



State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES
25 Capitol Street – Room 120
Concord, New Hampshire 03301

Charles M. Arlinghaus
Commissioner
(603) 271-3201

January 22, 2019

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

Dear Representative Wallner:

INFORMATIONAL ITEM

In accordance with RSA 9:11, II, Monthly Reporting, I respectfully submit this report regarding the status of the State's fund expenditures, including a comparison of actual expenditures to projected expenditures and an explanation for any substantial variance provided by individual agencies. The report, titled State Share Expenditure Report (SSE), is for the second quarter of fiscal year 2019 through December 31, 2018 and contains the following components:

1. General comments about the report and calculations
2. A spreadsheet detailing the State's fund expenditures including a comparison of actual expenditures to projected expenditures, presented at the agency level within each of the State's funds required to be reported
3. Budget vs. actual variance explanations provided by certain agencies.

Spreadsheet and PDF versions of the fund expenditure analysis presented at the accounting level within each agency and at the expenditure class line level within each accounting unit within each agency will be available online at: <https://das.nh.gov/accounting/reports.asp>.

I am available to address any questions you may have regarding the design of the report or of the assumptions used in the report. Questions regarding the agency variance explanations may best be answered by the individual agencies themselves.

Respectfully Submitted,

Dana M. Call
Comptroller

**CHAPTER 245 - SENATE BILL 32: EXPENDITURES BUDGET VERSUS ACTUAL
STATE SHARE EXPENDITURE REPORT - EXPENDITURE ANALYSIS SUMMARY
FY2019 YTD THROUGH DECEMBER
REPORT DATE: 01/14/2019**

