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Handwritten initials 'JC' below the seal.

GEORGE N. COPADIS, COMMISSIONER
RICHARD J. LAVERS, DEPUTY COMMISSIONER

September 18, 2019

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

REQUESTED ACTION

New Hampshire Employment Security is submitting its 2018-2019 Biennial Report for approval as required under RSA 20:7.

EXPLANATION

Attached is a copy of New Hampshire Employment Security's 2018-2019 Biennial Report, which covers the administration and operation of RSA Chapter 282-A for the two-year period ending June 30, 2019. 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, 2017 through June 30, 2019



"We're working to keep New Hampshire working"

October 2, 2019

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

Christopher T. Sununu
Governor

Michael J. Cryans
Executive Councilor
First District

Andru Volinsky
Executive Councilor
Second District

Russell E. Prescott
Executive Councilor
Third District

Theodore L. Gatsas
Executive Councilor
Fourth District

Debora B. Pignatelli
Executive Councilor
Fifth District

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Organization and Function

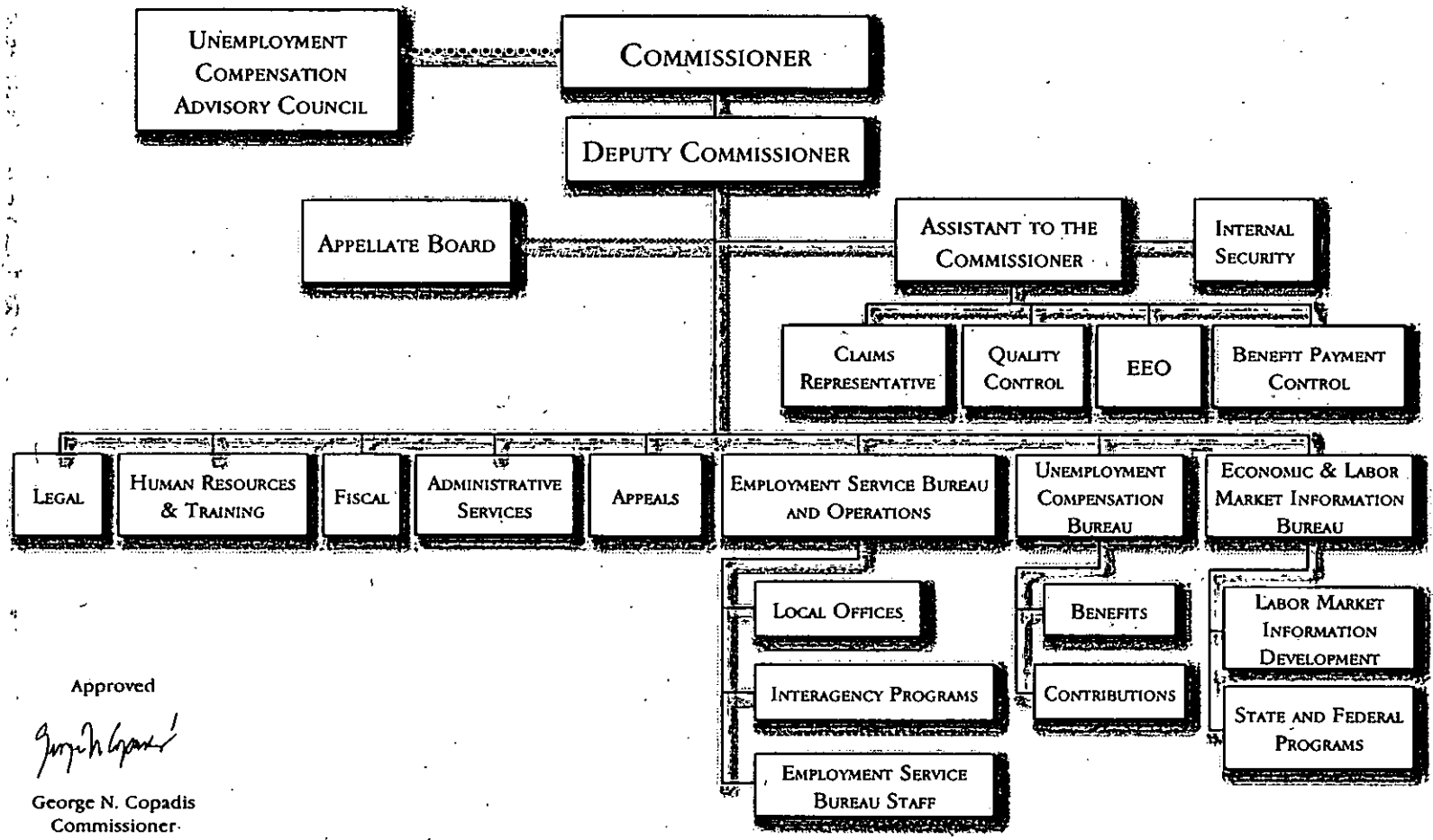
The mission of New Hampshire Employment Security is to:

