



**Caring for NH Citizens:**  
**The Role and Mission of County Government**

NHAC  
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### **Introduction**

This paper examines the history, structure and mission of NH county government; addresses the importance of finding the right size government for the delivery of services; and looks to the emerging dilemma of funding government services.

In examining the functional delivery of government services, the issues of how services are best organized and how services are financed should be separate questions. This paper examines the core services provided by county government and examines the role of property tax to finance government programs.

The purpose of this document is to provide an overview of the past and current core services provided by county government in New Hampshire. It is not a comprehensive assessment and analysis of the complete role of NH county governments.

### **History of NH County Government**

County government in New Hampshire began in 1771 with five counties: Rockingham, Strafford, Hillsborough, Cheshire and Grafton. Over time the county structure grew to include today's ten counties. The county structure that was crafted in the early 1770's was done with the support and leadership of then Governor John Wentworth who sought to expand the state's population and economy beyond the reaches of the merchant class in the Portsmouth area to what was called the "wilderness"—the land beyond the Portsmouth area. At the time, approximately 30,000 people lived in the Portsmouth area and another 30,000 lived in the wilderness. As the population of NH grew, additional counties were created by the state Legislature to ensure that government services were efficiently provided.

New England's early tradition of strong town governments and democratic town meetings is somewhat unique in this country. In many of the "newer" states, counties are responsible for schools, roads, sewers, law enforcement and other essential functions where efficiencies of scale have been found. While the tradition of small, local town government in NH ensures a unique sense of local control, it also trades some efficiency in the size and scope of government services. Thus, county government offers the right size government for the delivery of services regionally.

### **Structure of NH County Government**

The current structure of NH government is state, county and municipal levels which deliver different services. County government is rooted in a unique combination of tradition and efficiency. The current structure of county government is modeled after a basic three-branch system of government.

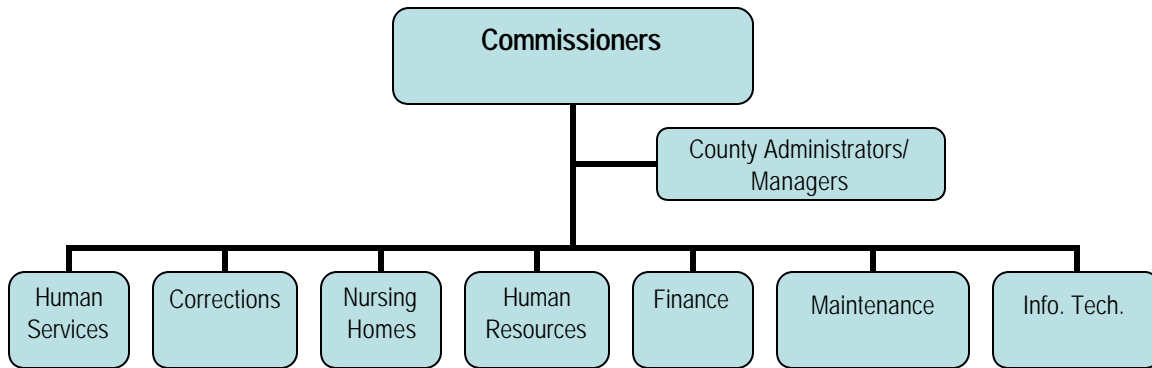
The County Commissioners make up the Executive Branch, the County Delegation makes up the Legislative Branch and elected constitutional officers and appointed county officials make up the Administrative Branch. A list of statutes relative to NH county government is provided in the bibliography.



### Executive Branch – Board of County Commissioners

Each county has a three-member elected board of commissioners which is responsible for the day-to-day operations of county government, in both fiscal and policy matters as mandated by RSA 28. The Board elects a chair, vice-chair and clerk and meets formally to conduct county business.

The Board is also responsible for the overall supervision of county departments (administrative branch) and for budgetary oversight of all expenditures. Other responsibilities include the management of county buildings, land, and personnel. Authority to hire, discipline, and discharge a county employee is the responsibility of the county commissioners unless otherwise provided for by statute.