Company Dept Agency	FY19 Bal Fwd	FY19 Encumbered	FY19 Adj Auth Bud	FY19 Add/Del	FY19 Curr Mod Bud	FY19 YTD Budget	FY19 YTD Actual	YTD Bud % of Full Bud	YTD Spend % of Full Bud	FY19 Bud Var \$	FY19 Bud Var %
10-General 02-EX 002-EXEC	4,277,848	3,332,083	8,723,437	-877,093	12,124,192	5,888,616	1,725,243	48.57	14.23	4,163,373	-70.70
10-General 03-INF 003-INFO	0	72,911	723,953	7,327	731,280	443,340	434,556	60.63	59.42	8,785	-1.98
10-General 04-LE 004-LEGIS	10,296,281	0	17,806,299	395,489	28,498,070	13,988,906	8,128,504	49.09	28.52	5,860,402	-41.89
10-General 05-EX 005-EXEC	0	0	247,837	3,914	251,751	148,427	89,467	58.96	35.54	58,960	-39.72
10-General 07-JU 007-JUDIC	137,093	887,401	29,317,336	7,725	29,462,153	14,473,471	26,326,818	49.13	89.36	-11,853,346	81.90
10-General 10-JU 010-JUDIC	1,532,586	3,478,076	87,706,559	1,276,633	90,515,778	43,148,694	40,718,000	47.67	44.98	2,430,693	-5.63
10-General 12-AC 012-ADJU	100,526	242,343	4,909,537	-330,701	4,679,367	2,287,637	2,106,577	48.89	45.02	181,059	-7.91
10-General 14-AC 014-ADMN	15,258,999	2,837,363	68,290,315	2,127,235	85,676,549	41,165,734	34,257,574	48.05	39.98	6,908,160	-16.78
10-General 18-AC 018-AGRI	58,242	59,790	3,280,233	68,035	3,406,510	1,886,331	1,601,079	55.37	47.00	285,252	-15.12
10-General 20-JU 020-JUSTI	968,385	971,134	10,164,019	1,393,088	12,525,491	5,915,935	6,163,551	47.23	49.21	-247,617	4.19
10-General 21-PF 021-PROF	62,194	0	0	204,728	266,921	142,608	34,004	53.42	12.74	108,597	-76.15
10-General 22-BU 022-BUS	3,543,107	6,001,452	10,742,117	564,927	14,850,150	8,332,619	6,321,502	56.11	42.57	2,011,117	-24.14
10-General 23-SA 023-SAFE	2,753,535	69,784	3,294,204	69,070	6,116,808	2,645,701	2,653,459	43.25	43.38	-7,758	0.29
10-General 24-INF 024-INSUR	0	0	12,016	475	12,491	6,438	4,404	51.54	35.26	2,033	-31.59
10-General 26-LA 026-LABO	0	0	12,171	1,034	13,204	4,738	3,328	35.88	25.20	1,410	-29.76
10-General 27-EM 027-EMPL	0	0	78,713	133,830	212,542	118,685	150,033	55.84	70.59	-31,348	26.41
10-General 30-BC 030-BOXIN	0	0	6,933	0	6,933	3,300	667	47.60	9.62	2,633	-79.78
10-General 32-ST 032-STATI	156,620	0	2,106,563	148,470	2,411,653	1,279,566	979,534	53.06	40.62	300,032	-23.45
10-General 35-NA 035-NATU	67,566	141,626	7,618,053	171,803	7,857,422	4,058,202	3,806,664	51.65	48.45	251,538	-6.20
10-General 37-CC 037-COMM	0	0	172,310	0	172,310	172,310	172,310	100.00	100.00	0	0.00
10-General 38-TR 038-TREA	4,423,277	1,583	168,377,073	1,404,303	174,204,653	110,587,084	113,857,267	63.48	65.36	-3,270,183	2.96
10-General 95-HH 042-HHS	1,522,817	3,722,642	88,716,314	6,338,970	96,578,101	46,827,501	50,328,350	48.49	52.11	-3,500,849	7.48
10-General 43-VE 043-VETE	2,742,234	862,862	17,000,196	273,542	20,015,972	9,595,127	7,499,579	47.94	37.47	2,095,548	-21.84
10-General 44-EN 044-ENVIF	2,768,628	1,114,013	18,549,371	579,627	21,897,985	11,484,161	10,244,344	52.44	46.78	1,239,817	-10.80
10-General 95-HH 045-HHS	1,350,859	2,731,436	41,130,253	1,297,036	43,778,148	21,360,217	21,367,638	48.79	48.81	-7,421	0.03
10-General 46-CC 046-CORF	4,618,921	8,891,731	124,997,841	3,381,525	132,998,286	64,817,366	63,947,586	48.74	48.08	869,780	-1.34
10-General 95-HH 047-HHS	15,678,036	3,116,467	280,966,178	1,301,216	297,945,431	151,596,866	132,433,753	50.88	44.45	19,163,113	-12.64
10-General 95-HH 048-HHS	3,334,945	9,373,600	12,641,246	470,313	16,446,505	7,900,866	5,486,023	48.04	33.36	2,414,843	-30.56
10-General 50-UN 050-UNIVE	0	0	81,000,000	0	81,000,000	40,500,000	40,500,000	50.00	50.00	0	0.00
10-General 56-EC 056-EDUC	30,774,148	2,683,499	82,680,587	4,887,002	118,341,737	72,925,691	59,730,176	61.62	50.47	13,195,514	-18.09
10-General 58-CC 058-COMM	0	0	47,075,000	0	47,075,000	23,537,500	23,537,500	50.00	50.00	0	0.00
10-General 59-RE 059-RETI	0	0	12,041	3,907,727	3,919,768	1,959,614	3,908,868	49.99	99.72	-1,949,254	99.47
10-General 66-VE 066-VETE	245	245	672,607	211,452	884,304	471,228	284,404	53.29	32.16	186,824	-39.65
10-General 72-BA 072-BANK	0	0	11,777	922	12,699	6,280	4,901	49.45	38.59	1,380	-21.97
10-General 73-PL 073-PUBL	0	1,180	454,910	10,730	465,640	259,231	240,381	55.67	51.62	18,850	-7.27
10-General 75-FI 075-FISH	0	0	50,000	0	50,000	50,000	50,000	100.00	100.00	0	0.00
10-General 76-HU 076-HUMAN	4,159	19,064	576,310	-20,985	559,484	245,735	223,917	43.92	40.02	21,818	-8.88
10-General 81-PL 081-PUBL	0	0	17,628	756	18,384	8,996	5,346	48.93	29.08	3,650	-40.57
10-General 84-RE 084-REVE	437,771	724,971	18,633,368	315,179	19,386,318	9,809,675	8,665,713	50.60	44.70	1,143,962	-11.66
10-General 87-PC 087-POLIC	75,298	277,971	3,556,134	66,926	3,698,358	1,798,158	1,613,168	48.62	43.62	184,989	-10.29
10-General 89-TA 089-TAXA	0	961	861,789	28,166	889,954	459,236	356,927	51.60	40.11	102,309	-22.28
10-General 95-HH 090-HHS	1,428,759	2,872,096	14,801,085	456,550	16,686,394	8,797,141	7,411,301	52.72	44.42	1,385,840	-15.75
10-General 95-HH 091-HHS	326,666	254,382	7,594,691	567,284	8,488,641	3,988,961	3,802,678	46.99	44.80	186,283	-4.67
10-General 95-HH 092-HHS	5,667,211	15,939,421	33,112,913	-1,002,495	37,777,630	15,114,198	12,768,049	40.01	33.80	2,346,149	-15.52
10-General 95-HH 093-HHS	4,161,388	5,882,706	164,944,712	3,016,563	172,122,663	81,830,390	75,132,230	47.54	43.65	6,698,160	-8.19
10-General 95-HH 094-HHS	1,917,895	5,408,390	30,555,744	791,602	33,265,241	16,084,797	15,247,078	48.35	45.83	837,720	-5.21
10-General 95-HH 095-HHS	7,274,317	11,226,265	56,826,507	3,084,489	67,185,312	33,347,501	27,925,895	49.64	41.57	5,421,606	-16.26
10-General 96-TR 096-TRAN	26,853,423	16,456,639	1,066,761	10,428,830	38,349,014	19,198,185	1,889,635	50.06	4.93	17,308,549	-90.16
12-Liquor 077-LIQUOR	4,522,195	5,037,176	74,445,080	948,710	79,915,985	39,075,138	31,796,292	48.90	39.79	7,278,846	-18.63
13-Sweeps 83-LC 083-LOTT	364,662	1,412,851	10,315,891	153,981	10,834,534	4,985,372	4,225,928	46.01	39.00	759,444	-15.23
15-Highway 20-JU 020-JUSTI	694	232	333,493	4,048	338,235	110,671	29,426	32.72	8.70	81,244	-73.41
15-Highway 22-BU 022-BUS	12,889	0	0	0	12,889	6,895	0	53.50	0.00	6,895	-100.00
15-Highway 23-SA 023-SAFE	2,918,277	2,597,075	68,423,711	968,925	72,310,913	34,182,736	30,723,212	47.27	42.49	3,459,525	-10.12
15-Highway 96-TR 096-TRAN	24,273,148	8,809,143	204,067,437	3,039,731	231,380,316	110,563,241	95,246,957	47.78	41.16	15,316,284	-13.85
17-Turnpike 23-SA 023-SAFE	89	89	52,550	0	52,639	22,522	122,988	42.79	233.65	-100,466	446.08
17-Turnpike 96-TR 096-TRAN	154,316,748	72,463,651	132,456,600	542,525	287,315,873	156,514,484	64,710,905	54.47	22.52	91,803,579	-58.66
20-Fish & 075-FI 075-FISH	279,977	545,359	17,020,499	324,767	17,625,243	8,665,393	7,815,809	49.16	44.34	849,584	-9.80
40-Educate 56-EC 056-EDUC	6,475,758	0	0	948,516,661	954,992,419	415,316,836	410,112,770	43.49	42.94	5,204,066	-1.25
40-Educate 84-RE 084-REVE	0	0	1,850,000	0	1,850,000	252,278	193,223	13.64	10.44	59,055	-23.41
TOTAL	347,738,415	200,521,660	2,061,061,257	1,001,662,566	3,410,462,238	1,670,368,520	1,469,117,491			201,251,029	