- 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

George N. Copadis
Commissioner
R-09/12

Personnel Data

Current Number of Employees	06/30/2018	06/30/2019
1 Unclassified	6	7
2 Full-time	224	215
3 Part-time	30	29
Total	260	251

Physical Plant and Property Appraisal

(Acquisition Value June 30)

	06/30/2018	06/30/2019
1. Equipment	\$35,541,193.91	\$36,601,182.49
2. Physical Plant	28,054,336.91	28,054,336.91
3. Farm	0.00	0.00
4. Highway	0.00	0.00
Total	\$63,595,530.82	\$64,655,519.40

Receipts and Expenditures

Disbursements to State Agencies		
Agency	07/01/2017 to 06/30/2018	07/01/2018 to 06/30/2019
NH Dept of Administrative Services		
Risk Management Unit (Bond/Producer Services)	\$551	\$1,203
Bureau of Accounts		
Audit Fee	\$18,793	\$18,590
SWCAP Indirect Cost	\$212,198	\$286,709
State Postage Billing	\$1,938	\$1,172
Post Retirement/ Revenue Maximization	\$733,751	\$1,201,945
Unemployment Compensation	\$36,818	\$23,314
Workers' Compensation	\$159,969	\$284,589
Bureau of Graphic Services	\$373	\$118
Bureau of Education	\$280	\$3,505
Bureau of Public Works	\$79	\$4
Misc. Administrative Services		\$150
NH Secretary of State		\$88
NH Dept of Health and Human Services (EAP)	\$8,067	\$8,485
NH Dept of Labor	\$350	\$525
NH State House Visitor's Center	\$35	\$35
NH Dept of Transportation	\$31,671	\$6,060
NH Dept of Environmental Services	\$320	\$586
NH Dept of Safety		
Criminal Records Division	\$625	\$1,125
Telecommunications Division	\$254,531	\$268,488
NH Dept of Business and Economic Affairs (DBEA)	\$2,000,966	\$2,000,000
NH Dept of Information Technology (DoIT)	\$4,061,052	\$3,837,284
Total	\$7,522,367	\$7,943,975

Administrative Receipts and Expenditures		
Receipts	07/01/2017 to 06/30/2018	07/01/2018 to 06/30/2019
1 Federal Funds	\$19,033,855	\$18,643,800
2 Fees, Fines and Interest - Contingent	\$13,808,023	\$13,454,264
3 All Other Sources	\$665,835	\$960,170
Total	\$33,507,713	\$33,058,234
Expenditures by State Appropriation Class		
	07/01/2017 to 06/30/2018	07/01/2018 to 06/30/2019
1 Permanent Personnel Services	\$11,906,797	\$11,964,456
2 Current Expense	\$1,554,781	\$1,510,706
3 Equipment	\$2,647,637	\$2,708,762
4 Contractual Services	\$879,044	\$871,905
5 Other Personnel Services	\$897,538	\$891,054
6 Benefits	\$7,099,330	\$7,815,535
7 Travel-In-State	\$75,471	\$99,775
8 Travel-Out-Of-State	\$31,985	\$27,076
9 Miscellaneous	\$230,991	\$305,299
10 Job Training Fund	\$2,000,000	\$2,000,000
11 NH Dept of Information Technology (DoIT)	\$3,967,125	\$3,836,941
Total	\$31,290,699	\$32,031,509

Major Accomplishments

Trust Fund

New Hampshire's Trust Fund continues to be solvent with a balance of \$312,928,254 as of June 30, 2019, up from \$309,126,439 on June 30, 2018 and \$298,663,136 on June 30, 2017.

