New Hampshire Youth Development Center Claims Administration and Settlement Fund

Senate Finance Presentation on April 28, 2025 at 1:00 pm
Administrator Broderick Observations - YDC Settlement Fund Statute

Fund
- About $23M to $24M remaining of $165M appropriations
    - $13M to $14M available for settlement activity, given $10M held as buffer for FY25
- Estimated $26M needed for FY26/FY27 for committed installments
- Additional appropriations for FY26/FY27 for settlement activity - $150M total by statute

Vigorous screens for Eligibility – Verification
- Resident files/eligibility documents
- Government issued photo ID at the time of Notary
- Quality claim packets with assistance of legal counsel
- In-person interview under oath with claimant

Settlement in volume
- 296 claims settled by AG or resolved by Administrator (with caps) - $156M from the Fund
Versus
- 2 AG settlements outside the Fund $14.5M
- 1 Jury Verdict $38M (not including prejudgment interest)

Focus funding on significant abuse
- 296 claims settled with resolved award under Fund
Versus
- 30 claims withdrawn from Fund (mostly, $0 award, or low dollar award)
- Withdrawn/dismiss claims may increase for loss of contact claimants

<u>WAYS TO ENHANCE FUND SETTLEMENT PROCESS</u>

Finish claims processing in 2 years or so
- Three channel approach: hearings, mediation, direct settlement
- In 2 years, recapture claims processing costs to use for award payouts (YDCCA costs & AGO costs)

Consider matrix for payout awards
- With or without limited discretion first year payments
- With or without discretion for number of years for payout

Be mindful of rising impact of compound interest for award payment installments
- 296 settled claims: $156 million (without interest) v. $160 million (with interest)

Reconsider legal fees
- Legal fees payable over 3 to 5 years depending upon size of the award

Develop stronger incentive for structured settlements for claimants

<u>INVITE INPUT FROM ALL KEY STAKEHOLDERS BEFORE CHANGING FUND STATUTE FURTHER</u>