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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF THE COMMISSIONER

Lori A. Weaver
Commissioner

Morissa Henn
Deputy Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9200 1-800-852-3345 Ext. 9200
Fax: 603-271-4912 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

September 30, 2024

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court and

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to the provisions of RSA 14:30-a, VI, authorize the Department of Health and Human Services (DHHS), Office of the Commissioner, to accept and expend federal funds from the American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF), in an amount not to exceed $5,000,000 to support the construction of the future youth development center, effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2025, and further authorize the allocation of these funds in the account below. This is an allowable use of ARPA SFRF funds under Section 602 (c)(1)(C) for provision of government services to the extent of the reduction in revenue. 100% Federal Funds.

This item is contingent upon final written authorization from the Governor's Office for Emergency Relief and Recovery upon ARPA SFRF funds being available for reallocation and a determination of appropriate expenditure category.

05-95-94-940010-2465[1] HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL, ARPA DHHS FISCAL RECOVERY FUND

[1] All direct program costs will be accounted for using activity 00FRF602GS9501A and all administrative and indirect costs will be accounted for using activity 00FRF602GS9501Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase/ (Decrease) Amount	Revised Modified Budget
000-400338-16	Federal Funds	$ 84,000,092	$ 5,000,000	$ 89,000,092
00C-401350-68	Agency Indirect Cost	$ 261,653	$ -	$ 261,653
	General Fund	$ -	$ -	$ -
	Total Revenue	**$ 84,261,745**	**$ 5,000,000**	**$ 89,261,745**
010-500100	Personal Services Perm Class	$ 76,256		$ 76,256
018-500106	Overtime	$ 5,000		$ 5,000
020-500200	Current Expenses	$ 10		$ 10
022-500255	Rents-Leases other than State	$ 2,248,303		$ 2,248,303
030-500301	Equipment New/Replacement	$ 1		$ 1
039-500180	Telecommunications	$ 300		$ 300
040-500800	Indirect Costs	$ 2,118,501		$ 2,118,501
041-500801	Audit Fund Set Aside	$ 84,901		$ 84,901
042-500620	Additional Fringe Benefits	$ 2,882		$ 2,882
046-500462	Consultants	$ 1		$ 1
047-500240	Own Forces Maintenance (Bldg-Grnds	$ 1		$ 1
048-500226	Contract Repairs: Bldg, Grounds	$ 1		$ 1
050-500109	Personal Services Temp	$ 2,009		$ 2,009
059-500117	Temp Full Time	$ 46,683		$ 46,683
060-500601	Benefits	$ 736		$ 736
070-500704	In-State Travel	$ 1,000		$ 1,000
072-502683	Grants Federal	$ 1		$ 1
102-500731	Contracts for Program Services	$ 56,689,828	$ 5,000,000	$ 61,689,828
103-502507	Contracts for Operational Services	$ 22,985,331		$ 22,985,331
	Total Expenses	**$ 84,261,745**	**$ 5,000,000**	**$ 89,261,745**

EXPLANATION

The Department requests to accept an amount not to exceed $5,000,000 of ARPA SFRF funds, to support the construction of the future trauma-informed 18-bed Youth Detention Center (YDC).

Chapter 2, Laws of 2023 (House Bill 49), appropriated $21,600,000 to the Department and requires the Department to construct an architecturally-secure, therapeutically-oriented treatment facility for a maximum of 18 youth to replace the existing 144 bed Sununu Youth Services Center (SYSC) facility. During the summer and fall of 2023 the Department of Administrative Services, Division of Public Works Design and Construction (DPW), in collaboration with the Department, contracted with an external architect for the design of the facility.

The Department and DPW worked with the architect and determined that funding was insufficient to support initial design plans. The Department and DPW engaged in aggressive space-cutting measures to reduce costs while still ensuring safety and sufficient space for a therapeutic environment. After the architect's pre-design phase, the estimate was more than 15,000 gross square feet (gsf) over original projections. Five rounds of team-based, careful-yet-intensive cuts ensued and reduced the overage by half.

Following this work, the Department concluded that the original appropriation would not support the construction of a safe, trauma-informed facility for the projected youth population. The Department subsequently submitted a request to repurpose an additional $6,523,363 of ARPA SFRF for the construction of the future YDC, which was approved by the Fiscal Committee on November 17, 2023 (Late Item FIS 23-340) and Governor and Council on November 29, 2023 (Item #6).

On August 8, 2024, DPW posted a request for a Request for Bids (RFB), for construction of the new YDC. In response to the RFB, DPW received one bid, which came in at $30,465,573. DPW and the Department are actively negotiating the final contract price in an effort to bring the cost down. The final amount will be reflected in the contract. As detailed in **Table 1** below, the Department anticipates needing approximately $5 million to support the revised bid amounts for contract. Although DPW commissioned two independent cost estimates prior to releasing the RFB to inform the budget, the current market for construction materials and labor is highly volatile. The winning bidder's pricing for certain labor and materials for the core building was about 30% higher than previously calculated by the independent cost estimators.

TABLE 1

DESCRIPTION	AMOUNT	
Chapter 2, Laws of 2023 (HB49)	$	21,600,000
Repurposed ARPA Funding Request *~FIS Late Item 23-340, November 17, 2023* *~G&C Item #6, November 29, 2023*	$	6,523,363
TOTAL FUNDING	**$**	**28,123,363**
Architecture & Engineering Contract	$	2,298,347
Commissioning Contract	$	91,123
Third Part Estimation Contract	$	10,435
BPW Fees, Clerk Hours, and PM Costs	$	243,295
TOTAL EXPENSES/OBLIGATIONS	**$**	**2,643,200**
BID AMOUNT	**$**	**30,465,573**
BASE BID SHORTFALL	**$**	**(4,985,410)**

Without approval of this request, the Department will not have funds sufficient necessary for the construction of the future YDC. The Department is prohibited from using any general funds for the YDC construction in accordance with Chapter 79, 443, Laws of 2023. Consequently, per state law, the Department must use ARPA funds for the construction.

Funds are budgeted as follows:

Class 102 – The funds will be used to support the construction of the future YDC.

Source of Funds: These funds are 100% Federal Funds.

In the event that Federal Funds become no longer available, General Funds will not be requested to support this project.

Respectfully Submitted,

Lori Weaver

Lori A. Weaver
Commissioner