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GEORGE N. COPADIS, COMMISSIONER
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September 27, 2017

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

REQUESTED ACTION

New Hampshire Employment Security is submitting its 2016-2017 Biennial Report for approval as required under RSA 20:7.

EXPLANATION

Attached is a copy of New Hampshire Employment Security's 2016-2017 Biennial Report, which covers the administration and operation of RSA Chapter 282-A for the two-year period ending June 30, 2017. This report also includes dedicated fund information reported as required under RSA 6:12e.

Respectfully submitted,)

George N. Copadis
Commissioner

GNC/jdr
Attachment

**NEW HAMPSHIRE
DEPARTMENT OF EMPLOYMENT SECURITY**

BIENNIAL REPORT

for the period
July 1, 2015 through June 30, 2017



September 29, 2017

Pursuant to RSA 20:7
Pursuant to RSA 6:12e

Christopher T. Sununu
Governor

Joseph D. Kenney
Executive Councilor
First District

Andru Volinsky
Executive Councilor
Second District

Russell E. Prescott
Executive Councilor
Third District

Christopher C. Pappas
Executive Councilor
Fourth District

David K. Wheeler
Executive Councilor
Fifth District

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Organization and Function

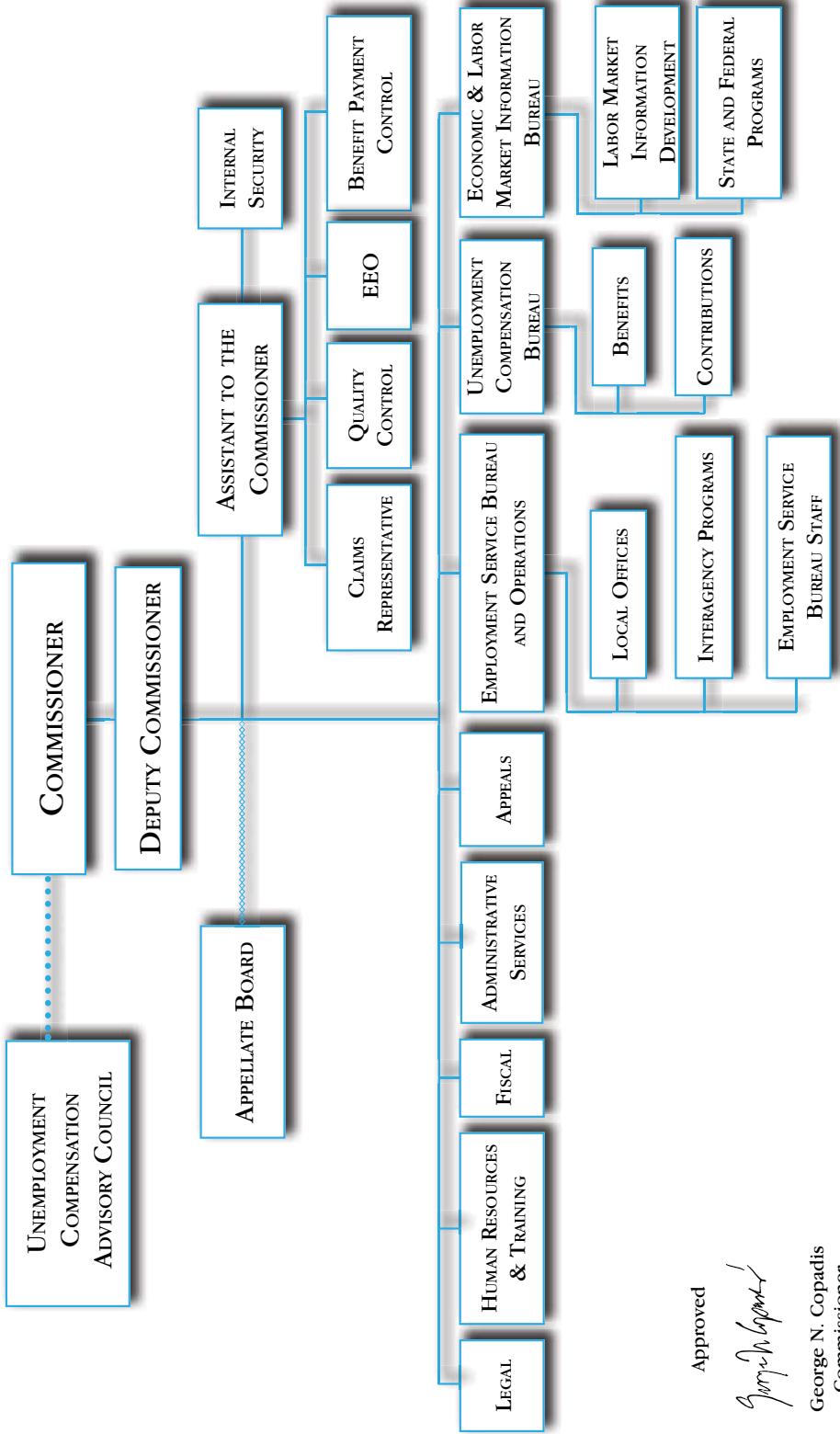
The mission of New Hampshire Employment Security is to:


- a. Operate a free public Employment Service through a statewide network of job and information centers, providing a broad range of assisted and self-directed employment and career-related services, and labor market information to all customers; and to
- b. Pay unemployment compensation benefits in a timely manner to eligible claimants, and collect the tax which funds these payments; and to
- c. Develop and disseminate labor market information, and provide measurements of labor market outcomes to assist local and state officials, private employers, educators and trainers, and the public in making decisions that promote economic development and the efficient use of state labor resources.

The Department of Employment Security was established in January 1938, in accordance with Chapter 99 of the Laws of 1935.

New Hampshire Employment Security Organizational Chart RSA 282-A:113

ADVISORY
 ADMINISTRATIVE



Approved

 George N. Copadis
 Commissioner
 R-09/12

Personnel Data

Current Number of Employees	06/30/2016	06/30/2017
1 Unclassified	6	7
2 Full-time	244	231
3 Part-time	36	27
Total	286	265

Physical Plant and Property Appraisal

(Acquisition Value June 30)

	06/30/2016	06/30/2017
1. Equipment	\$32,711,728.45	\$34,954,957.72
2. Physical Plant	\$29,779,117.91	\$28,444,336.91
3. Farm	0.00	0.00
4. Highway	0.00	0.00
Total	\$62,490,846.36	\$63,399,294.63

Receipts and Expenditures

Disbursements to State Agencies		
Agency	07/01/2015 to 06/30/2016	07/01/2016 to 06/30/2017
NH Dept of Administrative Services		
Risk Management Unit (Bond/Producer Services)	\$548	\$549
Bureau of Accounts		
Audit Fee	\$19,620	\$20,127
SWCAP Indirect Cost	\$244,162	\$233,998
State Postage Billing	\$2,001	\$2,134
Post Retirement/ Revenue Maximization	\$1,067,513	\$710,550
Unemployment Compensation	\$1,896	\$18,098
Workers' Compensation	\$146,581	\$196,077
Bureau of Graphic Services		
	\$216	\$128
Bureau of Education		
	\$1,279	
Bureau of Public Works		
		\$2,220
Shared Services Support	\$20,139	\$14,370
NH Secretary of State		
	\$179	\$512
NH Dept of Corrections		
		\$306
NH Dept of Education		
		\$1,144
NH Dept of Health and Human Services (EAP)		
	\$9,750	\$9,750
NH Dept of Labor		
	\$625	\$400
NH Dept of Transportation		
	\$55,610	\$56,445
NH Dept of Environmental Services		
	\$291	\$378
NH Dept of Safety		
Criminal Records Division	\$350	\$750
Telecommunications Division		
	\$206,827	\$215,500
NH Dept of Resources and Economic Development (DRED)		
	\$2,000,000	\$2,000,000
NH Dept of Information Technology (DoIT)		
	\$3,873,322	\$4,373,010
Total	\$7,650,909	\$7,856,446

Administrative Receipts and Expenditures		
Receipts	07/01/2015 to 06/30/2016	07/01/2016 to 06/30/2017
1 Federal Funds	\$20,334,022	\$20,422,336
2 Fees, Fines and Interest - Contingent *	\$14,085,821	\$14,510,707
3 All Other Sources	\$897,363	\$771,404
Total	\$35,317,206	\$35,704,447