### Administrative Branch – Appointed and Constitutional Officials

The administrative branch of county government includes two distinct groups—appointed officials and constitutional officers. Appointed officials are non-elected senior department leaders hired and accountable to the board of county commissioners. Constitutional officers are elected and accountable to the voters. As defined by statute, the boards of county commissioners provide budgetary and other oversight for constitutional officers in each county.

#### Appointed Officials

Across the ten counties there are more than 4,600 employees providing services to NH citizens. Departments are organized by function as follows:

#### County Administrators / Managers

County administrators and managers are a creation of the boards of county commissioners. Unlike city managers, county administrators/managers have no statutory authority. All authority vested in county administrators/managers is at the sole discretion of the boards of county commissioners. The responsibilities vary greatly from county to county, depending on the size, complexity and philosophy of the county.

### County Nursing Home Administrators

The counties operate eleven nursing homes, one in each county with the exception of Coos County, which has two nursing homes. County nursing homes provide long term care to all qualifying citizens but generally have higher proportions of Medicaid residents than non-county nursing homes. County nursing home administrators are responsible for developing, monitoring and evaluating the quality and appropriateness of care and treatment provided to nursing home residents.

Nursing home administrators are required to be licensed by the State of NH under RSA 151-A. The Board of Examiners of Nursing Home Administrators is responsible for developing and enforcing professional standards for all nursing home administrators. There are a variety of medical professionals providing care and treatment at a nursing homes and there are corresponding state boards responsible for the development and enforcement of professional standards. In addition, the NH Department of Health and Human Services conducts annual, onsite evaluation of all nursing homes to ensure compliance with Medicaid/Medicare regulations.

The majority of county workers are employed at the eleven county nursing homes. They provide compassion, professionalism and commitment to quality of care for each of the more than 2,200 residents of county nursing homes.

### County Corrections Superintendents

In accordance with RSA 30-B, counties operate ten county departments of corrections which are responsible for the care, custody and control of adults awaiting trial, as well as adults sentenced to serve one year or less. If the sentence is greater than one year, inmates serve their sentence at the New Hampshire State Prison. However, there are instances when a person is sentenced to a term that exceeds 12 months of imprisonment to a county corrections facility. For these instances, the expense of lodging a person in a county correctional facility is charged to the state or the state may take physical custody of the inmate at that time.

County corrections superintendents have statutory authority to grant work release or other programs deemed conducive to inmate rehabilitation within the rules of procedure approved by the individual board of county commissioners.

### County Human Services Directors

The county human services departments are responsible for the payment of services for Medicaid-eligible residents of nursing homes, the disabled, the elderly and for court-ordered services to juveniles and their families.

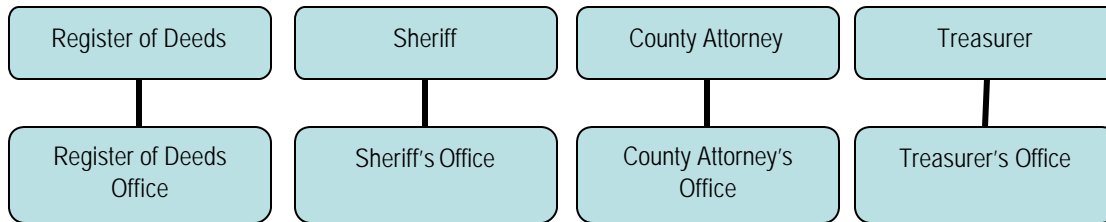
Each county receives funding from the Division for Children, Youth and Families for the provision of services, or programs, which may prevent the involvement of youth in the court



system. One example of this type of program is the Parent-Child Mediation Program, which is provided free of charge to families.

### Constitutional Officers

County constitutional officers receive authorization from Part 2, Section 71 of the NH Constitution. Constitutional officers are elected and accountable to the voters. The board of county commissioners provides budgetary oversight for the constitutional officers in each county.



### County Attorney

The county attorney serves as the chief law enforcement officer in their county. The county attorney prosecutes all felonies committed in their jurisdiction except for first- and second-degree homicide and works in conjunction with the State Attorney General's office, sheriff's department, NH state police and local police departments. County attorneys may also serve as legal counsel to the county.