New Hampshire law allows for reductions to a positive rated employer's earned tax rate when the Trust Fund reaches certain levels. These 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, resulting in a 1.5% overall reduction. Negative rated employers also receive an equal reduction in the surcharge added to their rates at each benchmark.

Employers have been receiving a 1.5% reduction since the fourth calendar quarter of 2018. New Hampshire's minimum tax rate is 0.1% and due to the fund balance reduction combined with improved experience, 4.7% of the subject employers were at this minimum rate for the first quarter of 2019. Please note the percentage of employers at the minimum rate has been inadvertently misreported in the prior two biennial reports. The correct percentage for the first quarter of 2017 was 4.3% and the correct percentage for the first quarter of 2015 was 3.8%.

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 2.7% for July 2017 and ended the period at 2.5% for June 2019. The high during the period was at the beginning, July 2017 at 2.7%, and declined to 2.4% in September 2018 where it remained until increasing slightly to 2.5% in June 2019.

Quality Control

The Quality Control review of a statistically valid sample of unemployment compensation benefit payments for fiscal year 2018 found that 87.6% of dollars paid were paid correctly. In fiscal year 2019 it was found that 92.4% of dollars paid were paid correctly. There is a 95% 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 assistance (DUA), celebrated its tenth year anniversary on August 17, 2019. 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. Projects made possible with these funds and completed during this biennium included:

- (1) "Spidering" - a data collection and analytics module to proactively identify potential fraud
- (2) Data Validation and Federal Reporting – an effort aimed at improving federal reporting

In August of 2018, NHES began the process of upgrading all of its hardware in an effort to increase the speed and efficiency of our benefit payment system (NHUIS) as well as the performance of its other systems, Wages and NH ACTS. This should provide for a better user experience for all users of our systems including claimant's, employers and staff of NHES.

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, 2017 through June 30, 2019 there were 536,698 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, 220,436 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, 2017 through June 30, 2019, 25,394 individuals were registered and active for employment services in JMS. The local offices received 47,922 job openings during this period. During this time period, 10,234 individuals entered employment as a result of services received from NHES.

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.

During the period from July 1, 2017 through June 30, 2019, 35 job fairs were conducted throughout the state. NHES started conducting job fairs at every state university campus and every state community college system campus in New Hampshire to try and showcase the career opportunities that are available here in our state. During these events, 2,768 employers participated with 35,721 job openings available and 6,604 job seekers attended of which 785 were veteran job seekers and 664 were students attending a college in New Hampshire.

Recruitment events were also conducted in the NHWorks One-Stop Centers 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, 2017 through June 30, 2019, five New Hampshire companies were certified and 79 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% of their insurance premium, or they may claim it as an end of the year tax credit. The remaining 27.5% 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% of the premium. The Department of 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% of the difference between their previous wage and new wage. They may collect for a period of two years, up to a maximum of \$10,000.

During the past two years, 27 participants and ten new applicants were determined eligible for RTAA. Four individuals reached their monetary limit and 17 individuals reached their 2-year eligibility period without exhausting their maximum benefit. A total of \$58,685.00 was paid out in RTAA subsidy payments.

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 NHWorks 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 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, 2017 through June 30, 2019, the RESEA program selected 12,673 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, 2017 through June 30, 2019, the program has produced the following results:

Agreements discussed	54
Agreements entered	38
Agreements denied	0
Program related hires	20

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, 2017 through June 30, 2019, the WOTC program received 20,832 requests, certified 8,041, and denied 21,672.

Pathway to Work

The Pathway to Work Initiative is a voluntary program to assist unemployment claimants to 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, 2017 through June 30, 2019, a total of 259 Pathway to Work applications were received. Of the 259 applications, 177 were approved to participate in the program. During the same duration, a total of 80 applications were denied. There were 64 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 95 requests from employers for temporary foreign agricultural workers. This reflects an increase of 16 requests processed from the previous biennium total of 79.

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. . . .	34
Farmworker & Laborers, Crop . . .	389
Horticultural Workers	0
Logging Operations	0
Total Workers Requested.	423

Workshop Program

New Hampshire Employment Security has 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, 2017 through June 30, 2019, 30,304 individuals attended this workshop.