* Capital Fund Revenue Transfer to NH State Treasury of \$1,300,001 and \$1,209,177 for 2016 & 2017, respectively

Expenditures by State Appropriation Class	07/01/2015 to 06/30/2016	07/01/2016 to 06/30/2017
1 Permanent Personnel Services	\$12,099,481	\$11,895,631
2 Current Expense	\$1,702,415	\$1,807,426
3 Equipment	\$1,628,138	\$3,825,570
4 Contractual Services	\$837,455	\$852,792
5 Other Personnel Services	\$1,389,733	\$1,049,885
6 Benefits	\$7,777,077	\$7,300,254
7 Travel-In-State	\$94,938	\$80,545
8 Travel-Out-Of-State	\$34,981	\$34,355
9 Miscellaneous	\$260,401	\$254,125
10 Job Training Fund	\$2,000,000	\$2,000,000
11 NH Dept of Information Technology (DoIT)	\$3,821,083	\$4,219,985
12 Shared Services Support (DAS)	\$20,139	\$14,370
Total	\$31,665,841	\$33,334,938

Major Accomplishments

Trust Fund

New Hampshire's Trust Fund is solvent with a balance of \$298,661,175 as of June 30, 2017, up from \$294,057,437 on June 30, 2016 and \$286,916,839 on June 30, 2015.

New Hampshire law allows for "discounts" to a positive rated employer's tax rate when the Trust Fund reaches certain levels. These "discounts" are known as "fund balance reductions." When the Fund equals or exceeds \$250 million, positive rated employers receive a 0.5% reduction on their earned rate. When the Fund equals or exceeds \$275 million, another 0.5% is applied, resulting in a 1.0% overall reduction. Another 0.5% is applied when the Fund equals or exceeds \$300 million (formerly \$275 million). At that point the positive balance employers receive an overall Fund Balance Reduction of 1.5%. Negative rated employers also receive an equal reduction in their rates at each benchmark.

Employers have been receiving a 1.0% reduction since the fourth calendar quarter 2015. New Hampshire's minimum tax rate is 0.1% and due to the fund balance reduction, 37 percent of the subject employers were at this minimum rate for first quarter of 2017.

During the biennium period, New Hampshire's maximum weekly benefit amount remained unchanged at \$427.00. New Hampshire's seasonally adjusted unemployment rate began this biennial period at 3.3 percent for July 2015 and ended the period at 2.9 percent for June 2017. The high during the period was at the beginning of the period, July 2015 at 3.3 percent, dropping to below 3.0 percent by December 2015, where it remained through June 2017.

The Office of the Commissioner

The Offices of the Commissioner and Deputy Commissioner are responsible for promoting New Hampshire Employment Security services and information to the public, job seekers, policy makers, and employers in a consistent, uniform way for the three main bureaus, twelve local offices, and three itinerant offices. The offices have been responsible for internal communication regarding events, activities, policy, and general information of interest to all NHES employees.

During the Biennial Period, the Executive Offices:

- Continued to actively communicate with the 12 local offices throughout the state in order to meet with staff; assess any potential issues; answer questions; and receive feedback from frontline personnel to improve day-to-day processes and everyday operations. Both the Commissioner and Deputy Commissioner have a well-known "open door" policy for any and all staff to discuss new ideas, processes, and improvements or discuss any issues or potential issues for the agency.
- Assisted the Employment Services Bureau with 26 job fairs throughout the state involving 3,944 job seekers, 1,619 employers and 19,102 job opportunities.
- Worked with both the regional office as well as the national office of the U.S. Department of Labor to ensure compliance with rules, federal laws, programs, regulations, guidelines, and audit findings.
- Appeared before the Governor and Executive Council, the New Hampshire House of Representatives and the New Hampshire Senate to advocate for the agency.
- Commissioner Copadis continued to serve as a member of the State Workforce Investment Board, and the NH Consortium of Workforce Partners.

- Commissioner Copadis and Deputy Commissioner Lavers represented the Agency in various panel discussions and presentations before a wide variety of groups, including various chambers of commerce, New Hampshire Job Corps, non-profit groups and the Business and Industry Association.
- Continued to participate with the State Commissioners Group in roundtable discussions on topics of interest to individuals and businesses around the state.
- Worked with partners at other state agencies and the Community College System of New Hampshire to recruit new business and retain existing businesses.
- The New Hampshire business community experienced continued tax savings as a result of the Fund Balance Reductions.
- Continued to promote and grow the NH Working Programs; Ready to Work, Return to Work and Pathway to Work to job seekers and businesses.
- Commissioner Copadis and Deputy Commissioner Lavers participated in interviews with news media outlets on various employment related issues as well as economic and labor market information, New Hampshire's low unemployment rate and job fair promotion throughout the year.
- Continued with quarterly and special meetings with the Unemployment Insurance Advisory Council.
- The department continued its aggressive efforts to prosecute individuals that fraudulently collect unemployment benefits.
- The Department continued to participate in the US Treasury Offset Program (UCTOP) collecting millions of dollars in fraudulent benefit overpayments as well as delinquent unemployment taxes by offsetting individual Federal income tax refunds.
- The department fully implemented the wage garnishment program to collect overpaid unemployment benefits resulting from fraud.
- Continued to encourage supervisors and managers to use LEAN strategies to make agency processes more efficient.
- Reviewed and monitored local office traffic and calls, claim volume and programs, to most effectively and efficiently allocate resources around the state to best serve the public.
- Continued to work with staff from the Department of Information Technology as well as information technology vendors to enhance the technological capabilities of the agency and all of its offices.

Quality Control

The quality control review of a statistically valid sample of unemployment compensation benefit payments for fiscal year 2016 found that 93.5 percent of dollars paid were paid correctly. Payments for fiscal year 2017 were paid correctly for 90.1 percent of dollars paid. There is a 95 percent confidence level associated with these results.

Benefit Payment Operations

The benefit payment system (NHUIS – New Hampshire Unemployment Insurance System), where individuals file applications, staff process claims and payments are generated for all unemployment benefit programs, whether regular unemployment (UI), emergency unemployment (EUC), extended unemployment (EB), trade assistance (TRA and TAA) or disaster unemployment benefit (DUA), celebrated its eighth year anniversary on August 17, 2017. Fixes, changes and improvements are a continuous process, as required by State and Federal law changes or to improve the efficiency and effectiveness of the system and business processes.

Federal funds are occasionally made available by competitive application for additional projects that will increase the integrity of information the Department receives as well as the efficiency with which it is processed. The funds, if awarded, have a two-year liquidation period. New Hampshire has been fortunate and received awards every year in September from 2010 through 2016. Projects made possible with these funds and completed during this biennium included:

- (1) usability and integrity analysis and improvement of initial claims filing process
- (2) usability and integrity analysis and improvement of continued claims filing process, including significant improvements in collection of partial earnings, employment and worksearch efforts to reduce improper payments
- (3) temporary additional staffing to increase employer audits to identify misclassified workers
- (4) temporary additional staffing to pursue prosecution of fraud
- (5) Wage Response: On-line Employer Wage Intake (EWI)

Projects remaining that will be completed no later than September 2017 include:

- (1) implementation of data collection and analytics module to proactively identify potential fraud
- (2) data validation and Federal reporting

During the biennium period of July 1, 2015 through June 30, 2017, the following State legislation was passed:

- (1) RSA 282-A:31-c On August 9, 2016, the Governor signed SB 429, relative to the sharing of information. The amended law changes statutory reference from the “Workforce Investment Act” to the “Workforce Innovation and Opportunity Act.” This law also amends the sharing of information to include the “Wage Record Interchange System 2, the Federal Employment Data Exchange System, or any other similar system or combination thereof.” In addition, the law adds “The department may only provide aggregate statistical reports to entities participating in federal or state supported workforce training programs and only for purposes of assessment and evaluation of those programs. The department shall require any such qualifying entity to enter into an agreement with the department which sets forth terms and conditions that are consistent with federal and state law prior to being provided any aggregate statistical reports.”