### County Sheriff

In addition to their constitutional duties, county sheriffs receive legally mandated authorization from RSA 104:6. County sheriffs are the only law enforcement officers with full police power in all 234 cities and towns in the State of New Hampshire. Some of their duties include: rural patrols, criminal investigations, support of local law enforcement initiatives, vehicle escorts, transport and control of inmates/juveniles, court security for NH Superior Courts, and the operation of law enforcement and public safety dispatch systems.

### Register of Deeds

The Register of Deeds receives its legally mandated authorization from NH Constitution, Part 2, Articles 71-72. The duties of the register are dictated by RSA's and include the recording, reproduction and indexing of legal documents pertaining to real estate and the reporting to the cities and towns (for tax purposes) of all transfers of property and the maintenance of records dating back to 1827. The register is also responsible for collecting the State's real estate transfer tax.



County Treasurer

County treasurers have custody of all county funds and are responsible for issuance of county bonds, tax anticipation notes, and other financial instruments needed for the operation of county government upon approval of the board of commissioners.

**Legislative Branch – County Delegation**

State law was modified to establish that the legislative branch of county government be comprised of the elected members of the State House of Representatives. As such, State Representatives serve a dual role. State Representatives are also members of the “county convention” which later became known as the "county delegation".

The county delegation convenes in early December, following the State election, for the purpose of organizing and selecting its leadership. Each county delegation chooses an executive committee and elects a chair, vice-chair and clerk.

The county delegation is directly responsible for appropriating public funds to support the functions of county government. The full Delegation meets formally to vote on county budgets each year.

**County Budgets**

NH county governments raise and spend more than \$360 million per year. The executive committee of the county delegation reviews the annual county budget submitted by the board of county commissioners. After review and public hearing, the full county delegation must vote to approve the county budget. Additionally, the executive committee of each county is required to review the budget at least quarterly.

<b>2004 Jan-Dec.</b>	<b>2005 July-June</b>	
<b>County</b>	<b>Fiscal Year</b>	<b>Operating Budgets</b>
Belknap	Jan-Dec	\$21,375,122
Carroll	Jan-Dec	\$16,207,669
Cheshire	Jan-Dec	\$25,369,967
Coos	Jan-Dec	\$23,848,850
Grafton	July-June	\$24,770,732
Hillsborough	July-June	\$74,728,394
Merrimack	Jan-Dec	\$49,457,571
Rockingham	Jan-Dec	\$67,989,080
Strafford	Jan-Dec	\$37,684,260
Sullivan	July-June	\$21,207,928
<b>total combined budgets</b>		<b>\$362,639,573</b>
Compiled by: New Hampshire Association of Counties		

Approximately 50% of county revenue comes from county property tax, which is based on local property valuations and collected by municipalities. The remaining 50% comes from other revenue sources including, but not limited to, Medicaid and Medicare provider payments, grants, and a variety of user fees. County expenditures fund a broad range of programs, including but not limited to those defined in this paper.

## **Functions of NH County Government**

Many programs delivered at the county and municipal levels are state or federal programs that are managed locally. In fact, two-thirds of the State operating budget expenses are costs associated with implementing federal programs. Over time, the balance between a delivery system that is too large to adequately function and one that is too small to be efficient and functional has changed. While this document does not offer a comprehensive assessment and analysis of the complete role of county government, it does examine several core services provided by NH county government.

### **Long Term Care**

The county mission of providing long term care is a historic one that dates back to 18<sup>th</sup> century county farms and county hospitals. As the needs of the citizens changed over time, so did the delivery of services. Counties serve a dual role as both a provider and payer of long-term care services.

#### County Nursing Homes—Service Providers

In 2004, county nursing homes provided direct care for over 2,200 people at the eleven county homes. Providing nursing home services at a local level is important. The support of family and friends is a meaningful part of care available at county nursing homes. While it would not make economic sense for every city and town in New Hampshire to have its own nursing home, a regional county facility offers a close connection that would not be found in a centralized long-term care system.

#### County Government—Payer Source

The payment of Medicaid services for more than 7,000 NH indigent elderly is shared by federal, state and county government as follows: for every \$100 spent on Medicaid, \$50 is contributed by the federal government; \$25 from the counties, and \$25 from the State of New Hampshire. However, the state limits its dollars, resulting in a proportionally limited match from the federal government, which results in the county having to cover its remaining costs dollar-for-dollar. This state “budget neutrality” policy has increased county costs and payment for Medicaid services has grown to become the largest element of county expenses.

