

Executive Council Meeting Report

Meeting of January 23, 2019

A. A Different Feel to the Meeting

The Council's last meeting was peppered with multiple requests by Councilors Prescott and Gatsas to draft new procedures to meet their interests in how the Council should perform its important functions. The operations of the Executive Council and state agencies are governed by the Manual of Procedures (MOP) which was last updated in December 2018. Rather than have the Department draft amendments that may not pass, I suggested that the Council meet to discuss all proposals in a thoughtful manner. Only proposals likely to be supported by a majority of the Council will be sent for drafting, with adoption at a later meeting. The Council will meet after our regular meeting on February 6th to discuss potential amendments to the MOP. The meeting will be public.

B. Breakfast at Department of Revenue Administration with Revenue Update

As I did in my first term, I arranged for the Governor and Council to be briefed by the Department of Revenue Administration (DRA) about the state's sources of revenue. Commissioner Lindsey Stepp and Assistant Commissioner Carollynn Lear provided our tutorial. We also received an update about the state's new software, dubbed the "Revenue Information Management System" or RIMS project.

Revenues from business taxes are increasing, but the Commissioner expressed a note of caution that the increases are unlikely to be sustained because they relate to specific events. In 2016, the state had its first tax amnesty which resulted in extra tax payments. In 2018, federal tax reform may have resulted in bringing off shore revenues back to the US, but this phenomenon will not repeat in future years.

In the last year, the DRA collected \$2.3 billion in revenue through various statutorily authorized collections. The largest source of revenues for the state was the Business Profits Tax (BPT) which is set at 7.7% and produces about 19% of the state budget, mostly from larger businesses. The next largest source is the 9% Rooms and Meals Tax representing 13% of revenues. Third is the Business Enterprise Tax at 0.6% of compensation paid mostly in smaller businesses, representing 12% of state revenues. The DRA lists the Statewide Education Property Tax (SWEPT) as a state revenue source, but it is not. SWEPT monies are raised and spent locally for education. The revenues raised through SWEPT are not re-distributed to address unfair funding.

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Commissioner Stepp confirmed that the DRA is capable of collecting and distributing SWEPT monies. The DRA does not collect the insurance premium tax, which is collected by the Department of Insurance, the beer tax, which is collected by the Liquor Commission and the Gas Tax, which is collected by the Department of Safety.

C. Agenda Items of Interest

Narcan for the Prison System

The Council approved an amendment to existing agreements to permit the Department of Corrections to make Narcan available and to further facilitate medically assisted treatment for prisoners re-entering society when they are at a very vulnerable stage in their recovery.

Additional Funds for DCYF File Closures

The Council approved \$320,000 in additional funds to Waypoint to provide further assistance in the closure of backlogged DCYF case files.

Pediatric Mental Health Access Program

The Council approved the acceptance of a \$455,000 grant from the US Department of Health to fund the Pediatric Mental Health Access Program.

Liquor Commission Raises

The Governor put forward the top four State Liquor Commission commissioners and managers for 5-6% raises. I objected to the raises because the Liquor Commission has failed to meet its revenue goals in two of the last three years and its net profits have been flat for almost a half dozen years, although its gross sales have grown. To me, the flat profits and failure to meet planned budgets suggest management issues that do not justify raises. No representative from Liquor attended the Council meeting to defend the raises or answer questions. As a result, Councilor Cryans moved to table the raises so that he could confirm the financial reporting. The motion to table passed 4-1, with Councilor Gatsas dissenting. I suggested that the Commissioner appear at the Council's next meeting and the Governor agreed to relay the request.

Climate in the Classroom

The Council approved a \$25,000 agreement with UNH to develop curriculum materials for middle school classes for the "Climate in the Classroom" program.

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Attempt to Revisit Expansion of Bethany Christian Services

On January 9, 2019, Councilors Cryans, Pignatelli and I voted down a proposed expansion of the foster care parenting education and counseling services provided by Bethany Christian Services (BCS) in the state of New Hampshire. BCS is a national religious organization that recruits and provides services to prospective foster care parents but maintains religious tenets against working with same-sex couples. BCS is being sued for discrimination in Michigan and Philadelphia. I was the lone vote against the initial contract in 2017.

Councilors Prescott and Gatsas were adamant that this vote be revisited. The Governor directed the Commissioner of the Department of Health and Human Services to compile further financial data for the Council's review because the finances of BCS are of interest to Councilor Cryans. Councilor Pignatelli and I remain concerned about the introduction of religious considerations into the state's foster care system as this violates the Constitution and discourages same sex couples from participation.

Those having an interest in this topic should consider attending the next Council meeting as the Governor is likely to permit extended discussion without proper notice, whether or not there is an approved agenda item about Bethany Christian Services.

Resolution in Support of Furloughed Federal Workers

At the suggestion of Councilor Pignatelli, the Council approved and transmitted a resolution to the Legislature in support of emergency legislation to assist financially strapped federal workers who were furloughed during the Government Shutdown. Councilor Cryans and I joined Councilor Pignatelli in support of the resolution.

D. Nominations and Confirmations

The following nominees were confirmed:

Board of Accountancy, Jeffrey A. Graham, Laconia, NH
Board of Professional Geologists, Nikki Delude Roy, Northwood, NH
Compensation Appeals Board, Benjamin C. Barody, Manchester, NH,
Maureen E. Dwyer-Henrichs, Kingston, NH, Harry G. Ntapalis, Manchester,
NH, Thomas F. Parks, Jr., Dover, NH, Edward F. Patch, Bow, NH
Lakes Management Advisory Committee, Janet R. Kidder, New London, NH
Medical Review Subcommittee, Corneliu N. Stanciu, Manchester, NH and
Mark Goldstein, Andover, MA.