The remaining additional workshops are Job Search, Resumes, Job Applications Do's and Don'ts: Interviewing Workshop, and Re-Energizing Your Job Search. These workshops are designed to assist claimants and job seekers through the re-employment process. They are mandatory for unemployment claimants and are also open to the public.

During the period July 1, 2017 through June 30, 2019, 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

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 NHWorks One-Stop Offices. 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 effectively assist employers with their recruiting needs. In doing so, the Agency gains the willingness of employers to participate in innovative hiring training and incentive programs, such as Return to Work, On-the-Job Training, Work Opportunity Tax Credit (WOTC) and Federal Bonding Program, as well as increase the number and quality of job orders in the Job Match System (JMS) and maximize the placement potential.

ESRs meet periodically 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 organize and facilitate employer seminars regarding NH Employment Security programs and services. They survey employers to determine topics of interest in order to include guest presenters that cover a variety of regulatory and administrative subjects relating to but not limited to unemployment and employment needs and practices.

NH Employment Security business engagement staff utilize NEOSERRA, a common case management system, which is shared with many workforce and economic development partners. Each partner enters and edits business contact information and counselling notes with pertinent information shared by all users of the system. ESR's can learn about previous engagement activities to improve efficiency and avoid duplication, while helping us to achieve the mission of our Agency.

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 Individualized Career 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 nine following criteria: veterans who are special disabled or disabled; homeless; recently-separated service members who have been unemployed for 27 or more consecutive weeks within the last 12 months; an offender who is currently incarcerated or has been released from incarceration; lacking a high school diploma or equivalent; low income; veterans aged 18-24; Vietnam-era veterans; or eligible transitioning service members, spouses, and caregivers. 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.

Mature Worker Program Grant

The Mature Worker Program Grant (MWPG) is a voluntary program specifically designed to assist individuals age 55 and over with job search and re-employment activities as well as provide On-the-Job-Training opportunities and Individual Training Accounts to individuals who meet eligibility requirements under the grant. NHES is a key partner on the grant, working in collaboration with the New Hampshire Department of Business and Economic Affairs/Office of Workforce Opportunity (NH BEA/OWO) and Southern New Hampshire Services (SNHS), the contracted Workforce Innovation and Opportunity Act Administrator for NH BEA.

In February of 2019, the Governor and Executive Council approved an agreement allowing funds from the grant to be transferred to NHES for the purpose of program marketing and outreach, workshops geared towards re-employment for 55 and over individuals, and grant program reporting to NH BEA. The MWPG staff is comprised of a quarter-time Program Specialist and two part-time Employment Counselor Specialists (ECS). The Program Specialist supports the program from the Operations Unit in Concord. One ECS is assigned to the Nashua NHWorks One-Stop Center and one covers Manchester and the Somersworth offices as needed. Through a Memorandum of Understanding with the AARP Foundation® the ECS's at these locations provide the AARP Foundation® "7 Smart Strategies for 50+ Jobseekers" workshop, meet with individuals one-on-one to assist with NHWorks Job Match System registration, and provide referrals to SNHS WIOA Career Navigators who determine program eligibility.

For the period from March 1 through June 30, 2019, NHES staff fielded 139 inquiries about the program, provided 37 referrals to SNHS Career Navigators to determine eligibility, and provided the "7 Strategies for 50+ Jobseekers" workshop to 40 individuals. As of June 30, 2019 there were 15 individuals enrolled in the MWPG.

Granite Workforce

Effective January 1, 2019, Employment Security in collaboration with the Department of Health and Human Services implemented the Granite Workforce pilot program. This pilot program went through June 30, 2019. Granite Workforce (GW) is a voluntary program available to participants in Medicaid Expansion ("Granite Advantage Health Care Program") ages 19-64, who are a custodial or non-custodial parent of a child under the age of 18 or anyone in Medicaid Expansion between the ages 19-24.

