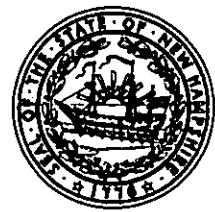




The State of New Hampshire
Department of Environmental Services



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Robert R. Scott, Commissioner

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

August 7, 2019

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 Department of Environmental Services, requests authorization to exceed the 3/12 limitation of said resolution for the accounts listed on the attached analysis, in the total amount of **\$1,482,297**, to the extent shown as projected deficits for the period of Fiscal Committee and Governor and Council approval through September 30, 2019. **100% General Funds**

STATE AID GRANT PROGRAMS – 100% General Fund						
Division	Account	Program Title	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
03-44-44-442010	10030000	STATE AID GRANTS	073	1,051,453	2,257,255	(1,205,802)
03-44-44-442010	14260000	PUBLIC WATER SYSTEMS	073	175,466	197,950	(22,484)
03-44-44-444010	54020000	SOLID WASTE PROG	073	<u>119,009</u>	<u>373,020</u>	<u>(254,011)</u>
		General Funding		\$1,345,928	\$2,828,225	(\$1,482,297)

EXPLANATION

The Department of Environmental Services (DES) 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 State Aid Grant payments, which will exceed the 25% level of funding for FY 2019, as reflected in the DES agency budget request for the FY 2020-2021 biennium.

The primary driver for the shortfalls is the timing of the payments to communities for the State's share of their debt service payments related to the three State Aid Grant (SAG) programs. Under the SAG programs, the State's payment to communities for these long standing grants is timed to coincide with the towns' debt service payments. For example, under the Landfill Closure Grants within the Solid Waste Program, nearly 75% of total payments for the fiscal year fall

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in the month of August. Similarly, under the State Aid Grant program for wastewater systems, payments for the first quarter total \$2.25 million, which represents 37% of total payments for the fiscal year. Without the additional funds, payments to communities will be delayed between one to nine months. With the additional funds, all payments due to communities in this first quarter will be made in September.

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 state aid grant payments 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 state aid grants for DES 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 does not include funding for positions.
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 communities for long standing grant awards.

We respectfully request your approval of this item.


Robert R. Scott, Commissioner