

New Hampshire Youth Development Center Claims Administration and Settlement Fund

John T. Broderick, Jr.
Administrator

April 14, 2023

To: Chris T. Sununu, Governor, State of New Hampshire
Jeb Bradley, President, New Hampshire Senate
Sherman Packard, Speaker, New Hampshire House of Representatives
Kenneth Weyler, Chairman and Members of the New Hampshire Joint Legislative Fiscal
Committee

Administrator's Quarterly Report for the YDC Claims Administration and Settlement Fund 2023 Quarter One

The New Hampshire Legislature established the YDC Claims Administration and Settlement Fund under NH RSA 21-M:11-a, for victims of sexual and physical abuse at New Hampshire's youth detention center in prior decades to provide an administration process as a trauma-informed, victim-centered alternative to litigation for the efficient and fair resolution of potential claims against the State of New Hampshire. 2022 HB 1677, *Statement of Purpose* for NH RSA 21-M:11-a. The Legislature established a process for determining settlement amounts of claims under the Fund and directed the Attorney General to use the Fund for purposes of administering claims. NH RSA 21-M:11-a, II *et seq.* The Legislature established a position known as the youth development center claims administrator in the New Hampshire Judicial Branch, *id.* at I(a), III; and the New Hampshire Supreme Court appointed John T. Broderick, Jr. to serve an independent, neutral claims administrator. The duties of the administrator involve processing claims and settling claims at amounts agreed upon by the Attorney General Designee and each claimant, or at amounts which are determined by the administrator, giving due consideration to the guidelines adopted by the joint fiscal committee. *Id.* at III.

The YDC Claims Administration and Settlement Fund statute requires the claims administrator, in consultation with the Attorney General's Office, to submit a quarterly report on the claims process, including information about the claims filed or anticipated to be filed, as well as administrative costs paid and anticipated. NH RSA 21-M:11-a, XV.

For information about claims, the statute requires reporting for the following data: the number and nature of claims made and settled, the amounts requested and paid in settlement to date, the claim amounts pending, an estimate of the likely amounts which will be approved and paid. NH RSA 21-M:11-a, XV. The Quarter One Report covers information about claims filed from January 1 through March 31, 2023.

The claims process is in its inception stage, which impacts the level of detail that may be provided for reporting and projections. As the claims process develops throughout 2023, the claims administrator and the Attorney General's Office will contemplate how future reports can provide further detail and comparisons about claims filed and resolved, as well as projections about claims and anticipated payments.

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For information about costs, the statute requires reporting for the following data: costs which have been paid from the Fund, and an estimate of future costs to be paid. NH RSA 21-M:11-a, XV. Under the YDC Claims Administration and Settlement Fund statute, the costs of administration of the Fund and any costs of the attorney general which are outside of the ordinary operational expenses of the department of justice shall be paid from the Fund. NH RSA 21-M:11-a, XIII.

Administrative costs identified in this Report include Administrator Broderick's expenses for the claims administration in the fulfillment of his duties and responsibilities under the YDC Claims Administration and Settlement Fund statute. The New Hampshire Judicial Branch pays the Administrator's expenses as administrative costs, with the Attorney General's Office making reimbursement payments pursuant to a Memorandum of Understanding. NH RSA 21-M:11-a, II.

Information in this Report covers actual payments from the Fund through March 31, 2023 and projected payments in and costs anticipated to be incurred Quarter Two:

1. Settled claims, including fees and costs of attorneys who represent claimants.
2. Costs for claims processing by the claims administrator.
3. Costs of the Attorney General's Office.

The remainder of this Report breaks out information about claims and payments from the Fund, both actual and projected to the extent possible and appropriate at this early stage. The format for reporting information about claims is structured to protect the privacy and anonymity of the claimants.

I. Information about Claims

During the first quarter of claim activity, the Administrator and the AG Designee have worked to develop processes for claims such as docketing, with that work continuing. At this time the following information is available to be reported. The Administrator and the AG Designee are working to develop more extensive reporting for information about claims to be presented in a future report.

A. Number and Nature of Claims Made for Quarter One

Claims filed with the claims administrator in Quarter One: **38**
Claims filed involving sexual abuse: **11**
Claims filed involving physical abuse: **5**
Claims filed involving both sexual abuse and physical abuse: **22**

B. Number and Nature of Claims Settled for Quarter One

Claims for payment under the Fund are settled in the following ways: (1) by amounts agreed upon by the claimant and the Attorney General's Office, or (2) by amounts determined by the claims administrator.

Claims settled in Quarter One: **1**
Nature of claims settled: *Not disclosed in this Report*¹

C. Amounts Requested and Paid from the Fund in Settlement for Quarter One

The total for amounts requested in claims filed for Quarter One as identified in this Report relates to capped amount of claims. Some filed claims identified uncapped amounts.

Amounts requested in claims filed in Quarter One: **\$31,869,375.00**
Amounts approved to be paid for claims in settlement: **\$170,00.00**

¹ Report Note: The nature of the abuse is not disclosed for the singular settled claim in this 2023 Quarter One report in order to protect the privacy of the claimant. The nature of this settled claim will be aggregated into the 2023 Quarter Two report, as appropriate.