State Share Expenditure Report (SSE)

Overview

RSA 9:11, II, requires that spending associated with certain funding sources be reported periodically. These funding sources, referred to collectively as ‘state share’ are: General funds, Education Trust funds, Highway funds, Fish and Game funds, Turnpike funds, Liquor funds, and Sweepstakes funds. In order to report spending only for these specific state share funding sources, total spending must be multiplied by the state share percentage of the total mix of funding sources. This calculation must be done at the individual expense class line level, of which there are thousands of lines. If the state share fund mix percentage is incorrect, then the calculation of state share spending is inaccurate. Working with state agencies, we have attempted to ensure that state share fund mix percentages are accurate.

RSA 9:11, II, requires a comparison between the state share projected budget for the fiscal year to date (FYTD) and the state share actual spending FYTD, and an explanation from each agency on the variance between the two. The projected budget amount is another calculation and it is based on the rate of spending in the prior fiscal year for each individual expense class line. So even if the state share fund mix were correct in all cases, if the assumption that prior year spending rate held true for the current year was not valid, then the projected FYTD state share projected budget calculation would not be valid as well. If an agency made a payment in the current year earlier in the year than that same payment was made in the prior year then the budget variance would appear negative. However, that variance could be attributable to only to the different timing between years.

Variations

The variances are calculated at 3 different levels: 1. At the state share total fund level within each agency; 2. At the Accounting Unit level within each agency; 3. At the Expense Class level within each Accounting Unit within each agency.

The agency variance explanation is meant to be the opportunity for agencies to explain the reasons behind the calculated fiscal year to date budget vs actual variances. ***For purposes of this report, agencies have provided high level explanations where the variance is projecting a million plus/minus “excess” or “shortfall” at the individual class level.***

When developing explanations of the variance agencies consider the following:

- Are there unrecorded but known upcoming transactions that will affect the variance?
- Should stale encumbrances be liquidated?
- Are there substantial known GAAP adjustments that could impact the variance?
- Is estimated revenue still expected to come in at budgeted amounts?

The calculation of these FYTD variances between the projected budget and actual represents a variance as of a point in time based on the calculations and assumptions described above. If any of the inputs or assumptions are not valid, the calculated budget variance is not valid. This calculation should not be assumed to represent an estimate of a fiscal year end lapse and should not be contemplated without consultation with the agency explanation of the budget variance.

There are certain agencies for which we did not request a variance explanation, due to our estimation that any explanation was not necessary:

1. University System of New Hampshire
2. Community College System of New Hampshire
3. Community Development Finance Authority

In these cases, the nature of the appropriations to these entities is such that there is no uncertainty around the degree to which the appropriations will be paid out. The entire amounts appropriated to these 3 entities will be spent in each fiscal year.