Counties are responsible for the payment of services for Medicaid-eligible residents of nursing homes, home and community based care (HCBC), old age assistant (OAA) and





aid to the permanently and totally disabled (APTD). County human services departments review and monitor the utilization and reimbursement of these major public expenditures.

The long term care system continues to be at the core of county government's commitment to local and accountable delivery of services.

## **Justice and Public Safety**

Among the most important jobs any government does is to protect the safety and welfare of its citizens in a just and fair manner. In New Hampshire this effort is coordinated across all levels and branches of government. County government's role in criminal justice strikes the balance between the strong desire to protect public safety at the community level and finding appropriate economies of scale.

### Investigation and Prosecution of Criminal Offenses

The county attorney prosecutes the vast majority of criminal cases in New Hampshire. Over 15,000 cases were opened by county attorneys in 2004. Increasingly, municipal governments are coordinating local district court prosecution with county attorney offices in order to achieve a higher level of professionalism and efficiencies. The local nature of prosecution is the key to New Hampshire's ability to find a community balance between punishment and rehabilitation. This balance is not the same in every setting and the regional, county-based system ensures that a one-size-fits-all justice system is not imposed on its communities. The county attorney is also an elected official, which ensures both a level of public review and accountability.

### Care, Custody and Control of Adult Offenders

NH county corrections offer a well-coordinated structure for both short-term incarceration and community corrections. Staying connected with family and community is a very important part of county corrections and helps reduce recidivism. County departments of corrections also provide protective custody for people awaiting trial or sentencing. Over 10,000 people were processed among the county departments of corrections last year.

### Juvenile Justice

The county role in juvenile justice is multi-faceted. County human service departments play a critical role in developing and funding services for juvenile offenders. This local engagement and support offers the ability to develop well-balanced programs designed to ensure that this type of behavior is not repeated, to address the underlying causes, and to divert juveniles from the adult criminal justice system. The ability to address this program with a local, community approach is critical to a successful system. A regional approach also allows innovative pilot programs to be locally tested and supported. Central to the county role in juvenile justice are the county-based diversion programs. In NH each year, six percent of the State budget of juvenile residential costs are diverted to local prevention programs that are targeted to children at risk of



offending. The funds are injected into community based programs with the oversight of county officials.

### Public Safety

The county sheriff has a critical role in law enforcement and local public safety activities. In NH, county sheriffs and deputies are empowered to operate statewide, across municipal and county borders which offer a unique ability to investigate and act when needed. The growth in public safety needs has lead many local town governments to work with county attorneys to prosecute local cases and to rely on regional county sheriff departments to dispatch local fire and police services.

Sheriffs continue to provide security for the NH Superior Court system. Sheriffs are responsible for general security of the court house as well as the transportation and control of offenders or offenders participating in court activities.

### Real Estate Infrastructure

Recording land transactions is among the first and original roles of county government. Many registries have original land records dating back to the 1800s and resources have been invested to preserve these historic records.

The sale or purchase of a home or business is a big part of the state's economy and the registry of deeds has become one of the most visible county services. In 2004, NH registries collectively recorded over 450,000 documents. In recent years the ten registry of deeds offices have begun modernize access to public records by developing subscription services that allow internet access to documents.

The task of maintaining and recording land records includes a wide set of responsibilities.

- Recording deeds
- Recording state, federal, and local tax liens
- Setting local tax rates and assessments
- Collecting state real estate transfer tax
- Recording municipal land use records

The county registry serves as the basic data sources for the valuation of property for municipal governments. Establishing the value of property based on comparable sales is directly supported by the deeds office.

In 2005 the county registry of deeds office collected more than \$162 million in real estate transfer tax for the State of New Hampshire. Because such transfers must be recorded at the county level, there is efficiency for both the state and the taxpayer by allowing this function to be done all at once.



Increasingly the volume and complexity associated with recording all public records has led numerous municipalities to begin recording land use records at the county registry. This includes plot plans, site plans and demolition plans.