GW was designed to assist participants in meeting the Medicaid Expansion community engagement and work requirement and to help them move into employment or better employment through assessments and intensive case management services. These services included but were not limited to:

- Employment/Career Guidance and Planning
- Job search and job readiness assistance
- On-the-job training programs
- Referral services to education/training/apprenticeship programs
- Referral to community services for those who are not work ready
- Subsidized employment placement
- Direct job placement
- Barrier Resolution Job Match Registration
- Labor Market information
- Resume assistance
- Referrals to job orders
- Job developments
- Job search
- Apprenticeship
- Workshops
- Job clubs

The following employment support services were available for eligible participants:

- \$5,000 in tuition payments
- \$450 in basic education costs
- \$160 a month for mileage reimbursement up to four months
- \$100 for child care registration fees
- \$650 in emergency housing
- \$4,000 reimbursement for businesses employing GW participants

The following are statistics for the GW pilot program:

Number of applicants eligible for GW	121
Number enrolled	114
Number provided training	50
Number of participants provided:	
fees and supplies	8
child care registration	2
housing	8
tuition	50
basic education	2
employer subsidy	TBD
transportation	22
Number entered employment to date	15
Number entered better employment to date	6

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. The Unit decides cases under these programs: State (UI), Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-servicemembers (UCX).

The department reports benefit appeals statistics to the US Department of Labor (USDOL). During the biennium, the department reported 4,698 single-claimant UI appeals filed. This is an increase of about 6% from the prior biennium. There were 70 claimants part of multi-claimant appeals. The department reported the Unit decided 4,502 UI, 29 UCFE, 10 UCX, and two EUC08 cases by decision. The 4,543 total is a decrease of 6.1% from the previous biennium.

UI Decisions	2017 - 2019		2015 - 2017	
Claimant Appellant	3,848	85.5%	4,015	84.7%
Employer Appellant	653	14.5%	728	15.3%
Claimant Appellant Prevailed	1650	42.9%	1727	43.0%
Employer Appellant Prevailed	164	25.1%	235	32.3%

UI Decisions	2017 - 2019	2015 - 2017
Voluntary Quit	20.9%	21.9%
Misconduct	25.5%	30.8%
Refusal of Suitable Work	1.5%	1.1%
Not Able / Available	12.4%	12.2%
Labor Dispute	0.04%	0.1%
Other	39.7%	32.9%

Claimants filed both EUC08 appeals and did not prevail. Of the UI appeals, the department reported 85.5% were claimant and 14.5% were employer appeals. Claimants prevailed in 42.9% of their appeals, down slightly from the 43% in the prior biennium. Employers prevailed in 25.1% of those cases. This is down from 32.3% in the prior biennium.

Issues for UI appeal decisions were 20.9% voluntary quit, 25.5% misconduct, 1.5% suitable work, 12.4% availability and 0.04% labor dispute. The remaining 39.7% 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, four cases were not scored. Three cases were not scored because they were held on the record and did not have a recording to review. The fourth case was improperly included in the sample. Of the 156 cases scored, 155 passed (99.36%) passed. This percentage is an increase from the last biennium when 98.74 percent of the cases passed. Over 48% (75 cases) earned a 100% score. This is an increase from 38% (61 cases) in the prior biennium.

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, the Chairmen issued 722 such decisions. This is down from 928 such decisions issued in the 2015-2017 biennium and the 940 during the 2013-2015 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 23.1 days. For New Hampshire, the Unit averaged 12.7 days, up from 11.2 days in the prior biennium. Of the 53 State Employment Security Agencies, or SESAs (the fifty States and the District of Columbia, Puerto Rico, and the Virgin Islands), New Hampshire placed eighth. New Hampshire was first among the ten USDOL Region 1 SESAs, which includes the six New England SESAs.

The US Department of Labor requires that 60% of appeals should be decided within 30 days. The Unit met this standard in all 24 months of the biennium, averaging 91.1% of the cases completed within 30 days. This is up from 89.2% in the prior biennium.

No triennial USDOL National Appeal Review was held during the biennium. The last was held in 2017 and the next is scheduled for 2020.

Individuals may request reminder calls for appeal hearings. In the biennium, the department attempted to contact 3,499 such individuals. Of these, the department was successful in leaving at least a message (on either the first or the second attempt) for 3,333 (95.26%) individuals.

Two Appeal Tribunal Chairmen attended a National Association of Unemployment Insurance Appeals Professionals (NAUIAP) conference in June 2018. The conference included sessions on Evidence, Effective Decision Writing, and Ethics.