State Share Expenditure Report (SSE) (continued)

Report Calculation Descriptions

- 1. Calculation of FY19 Balance Forward (state share):** The FY19 Balance Forward is the product of the balance forward amount multiplied by the prior fiscal year state-share % for the balance forward from either the fund mix override table or NH FIRST. This calculation is made at the individual expenditure class line level within each accounting unit.
- 2. Calculation of FY19 Encumbered (state share):** The FY19 Encumbered is the product of the total encumbered amount multiplied by the state-share % for the current year appropriations from either the fund mix override table or NH FIRST. This calculation is made at the individual expenditure class line level within each accounting unit. Encumbrances are shown to illustrate additional obligations against appropriations, but only spending amounts are compared against the projected budget amounts.
- 3. Calculation of FY19 Adjusted Authorized Budget (state share):** The FY19 Adjusted Authorized Budget is the product of the enacted budget multiplied by the state-share % for the current year appropriations from either the fund mix override table or NH FIRST. This calculation is made at the individual expenditure class line level within each accounting unit.
- 4. Calculation of FY19 Additions/Deletions (state share):** The FY19 Addition/Deletions is the product of the total of any increases or decreases to appropriations made after the budget is enacted (appropriation transfers, Fiscal Committee or Governor & Council items, etc.) multiplied by the state share % for the current year appropriations from either the fund mix override table or NH FIRST. This calculation is made at the individual expenditure class line level within each accounting unit.
- 5. Calculation of FY19 Current Modified Budget (state share):** The FY19 Current Modified Budget is the sum of the state share of the balance forward from the prior year plus the state share of the current year budget including any adjustments made after adoption. At each expenditure class line within each accounting unit, the state share % for the balance forward from either the fund mix override table or NH FIRST is multiplied by the total balance forward to result in the state share \$ for balance forward. Then, the state share % for the current year appropriations from either the fund mix override table or NH FIRST is multiplied by the total current year appropriations to result in the state-share \$ for current year appropriations. These two state share \$ amounts are added together to result in the total state share Current Modified Budget amount, which represents the total authority to spend for the fiscal year within each expenditure class line.
- 6. Calculation of FY19 YTD Budget (state share):** The FY19 YTD Budget is the product of the projected burn rate multiplied by the FY19 Current Modified Budget. This calculation converts the annual Current Modified Budget to a year-to-date Current Modified Budget figure, in order to compare to year-to-date actual spending. For each expenditure class line, the projected burn rate is the percentage of total prior year spending that had occurred YTD through the same month in the prior fiscal year. In the absence of prior year data, the projected burn rate is the number of months completed to date in the current fiscal year divided by 12 months. *This projected burn rate is the most important assumption used in this analysis. If the assumption does not hold in the current year, then that should be included as part of the variance explanation.*
- 7. Calculation of FY19 YTD Actual (state share):** The FY19 YTD Actual is the product, at each expenditure class line, of the total spending YTD multiplied by the state share % for the current year appropriations from either the fund mix override table or NH FIRST.

State Share Expenditure Report (SSE) (continued)

8. **Calculation of YTD Budget % of Full Budget (state share):** The FY19 YTD Budget (state share) reflected as a percentage of the total budget (FY19 Curr Mod Bud (state share)).
9. **Calculation of YTD Spend % of Full Budget (state share):** The FY19 YTD Actual (state share) reflected as a percentage of the total budget (FY19 Curr Mod Bud (state share)).
10. **Calculation of FY19 YTD Budget Variance (state share):** The FY19 YTD Budget Variance is the difference between the calculation of the FY19 YTD Budget (state share) and the calculation of the FY19 YTD Actual (state share). This is shown as both a dollar variance and a percentage variance as compared to the FY19 YTD Budget amount.

The calculation of these FYTD variances between the projected budget and actual represents a variance as of a point in time based on the calculations and assumptions described above. If any of the inputs or assumptions are not valid, the calculated budget variance is not valid. This calculation should not be assumed to represent an estimate of a fiscal year end lapse and should not be contemplated without consultation with the agency explanation of the budget variance.

State Share Expenditure Report (SSE) VARIANCES

Agency Name: Office of Strategic Initiatives - 002 Total by Agency Excess \$

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	20270000	Governor's Scholarship Fund	107 – Scholarships and Grants	(1,415,500)	Non-Lapsing	N/A

COMMENT: In FY2018, the scholarship fund awards were delayed while program rule making took place. Rules are now in place and educational institutions have begun invoicing OSI for fall semester student scholarship awards for the school year of 2018/2019. Expenses for this program are realized on a semi-annual basis and therefore, the burn rate is not accurate. Additional expenses for this school year will be recognized in FY19 Q3 and FY19 Q4. These program funds are non-lapsing.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	64000000	Administrative	107 – Scholarships and Grants	(2,500,000)	Non-Lapsing	N/A

COMMENT: The scholarship fund appropriation for FY2019 is for the school year of 2019/2020 and therefore, no student scholarship awards have been issued to date. These program funds are non-lapsing.

Agency Name: Department of Administrative Services - 014 Total by Agency Excess \$ 6,908,160

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	1302	Special Disbursements	204 Settlement Payment RSA99-D2	(\$1,438,885)	Lapsing	6/30/19

The expenses in this class line are for payments that have been approved by the attorney general to settle claims that have been brought against the state. This line item is not budgeted; once settlements have been determined a manual warrant is drawn in the amount of the payment made.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	2903	Retirees Health Insurance	102 Contracts for Program Services	\$7,296,975	Lapsing	6/30/19

The Retiree Health Budget was projected in 2016 using FY2018 and FY2019 budget working rates. The actual retiree health plan claims experience was better than projected and the CY2018 working rates are lower than the FY2018 budget working rates.