## **NH County Government Value**

The delivery of services by county governments in New Hampshire offers citizens a responsive, well established local government that is connected with the community. This local connection ensures quality service and makes sure that county government is responsible and accountable to its citizens. The value of this approach to government includes the following:

### **Local**

County government in New Hampshire is local and offers an ability to deliver service in a fashion that is unique to the community. A single state-wide approach would not work in a state that ranges from dense urban settings with populations that commute out of state to work, to rural, North Country communities where portions of the elderly population still speak French in the home. Local in New Hampshire also means local control, the decision to expand long term care facilities, or to maintain the county farm is a local decision that is made by local officials that know the community and who are part of the community. Perhaps one of the best examples of the local aspect of county government is found in the orientation for new employees at the Grafton County nursing home. Here, new staff is reminded that half the residents are likely related to half the staff. Not only is this type of reminder a reinforcement of the community nature of this type of care, but it is also one of the reasons that the standard of care in county nursing homes is high.

### **Accountable**

The level of accountability in county government is found in many forms. The election process ensures that county commissioners, county delegations, and county constitutional officers remain accountable to the voters. A more centralized government run by appointed officials is not subjected to this level of accountability.

Beyond the ballot box, the people who are responsible for county government are from the communities they serve. These officials know the folks whose lives are affected by the services provided. Local officials are accessible—by phone or in person as they shop or participate in community activities—county officials are accountable for how county government works.

### **Professional**

Tradition of government in New Hampshire often comes as a matter of evolution not revolution. The history of county government combined with the longevity of county elected and appointed officials ensures that there is a depth of understanding to government leadership. This depth of understanding is often referred to as “institutional memory”. The institutional memory of county government is a valuable part of NH’s governing structure and guards against decision-making without the benefit of a historic understanding of issues at hand.

Additionally, county leaders believe that professional development of staff is critical to keep pace with industry innovations and efficiencies.

### **Nimble and Innovative**

County government, because of its size, can often act more nimbly than state government. Service delivery or quality improvement models can be field-tested in one county, adjusted and duplicated in the remaining nine. County history is full of successful examples. One recent example occurred in Belknap County.

A program called “restorative justice” has offered an innovative and successful program in which youthful offenders are asked to meet with victims to apologize and confront the consequences of their actions as part of their rehabilitation. Testing the program in a small setting, with local attention, was critical to the success and duplication of the program to other regions. This program has received national acclaim for its success.

### **Quality**

The characteristics outlined above ensure a high level of quality in county government. Local people equal local accountability.

## **Funding Essential Government Services**

The debate about the powers and levels of government is an old and necessary debate to assure that government, in any form, remains true to the principle of “by the people, for the people”. New Hampshire is not exempt from this debate and has a significant history of citizens demanding its government serve their needs. State, county and municipal government must remain accountable and responsive to their constituencies.

Property tax remains the single largest funding source for all levels of NH government. In the late 1990’s and early 2000’s the combination of a new Medicaid funding structure, reduced state contribution for nursing home costs and the creation of a new statewide property tax put both financial and political pressure on the role of the property tax as a core funding vehicle for government programs, especially long term care. As the competition for property tax funds increases, political pressure to reduce the property tax burden will continue to increase as well.

### **Funding Long Term Care Services**

Counties are responsible for long-term care services for the elderly and chronically ill who qualify for home and community based care or for nursing home care. As noted previously, counties share the costs of all of these services with the State of New Hampshire and the federal government.

### Tobacco Settlement Dollars

In April of 2001, after years of the state and county government working with the nation's Attorney General, a significant settlement was reached with the tobacco companies to make payments to the state and local governments, in part to compensate them for the Medicaid costs associated with tobacco-related diseases.

In order to resolve an education funding crisis, all of the tobacco settlement dollars were dedicated to the education trust fund. The 9% (\$4 million annually) allocated to counties was diverted by the state legislature. Despite attempts to recapture these dollars, county government has been unsuccessful in obtaining these funds to offset property tax increases.

### Statewide Property Tax

The Claremont Decision and the creation of a new statewide property tax increased competition for local property taxes and caused the state's operating budget to divert resources toward the new education trust fund and away from more traditional general fund obligations, such as nursing home funding.

### Downshift of Responsibilities

In addition to the diversion of funds noted above, the state went through two state budget cycles with no increase in state general fund increases to nursing homes. This created a downshift to the county taxpayers as long-term care expenses continue to rise. While the high volume of Medicaid costs to counties have traditionally led to shortfalls, the volume increased drastically from 1998 through 2004, to the point that the gross shortfall amounted to approximately \$37 million.