Amounts actually paid from the Fund for settled claims: **\$0.00**

D. Claim Amounts Pending for Quarter One

The total for claim amounts pending is **\$30,199,375.00**. This amount *excludes*: (i) amounts approved for payment or actually paid as identified under I.C, and (ii) amounts requested for any filed claim denied as ineligible. For Quarter One, the claims administrator denied as ineligible a claim requesting \$1.5 million for sexual abuse and physical abuse.

E. Estimate of Pending Claim Amounts Likely to be Approved and Paid for Quarter Two

Claim requests that have been settled and approved for payment are identified under I.C. Information for any additional claim amounts likely to be approved and paid are unknown at this early stage of the claims process.

II. Information about Costs

At this time, the New Hampshire Judicial Branch is invoicing costs of the Administrator on a quarterly basis to the Attorney General's Office. Costs incurred in one quarter are therefore paid from the Fund in the subsequent quarter. The quarterly invoices are based upon invoices the Administrator regularly provides to the New Hampshire Judicial Branch throughout a quarter. This Report shows amounts for quarterly invoices as well as for invoices pending with the New Hampshire Judicial Branch. In addition, this Report shows estimated costs to be incurred in Quarter Two for claims processing. The Administrator and the AG Designee are working to develop more extensive reporting for information about costs to be presented in a future report.

A. Paid Costs from the Fund for Claim Processing by Claims Administrator for Quarter One

The paid costs for expenses of claims processing by the claims administrator constitutes amounts invoiced to the Attorney General's Office and actually paid from the Fund. As of the date of this Report, no invoiced Quarter One costs have been paid from the Fund (**\$0.00**). Invoiced costs that are pending payment approval are identified in estimated projections under II.B, below. Actual payments from the Fund subsequent to this Report will be accounted for in the 2023 Quarter Two Report.

B. Actual Costs of the Claims Administrator to be paid from the Fund in Quarter Two

Estimated future costs of the Administrator to be paid from the Fund include costs actually incurred in Quarter One and likely to be paid in Quarter Two. This consist of the following: (i) those costs incurred and invoiced to the Attorney General's Office for payment from the Fund, with payment approval pending, and (ii) those costs incurred, with invoicing process pending with the New Hampshire Judicial Branch.

The total estimated future costs to be paid from the Fund that have been incurred through Quarter One is approximately **\$151,088.55**. This includes the following:

- Costs incurred in 2022 (October to December) and invoiced to the Attorney General's Office for payment: \$38,435.60
- Costs incurred during Quarter One and invoiced to the Attorney General's Office for payment: \$98,952.95
- Costs incurred during Quarter One and invoiced to the New Hampshire Judicial Branch, with invoicing process pending: \$13,700.00 (est.)

Costs of the claims administrator necessary for claims processing generally include: staff, office space and associated support needs, information technology and equipment, and consultants to assist in creating a trauma-informed, victim-centered, efficient resolution process. Some administrative costs are known and predictable, while others are fluctuating, difficult to project, or unexpected.

C. Estimated Future Costs of the Claims Administrator to be paid from the Fund in Quarter Three:

Estimated future costs of the claims administrator to be paid from the Fund in Quarter Three represent the Administrator's best estimate of costs to be incurred in Quarter Two and then invoiced for payment from the Fund in Quarter Three. The Administrator is in the preliminary stages of developing an extended budget for costs throughout the claims process.

Estimated future costs of the Administrator to be incurred in Quarter Two for claims processing and to be paid from the Fund are **\$281,915.99**.

An additional expense starting in Quarter Two is relocating the office space and systems for the Administrator and his staff scheduled for April 2023. Some expenses for this relocation will be a one-time fixed cost (such as furniture), while other associated expenses will be on-going (such as rent and utilities). Other additional expenses starting later in Quarter Two include additional paralegals and assistance from consultants.

Additionally, some costs are estimated for potentially investigating claims for further information gathering, as anticipated under the YDC Claims Administration and Settlement Fund statute, NH RSA 21-M:11-a, VIII(d). These costs are difficult to estimate at this early stage. The volume and scope of investigations may greatly impact the estimated administrative costs. The claims administrator continues to explore appropriate estimates, and more clarity will develop as the claims process continues to develop.

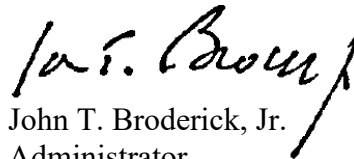
D. Paid Costs from the Fund for the Attorney General's Office for Quarter One

The Attorney General's Office has begun utilizing outside counsel to assist in the processing of claims, but has not yet paid any amounts (**\$0.00**) from the Fund related to that expense.

E. Estimated Costs of the Attorney General's Office for Quarter Two and Subsequent Quarters

The Attorney General's Office estimates a future expense of approximately \$50,000.00 for Quarter Two and following quarters. This amount is a very rough approximation of what will be paid for outside counsel expenses per quarter. Given the early stage of the administrative process, this number may vary significantly based upon the volume of the claims received and the willingness of claimants' counsel to provide additional support for claims when requested.

Respectfully submitted,



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Administrator

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Claims Administration and Settlement Fund

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