Agency Name: Business and Economic Affairs – 022 Total by Agency Excess \$ 16,684,565

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	1453	Office of Workforce Opportunity	102-Contracts for Program Services	\$6,459,724	Non-Lapsing	N/A

COMMENT: This class line has a large amount of prior fiscal year encumbrances that roll forward with varied contract end dates. As payments are processed on those encumbrances in the new fiscal year, the calculated burn rate becomes inaccurate.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	1454	Job Training Program	102-Contracts for Program Services	\$4,183,380	Non-Lapsing	N/A

COMMENT: This class line has a large amount of prior fiscal year encumbrances that roll forward with varied contract end dates. As payments are processed on those encumbrances in the new fiscal year, the calculated burn rate becomes inaccurate.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	2019	Tourism Development Fund	069-Promotional Marketing Exp	\$1,266,564	Non-Lapsing	N/A

COMMENT: This class line has a large amount of prior fiscal year encumbrances that roll forward with varied contract end dates. As payments are processed on those encumbrances in the new fiscal year, the calculated burn rate becomes inaccurate.

Agency Name: Treasury - 038**Total by Agency Excess (\$3,271,471)**

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	1050	Treasury Operations	All	\$36,896	Lapsing	06/30/19

It is projected the appropriation be expended in full. The majority of this small surplus relates to salary and benefits for vacant positions. The previously vacant positions are now filled positions.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	1057	Return of General Fund Deposit	254	(\$820,310)	Lapsing	06/30/19

This accounting unit is not budgeted. Funds appropriated are per approved G&C requests to return abandoned property funds to rightful owners. The projected burn rate assumption does not work in this instance. Funds remaining in this accounting unit, typically due to rounding and/or voided checks, will lapse. There will be no deficit and possibly a small surplus.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	2076	Debt Service	043, 044	(\$2,488,058)	Lapsing	06/30/19

Appropriation expended in accordance with the following quarterly percentages per Treasury's Debt Service schedule.

- Q1 28%
- Q2 23%
- Q3 23%
- Q4 25%

The projected spend rate assumption does not work in this instance.

Agency Name: Department of Corrections - 046**Total by Agency Excess \$ 869,780**

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	3372	NH State Prison for Men	010 Personal Services Perm Class	1,199,510	Lapsing	6/30/19

Funds are transferred periodically throughout the year from this accounting unit and class to cover overtime deficits.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	3372	NH State Prison for Men	018 Overtime	(2,545,368)	Lapsing	6/30/19

The Department transfers appropriations periodically throughout the year to cover shortfalls in this class line.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	8231	Mental Health	101 Medical Payments to Provider	1,051,977	Lapsing	6/30/19

The variance is primarily due to the timing of payments.

Agency Name: Dept. of Education - 056

Total by Agency: Excess \$18,680,760

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	1964	Public School Infrastructure	073 Grants non federal	10,874,436	Lapse	06/30/2018
10	5137	Other State Aid	077 Bldg Aid Education	1,446,219	Lapse	06/30/2018

Public School Infrastructure (AU 1964) represents \$10,874,436 of the general fund variance. This account is a new funding initiative and the calculated burn rate is not accurate. The program will be granting funds to communities. There is not expected to be a deficit at year end.

Other State Aid (AU 5137) represents \$1,446,219 of the general fund variance. This fund is primarily composed of funds for Building Aid, Tuition and Transportation Aid and Special Education Aid. Historically, the majority of these funds are expended in the 2nd quarter and 3rd quarter of the fiscal year. There is not expected to be a deficit at year end.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
40	7550	Adequate Education	079 – Grants Adequate Ed	\$1,030,099	Lapse	06/30/2018
40	7550	Adequate Education	611 - Charter School Tuition	\$4,173,967	Lapse	06/30/2018

The Adequate Education Grants account (7550) is below the YTD Budget due to reduced enrollment and eligibility of students. Adequacy payments are made in September (20%), November (20%), January (30%) and April (30%) and are based on a formula as set by RSA 198:40-42. There is not expected to be a deficit at year end.

Agency Name: LIQUOR COMMISSION - 077

Total by Agency: Excess \$3,189,032

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
12	1030	STORE OPERATIONS	043-DEBT SERVICE TREASURY	2,604,934.24	Lapsing	6/30/19

COMMENT:

The calculated burn rate is not accurate for this account due to the timing of Bond payments.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
12	1030	STORE OPERATIONS	050-PERSONAL SERVICE TEMP APPOIN	1,154,691.41	Lapsing	6/30/19

COMMENT:

The calculated burn rate is not accurate for this account due to the seasonality of our business and the fluctuation of our part-time needs.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
12	1030	STORE OPERATIONS	049-TRANSFER TO OTHER STATE AGEN	(5,000,000)	Lapsing	6/30/19

COMMENT:

This is a result of the statutory requirement to transfer funds to the Alcohol Abuse Prevention and Treatment fund which is unbudgeted.