### Home and Community Based Care Services

While this downshift was playing out, the counties and the state were struggling to implement a new home and community based long term care system for Medicaid recipients. The goal of this system, which was created in 1998's Senate Bill 409, was to begin to shift the growth in long term care populations into less expensive home and community settings. The counties agreed to take on a larger share of these costs, with the belief that expenses would be reduced because of the new "continuum of care" approach.

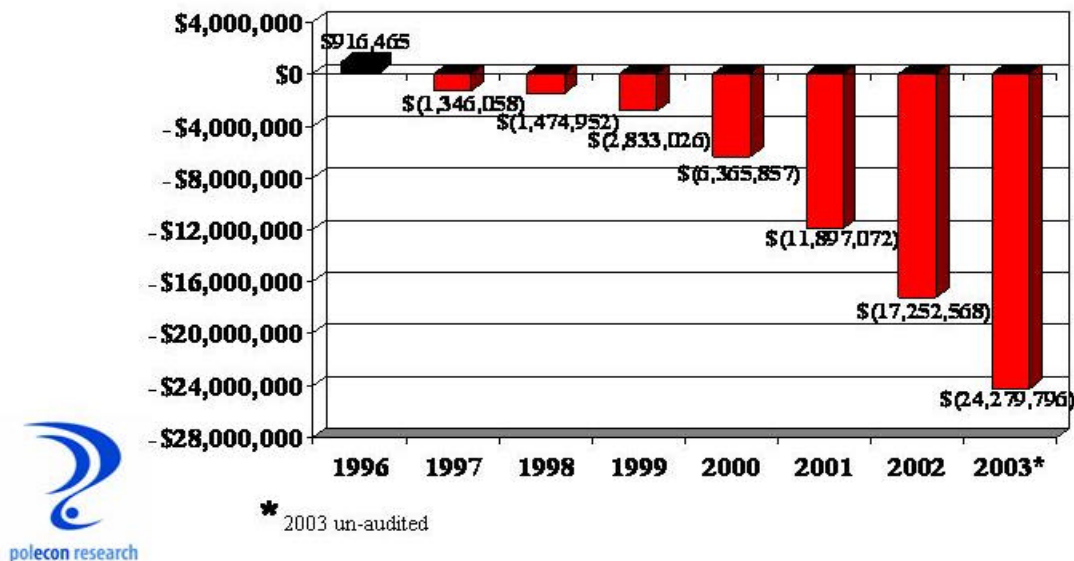
The school funding crisis continued to divert investment in the new home and community base infrastructure. As a result, new costs were shifted to the counties, but the community based infrastructure was left weak and unable to support the expected shift of emphasis.

### Medicaid Quality Incentive Payments (MQIP)

Minimal short term financial relief for counties was found in the creation of a new provider fee and related Medicaid quality incentive payments and a change to the federal ProShare program. Combined, these efforts reduced the \$37 million downshift to well below \$20 million. However, this reduction is likely to be short-term. There are anticipated increases in volume and cost due to the aging baby boom population and federal Medicaid restructuring.