New Hire Program

Federal welfare reform legislation, passed in 1996, mandated that each state establish a New Hire Program. Responsibility for the New Hampshire New Hire Program falls under the Department of Health and Human Services (DHHS). DHHS contracts with New Hampshire Employment Security to administer the program. Under the program, every employing unit providing employment in New Hampshire is required to report all newly hired employees. Rehired employees and certain independent contractors are considered “new hires” and are also required to be reported.

New Hire reports are used to create a state directory of new hires. The information in the directory is provided to DHHS for matching against child support records for the purpose of locating non-custodial parents, establish child support orders, or to enforce an existing order. The state directory information is also sent to the National Directory of New Hires in Washington, D.C. for the purpose of locating non-custodial parents living in other states.

During the period from July 1, 2015 through June 30, 2017 there were 541,250 new hires reported.

Resource Centers

Each Resource Center is staffed with a coordinator who is responsible for ensuring that customers are aware of the full range of information and resources available. While the center concept emphasizes self-directed service delivery, center coordinators are trained to provide customers with additional support and assistance as needed.

Each center provides customers with access to a broad range of information and resources to assist them with their employment-related needs. The current menu of information and resources includes, but is not limited to, information related to employment opportunities, New Hampshire's Internet based Job Match System, and access to other employment related sites via the Internet. During this biennium, 259,553 customer visits were recorded in the centers.

Labor Exchange Activity

The Job Match System (JMS) is NHES' Internet based Employment Service data system, which uses automated self-service as the primary means of connecting the state's job seekers and employers. JMS contains job opening information, as well as self-application and skills checklist functions.

During the period from July 1, 2015 through June 30, 2017, 28,719 individuals were registered and active for employment services in JMS. The local offices received 50,256 job openings during this period. Because of services received from NHES, 16,500 individuals entered employment during this period.

Job & Resource Fairs

Job & Resource Fairs provide job seekers face-to-face access to multiple employers in one location. They also provide an employer the opportunity to talk with job seekers and schedule appointments with those they want to interview at the events. Typically, some job seekers have been hired and others had interviews scheduled prior to leaving the event. Job & Resource Fairs were conducted in all local office areas.

During the period from July 1, 2015 through June 30, 2017, 26 job fairs were conducted throughout the state. 1,619 employers participated in the job fairs with 19,102 job openings available and 3,944 job seekers attended of which 306 were veteran job seekers.

Recruitment events were also conducted in the One Stop offices on a regular basis for employers with immediate needs. This provides immediate access to customers wishing to apply or scheduled to visit the offices for other appointments.

Trade Act Program

The Trade Adjustment Assistance (TAA) program is available through the Trade Act of 1974 to workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports and certain shifts of production and/or services to other countries. Under this program, workers may be eligible for training, job search allowance, relocation allowance, and reemployment services. Additionally, weekly Trade Readjustment Allowances (TRA) may be payable to eligible workers when they exhaust their unemployment benefits.

From July 1, 2015 through June 30, 2017, three New Hampshire companies were certified, and 129 training contracts were approved and entered into under Trade Act.

The Health Coverage Tax Credit is available to certain TAA eligible individuals for the purchase of private health insurance. These individuals may receive an advance payment of the credit, which

equals 72.5 percent of their insurance premium, or they may claim it as an end of the year tax credit. The remaining 27.5 percent of the premium is paid by the eligible individual. Prior to the implementation of Trade Adjustment Assistance Extension Act of 2011, the claimant paid 20 percent of the premium. The Department of the Treasury is responsible for implementing this credit.

Reemployment Trade Adjustment Assistance (RTAA) under the Trade Act of 2009 allows workers at least 50 years of age who become reemployed after separation from the Trade certified company to receive 50 percent of the difference between their previous wage and new wage. They may collect for a period of two years, up to a maximum of \$12,000. The Trade Adjustment Assistance Extension Act of 2011 amended the maximum amount to \$10,000.

During the past two years, 28 participants and 16 new applicants were determined eligible for RTAA. Seventeen individuals reached their monetary limit and 52 individuals reached their 2-year eligibility period without exhausting their maximum benefit. A total of \$243,420.47 was paid out in RTAA subsidy payments.

The Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA 2015), title IV of the Trade Preferences Extension Act of 2015, was signed into law by President Barack Obama on June 29, 2015. These amendments reauthorize the TAA program for six years, and change the group eligibility requirements and individual benefits and services available under the Trade Adjustment Assistance (TAA) program since January 1, 2014. TAARA 2015 also amends the Internal Revenue Code to provide a new version of the Health Coverage Tax Credit (HCTC) benefit for TAA program participants.

TAARA 2015 repeals the sunset provision of the Trade Adjustment Assistance Extension Act of 2011 (TAAEA), under which the Reversion 2014 Program has been in effect since January 1, 2014.

Reemployment Services and Eligibility Assessment

The Reemployment and Eligibility Assessment (RESEA) program is designed to ensure claimants are aware of, and have access to, the full array of reemployment services available at the One-Stop Centers while also ensuring they are complying with the unemployment insurance requirements. Claimants are selected for the RESEA program based on their likelihood of exhausting their unemployment insurance benefits.

Reemployment services begin with a program orientation which provides an overview of the program and also serves as a gateway to all other reemployment services such as skills assessment, job search workshops, job referrals and job development. Claimants return to the office every three weeks for job search assistance and eligibility verification.

During the period of July 1, 2015 through June 30, 2017 the RESEA program selected 8,248 claimants that were assisted by staff every three weeks with their work search endeavors.

Return to Work

The Return to Work initiative is a voluntary program to provide a structured, supervised training opportunity by a qualified NH employer to eligible NH unemployed individuals over the age of 18, while continuing to collect unemployment compensation, if eligible. This program is an opportunity for a trainee to get their foot in the door and learn new skills and an opportunity for an employer to train without the accompanying costs. The training must be authorized through NHES prior

to the beginning of the training. Workers' Compensation coverage is provided by NHES. The training program may be up to six weeks, and a maximum of 24 hours per week, during a Benefit Year. While in approved training, claimants must continue to file weekly continued claims to receive benefits and conduct a work search during non-training times, unless otherwise exempted.

During the period from July 1, 2015 through June 30, 2017, the program has produced the following results:

Agreements discussed	59
Agreements entered	46
Agreements denied	1
Program related hires	43

Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) program has been designed to address the employment and training needs of individuals who face significant barriers to employment and to provide tax credits to employers who hire individuals from its eleven targeted groups. During the period from July 1, 2015 through June 30, 2017, the WOTC program received 21,586 requests, certified 3,870, and denied 8,919.

Pathway to Work

In January 2010, Governor John Lynch announced a program to assist employers and employees in New Hampshire, called New Hampshire Working initiative to assist claimants interested in self-employment assistance. Pathway to Work was signed into law effective July 1, 2013.

The Pathway to Work Initiative is a voluntary program to assist unemployment claimants start their own businesses. It allows eligible unemployed claimants to continue to receive their unemployment benefits while working full time to start businesses in New Hampshire. The program also provides financial support while they access the resources and training they need to get their business off the ground. New Hampshire partners with the Small Business Development Center (SBDC) to provide the resources and training as well as guidance on starting their business.

During the period July 1, 2015 through June 30, 2017, a total of 212 applications were received. Of the 212 applications, 193 were approved to participate in the program. During the same duration a total of 19 applications were denied. There were 119 that were still actively building their business when they exhausted their self-employment benefits.

Foreign Labor Certification

Before the U.S. Citizenship and Immigration Service issues visas to admit certain foreign workers as permanent or temporary residents of the U.S., the Secretary of Labor must certify that: (a) there are not sufficient U.S. workers in the area where the foreign worker is to perform the work who are able, willing, qualified, and available at the time of the foreign worker's application for a visa and (b) the employment of the foreign worker will not adversely affect the wages and working conditions of similarly employed U.S. workers. Temporary agricultural (H-2A) labor certification application filings begin their process at the state level with federal processing and final approval being handled at the U.S. Department of Labor's National Processing Center in Chicago, Illinois.

During this biennium, NHES processed 79 requests from employers for temporary foreign agricultural workers. This reflects a decrease of 4 requests processed from the previous biennium total of 83.