Administrative Services

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

Purchasing

The purchasing department services the agency needs by processing service contracts, supply orders, equipment orders, etc. There are approximately 824 in-house requisitions including commodities and service contracts processed 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 3,257,893 for Fiscal Year 2018 and 3,126,633 for Fiscal Year 2019. This is a decrease of about 18% from the end of the last biennium. The decrease continues to be driven by lower demand across the agency for paper forms due to both low unemployment and increased electronic communication with customers.

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

The maintenance staff perform ergonomic evaluations, adjustments and move staff and workspaces within the twelve (12) agency local offices located throughout the state.

- They 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.
- The Unit perform safety and building inspections at all facilities.
- The Unit completed LED lighting upgrades in offices in Salem, Claremont and Laconia.
- The Unit completed an HVAC system upgrade in the Berlin office.
- The Unit continued to oversee all contractors that support HVAC systems, UPS systems, Generators, Access control systems, sprinkler systems and fire suppression systems.

Mail and Warehouse Services

The unit mailed 522,432 pieces during Fiscal Year 2018 and 475,285 pieces during Fiscal Year 2019.

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 2018 program year (October 1, 2017 – September 30, 2018), 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 six 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 three census tracts located within the City of Nashua. During the 2019 program year (October 1, 2018 – September 30, 2019), New Hampshire had one area that qualified as an Area of Substantial Unemployment. The contiguous area was labeled as the Hillsborough County Manchester ASU 2019, consisting of a total of five census tracts located within the City of Manchester. The Employment and Training Administration (ETA) uses ASU information to determine funding allocations under the Adult and Youth Program Activities of the Workforce Innovation and Opportunity Act (WIOA).

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 five-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 2017		Calendar Year 2018	
Layoff Events	Initial Claims	Layoff Events	Initial Claims
52	3,554	41	2,795

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 52,000 employers with over 655,000 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:

2018 Refiling: 74.3%

2019 Refiling: 79.9%

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. Projection 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 NNetwork, a user friendly Internet application (<http://nnetwork.nhes.state.nh.us/nnetwork/>).

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 Biomass energy plant.

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.

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 New Hampshire 2018 Workforce Analysis - In Review; Perspectives on Middle Education Occupations in New Hampshire; and Educational Attainment of New Hampshire's Workforce.

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* (October 2018)
- *Veterans in New Hampshire, 2017*
- 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:

- *New Hampshire's Challenge: Caring for an Aging Population* (November 2017)
- Quarterly updates to the Online Job Ads Summary

Performance Accountability and Customer Information Agency (PACIA)

PACIA is the reporting unit for the Workforce Innovation and Opportunity Act Title I (WIOA) program performance. 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 WIOA eligible training providers and programs.

PACIA served as a contractor with the Office of Workforce Opportunity, New Hampshire Department of Business and Economic Affairs (OWO DBEA). PACIA submitted 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

The Legal Section advises the Commissioner, Deputy Commissioner, NHES Administrators, Members of the NHES Advisory Council and government officials in New Hampshire, as well as Employment Agencies in other States, regarding the Department's laws, rules, programs and services.

The Section represents the Department in higher level appeals of unemployment insurance decisions rendered by Administrative Tribunals under RSA 282-A:60. They assist the New Hampshire Department of Justice in defending appeals of Department decisions appealed to the New Hampshire Supreme Court and assist with other civil actions brought against the Department. Counsel assist in issuing requests for proposal and draft, negotiate and review contracts as necessary to enable and support the operations and functions of the Department. They handle real estate matters relating to the purchase and sale of real estate and draft and review lease documents for the Department's twelve Local Offices.

The Legal Collections staff and Counsel pursue collection of benefit overpayments and delinquent employer tax contributions. They represent the Department in collections matters before the U.S. Bankruptcy Court for the District of New Hampshire and State Circuit and Superior Courts.

From July 2017 through June 30, 2019, the Collections Unit recovered over \$3,860,000.00 in overpaid benefits, of which almost \$1,000,000.00 came from the offset of Federal Income Tax refunds to recapture fraudulently overpaid unemployment benefits. In addition, the Unit has recovered over \$460,000.00 in fraudulent overpayments through wage garnishment. As part of its day-to-day work, the Collections Unit has returned over 8,000 telephone calls to claimants with questions regarding debts owed to the Department.