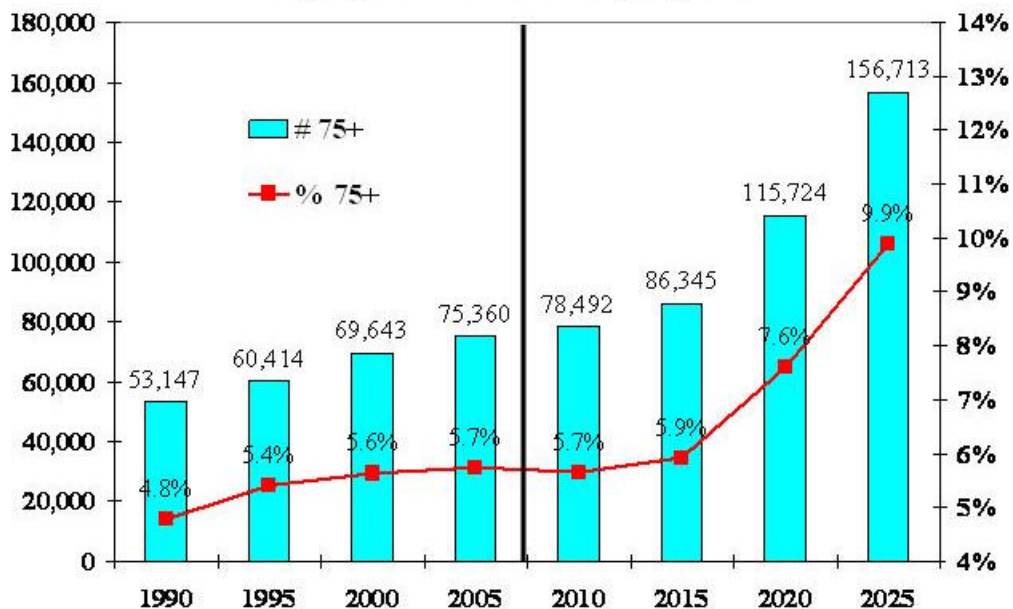
## The result: rapidly deteriorating fiscal health of county nursing homes

Annual Revenue vs Expenses of County Nursing Homes



As A Percent Of NH's Pop., Residents Age 75+ Has Changed Little Over The Past 10 Years, But Over The Next Two Decades, The Percentage Doubles

Pop. Age 75+ and Pct. of Pop. Age 75+

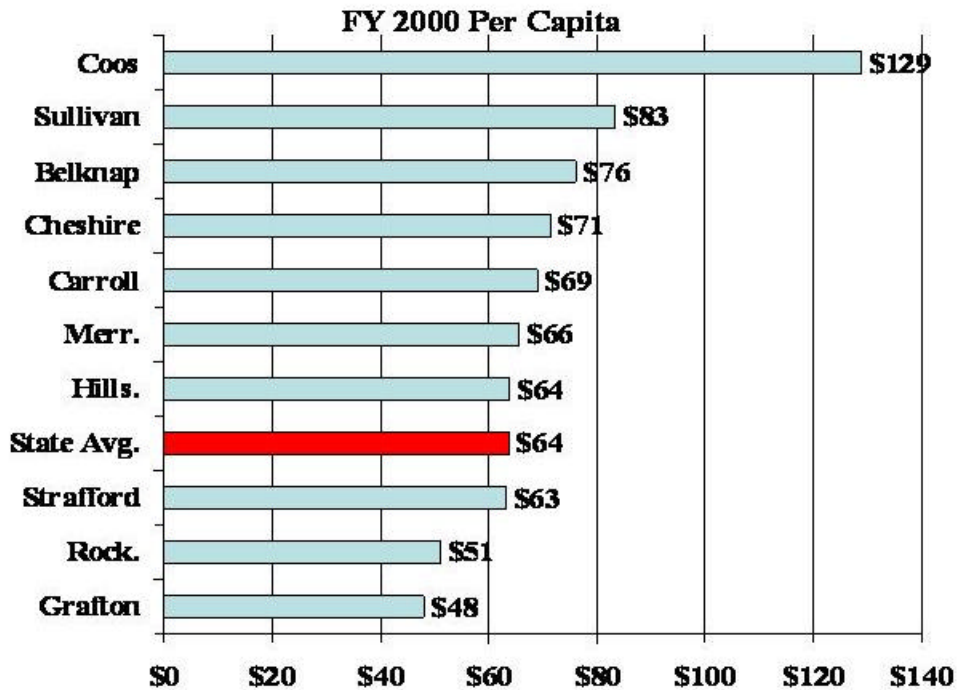




Funding Human Services

The use of the property tax as the sole means of taxation to fund government services causes disparities. In counties with urban settings high in service utilization, but with weak property wealth, and rural or suburban towns with low utilization and high property wealth, large disparities can be found. This type of situation is due to state laws that dictate the type of taxation that is use to fund human service programs. Yet, simple solutions to this type of structure can not be targeted solely at property tax. Urban communities typically have very high participation services such as TANF, law enforcement, and other programs associated with less affluent populations. These costs must be met by the local municipal property tax, which is much higher than in more affluent towns. So while a lake side town may have a higher per capita county property tax burden, they typical have a relatively low set of expenses associated with supporting low income populations. As a result, resolution that only looks at one of these sets of taxes and expenses, would fail to address the more complicated balancing act that can pit one set of taxing authorities against another.