The following is a list of the types of temporary agricultural positions requested to be filled during the biennium and the number of temporary foreign agricultural workers needed:

Christmas Tree Farm Workers. . . .	41
Farmworker & Laborers, Crop . .	296
Horticultural Workers	0
Logging Operations	0
Total Workers Requested.	337

Workshop Program

New Hampshire Employment Security had four mandatory one-hour workshops for individuals filing for unemployment benefits. The first workshop, entitled Benefit Rights Interview, is scheduled for the week following the initiation of an individual's claim for benefits and is designed to provide the individual an overview of their rights and obligations and the services available for their reemployment. From July 1, 2015 through June 30, 2017, 30,304 individuals attended this workshop.

Three additional workshops are entitled *Job Search, Resumes, Job Applications Dos and Don'ts; Interviewing Workshop*; and *Re-Energizing Your Job Search*. These workshops are designed to assist claimants and job seeker through the re-employment process. They are mandatory for unemployment claimants and are also open to the public.

During the period July 1, 2015 through June 30, 2017, a total of 42,881 unemployment claimants attended these workshops. 19,972 attended *Job Search, Resumes, Job Applications Dos and Don'ts*, 14,175 attended *Interviewing Workshop* and 8,734 attended *Re-Energizing Your Job Search*.

Employer Services Program

Employers are an important partner in New Hampshire Employment Security's ability to meet the mission of finding job seekers gainful employment. The Employer Service Program fosters relationships that assist employers with their recruiting needs, while helping New Hampshire Employment Security meet federal placement goals.

The Employer Services Program engages with the business community by informing employers of the array of services and solutions available to meet their specific needs. Employer Services Representatives (ESR) contact employers to provide assistance with recruiting for job openings,

customized screening, referral of candidates, scheduling of interviews and to offer the use of a private interview space in our conference rooms. They also provide information on available employment and training programs, labor market and economic information, layoff process, and unemployment insurance and make referrals to NHWORKS partners for technical and regulatory assistance. Through active business engagement, ESRs can be proactive in providing Rapid Response services that meet the needs of the business community.

There are seven designated ESRs covering twelve local offices throughout the State. Each ESR prioritizes services in an effort to build relationships that position New Hampshire Employment Security to ultimately assist employers with their recruiting needs. In doing so, the Agency gains the willingness of employers to participate in innovative hiring programs, such as Return to Work, increase job orders in the Job Match System (JMS) and maximize the placement potential.

ESRs meet quarterly to share best practices and to learn about partner agency programs geared towards recruiting, training and retaining employees for the workforce of tomorrow. ESRs also survey employers to determine topics of interest in order to plan Employer Seminars. These seminars cover a variety of human resource related subjects to include Labor Laws, UI Taxes, Recruiting Services, Human Rights, Respect in the Workplace and much more.

ESRs are also active in Chambers of Commerce and Human Resource groups to foster their relationships, network and further maximize our ability to place our customers in employment.

Jobs for Veterans State Grants Program

The Jobs for Veterans State Grants program (JVSG) is a non-competitive grant program administered by the U.S. Department of Labor, Veterans' Employment and Training Service (VETS). Under this grant program, funds are allocated to State Workforce Agencies in direct proportion to the number of veterans seeking employment within their state. The grant supports two principal staff positions: Disabled Veterans' Outreach Program (DVOP) Specialists and Local Veterans' Employment Representatives (LVER).

During this biennium, program activity has continued to center around the roles and responsibilities of grant-funded staff. DVOP specialists were focused on providing intensive services to eligible veterans and eligible spouses identified with a Significant Barrier to Employment (SBE). An eligible veteran or eligible spouse is determined to have an SBE if he or she identifies with one of the six following criteria: veterans who are special disabled or disabled, homelessness, recently-separated service members who have been unemployed for 27 or more weeks within the last 12 months, offender who is currently incarcerated or has been released from incarceration, lacking a high school diploma or equivalent, and low income. The responsibilities of LVER staff were focused on increasing outreach to employers in order to promote increased hiring opportunities for veterans, and participating in a variety of outreach activities including planning and participating in job fairs.

New Hampshire Employment Security's (NHES) Web Site

The NHES Web site is designed to provide Internet users a tool for Job Searching. The NHES Web site provides users a variety of areas to access and gain information on the programs and services provided by NHES.

Appeal Tribunal

The Appeal Tribunal Unit (Unit) schedules and conducts administrative hearings on appeals filed by claimants and employers from unemployment benefit determinations written by the Department's certifying officers who adjudicate unemployment compensation claims.

During the biennium, 4,429 single-claimant appeals were filed. This is a decrease of about 29% from the prior biennium. There were 518 claimants part of multi-claimant appeals. This is an increase of about 62% from the prior biennium. The Unit decided 4,820 cases, a decrease of almost 30% from the previous biennium. Though the Emergency Unemployment Compensation 2008 (EUC08) program ended in the 2013-2015 biennium, five EUC08 program appeals were decided.

Of the 4,820 cases decided, 99.9% were under the Unemployment Insurance program and 0.1% under the EUC08 program. There were no Extended Benefits (EB) cases decided. Claimants filed 84.65% of the appeals, prevailing in 43.01% of those appeals. Employers filed 13.66% of the appeals and prevailed in 32.28% of those cases. Overall, the appellant prevailed in 41.37%, the claimant in 46.81%, and the employer in 53.19% of the cases.

The issues under appeal were 21.86% voluntary quit, 30.78% misconduct, 1.12% suitable work, 13.20% availability and 0.11% labor dispute. The remaining 32.93% were for "other" issues, such as claim backdating, late filing, and sufficient earnings to establish a weekly benefit amount.

Each calendar quarter, 20 dockets are randomly selected for quality review. The review scores the case on 31 elements. The case must earn 85% to pass. At least 80% of scored cases must pass for the State to meet Federal UI PERFORMS Acceptable Level of Performance for lower authority quality. Of the 160 dockets selected in the biennium, one case was not scored because there was no recording. Of the 159 cases scored, 98.74% (157) passed. Over 38% (61 cases) earned a 100% score. These are both increases from the prior biennium, during which 98.65% of the cases passed and 33.56% earned a 100% score.

Appeal Tribunal (AT) Chairmen also preside at administrative hearings on appeals of employer tax liability determinations and on compromises of taxes or overpaid benefits. During the biennium, 928 decisions were issued. This is down from 940 such decisions issued in the 2013-2015 biennium and the 1,195 during the 2011-2013 biennium.

Another Acceptable Level of Performance the Unit met throughout the biennium is with Case Aging. The acceptable measure is the average age of pending cases should be 30 days or fewer old. The United States average was 23.7 days. For New Hampshire, the Unit averaged 11.2 days, up from 9.8 days in the prior biennium. Of the 53 State Employment Security Agencies (SESAs) including the District of Columbia, Puerto Rico, and the Virgin Islands, New Hampshire placed sixth. New Hampshire was first of the six New England SESAs and first of the ten USDOL Region One States.

Federal Department of Labor Secretary Standards in Regulation require that 60% of appeals should be decided within 30 days. The Unit met this standard in all 24 months of the biennium, averaging 89.2% of the cases completed within 30 days.

The first triennial USDOL National Appeal Review was held during the biennium. This replaced the Annual Review, which was last held in 2014. Each of 52 SESAs sent a representative, as did each of the six USDOL Regions. The Unit's Appeal Tribunal Chairman II served as one of ten team leads.

Unit members have been active in the USDOL Due Process Quality Review, which should result in a new edition of ET Handbook 382 being issued in the coming months.

A member of the Appeal Tribunal Unit was selected as one of nine States to participate in the USDOL Self-Assessment pilot program. This program is currently being implemented nationwide.

Administrative Services

Areas of responsibilities include Purchasing, Printing Center, Maintenance Department, Agency Mail Services, Warehousing, and Administration Building Front Desk Coordinator.

During the biennium we continued to reduce our storage and warehouse footprint to better reflect current department needs with the goal of eventually eliminating the need for the rental of warehouse space.

Purchasing

The purchasing department services the agency needs by processing service contracts, supply orders, equipment orders, etc. There are approximately 800 in-house requisitions and 100 plus contracts per year. They process all agency requisitions and monitor the purchases of these items. They establish service contracts, from RFP to bid to final contract, and work with others to prepare documents for the Budget Review Committee and the Governor and Council.