From July 1, 2017 through June 30, 2019, the Collections Units recovered over \$1,670,000.00 in delinquent unemployment taxes from New Hampshire employers, including over \$750,000.00 in funds distrained from employer bank accounts and over \$80,000.00 from the offset of Federal Income Tax refunds.

The Section prepares, reviews and monitors proposed legislation on issues related to or stemming from the New Hampshire unemployment laws. They appear before the New Hampshire General Court and various legislative committees to provide testimony and information relative to the effects of proposed laws and rules. Their responsibilities include the promulgation of administrative rules as well as drafting new rules, amending existing rules, and removing expired rules.

Legislation

(Enacted July 1, 2017 - June 30, 2019)

Section of Law	Content of Legislation	Implementation
Chapter 150 (SB 130)	The bill as enacted (Chapter 150) included a change to the UI Fraud Prosecutor position within the Department making it an unclassified position rather than a classified position.	August 15, 2017
Chapter 130 (SB 416)	The bill as enacted (Chapter 130) established a legal presumption that Transportation Network Company (TNC) drivers are independent contractors and not employees, if the affected TNC's are able to satisfy five criteria identified in the new statute, RSA 376-A:20.	May 30, 2018
Chapter 333 (SB 566)	The bill as enacted (Chapter 333) established a commission to study certain aspects of the school bus driver shortage. The commission was charged with reporting its findings and any recommendations for proposed legislation to the President of the Senate, the Speaker of the House of Representatives, the Senate Clerk, the House Clerk, the Governor, and the State Library on or before November 1, 2018. The legislation repealed the commission effective November 1, 2018.	June 25, 2018
Chapter 344 (HB 1100)	The bill as enacted (Chapter 344) established a commission with NHES as an appointed member. The charge of the Commission was "to review and evaluate all government funded workforce and job training programs in New Hampshire to ensure that they are effective, not duplicative, and that they are contributing to the needs of the workforce and the labor market." Chapter 344 required a final report with findings and recommendations for proposed legislation to be filed on November 1, 2018. The legislation repealed the commission effective November 1, 2018.	July 2, 2018
Chapter 342 (SB 313)	The bill as enacted (Chapter 342:3--9) established the Granite Workforce Pilot Program. The law creating the Granite Workforce Pilot Program (Program) authorized the Commissioner of the Department of Health and Human Services to fund the Program by using "allowable funds from the Temporary Assistance to Needy Families (TANF) program." The Department of Health and Human Services and the Department of Employment Security were charged to jointly administer the program and: (1) provide subsidies to employers in high need areas, as determined by the Department of Employment Security based upon workforce shortages, and (2) create a network of assistance to remove barriers to work for low-income families.	January 1, 2019

Section of Law	Content of Legislation	Implementation
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Chapter 279		January 1, 2019
(HB 1104)		

The bill as enacted (Chapter 279) pertains to new deadlines set forth in RSA 541-A:29 by which state agencies must process applications, petitions and requests made of state agencies (Chapter 279:6), and also pertains to the automatic approvals by default provision of RSA 541-A:29-a (Chapter 279:9). Additionally, the bill as enacted adds an amendment to RSA 282-A:112 by creating a new paragraph, VII (Chapter 279:24). This new paragraph sets forth that an agency's failure to act within the deadlines set forth in RSA 541-A:29 which would otherwise result in automatic approvals by default under RSA 541-A:29-a "shall not apply to any federally funded program administered by the department to the extent that such default approval conflicts with federal law." Given the provision in RSA 282-A:112, VII, if the Department fails to take action on an application, petition or request within the new deadlines of RSA 541-A:29 the Department's failure shall not result in automatic approvals when the above "federally funded program" exception applies.

Chapter 52		January 1, 2019
(SB 406)		

The bill as enacted (Chapter 52) adds a new paragraph, VII to RSA 21-G:9, Powers and Duties of Commissioners. RSA 21-G:9, VII pertains to NHES because this new section authorizes all executive branch commissioners "to require federal and state background investigations on any employee, candidate for employment, contractor or subcontractor of the department that has or will have access to federal tax information for the purpose of determining that individual's suitability to access federal tax information as required by Internal Revenue Code section 6103(p)(4) and any subsequent amendments thereto."