**Human service expenditures per capita**





### Funding Corrections

In NH and across the nation, medical costs for county departments of corrections have soared in the last few years. A primary reason is a significant increase of offenders with mental health issues. Many of these offenders also have substance abuse issues. Due to reduced funding for community mental health and substance abuse treatment services, county corrections have become safety net providers—there are simply no where else for these individuals to receive treatment. It is also commonly accepted that jail is not the appropriate treatment facility for non-violent people with these types of health issues. As the financial burden on county corrections increases for health services, pressure on property tax increases as well.

### **Conclusion**

County government in New Hampshire serves a vital role in providing direct service to citizens, many of whom are the most vulnerable. Although the functions of county government are often part of federal or state programs, the regional delivery system allows for services to be undertaken in a means that is tailored to the unique needs of the various regions. Core functions of county government operate with a quality of service that is defined by its local, accountable, and innovative characteristics.

Despite efficient, quality local government at the county level, the property tax burden will continue to generate discussions to reduce financial and political pressure.



## Bibliography

### 1. NH Constitution Relative to Counties

<b>Part, Article</b>	<b>Brief Description</b>
Part 2, Article 71	Relative to County Treasurers, Registers of Probate, County Attorneys, Sheriffs, and Registers of Deeds, elected.
Part 2, Article 72	Relative to counties may be divided into districts for registering deeds.
Part 2, Article 78	Relative to judges and sheriffs, when disqualified by age.

### 2. NH Statutes Relative to Counties

<b>Chapter</b>	<b>Brief Description</b>
▪ CH 7	Attorney General, Director of Charitable Trusts and County Attorney (Sections 7:33-35, 38, 39)
▪ CH 22-30B	Counties <i>See also:</i> RSA 31:27-30; RSA 81:1, II; RSA 292:23; RSA 541-A; RSA 655:14; RSA 661:9
Ch 24	County Conventions <i>See also:</i> RSA 31:94-a; RSA 91-A; RSA 643:1; RSA 653:1-IV; 661:9
Ch 24:10-10-a	UNH Cooperative Extension—County Programs
Ch 28	County Commissioners <i>See also:</i> RSA 33; RSA 71:25; RSA 81; RSA 91-A; RSA 167:18-b, IV; RSA 194; RSA 541-A;
Ch 29	County Treasurers and County Taxes <i>See also:</i> RSA 383:22; RSA 386:57
Ch 30-B	County Departments of Corrections <i>See also:</i> RSA 72:23, II; RSA 172-8:13, 15; RSA 627:5; 642:6-7
▪ CH 33	Municipal Finance Act (Section 33:10)
▪ CH 35	Capital Reserve Funds of Counties, Towns, Districts, and Water Departments <i>See also:</i>
▪ CH 91-A	Access to Public Records and Meetings (right to know) <i>See also:</i> RSA 44:2; RSA 162-A:7-10, 13; RSA 282-A:117-123; RSA 651-A; RSA 669:12



<b>Chapter</b>	<b>Brief Description</b>
▪ CH 104	Sheriffs and Constables <i>See also:</i>
▪ CH 151-A	Nursing Home Administrators <i>See also:</i> RSA 541-A; RSA 547:33; RSA 548:8; RSA 553; RSA 561
▪ CH 166	Aid to County Assisted Persons <i>See also:</i> RSA 162-A:7-10, 13; RSA 165:33-34; RSA 165:19-20, RSA 282-A:117-123
▪ CH 167	Public Assistance to Blind, Aged, or Disabled Persons, and to Dependent Children, (Sections 167:18, 19, 21, 27, 28, 34) <i>See also:</i> RSA 161
▪ CH 232	Title XX, Transportation; CH 232 Counties and County Commissioners
▪ CH 478	Registers of Deeds <i>See also:</i>
▪ CH 653	Election of Officers and Delegates (Sections 653:1-V; VI:1-a through i) <i>See also:</i>
▪ CH 661	Vacancies among Public Officers Elected at State Elections (Section 661:9 County Officers) <i>See also:</i> RSA 653:1, VI; RSA 655:32, 37