, you know, it really be good to have some kind of procedure embedded in this Committee for that kind of review as well.

CHAIRMAN WEYLER: Senator Gray.

SEN. GRAY: Because the actions that needed to be happen are -- are on the other side of the fence from us, the Governor's responsible for all those. I wasn't going to go that far until, you know, I had a chance to

talk with the Governor and his staff.

CHAIRMAN WEYLER: Questions from any other Committee Member on the audit? Happy to see Director Goulet here. How is the NextGen going in the other departments? Probably push that button. Yeah.

DENIS GOULET, Commissioner, Department of Information Technology: Good afternoon, Mr. Chair, Members of the Committee. Denis Goulet, the Commissioner of the Department of Information Technology. There's -- I think what you're asking is how is our system modernization effort going in other departments. There are a lot of activities going on. Actually, Liquor is the only one of two departments that are running this Dynamics 365 system. The other is Energy. Much smaller implementation there, but there's a whole bunch of modernization going on throughout the Executive Branch of government. And I'd say that the projects overall are being well governed and the, you know, each one has its own challenges every time, particularly when we do a large project like NextGen at Liquor, there's always -- it's always more difficult than you thought going in. So we do face those challenges all the time. And, of course, resource

challenges, particularly now as we, you know, as we absorb our -- our new budget situation. But, you know, overall there's quite a lot of system modernization going on and throughout the Executive Branch and nearly every -- particularly every large agency.

CHAIRMAN WEYLER: So, Commissioner, is NextGen isn't being implemented all over the State immediately. It's just --

MR. GOULET: No, this -- this NextGen implementation is very specific to Liquor. Um -- one of the reasons why this solution was chosen by Liquor through the RFP process, which actually was going on when I first joined the State many years ago, was because of the strong point-of-sale capability that's attached to it, which we really don't have anything like that anywhere else, any requirements like that.

So this Dynamic system also could be looked at as a CRM or Case Management System. But we've actually standardized on a salesforce for case management, licensing and permitting, and grants management. So I don't expect a ton of this particular technology to proliferate around the Executive Branch.

CHAIRMAN WEYLER: Thank you. Any other

questions from the Committee? Commissioner Mollica.

MR. MOLLICA: Mr. Chairman, I neglected to introduce Tina Demers, our CFO, and Patricia Peters, our Director of Administration. I'd like the Committee to know, and thank Denis and his team for their help in this enormous project. It's been undertaken. It's been very successful at the Liquor Commission, and we're hoping to have the remediation of these items very quickly. So thank you.

CHAIRMAN WEYLER: Well, you do have a unique operation with all the sales and all the different outlets and all the -- all the different payment systems. It's complicated.

MR. MOLLICA: We certainly do. Thank you for recognizing that.

CHAIRMAN WEYLER: We appreciate the fact that you've got it down to twelve comments.

MR. MOLLICA: Not too bad. A lot of team work.

CHAIRMAN WEYLER: Some of the other agencies get a lot more.

MR. MOLLICA: A lot of team work.

CHAIRMAN WEYLER: Mr. LaRiviere is very thorough.

MR. MOLLICA: Thank you, Mr. Chairman, Members of the Committee.

CHAIRMAN WEYLER: I'm impressed.

MR. MOLLICA: Thank you.

CHAIRMAN WEYLER: Thank you. Appreciate all the good work from all of you working together.

All right. I believe we've already had a motion to accept it, this report, place it on file, and release in the usual manner. And congratulations to you all for your fine work. Further questions.

SEN. GRAY: Not related to this, as an add on. Fiscal Committee has responsibility to oversee the budget.

CHAIRMAN WEYLER: Correct.

SEN. GRAY: Last year what was the actual number we ended with is a deficit that we made up through other means.

MR. KANE: {Inaudible}.

SEN. GRAY: That's unacceptable. I have asked a whole bunch of people to come see me about this. We need to figure out what reports we need to do to look at month by month or have quarterly meetings or whatever to get us to a place where we don't end the year with a

deficit.

CHAIRMAN WEYLER: Right.

SEN. GRAY: We can't take action, but we can use our voices. We can tell the Governor, hey, this isn't happening. Okay. Or whatever we need to be able to do. Okay. But that's another thing that this Committee needs to do is start figuring out what it is that we need to look at so that we do, and the biggest problem as I see it is lapses.

CHAIRMAN WEYLER: Is what?

SEN. GRAY: Lapses.

CHAIRMAN WEYLER: Yep.

SEN. GRAY: That we have no idea whether the Commissioners are giving us the right numbers, not the right numbers. You know, come in and say, oh, it's good, it's good, it's good, and then as we get -- well, it's bad, it's bad, it's terrible. Okay. And so we need to get there. We need to be able to do that kind of stuff. What is the revenue projection so far this year?

MR. KANE: About ten. Yeah, 10 million.

CHAIRMAN WEYLER: Projected to be over a hundred.

SEN. GRAY: I got -- I got two fingers down there. I don't know what the two fingers mean.

UNIDENTIFIED SPEAKER: Twenty.

SEN. GRAY: Twenty million. So, again, part of that was projected through Ways and Means Committees, is that it was going to be soft until January and then, hopefully, pick up. Well, again, shame on us last year. Okay. And double shame on us if we don't do anything for the next one. Thank you.

CHAIRMAN WEYLER: Okay.

SENATE PRESIDENT CARSON: Mr. Chairman.

CHAIRMAN WEYLER: Senator Carson.

SENATE PRESIDENT CARSON: I'd like to be on record of supporting Senator Gray's comments. I am new to Finance and twenty-five years just in policy. And -- um -- looking at the financial reports and seeing that we are behind, I would rather be very proactive in addressing a deficit rather than waiting until the end and just letting it accumulate over time and at that point it does at some point seem insurmountable.

So I would like to just echo and support Senator Gray's comments. I think we need to get a handle on these and get it done early so we can control

-- control the deficit.

CHAIRMAN WEYLER: Well, I would say that had we stuck with the House Ways and Means estimates, we wouldn't be having this problem now. But, anyway, we'll try to come up with a date for the next meeting.

**(11) Date of Next Meeting and Adjournment:**

MR. KANE: Sure. The third Friday in October is the 17th.

SENATE PRESIDENT CARSON: October 17th?

MR. KANE: Yes.

CHAIRMAN WEYLER: October 17th. Okay. So far no conflicts. Anybody?

MR. KANE: Yes. October 17th.

SENATE PRESIDENT CARSON: Mr. Chair, one o'clock?

SEN. GRAY: We were doing 11.

SENATE PRESIDENT CARSON: Mr. Chairman, are you good at 11 on the 17th?

CHAIRMAN WEYLER: Anybody object to 11 o'clock on the 17th? And I guess we'll do this at Granite Place.

SEN. GRAY: If I can find it.

CHAIRMAN WEYLER: Eleven o'clock. Probably we'll do pre-Fiscal at 10, the House Members, and we'll be at Granite Place. I think it's Room 230 that we have.

All right. Anything further? I thank you all for your attendance, and look forward to our meeting on October 2nd. We'll have some ideas on that. There's nothing further.

SEN. GRAY: Different meeting.

SENATE PRESIDENT CARSON: Yeah. {Inaudible}.

CHAIRMAN WEYLER: There's nothing further. We are adjourned. Thank you all.

(Meeting adjourned.)

C E R T I F I C A T E

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

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