Health & Human Services

Agency Name: Human Services Division - 042

Total by Agency: Shortage (3,363,339)

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	2958	Child – Family Services	563 – Community Based Services	(1,248,943)	Lapsing	6/30/2019

This accounting unit represents the costs associated with purchased services for Abuse and Neglect, CHINS and delinquent clients. These services include board and care, as well as, community based services as ordered by the courts. This class line was underfunded in the FY 18 – FY 19 budget. The caseloads have increased, leading to higher payments. We continue to monitor caseload numbers and have requested to transfer funds.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	2958	Child – Family Services	643 – SGFPLA SGF Placement	(2,114,395)	Lapsing	6/30/19

This accounting unit represents the costs associated with purchased services for Abuse and Neglect, CHINS and delinquent clients. These services include board and care, as well as, community based services as ordered by the courts. This class line was underfunded in the FY 18 – FY 19 budget. The caseloads have increased, leading to higher payments. We continue to monitor caseload numbers and have requested to transfer funds.

Agency Name: TRANSITIONAL ASSIST DIV - 045 Total by Agency Excess \$ (7,421)

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	6146	TEMP ASSISTNC TO NEEDY FAMILYS	501-PAYMENTS TO CLIENTS	(1,837,756)	Lapsing at the end of the biennium	6/30/19

COMMENT: The caseloads and monthly average grant are higher than the budgeted amounts. Caseloads were budgeted at 2,301 with a monthly grant amount of \$721.20, however at the end of quarter ending 12/31/18 the average monthly caseload is 3,320 and the average monthly grant amount is \$728.76 resulting in a caseload increase of 44.29%. We continue to monitor caseload and grant numbers and have requested to transfer funds.

Agency Name: Division of Medicaid Services - 047 Total by Agency: Excess \$19,098,714

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	5201	IDN Fund	102 Medical Payments to Providers	15,041,388	Non-lapsing	

This account unit represents payments to the seven regional Integrated Delivery Networks developed under the New Hampshire Building Capacity for Transformation Demonstration Waiver. On January 5, 2016 the Centers for Medicare and Medicaid Services approved the State’s application that will allow the state to access up to \$150 million dollars over the next five years for the purpose of strengthening and expanding capacity for the states behavioral health system. New Hampshire can access up to \$30 million per calendar year for performance based awards to the regionally based networks up to the DSHP earn cap. There will be two payments processed to the IDN’s in SFY19. These payments will be made consistent with the available DSHP earned funding. The balance of general funds is surplus.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	7948	Medicaid Care Management	101 Medical Payments to Providers	4,057,326	Lapsing at end of current bi-ennium	6/30/19

This accounting unit represents costs associated with Medicaid Care Management capitation payments and fee-for-service provider payments for clients enrolled in New Hampshire’s Medicaid program.

The Medicaid provider payments budget will continue to be monitored to track caseload assumptions made in the current budget. The current budget projects a decrease in Medicaid caseloads in SFY19 of 2% from SFY18. For the first six months of state fiscal year 2019, there has been a net decrease of 2.4%. Any deviation from the caseloads assumed in the budget will directly impact the monthly capitation payments.

The care management capitation composite per member per month rate has increased from \$355.55 in state fiscal year 2018 to the current calculated composite rate of \$371.34. Note, there is a three month lag in capitation payments. Rates are determined on an annual (fiscal year) basis.

Although this account is currently projecting a surplus in general funds, it is important to note that the Medicaid Enhancement tax revenue funds 21.03% of the budget and drug rebates accounts for 1.3%. The available general funds may be impacted if either of these funding sources falls short.

Agency Name: Elderly and Adult Services - 048 Total by Agency: Excess \$2,414,843

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	9255	Social Services Block Grant	543 Adult in Home Care	1,649,273	Lapsing	6/30/19

This accounting unit is used to support those who are aging or have a chronic illness or disability and need support to live independently. The department contracts with a number of providers for this service. A number of providers are having workforce challenges which impact their ability to provide services, as was anticipated. The department is working with the providers on strategies to overcome these challenges. We do not anticipate lapsing this amount at the end of the fiscal year.

Agency Name: Behavioral Health - 092 Total by Agency: Excess \$2,346,149

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	4117	Center for Mental Health Program Support	102 Contracts for Program Services	1,370,746	Lapsing	6/30/19

This accounting unit is used to make contract payments to the many providers of Mental Health services. This agency has experienced delays in the RFP process (including some instances where there have been no responses) which has affected the timeline of various projects being implemented. There is also a lag in billing for current month services. The department anticipates that due to an

expected increase in billing and project implementation that we will not lapse what is projected at year end.

Agency Name: Developmental Services - 093 Total by Agency: Excess \$6,698,160

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	7016	Acquired Brain Disorder Services	502 Payments to Providers	1,139,746	Lapsing	6/30/19

This accounting unit is used to provide services to those who have an acquired brain disorder through the Home and Community Based 1915 (c) Waiver. The department recently released additional dollars to support those who were waiting for services. Those services are in the process of starting and providers have not begun to bill for these services. In addition, there are a number of home and vehicle modifications that do not get billed until the work is complete and are billed in the second half of the year. Providers are experiencing workforce challenges and as a result, some services are starting later than originally anticipated. The department anticipates that billing will increase and that we will not lapse what is projected.