Printing Center

The Department's Printing Center is an all-digital graphic arts facility, with a full service bindery. They produce most of the forms, publications and documents used by this agency. The Section continues to enhance capabilities in designing and producing single page, multipage, and bound documents in black and white as well as multi-color publications.

The total impressions were 4,127,985 for Fiscal 2016, and 3,818,286 for Fiscal 2017. This is an overall drop of about 12 percent from the prior two fiscal years. The decrease for Fiscal 2016-2017 was caused by a lower number of forms needed, due to low unemployment, and a lower number of envelopes needed due to less mailing.

Other responsibilities include:

- The designing of all departmental printed materials for the purpose of improving the appearance while providing cost savings.
- Assistance in maintaining the agency's web site and social media pages.
- Managing all fax and copy machines throughout the agency.
- Stocking & inventory management of forms.

Maintenance

Over the course of a year the maintenance staff perform many ergonomic evaluations, adjustments and moves of various individuals and workspaces within the twelve (12) agency local offices located throughout the state.

- Maintain and upgrade security and alarm systems throughout the Agency. Monitor fire extinguishers and AED inspections in all facilities and perform fire evacuation testing periodically at all facilities. Perform Safety and building inspections at all facilities.
- Replaced and reconfigured store front entrance in the Portsmouth office.
- Replaced the Salem shingled roof with a standing seamless metal roof.
- Reduction in offsite warehouse space to better reflect agency needs and reduce agency expense.

Mail and Warehouse Services

The unit mailed 669,210 pieces during Fiscal Year 2016 and 597,531 pieces during Fiscal Year 2017.

The unit also:

- Operated and supervised the onsite warehouse to support all agency office needs;
- Maintained delivery schedules to offices utilizing agency vehicles to reduce shipping expenses; and
- Provided secured stocking for confidential files as well as overseeing the shredding and recycling programs.

Local Area Unemployment Statistics (LAUS)

The LAUS program reviews and transmits monthly state and substate labor force estimates. During the 2016 program year (10/1/15 – 9/30/16), New Hampshire had three areas that qualified as Areas of Substantial Unemployment (ASU). The first contiguous area was labeled as the Coös County ASU, consisting of a total of eight census tracts in Coös County. The second contiguous area was labeled as the Cheshire County ASU, consisting of a total of four census tracts in Cheshire County. The third contiguous area was labeled as the Hillsborough-Rockingham ASU, consisting of a total of 36 census tracts across Hillsborough and Rockingham counties. During the 2017 program year (10/1/16 – 9/30/17), New Hampshire had two areas that qualified as Areas of Substantial Unemployment. The first contiguous area was labeled as the Hillsborough County Manchester ASU, consisting of a total of ten census tracts located within the City of Manchester. The second contiguous area was labeled as the Hillsborough County Nashua ASU, consisting of a total of four census tracts located within the City of Nashua. The Employment and Training Administration (ETA) uses ASU information to determine funding allocations for the Adult and Youth Program Activities of the Workforce Investment Act (WIA).

Mass Layoff Statistics (MLS)

The Mass Layoff Statistics program uses a standardized approach to identify, describe, and track the effects of major job cutbacks. Information is collected for establishments which have at least 25 initial claims for unemployment insurance (UI) filed against them during a consecutive 5-week period to determine the duration, total number of persons separated, the reasons for these separations, and recall expectations. This information is used to analyze economic trends and to aid in the development of programs that may benefit those workers who are displaced from their employment. Prior to July 2013 the MLS program was a Federal-State cooperative effort with the Bureau of Labor Statistics (BLS). However, federal funding for the program was discontinued effective June

30, 2013, and is now operated exclusively by the State. Mass Layoff statistics reported for years prior to 2013 are not comparable to data published for 2013 onward due to the fact that pre-2013 data include only layoff events that met the BLS criteria of 50 initial claims for UI filed against an establishment during a consecutive five-week period.

Calendar Year 2015		Calendar Year 2016	
Layoff Events	Initial Claims	Layoff Events	Initial Claims
163	5,343	859	4,537

Quarterly Census of Employment and Wages (QCEW)

Employers submit a quarterly Tax and Wage report to this agency. The data processing unit inputs the tax information and enters employment and wage figures provided on the report. The QCEW unit tracks employment and wages for more than 51,000 employers with over 650,000 employees. The unit conducts an Annual Refiling Survey (ARS) which allows them to verify and correct industrial coding, as well as track geographical information of employers. During the previous biennium, the response rate for the annual refiling of New Hampshire employers was:

2016 Refiling: 85.1%

2017 Refiling: 86.2%

Occupational Employment Statistics (OES)

The OES program collects occupational (job title) employment and wage data for workers each November and May for all industries. The survey results are published online and in New Hampshire Occupational Employment and Wages, printed annually. In addition, OES data provide prevailing wage information for Foreign Labor Certification and is the foundation of occupational projections in New Hampshire.

Workforce Information Grant Activities

Workforce Information Grant funding supports gathering, updating, and dissemination of New Hampshire workforce and labor market information. This program supports the twice-yearly updates of the New Hampshire Community Profiles and County Profiles, and the biennial update of Licensed, Certified, and Registered Occupations in New Hampshire. Projects developed under this grant include long-term and short-term industry and occupational projections. Projections publications include the Job Outlook and Locator and New Hampshire Employment Projections by Industry and Occupation, as well as long-term employment projections for both counties and planning regions.

Workforce Information Grant funding supports the New Hampshire Workforce Information Database, a compilation of workforce and economic data gathered from multiple sources and maintained in a relational database. Access to the data is provided through NHnetwork, a user friendly Internet application (<http://nhnetwork.nhes.state.nh.us/nhnetwork/>).

The grant funding supports use of the New Hampshire Employment Security’s Economic and Labor Market Information REMI (Regional Economic Models, Inc.) econometric model in forecasting economic simulations. Studies developed with this model evaluate changes to the New Hampshire economy based on changes to the subject. The model was used during the biennium to assess the economic impact of a proposed industrial park development.

The Economic and Labor Market Information Bureau developed a quarterly online job ads summary which lists job titles found in the largest number of online job postings, organized by major occupational group. The quarterly summaries also report those employers in each major occupational group who are posting the most job ads, as well as the most commonly listed skills requested by employers. These real-time job postings summaries use data available through a subscription service/application funded in part by the Workforce Information Grant.

The Economic and Labor Market Information Bureau assisted the state's Sector Partnership Initiative team in selection of industry sectors on which to focus industry engagement efforts. Part of these efforts were profiles of target sectors, including *The Hospitality Industry Cluster in New Hampshire*, *Positively Productive* (an overview of different aspects of manufacturing employment), *Information Technology Occupations in New Hampshire*, and *Health Care Workers in New Hampshire*.

Workforce Information Grant funding also supports economic analysis reports that examine economic trend indicators. These reports are designed to provide information for those who make workforce investment decisions. Most recent reports include *2015 in Review: A Perspective of New Hampshire's Future Labor Market*; *New Hampshire's Labor Market in Review* (June 2017); and *New Hampshire's Top Career Prospects*.

The Economic and Labor Market Bureau also prepared data tables displaying information about occupation and earnings patterns by gender. These serve to comply with *RSA 275:41-c Pay Equity Information*, which requires that information about compensation differentials be made available to assist the public in understanding any differentials.

Current Employment Statistics (CES)

The Current Employment Statistics (CES) program surveys approximately 1,300 business and government agencies on a monthly basis. These are used to develop monthly estimates of employment, hours, and earnings for the state and four metropolitan areas.

Labor Market Information Research Unit

The Research Unit analyzes data from the various BLS programs, the Workforce Information Database, as well as other sources. They respond to questions from consumers of this information.

Monthly the unit publishes employment and unemployment numbers for the state, along with other economic and employment related data and reports in *Economic Conditions in New Hampshire*.

