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The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

His Excellency, Governor Christopher T. Sununu
and the Executive Council
State House
Concord, NH 03301

REQUESTED ACTION

Pursuant to the provisions of Chapter 145, subparagraph I, (a), Laws of 2019, the New Hampshire Veterans Home, NHVH, requests authorization to exceed the 3/12 limitation of said resolution for the accounts listed on the attached analysis, in the total amount of **\$547,481**, to the extent shown as projected deficits for the period of Fiscal Committee and Governor and Council approval through September 30, 2019. **26.44% General funds, 38.46% Federal, 35.10% Other Funds**

PERSONAL SERVICES PERMANENT - 100% General Fund

Account	Bureau/Division	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
05-43-43-430010-535800000	VETS HOME CUSTODIAL CARE	010	839,934	904,544	(64,610)
	General Funding Source 100%		839,934	904,544	(64,610)

PERSONAL SERVICES PERMANENT - Mixed or Other Funding

Account	Bureau/Division	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
05-43-43-430010-53590000	VETS HOME PROFESSIONAL CARE	010	3,552,732	3,826,019	(273,287)
05-43-43-430010-53590000	VETS HOME PROFESSIONAL CARE	011	28,106	31,717	(3,611)
			3,580,838	3,857,736	(276,898)
	General Funds 26.44%		946,774	1,019,986	(73,212)
	Federal Funding 38.46%		1,377,190	1,483,685	(106,495)
	Other Funding 35.10%		1,256,874	1,354,065	(97,191)

BENEFITS - 100% General Fund

Account	Bureau/Division	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
05-43-43-430010-53580000	VETS HOME CUSTODIAL CARE	060	552,202	594,679	(42,477)
	General Funding Source 100%		552,202	594,679	(42,477)

BENEFITS - Mixed or Other Funding

Account	Bureau/Division	Class	Cont. Res. Budget	Estimated Expenditures	Estimated Deficit
05-43-43-430010-53590000	VETS HOME PROFESSIONAL CARE	060	2,125,459	2,288,955	(163,496)
	General Funds 26.44%		561,971	605,200	(43,229)
	Federal Funding 38.46%		817,452	880,332	(62,880)
	Other Funding 35.10%		746,036	803,423	(57,387)
General Funding Source (G)			2,900,881	3,124,409	(223,528)
Federal Funding Source (F)			2,194,642	2,364,017	(169,375)
Other Funding Source (O)			2,002,910	2,157,488	(154,578)
Total Funding			7,098,433	7,645,914	(547,481)

EXPLANATION

The New Hampshire Veterans Home (NHVH) respectfully requests that above expenditure classes in specific accounting units be increased for the amounts noted, in excess of the 3/12 limitation established pursuant to Chapter 145, subparagraph I, (a), Laws of 2019.

The deficits projected through the end of the continuing resolution, September 30, 2019, are the result of anticipated payroll and benefit obligations, which will exceed the 25% level of funding for FY 2019, as reflected in the NHVH agency budget request for the FY 2020-2021 biennium.

The primary driver for the shortfalls expected in the payroll and benefit line, is the timing of the State's bi-weekly payroll processing schedule that places 7 pay periods in the 3 month span of the Continuing Resolution. (This seventh payroll is one of two extra monthly pay periods of our annual 26 pay period cycle, which places three FY 2020 payrolls in the months of August and January 2020.)

Additional contributors to the shortfalls, unique to the personnel makeup of each accounting unit, may include one or more of the following:

- The effect of the hiring of any individual(s) at a higher level of pay or benefit plan than originally planned for in the FY 2018-2019 budget process.
- The effect of an additional salary increment (step) available for employees associated with the most recent collective bargaining agreements, versus the original budgeted projections.
- Longevity and benefit payments as the result of employee retirements or their decision to leave State service.

The list of shortfall contributors above, would normally be mitigated in part by the agency's ability to seek relief from the Salary Adjustment Fund (RSA 99:4) and or the Benefit Adjustment fund (RSA 9:17.c) for these unbudgeted but normal costs of conducting the State's business.

The two funds noted above would normally be populated by DAS, from a general sweep request and action, to collect salary and benefit excess appropriations from each department, normally done on a quarterly basis. Given the short term of the Continuing Resolution, and the seventh pay period due to be paid September 27, 2019, excess funds are not expected to be available to be brought into the adjustment funds.

Listed below are answers to standard questions required of all Fiscal Committee item requests, related to RSA 9:16-a, "Transfers authorized", RSA 14:30-a, VI "Expenditure of funds over \$100,000 from any Non State Source", or RSA 124:15, "Positions Authorized", or both, and all emergency requests pursuant to " Chapter 145, subparagraph I, (a), Laws of 2019, making temporary appropriations for the expenses and encumbrances of the State of New Hampshire":

1. **Is the action required of this request a result of the Continuing Resolution for FY 2020?**
Yes, this request is a result of the Continuing Resolution. This action would not have been requested if the FY 2020-2021 Operating Budget proposal had been approved.
2. **If this request is retroactive what is the significance and importance of the action being effective from an earlier date?** This request is not retroactive.
3. **Is this a previously funded and ongoing program established through Fiscal Committee and Governor and Executive Council action? (If so, include as an attachment the original documents as approved and cite the specific dates of authorization and end dates for each action as part of your answer to this question.)** This request is not related to prior Fiscal Committee and/or Governor and Council action.
4. **Was funding for this program included in the FY 2018-2019 enacted Budget or requested and denied?** Appropriate funding for salaries and benefits was requested and authorized in the FY 2018-2019 enacted budget.
5. **Is this program in total or in part, included in the vetoed FY 2020-2021 Operating Budget proposal currently pending for your department, or was it requested and denied?** The total funding needs to support the salaries and benefits for DAS were requested and included in the FY 2020-2021 Operating Budget proposal currently pending.
6. **Does this program include, either positions or consultants, and if so are the positions filled, vacant, or have offers pending? (Please provide details for each position and note whether consultant contracts have been awarded.)** This request is the result of the need for additional funding to support filled position costs associated the seven pay periods of the Continuing Resolution and other expected payroll anomalies, which occur annually.
7. **What would be the effect should this program be discontinued or not initiated as a result of this request being denied?** The State is obligated to make payment to individuals for the work that they perform on our behalf. The denial of the request would necessitate that DAS return to Fiscal Committee with a transfer request compiled from any allowable expenditure class line with identical funding to mitigate the anticipated shortfalls in these salary and benefit lines.

Respectfully submitted,

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