Agency Name: Developmental Services - 093 Total by Agency: Excess \$6,698,160

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	7100	Developmental Services	502 Payments to Providers	5,394,338	Lapsing	6/30/19

This accounting unit is used to provide developmental services through the Home and Community Based 1915 (c) Waiver. The department recently released additional dollars to support those on the wait list. Those services are in the process of starting and providers have not begun to bill for these services. In addition, there are a number of home and vehicle modifications that do not get billed until the work is complete and are billed in the second half of the year. Providers are experiencing workforce challenges and as a result, some services are starting later than originally anticipated. The department anticipates that billing will increase and that we will not lapse what is projected.

Agency Name: OFFICE OF THE COMMISSIONER - 095 Total by Agency Excess \$ 2,323,404

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
10	5952	OFFICE OF INFORMATION SERVICES	027-TRANSFERS TO DOIT	\$2,323,404	Lapsing at the end of the biennium	

COMMENT: This projected surplus is the result of timing of invoices from the Department of Information Technology (DoIT). It is unlikely this surplus will materialize after all invoices are processed.

Agency Name: Dept. of Transportation

Total Variance for Department: Excess \$114,146,939*

General Fund

Total Variance for Fund: Excess \$17,177,314*

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
010	1214	Municipal Aid	073-GRANTS NON FEDERAL	7,202,764	Non-Lapsing	

COMMENT: This class funds municipally-owned bridge projects. The budget variance is due to timing of and billing for project expenditures from the municipalities.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
010	3897	State-Owned Bridge Construction	046-CONSULTANTS	2,500,000	Non-Lapsing	

COMMENT: This class funds consultant expenditures related to state-owned bridges. The budget variance is due to the timing of and billing for design services.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
010	3897	State-Owned Bridge Construction	400-CONSTRUCTION REPAIR MATERIAL	7,474,550	Non-Lapsing	

COMMENT: This class funds construction expenditures related to state-owned bridges. The variance is due to the need for design services to be completed and the timing of and billing for construction project expenditures. The first project is moving to G&C with three other projects advertising between January and April of 2019.

Highway Fund

Total Variance for Fund: Excess \$12,004,245*

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
015	2938	DEBT SERVICE	044-DEBT SERVICE OTHER AGENCIES	(1,314,345)	Lapsing	6/30/2019

COMMENT: This class funds the Debt Service on General Obligation (GO) bonds. Debt service payments are processed according to a pre-determined payment schedule. These payments are paid by the Treasury Department. We anticipate sufficient funds for debt obligation.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
015	2941	COMPENSATION BENEFITS	064-RET PENSION BENE HEALTH INS	1,672,588	Lapsing	6/30/2019

COMMENT: This class funds the State portion of retirement health insurance. The budget variance is due to the Risk Management Unit implementing a one-time Retiree Working Rate Holiday which resulted in no premium payment for the month of November. Due to the uncertainty of those who may retire by June 30th, we are unsure of the status of the lapse in this class line.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
015	2928	WINTER MAINTENANCE	020-CURRENT EXPENSES	(2,235,650)	Lapsing	6/30/2019

COMMENT: This class funds materials and supplies related to winter maintenance activities including salt and sand. These items are purchased and stockpiled in preparation for winter snow and ice removal prior to the season. Therefore, costs will be expended at a faster rate in the first quarter. The Department has requested and was approved for an additional \$4M to address current projected shortfalls.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
015	3005	MECHANICAL SERVICES BUREAU	030-EQUIPMENT NEW REPLACEMENT	1,215,126	Lapsing	6/30/2019

COMMENT: This class funds the replacement of the Department of Transportation's fleet (passenger and construction vehicles) equipment. The budget variance is due to the time needed for the purchasing process and the equipment-build and delivery timeframe from the selected vendor after low bid process. We do not anticipate lapsing funds at this time.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
015	3007	HIGHWAY MAINTENANCE BUREAU	010-PERSONAL SERVICES PERM CLASS	1,478,154	Lapsing	6/30/2019

COMMENT: This class funds payroll for highway and winter maintenance personnel. The budget variance is due to the Department's vacancy rate and benefit mix for employees. Any excess funds are anticipated to lapse during the sweep process undertaken by the Department of Administrative Services.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
015	3007	HIGHWAY MAINTENANCE BUREAU	060-BENEFITS	2,919,422	Lapsing	6/30/2019

COMMENT: This class funds benefits for highway and winter maintenance personnel. The budget variance is due to the Department's vacancy rate and benefit mix for employees. Any excess funds are anticipated to lapse during the sweep process undertaken by the Department of Administrative Services.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
015	2929	STATE AID CONSTRUCTION	073-GRANTS NON FEDERAL	1,277,827	Non-Lapsing	

COMMENT: This class funds joint state and municipally-owned construction projects at 2/3 state cost and 1/3 municipal match. The budget variance is due to the timing of and billing for project expenditures from the municipalities.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
015	3049	NON PARTICIPATING CONS/RECONSTRUCTION	401-LAND INTEREST	6,991,123	Non-Lapsing	

COMMENT: This Accounting Unit is for non-participating costs for unforeseen latent conditions on projects and to reimburse the Federal Highway Administration (FHWA) for preliminary engineering exceeding 10 years and right-of-way expenditures exceeding 20 years in accordance with federal rules. Funds are carried forward and expenditures are anticipated in the future.