This unit also prepared the following publications during the biennium:

- *Vital Signs: Economic and Social Indicators for New Hampshire* (continuing updates to chapter data tables for Web presentation only)
- *Manufacturing in New Hampshire Fact Sheet* (September 2016)
- *Veterans in New Hampshire, 2015 and 2016*
- Annual updates of covered employment and wage data for New Hampshire's counties, cities, towns, and places (for Web presentation only)
- Annual updates of covered employment and wage data for New Hampshire's Labor Market Areas (for Web presentation only)
- Quarterly updates of covered employment and wage data for New Hampshire, counties, cities and towns (for Web presentation only)

The Research Unit also prepared the following specialized research projects for the Agency with the support of the ETA Workforce Information Grant:

- Therapist Occupations in New Hampshire (April 2017)
- Workforce and Career Information Users Guide (updated January 2016)

Performance Accountability and Customer Information Agency (PACIA)

PACIA is the reporting unit for both Workforce Investment Act Title I-B (WIA) and Workforce Innovation and Opportunity Act Title 1 (WIOA) program performance. WIOA reporting began in 2016 and a final WIA close out report will be in 2018. PACIA also administers the NH Works Source for Consumer Information on Training and Education system (NSCITE). This system enables any internet user to obtain information on WIA eligible training providers and programs.

PACIA served as a contractor of the Office of Workforce Opportunity, New Hampshire Department of Resources and Economic Development (OWO DRED). PACIA submitted WIA and WIOA program performance reports, quarterly and annually, to the U.S. Department of Labor, Employment and Training Administration for the Office of Workforce Opportunity.

Fiscal Management

The Fiscal Management Section manages the administrative funds for NHES. This includes budgetary, financial accounting, cash management, and reporting requirements under both state and federal administrative accounting systems. The section also maintains the cash management, financial accounting, and reporting for the Unemployment Compensation Trust Fund, including benefit payment and tax collection accounting and the Contingent Fund.

Legal Section

Since July 2015 the Collections Unit has recovered over \$5.1 million in overpaid benefits, of which over \$1.5 million came from the offset of Federal Income Tax refunds to recapture fraudulently overpaid unemployment benefits. The Collections Unit has recovered over \$160,000 from the garnishing of claimants wages to recapture fraudulently overpaid unemployment benefits. The Unit has also recorded just under \$300,000 worth of real estate liens to secure future payment of overpaid benefits. In addition, the Collections Unit has returned 10,646 telephone calls to claimants with questions regarding their debt owed to the Department.

From July 1, 2015 through June 30, 2017 the Collections Unit recovered over \$2.1 million in delinquent unemployment taxes from New Hampshire employers, including over \$850,000 in funds distrained from employer bank accounts. Also during this period, the Collections Unit recorded over \$800,000 worth of real estate liens to secure future payment of delinquent unemployment taxes.

Legislation

(Enacted July 1, 2015 - June 30, 2017)

Section of Law	Content of Legislation	Implementation
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Committee of Conference Report No. 2318		July 1, 2015
(HB 2)		

This bill included two provisions which pertained to NHES: (1) establishing a UI fraud prosecutor position within the Department and (2) the codification of compensation of the deputy commissioner position.

Chapter 214		July 6, 2015
(SB 186)		

This bill as enacted established a commission with NHES as an appointed member. The charge of the commission was to study soft tissue injuries for purposes of workers' compensation and the feasibility of developing a first responder's critical injury fund. The new section under RSA 281-A:32, section c, required a final report with findings and any recommendations for proposed legislation to be filed on November 1, 2015. The law creating the commission repealed it on November 1, 2015 as well.

Chapter 192		September 4, 2015
(HB 333)		

This bill as enacted establishes a process for review and reporting of dedicated funds. The first date for NHES to report on dedicated funds for which the Department is responsible was November 1, 2015, "and every 5 years thereafter."

Chapter 119		May 20, 2016
(SB 344)		

This bill was proposed to clarify legislation enacted in 2015 (SB 211/ Chapter 216) and the application of business tax credits based on employment to client companies of employee leasing companies. Language was inserted to set forth that the provisions of RSA 277-B:17-a "do not apply to the administration of RSA 282-A."

Chapter 290		June 21, 2016
(HB 1697)		

Generally, this bill as enacted relates to the State's regulation of transportation network companies including permitting and insurance requirements. Under the version of HB 1697 as initially proposed and passed by the House, transportation network company drivers were considered to be independent contractors (and not employees) upon satisfying certain criteria. (HB 1697 As Introduced, proposed new RSA 376-A:11).

Senate Transportation removed proposed new RSA 376-A:11 with the effect being that any analysis with respect to whether TNC drivers are considered independent contractors or employees would default to RSA 282-A:9, III for purposes of Unemployment Compensation, RSA 281-A for Worker's Compensation and RSA 275 for Protective Legislation.

Section of Law

Content of Legislation

Implementation

**Chapter 249 June 10, 2016
(SB 429**

This bill as enacted: (1) updated references which appear in RSA 282-A:31-c, V and RSA 282-A:118,V to reflect that the Workforce Innovation and Opportunity Act (WIOA) of 2014 superseded the Workforce Investment Act of 1998 (WIA) and (2) amended RSA 282-A:118,V to permit NH to participate in the “Wage Record Interchange System (WRIS) 2, the Federal Employment Data Exchange System, or any other similar system or combination thereof in effect on or before July 1, 2018.” Consistent with this statutory revision NH is allowed access to wage record data which is shared among participating states and also to provide aggregate data to third party entities for program performance assessment. WRIS 2 would allow NH to incorporate more complete wage records and to provide aggregate data relative to non-USDOL funded training programs, beyond what was previously authorized to USDOL-funded training programs. Because the data sharing agreement is still being worked on at the federal level, and WRIS 1 and 2 may be merged into one, the legislature has allowed NH to participate in any system in effect by July 1, 2018.

APPENDIX I
SPECIAL REPORTING REQUIREMENTS
RSA 6:12-e & RSA 6:12-l(b)(74)
NHES TRAINING FUND
RSA 282-A:138-a

The NHES Training Fund was established under RSA 282-A:138-a effective July 1, 2001. After the deduction of costs, 1/3rd of the quarterly 0.1% administrative contribution collected under RSA 282-A:87, IV, (a), (1) up to \$1,000,000.00 annually was deposited quarterly into the NHES Training Fund under RSA 282-A:87, IV, (a), (2) to fund training under the job training program for economic growth, established under RSA 188-F:49-56. The funds were used to reimburse the program training and administration costs incurred by the NH Regional Community Technical College System. NHES acted as the fiscal agent for moneys deposited in the Training Fund. The revenues from the 0.1% administrative contribution were transferred into the Training Fund from the NHES Contingent Fund where it is initially deposited.

Effective July 1, 2007, per Chapter 204 of the Laws of 2007, the administrative contribution rate increased to 0.2%, training fund deposits were made fixed, and the job training program for economic growth administration responsibilities were transferred to the NH Department of Resources and Economic Development.

Effective October 1, 2009, per Chapter 144 of the Laws of 2009, fiscal agent responsibilities were transferred to the NH Department of Resources and Economic Development and the fund lapsing provision was removed.

Effective January 1, 2011, per Chapter 28 of the Laws of 2010, the annual training fund deposit limitation was increased from \$1,000,000.00 to \$2,000,000.00.

**APPENDIX II
SPECIAL REPORTING REQUIREMENTS
RSA 6:12-e & RSA 6:12-l(b)(98)
NHES CONTINGENT FUND
RSA 282-A:140**

The NHES Contingent Fund was established under RSA 282-A:140. The fund is used to cover the costs of administration of this chapter. The Contingent Fund is used to cover costs of administration, which are found not to have been properly and validly chargeable against Federal grants or other funds received for or in the Unemployment Compensation and Employment Service Administration Fund. The Contingent Fund is used to cover costs of administration of this chapter for which insufficient Federal or Other Non-General Funding is available in order to fulfill the requirements of NHES programs without impacting General Fund revenues.

Revenues in this fund include interest, fines, late-filing fees, and penalties assessed and collected under the provisions of this chapter. Also included is revenue from Title IX Reed Act distributions, revenue from 0.2% administrative contributions, cost-share assessment fees, and interest earned on invested revenues. These funds are non-lapsing funds.

The Contingent Fund supported 38% of NHES administrative costs in SFY2016 and 39% in SFY2017. Federal monetary support for administration of Federal-mandated programs continues to decrease while administration of the programs requires substantial increases to program responsibilities and program costs. NHES would be unable to operate its Federal programs efficiently or effectively without the funding available from these sources.

