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STATE OF NEW HAMPSHIRE
DEPARTMENT of NATURAL and CULTURAL RESOURCES
OFFICE OF THE COMMISSIONER

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August 7, 2019

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 Department of Natural and Cultural Resources requests authorization to exceed the 3/12 limitation of said resolution for the accounts listed on the attached analysis, in the total amount of **\$225,121**, to the extent shown as projected deficits for the period of Fiscal Committee and Governor and Council approval through September 30, 2019. **34.5 % General funds, 64.5% Other Funds, 1% Federal Funds**

PERSONAL SERVICES PERMANENT - 100% General Fund

Account	Bureau/AU	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
03-35-35-350010-20040000	CURATORIAL SERVICES	010	13,180	14,500	-1,320
03-35-35-350010-34020000	BUREAU OF HISTORIC SITES	010	15,747	18,000	-2,253
03-35-35-351010-12360000	EMERALD ASH BORER MGT FND	010	11,399	13,000	-1,601
03-35-35-351010-21030000	NATURAL HERITAGE - AGENCY INC	010	63,630	65,500	-1,870
03-35-35-351010-35000000	FOREST & LANDS ADMINISTRATION	010	25,447	27,000	-1,553
03-35-35-351010-35120000	FOREST HEALTH - STATE	010	17,328	21,000	-3,672
03-35-35-351010-35130000	LAND MANAGEMENT BUREAU	010	48,837	52,000	-3,163
03-35-35-353010-25510000	CENTRAL LIBRARY SERVICES	010	149,400	168,000	-18,600
03-35-35-353010-25520000	NH AUTOMATED INFORMATION SYS	010	17,253	19,000	-1,747
03-35-35-353010-25530000	SVC TO PERSONS W/ DISABILITIE	010	19,182	20,500	-1,318
03-35-35-353510-41040000	STATE ARTS DEVELOPMENT	010	22,251	26,000	-3,749
03-35-35-351010-35000000	FOREST & LANDS ADMINISTRATION	011	27,449	30,000	-2,551
03-35-35-353010-25510000	CENTRAL LIBRARY SERVICES	012	27,650	30,000	-2,350
General Funding Source			458,753	504,500	-45,747

PERSONAL SERVICES PERMANENT - Mixed or Other Funding

Account	Bureau/AU	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
03-35-35-351010-35100000	FOREST MANAGEMENT (G)	010	66,936	73,636	-6,700
	FOREST MANAGEMENT (O)	010	14,693	16,164	-1,471
03-35-35-351010-35200000	FOREST PROTECTION (G)	010	171,643	173,910	-2,267
	FOREST PROTECTION (O)	010	12,919	13,090	-171
03-35-35-351010-35700000	FOREST RESOURCE PLANNING (G)	010	18,417	20,440	-2,023

	FOREST RESOURCE PLANNING (O)	010	14,471	16,060	-1,589
03-35-35-351010-21020000	FUELWOOD	010	12,092	14,000	-1,908
03-35-35-351010-34070000	NATURAL HERITAGE FUND	010	11,175	13,000	-1,825
03-35-35-351010-35050000	MANAGEMENT AND PROTECTION	010	89,841	128,000	-38,159
03-35-35-351010-35110000	STATE FOREST NURSERY	010	14,308	17,000	-2,692
03-35-35-351010-35230000	FORESTRY - WILDLIFE PROJECT	010	27,103	30,000	-2,897
03-35-35-351010-35300000	COMMUNITY FORESTRY	010	32,715	33,000	-285
03-35-35-351010-50190000	COMBINED FED FLOOD CONTROL	010	10,921	13,500	-2,579
03-35-35-351010-78710000	FOREST CONS-UNINCORP TOWNS	010	11,801	12,000	-199
03-35-35-351010-82780000	BEAR BROOK WAREHOUSE	010	9,842	11,500	-1,658
03-35-35-351010-86820000	COMMUNICATION SITES FUND	010	14,374	16,500	-2,126
03-35-35-351510-34140000	TRAILS ADMINISTRATION	010	180,182	187,000	-6,818
03-35-35-351510-37010000	PARKS ADMINISTRATION	010	167,751	172,000	-4,249
03-35-35-351510-37010000	PARKS ADMINISTRATION	011	27,374	30,000	-2626
03-35-35-351010-24080000	NORTHEAST COORDINATION CTR	059	9,896	12,500	-2,604
03-35-35-351010-35290000	STATE FIRE ASSISTANCE - II	059	15,826	19,500	-3,674
	Other Funding Source		677,284	754,814	-77,530
	General Funding Source		256,996	267,986	-10990