Turnpike System

Total Variance by Fund: Excess \$84,965,380*

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
017	7025	RENEWAL - REPLACEMENT	400- CONSTRUCTION REPAIR MATERIAL	11,571,125	Non-Lapsing	

COMMENT: This class funds the Renewal and Replacement program and construction projects for the continued maintenance of the Turnpike System's infrastructure. The budget variance for this quarter is due to a delay in the commencement of the I-95 High-level bridge rehabilitation project to allow for the completion of the Sarah Mildred Long bridge replacement.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
017	7050	TOLL COLLECTION	102-CONTRACTS FOR PROGRAM SERVICE	3,048,833	Lapsing (Contracts)	6/30/19

COMMENT: This class funds the Toll Collection System which includes Toll Plaza Lanes, Open Road Tolling, and the E-ZPass System. The budget variance is due to the timing of vendor payments. We do not anticipate lapsing funds at this time.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
017	7499	Turnpike Debt Service	044- Debt Service Other Agencies	(6,019,893)	Lapsing	6/30/19

COMMENTS: This class funds the Turnpike System debt service. The budget variance is due to the timing of debt payments that are on a set schedule. The Department is in the process of requesting a \$1.1M transfer from the General Reserve (100% Turnpike Funds) to address the current projected shortfall.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
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017	7500	RSA 237:2 I BLUE STAR MEMORIAL	400- CONSTRUCTION REPAIR MATERIAL	4,656,351	Non-Lapsing	
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COMMENT: This class funds the capital program projects related to the Blue Star Memorial Highway. There are no scheduled projects at this time. However, additional capital projects on the Blue Star Memorial Highway may be considered as determined by the Ten Year Plan (TYP) process.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON- LAPSING	DATE OF LAPSE
017	7507	RSA 237:2 VII CENTRAL NH TPK	046- CONSULTANTS	6,688,193	Non-Lapsing	

COMMENT: This class funds the capital program consultant cost related to the Central New Hampshire Turnpike. Several projects are in the beginning of the design phase.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON- LAPSING	DATE OF LAPSE
017	7507	RSA 237:2 VII CENTRAL NH TPK	400- CONSTRUCTION REPAIR MATERIAL	12,914,723	Non-Lapsing	

COMMENT: This class funds the capital program projects related to the Central New Hampshire Turnpike. Several projects are in the beginning of the design phase with construction anticipated in the future.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON- LAPSING	DATE OF LAPSE
017	7507	RSA 237:2 VII CENTRAL NH TPK	401-LAND INTEREST	2,306,697	Non-Lapsing	

COMMENT: This class funds the land acquisition for capital program projects related to the Central New Hampshire Turnpike. Several projects are in the design phase. Land acquisition occurs, if needed, once the design phase is completed.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
017	7511	TOLL COLLECTION EQUIPMENT	046-CONSULTANTS	2,297,724	Non-Lapsing	

COMMENT: This class funds the capital program consultant costs related to the acquisition of Toll Collection Equipment. The Legislatively approved Ten Year Plan (TYP) authorized the change from Open Road Tolling (ORT) to All Electronic Tolling in Dover. Engineering design for the Dover facility is in process with construction anticipated in the future.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
017	7511	TOLL COLLECTION EQUIPMENT	400-CONSTRUCTION REPAIR MATERIAL	12,707,774	Non-Lapsing	

COMMENT: This class funds the capital program projects related to the acquisition of Toll Collection Equipment. The Legislatively approved Ten Year Plan (TYP) authorized the change from Open Road Tolling (ORT) to All Electronic Tolling in Dover. Engineering design for the Dover facility is in process with construction anticipated in the future.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
017	7513	SPAULDING TPK SECOND BARREL	400-CONSTRUCTION REPAIR MATERIAL	4,093,760	Non-Lapsing	

COMMENT: This class funds the capital program projects related to the expansion of the Spaulding Turnpike Second Barrel. There are no scheduled projects at this time. However, other capital projects on the Spaulding Turnpike may be considered as determined by the Ten Year Plan (TYP) process.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
017	7514	SPAULDING TPK/US 4/NH 16	046-CONSULTANTS	1,487,706	Non-Lapsing	

COMMENT: This class funds the consultant work related to the expansion of the Spaulding Turnpike. The budget variance is due to a delay in the rehabilitation of the General Sullivan bridge project as the Department explores several rehabilitation options for the bridge.

FUND	AU	AU NAME	CLASS	AMOUNT EXCESS (SHORT)	LAPSING OR NON-LAPSING	DATE OF LAPSE
017	7514	SPAULDING TPK/US 4/NH 16	400-CONSTRUCTION REPAIR MATERIAL	29,212,387	Non-Lapsing	

COMMENT: This class funds capital program projects related to the expansion of the Spaulding Turnpike. Year-to-date expenses are appropriate based on the construction schedules for the Spaulding Turnpike expansion projects.

***Variance totals reflect state-share funds/classes over/under minimum threshold of \$1 million**