**NHES CONTINGENT FUND
RSA 282-A:140**

Period:	July 1, 2015 - June 30, 2016		July 1, 2016 - June 30, 2017	
Beginning Balance:		\$3,915,232.13		\$5,508,287.08
Revenues				
Penalty & Interest (P&I)	\$1,287,201.43		\$1,168,463.36	
P&I Investment	\$5.05		\$0.00	
Real Estate Proceeds	\$313,295.98		\$1,209,177.60	
0.2% Administrative Assessment (AA)	\$12,187,027.15		\$12,125,496.18	
Real Estate Proceeds	\$301,456.14		\$0.00	
Returned to Trust Fund	\$0.00		\$0.00	
IRS Transfer	\$0.00		\$0.00	
Tobey Cafeteria Commission	\$640.15		\$5,243.04	
Tobey Facility Transfer	(\$1,300,001.00)		(\$1,209,177.60)	
Total Revenues:		\$12,789,624.90		\$13,299,202.58
Expenditures				
P&I Expenditures	\$1,463,346.98		\$2,486,279.40	
Facilities Maintenance Expenditures	\$160,249.93		\$105,457.40	
0.2% AA Expenditures	\$7,572,864.70		\$7,773,775.25	
0.2% AA Expenditures – Training Fund	\$2,000,000.00		\$2,000,000.00	
Reed Act Expenditures	\$0.00		\$0.00	
Tobey Cafeteria Commission Expenditures	\$108.34		\$75.00	
Total Expenditures:		\$11,196,569.95		\$12,365,587.05
Ending Balance:		\$5,508,287.08		\$6,441,902.61

**APPENDIX III
SPECIAL REPORTING REQUIREMENTS
RSA 6:12-e & RSA 6:12-I(b)(99)
NHES UNEMPLOYMENT COMPENSATION AND
EMPLOYMENT SERVICE ADMINISTRATION FUND
RSA 282-A:138**

The NHES Unemployment Compensation and Employment Service Administration Fund was established under RSA 282-A:138. The moneys in this fund are used for the administration of all programs administered by NHES under Chapter 282-A including Unemployment Compensation programs, Employment Service programs and related programs.

The majority of the funding for administration of this chapter includes Federal funds available through the United States Department of Labor, Employment & Training Administration, Bureau of Labor Statistics, and Veterans Employment & Training Service. These funds are used to administer the numerous programs under NHES Unemployment Compensation Bureau, Employment Service & Operations Bureau, and Economic & Labor Market Information Bureau. The balance of the funding for these and related programs comes from various Federal, State and Other Non-General fund sources. These funds are non-lapsing and non-transferable to any other fund.

The Unemployment Compensation and Employment Service Administration Fund supported 62% of NHES administrative costs in SFY2016 and 61% in SFY2017.

**NHES UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE
ADMINISTRATION FUND
RSA 282-A:138**

Period:	July 1, 2015 through June 30, 2016	July 1, 2016 through June 30, 2017
Beginning Balance:	(\$212,858.71)	(\$2,896,819.41)
Revenue:	\$17,785,308.71	\$20,366,402.64
Expenditures:	\$20,469,269.41	\$19,860,237.65
Ending Balance:	(\$2,896,819.41)	(\$2,390,654.42)

APPENDIX IV
SPECIAL REPORTING REQUIREMENTS
RSA 6:12-e & RSA 6:12-I(b)(100)
NHES UNEMPLOYMENT COMPENSATION TRUST FUND
RSA 282-A:103

The NHES Unemployment Compensation Trust Fund (UCTF) was established under RSA 282-A:103 to be administered by the commissioner of NHES. The UCTF consists of all contributions collected under this chapter and all interest earned upon any moneys in the UCTF. The UCTF is maintained by the NHES Treasurer and is administered under three separate accounts in the UCTF including a clearing account, a benefit account and an unemployment trust fund account. The clearing account is used for deposit and clearance of all payments to the unemployment trust fund. After clearance thereof, all moneys are immediately deposited with the Secretary of the Treasury of the United States of America to the credit of the account of this state in the unemployment trust fund established and maintained pursuant to section 904 of the Social Security Act, as amended. The benefit account consists of all moneys requisitioned from this state's account in the unemployment trust fund. Benefit payments are made solely from the benefit account.

The Treasury Unit within the NHES Fiscal Management Section is responsible for processing and accounting for moneys received in payment of unemployment insurance employer contributions and benefit reimbursements from non-contributing employers. It is also responsible for maintaining the adequacy of bank balances for the payment of unemployment insurance benefits to eligible unemployed claimants. Cash management practices are of the highest priority for this unit. This function includes maximizing the earnings of the UCTF while minimizing the compensating bank balances. Interest earned on the UCTF is credited to the UCTF. The UCTF balance is critical in determining the employer contribution rate each year. Therefore, maximizing the UCTF balance is a positive benefit to all New Hampshire employers.

New Hampshire's UCTF reached a high balance of \$340,156,747 on May 7, 2001. The fund remained relatively stable for most of the decade hovering at or near \$250 million. The recession of 2007-2009 increased the demand for unemployment benefits beyond what the Fund could support. For the first time, NHES borrowed funds from the US Treasury on March 3, 2010 in order to continue paying unemployment benefits. For the period from March 3, 2010 through May 5, 2010, NHES borrowed \$65,443,300. The entire loan amount was paid in full on May 5, 2010. NHES borrowed from the US Treasury once again on January 12, 2011. From that date through May 4, 2011, NHES borrowed \$56,316,201. That loan was paid in full on May 4, 2011. The prompt repayment of the loan in 2010 and 2011 enabled the State to avoid paying any interest fees on the borrowed amounts.

The insolvency of the Fund in the most recent recession necessitated legislative changes in 2009 to improve the Fund's solvency.

Effective January 1, 2010, per Chapter 321 of the Laws of 2009, to maintain UCTF solvency NHES imposed an emergency surcharge of 0.5% until the UCTF equals or exceeds \$150M; increased the taxable wage base from \$8,000 to \$10,000 effective January 1, 2010, to \$12,000 effective January 1, 2011, and to \$14,000 effective January 1, 2012; returned Fund Balance Reduction assessment to a quarterly basis; increased the Fund Balance Reduction thresholds to \$250M, \$275M and \$300M; established an inverse minimum rate for negatively rated employers when thresholds drop below these levels; established a minimum contribution rate of 0.1%; updated tax tables with an inverse penalty structure for negatively rated employers; and implemented a waiting week for benefit claims.

The UCTF cash balance was \$298,663,135.84 on June 30, 2017.

NHES UNEMPLOYMENT COMPENSATION TRUST FUND¹
3-YEAR COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND EQUITY
Fiscal Years Ended June 30, 2015, June 30, 2016 & June 30, 2017

	7/1/14 – 6/30/15	7/1/15 – 6/30/16	7/1/16 – 6/30/17 on 6/30/17
FUND BALANCE, beginning	\$284,602,537	\$291,083,148	\$294,866,273
Revenues:			
Reimbursing Employers	\$7,648,707	\$6,414,228	\$5,640,586
Federal Programs	\$1,605,182	\$978,044	\$994,422
Fees, Fines, Int., Court Costs & Adm. Contributions	\$13,353,431	\$13,477,529	\$13,303,265
Employer Contributions	\$70,667,025	\$55,960,792	\$41,502,427
Investment Income	\$6,628,415	\$6,521,722	\$6,551,709
NH Title IX Funds	\$28,049	0	0
Total Operating Revenues	\$99,390,809	\$83,352,315	\$67,992,409
Administrative Revenues²			
NH Titles IX Funds – Reserved for Special Purposes	\$156,259	0	0
STC - Improvement Implementation Grant	\$150,490	0	0
Expenditures			
Reimbursing Employers	\$7,648,707	\$6,414,228	\$5,640,586
Federal Programs	\$1,605,182	\$978,044	\$994,422
Fees, Fines, Int., Court Costs & Adm. Contributions	\$13,353,431	\$13,477,529	\$13,303,265
Unemployment Insurance Benefit Payments	\$70,941,994	\$59,055,207	\$52,385,682
Provision for Doubtful Receivables	(\$99,116)	(\$355,818)	(\$581,461)
Total Operating Expenditures	\$93,450,198	\$79,569,190	\$71,742,494
Administrative Expenditures²			
NH Titles IX Funds – Reserved for Special Purposes	0	0	0
STC - Improvement Implementation Grant	0	0	\$150,490
FUND BALANCE, ending	\$291,083,148	\$294,866,273	\$291,116,188
Net Change in Fund Balance for the Year	\$6,480,611	\$3,783,125	(\$3,750,085)