PERSONAL SERVICES PERMANENT - 100% Federal Funding

Account	Bureau/AU	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
03-35-35-351010-35160000	FOREST HEALTH - FEDERAL	010	14,054	15,500	-1,446
	Federal Funding Source		14,054	15,500	-1,446

BENEFITS - 100% General Fund

Account	Bureau/AU	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
03-35-35-350010-20040000	CURATORIAL SERVICES	060	10,136	10,500	-364
03-35-35-351010-21030000	NATURAL HERITAGE - AGENCY INC	060	33550	39,000	-5450
03-35-35-351010-35000000	FOREST & LANDS ADMINISTRATION	060	25,047	26,000	-953
03-35-35-351010-35120000	FOREST HEALTH - STATE	060	10,941	12,000	-1,059
03-35-35-351010-35130000	LAND MANAGEMENT BUREAU	060	24,696	26,000	-1,304
03-35-35-353010-25520000	NH AUTOMATED INFORMATION SYS	060	8,103	9,000	-897
03-35-35-353010-25530000	SVC TO PERSONS W/ DISABILITIE	060	16,084	16,500	-416
03-35-35-353510-41040000	STATE ARTS DEVELOPMENT	060	16,652	20,500	-3,848
	General Funding Source		145,209	159,500	-14,291

BENEFITS - Mixed or Other Funding

Account	Bureau/AU	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
03-35-35-351010-35100000	FOREST MANAGEMENT (G)	060	21,269	27,880	-6,611
	FOREST MANAGEMENT (O)	060	4,669	6,120	-1,451
03-35-35-351010-34070000	NATURAL HERITAGE FUND	060	4,567	5,500	-933
03-35-35-351010-35110000	STATE FOREST NURSERY	060	8,484	9,000	-516
03-35-35-351010-35230000	FORESTRY - WILDLIFE PROJECT	060	20,474	21,500	-1,026
03-35-35-351010-50190000	COMBINED FED FLOOD CONTROL	060	6,998	8,500	-1,502
03-35-35-351510-37200000	SERVICE PARKS	060	321,222	380,000	-58,778
03-35-35-351510-73000000	HAMPTON METERS	060	5,506	9,000	-3,494
	Other Funding Source		371,920	439,620	-67,700
	General Funding Source		21,269	27,880	-6,611

BENEFITS - 100% Federal Funding

Account	Bureau/AU	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
03-35-35-351010-35160000	FOREST HEALTH - FEDERAL	060	9,194	10,000	-806
	Federal Funding Source		9,194	10,000	-806
General Funding Source (G)			882,227	959,866	-77,639
Other Funding Source (O)			1,049,204	1,194,434	-145,230
Federal Funding Source			23,248	25,500	-2,252
Total Funding			1,954,679	2,179,800	-225,121

EXPLANATION

The Department of Natural and Cultural Resources (DNCR) 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 DAS 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.

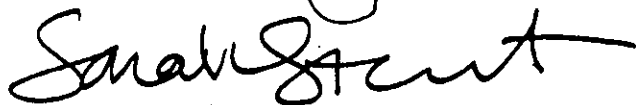
The two funds noted above would normally be populated by DAS, from a general sweep request and action, to collect salary and benefit excess appropriations from each department, normally done on a quarterly basis. Given the short term of the Continuing Resolution, and the seventh pay period due to be 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 DNCR 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 DNCR 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. However, DNCR is unable to transfer from other allowable classes for all of the shortfalls identified as there are insufficient funds to make such transfers to cover all of them.

Respectfully submitted (9)



Sarah L. Stewart
Commissioner