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Mechanical Licensing Board, Jeffrey C. Brown, Westmoreland, NH
New Hampshire Motor Vehicle Industry Board, David G. Allen, Londonderry, NH and
Cameron Eldred, Hanover, NH
Physical Therapy Governing Board, Joseph V. Shanley, Nottingham, NH
State Board of Education, Celina T. Griffin, Gilford, NH

The following individuals were nominated:

Associate Commissioner of Population Health, DHHS, Ann H.N. Landry, New London, NH
Board of Licensing for Alcohol and Other Drug Use Professionals, Alexandra H. Hamel, Weare, NH, Kelly M. Luedtke, Raymond, NH
Board of Nursing, Wendy Stanley Jones, Greenland, NH and Ann Finn-Waddell, Concord, NH
Board of Registration of Podiatrists, Julie M. Shaheen, Stratham, NH
Director of Project Development, DOT, Peter E. Stannas, Windham, NH
Division of Administration Director, State Liquor Commission, Rosemary Wiant, Hopkinton, NH
Medical Review Subcommittee, Colin O'Brien, Amherst, NH and Tanya Rule, Exeter, NH
Nash Stream Forest Citizens Committee, Jeffrey P. Lougee, Jackson, NH
New Hampshire Transportation Council, Rad C. Nichols, Durham, NH and Heidi J. Marshall, Hopkinton, NH
State Veterans Council, James H. Adams, Pittsfield, NH

E. Spotlight

\$15 an Hour

At my request, the state's agencies began reporting the lowest rates of compensation paid by state vendors to their employees on the contracts in question.

Longchamps Electric, Agenda Item #26, was awarded a \$25,000 state contract, but refused to provide information about the wages paid to its workers.

J.P. Sicard, Inc., Agenda item #40 and Vermont Recreational Surfacing & Fencing, Inc., Agenda item #41 are federally funded and thus prevailing wages apply.

Turnstone, Inc., Agenda item #110 was awarded a \$100,000 contract, but refused to provide information about the wages paid to its workers.

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F. Next Meeting

Our next regularly scheduled Executive Council meeting will occur on February 6, 2019 beginning at 10 a.m. The agenda for the meeting will be posted by the Secretary of State on the Executive Council web page late on the preceding Friday afternoon. <http://sos.nh.gov/GC2.aspx>

Councilor Prescott will host the Council breakfast at the Department of Information Technology. The public is welcome to attend. The breakfast begins at 8 a.m.

G. Items of Interest to District Two, by Region

Region 1-Monadnock Region

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Division of Economic & Housing Stability

[#16A](#) Authorized to amend an existing **sole source** agreement with Southwestern Community Services Inc., Keene, NH (originally approved by G&C on 3-21-18, item #9), for the provision of a permanent housing program through the Federal Continuum of Care program by increasing the price by \$1,982 from \$84,667 to \$86,649 with no change to the completion date of March 31, 2019. Effective upon G&C approval. **100% Federal Funds. Vote: Unanimous**

COMMUNITY DEVELOPMENT FINANCE AUTHORITY

[#46](#) Authorized to award a grant to the County of Cheshire, Keene, NH, in the amount of \$500,000 to support the Central Square Terrace affordable housing rehabilitation project situated at 4-7 Central Square, Keene, NH. Effective January 23, 2019 through December 31, 2020. **100% Federal Funds. Vote: Unanimous**

Region 2-Merrimack County

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of the Commissioner

[#10](#) Authorized a salary step assignment change for Christine Tappan from Grade JJ, step 6 \$125,160.36 to Grade JJ, step 7 \$131,357.20. Effective January 18, 2019. **Vote: Unanimous**

[#11](#) Authorized a salary step assignment change for Lori Weaver from Grade JJ, step 6 \$125,160.36 to Grade JJ, step 7 \$131,357.20. Effective January 18, 2019. **Vote: Unanimous**

Region 3-Strafford County

DEPARTMENT OF BUSINESS AND ECONOMIC AFFAIRS

[#71](#) Authorized the Division of Economic Development to amend a contract agreement with the Granite State District Export Council, Dover, NH (originally approved by G&C on 11-8-17,

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item #48), to provide financial administration, oversight and reporting services in compliance with the State Trade Expansion Program Grant VII initiatives, by increasing the amount by \$224,750 from \$252,733 to \$477,483, and by extending the end date from September 29, 2019 to September 29, 2020. **100% Federal Funds. Vote: Unanimous**

DEPARTMENT OF ENVIRONMENTAL SERVICES

[#78](#) Authorized to enter into an agreement with the University of NH, Sponsored Programs Administration, Durham, NH, to implement the Climate in the Classroom project, in the amount of \$25,000. Effective upon G&C approval through June 30, 2020. **100% Federal Funds. Vote: Unanimous**

[#85](#) Authorized to amend a **sole source** agreement with the Strafford Regional Planning Commission, Rochester, NH (originally approved by G&C on 1-10-18, item #37), for the *Lee Floodplain Mapping and Management* project, by adding key mapping tasks and increasing the grant by \$5,000 from \$30,000 to \$35,000. Effective upon G&C approval through June 30, 2019. **100% Federal Funds. Vote: Unanimous**