¹ UCTF Financial Statements include State and Federal Funds Payable and Receivable Amounts

² Not Trust Fund Revenues / Expenditures

**COMPARATIVE STATEMENT OF REVENUES
UNEMPLOYMENT COMPENSATION TRUST FUND**

Year *	Contributions**	Fines, Penalties & Interest***	Trust Fund Interest	Total Collections
1998	\$26,681,551.60	\$3,337,617.03	\$18,822,006.46	\$48,841,175.09
1999	\$28,795,329.06	\$3,597,759.37	\$19,390,927.21	\$51,784,015.64
2000	\$31,879,620.94	\$4,159,366.07	\$20,145,866.82	\$56,184,853.83
2001	\$33,474,556.56	\$4,428,045.34	\$21,366,072.25	\$59,268,674.15
2002	\$33,170,185.61	\$4,469,324.65	\$20,605,613.48	\$58,245,123.74
2003	\$34,512,303.33	\$4,221,593.62	\$17,487,314.48	\$56,221,211.43
2004	\$71,875,123.30	\$4,652,738.56	\$13,684,779.29	\$90,212,641.15
2005	\$88,667,505.62	\$4,972,961.98	\$13,328,448.30	\$106,968,915.90
2006	\$68,864,045.84	\$4,845,526.57	\$12,312,949.91	\$86,022,522.32
2007	\$62,663,910.90	\$4,900,920.31	\$12,413,129.17	\$79,977,960.38
2008	\$52,161,671.22	\$8,756,729.78	\$11,498,459.88	\$72,416,860.88
2009	\$71,950,284.32	\$8,799,362.84	\$6,927,639.14	\$87,677,286.30
2010	\$157,820,295.45	\$9,301,997.96	\$1,602,039.21	\$168,724,332.62****
2011	\$191,951,299.85	\$11,347,373.20	\$715,792.08	\$204,014,465.13
2012	\$216,994,132.57	\$13,375,040.07	\$2,527,195.54	\$232,896,368.18
2013	\$187,698,389.57	\$14,715,410.99	\$4,636,774.80	\$207,050,575.36
2014	\$136,708,566.29	\$14,897,352.85	\$5,872,178.25	\$157,478,097.39
2015	\$85,876,904.70	\$13,335,761.80	\$6,628,415.10	\$105,841,081.60
2016	\$66,497,413.39	\$13,461,649.21	\$6,521,721.68	\$86,480,784.28
2017	\$57,263,327.83	\$13,293,871.54	\$6,551,709.08	\$77,108,908.45

*Year ending 6/30 ** Includes reimbursing employers ***Includes 0.1% & 0.2% Admin. Assessment as of 1997

****Includes UI Modernization Distribution of \$20,934,147.00

**RECEIPTS AND DISBURSEMENTS OF UNEMPLOYMENT COMPENSATION TRUST FUND
WITH PERCENT OF NET BENEFITS PAID TO NET RECEIPTS**

Year*	Total Collections	Contingent Fund Transfers**	Net Receipts***	Net Benefits Paid***	UI Modern., Distrib., & Reed Act	Trust Fund Cash Balance	Percent of Benefits to Receipts
1998	\$48,841,175.09	\$3,334,130.04	\$45,507,045.05	\$31,092,124.47	0.00	\$286,720,998.51	68.3%
1999	\$51,784,015.64	\$3,484,248.32	\$48,299,767.32	\$33,485,170.21	\$74,894.44	\$301,610,490.06	69.3%
2000	\$56,184,853.83	\$4,136,801.90	\$52,048,051.93	\$34,794,970.36	\$404,529.00	\$319,268,100.63	66.9%
2001	\$59,268,674.15	\$4,565,713.90	\$54,702,960.25	\$34,332,116.30	(\$6,677.00)	\$339,632,267.58	62.8%
2002	\$58,245,123.74	\$4,457,893.37	\$53,787,230.37	\$108,111,505.50	\$38,470,395.00	\$323,778,387.45	201.0%
2003	\$56,221,211.43	\$4,224,014.22	\$51,997,197.21	\$116,184,580.19	(\$392,627.00)	\$259,198,377.47	223.4%
2004	\$90,212,641.15	\$4,657,594.71	\$85,555,046.44	\$104,859,849.31	(\$489,387.04)	\$239,404,187.56	122.6%
2005	\$106,968,915.90	\$4,959,419.69	\$102,009,496.21	\$79,162,596.76	(\$5,425.47)	\$262,245,661.54	77.6%
2006	\$86,022,522.32	\$4,863,218.02	\$81,159,304.30	\$72,969,059.57	(\$143,578.30)	\$270,292,327.97	89.9%
2007	\$79,977,960.38	\$4,879,845.11	\$75,098,115.27	\$85,501,740.69	(\$788,675.48)	\$259,100,027.07	113.9%
2008	\$72,416,860.88	\$8,777,047.14	\$63,639,813.74	\$100,661,196.08	(\$4,775,887.40)	\$217,302,757.33	158.2%
2009	\$87,677,286.30	\$8,794,900.53	\$78,882,385.77	\$208,992,453.94	\$8,927,891.00	\$96,120,580.16	264.9%
2010	\$168,724,332.62	\$9,308,182.71	\$159,416,149.91	\$212,106,732.23	(\$24,605,743.42)****	\$18,824,254.42	145.6%
2011	\$204,014,465.13	\$11,394,519.76	\$192,619,945.37	\$147,385,329.42	0.00	\$64,058,870.37	76.5%
2012	\$232,896,368.18	\$13,384,772.02	\$219,511,596.16	\$134,203,380.90	0.00	\$149,367,085.63	61.1%
2013	\$207,050,575.36	\$14,719,883.01	\$192,330,692.35	\$116,141,036.24	0.00	\$225,556,741.74	60.4%
2014	\$157,478,097.39	\$14,883,120.88	\$142,594,976.51	\$95,694,538.17	0.00	\$272,457,180.08	67.1%
2015	\$105,841,081.60	\$13,345,320.49	\$92,495,761.11	\$78,064,150.23	\$28,048.48	\$286,916,839.44	84.4%
2016	\$86,480,784.28	\$13,469,448.37	\$73,011,335.91	\$65,866,310.04	0.00	\$294,061,865.31	90.2%
2017	\$77,108,908.45	\$13,296,198.23	\$63,812,710.22	\$59,211,439.69	0.00	\$298,663,135.84	107.8%

*Year ending 6/30 ** Includes 0.1% & 0.2% Admin. Assessment as of 1997 ***Includes reimbursing employers

****Includes \$19,946,422.53 Reed Act used to pay Benefits

BALANCE SHEET - UNEMPLOYMENT COMPENSATION TRUST FUND*
On June 30, 2017

Assets		Liabilities and Fund Balance	
Cash	\$298,801,046	Payment Due Other Jurisdictions/Overpayments (Total Liabilities)	\$10,389,844
Receivables	\$2,704,986	Reserve for Unemployment Compensation Benefits (Fund Balance)	\$291,116,188
Total Assets	\$301,506,032	Total Liabilities & Fund Balances	\$301,506,032

*UCTF Financial Statements include State & Federal Funds Payable and Receivable Amounts.

UNEMPLOYMENT COMPENSATION HIGHLIGHTS
State Fiscal Years 2015, 2016 and 2017

	2015	2016	2017
The amount of state UC Benefits paid ^{1,2}	\$78,064,150.23	\$65,866,310.04	\$59,211,439.69
Employer taxes collected to support the Trust Fund ^{2,3}	\$85,876,904.70	\$66,497,413.39	\$57,263,327.83

¹ includes UI, CWC Receivable & Payable, SW, NP, and PS Employers

² excludes Fees, Interest, Adm. Contrib., and Court Costs Payable

³ includes UI, SW, NP, and PS Employers