Chapter 18		May 10, 2019
(SB 16)		

The bill as enacted (Chapter 18) changes the date from July 1, 2018 to July 1, 2020 in RSA 282-A:118,V because the Federal efforts to consolidate and rename the program as referenced in the law (WRIS, WRIS II, FEDES) and referred to as "any other system thereof" had not been completed by July 1, 2018.

APPENDIX I
SPECIAL REPORTING REQUIREMENTS
RSA 6:12-e & RSA 6:12-I(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-I(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 SFY2018 and 39 percent in SFY2019. 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, 2017 - June 30, 2018		July 1, 2018 - June 30, 2019	
Beginning Balance:		\$6,441,902.61		\$9,097,906.21
Revenues				
Penalty & Interest (P&I)	\$1,180,679.78		\$1,066,923.65	
P&I Investment	0.00		0.00	
Real Estate Proceeds	0.00		0.00	
0.2% Administrative Assessment (AA)	\$12,623,971.31		\$12,387,340.84	
Real Estate Proceeds	0.00		0.00	
Returned to Trust Fund	0.00		0.00	
IRS Transfer	0.00		0.00	
Tobey Cafeteria Commission	\$3,372.50		0.00	
Tobey Facility Transfer	0.00		0.00	
Total Revenues:		\$13,808,023.59		\$13,454,264.49
Expenditures				
Penalty & Interest Expenditures	\$914,452.95		\$1,361,068.13	
Facilities Maintenance Expenditures	\$74,790.34		0.00	
0.2% AA Expenditures	\$8,162,701.70		\$8,428,725.09	
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	\$75.00		0.00	
Total Expenditures:		\$11,152,019.99		\$11,789,793.22
Ending Balance:		\$9,097,906.21		\$10,762,377.48

APPENDIX III
SPECIAL REPORTING REQUIREMENTS
RSA 6:12-e & RSA 6:12-l(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 percent of NHES administrative costs in SFY2018 and 61% in SFY2019.

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

Period:	July 1, 2017 - June 30, 2018	July 1, 2018 - June 30, 2019
Beginning Balance:	(2,390,654.42)	(2,829,643.63)
Revenue:	19,699,689.80	19,603,969.19
Expenditures:	20,138,679.01	20,241,715.38
Ending Balance:	(2,829,643.63)	(3,467,389.82)

APPENDIX IV
SPECIAL REPORTING REQUIREMENTS
RSA 6:12-e & RSA 6:12-l(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 USDOL 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 USDOL 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 \$312,928,254.43 on June 30, 2019.

NHES UNEMPLOYMENT COMPENSATION TRUST FUND¹
3-YEAR COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND EQUITY
Fiscal Years Ended June 30, 2017, June 30, 2018 & June 30, 2019

	7/1/16 – 6/30/17	7/1/17 – 6/30/18	7/1/18 – 6/30/19 on 6/30/19
FUND BALANCE, beginning	\$294,866,273	\$300,379,096	\$310,831,407
Revenues:			
Reimbursing Employers	\$5,640,586	\$5,169,719	\$4,613,061
Federal Programs	\$994,422	\$768,635	\$588,304
Fees, Fines, Int., Court Costs & Adm. Contributions	\$13,303,265	\$13,819,410	\$13,438,974
Employer Contributions	\$53,654,041	\$55,299,875	\$27,382,303
Investment Income	\$6,551,709	\$6,728,158	\$7,309,184
NH Title IX Funds	0	0	0
Total Operating Revenues	\$80,144,023	\$81,785,797	\$53,331,826
Administrative Revenues²			
NH Titles IX Funds – Reserved for Special Purposes	0	0	0
STC - Improvement Implementation Grant	0	0	0
Expenditures			
Reimbursing Employers	\$5,640,586	\$5,169,719	\$4,613,061
Federal Programs	\$994,422	\$768,635	\$588,304
Fees, Fines, Int., Court Costs & Adm. Contributions	\$13,303,265	\$13,819,410	\$13,438,974
Unemployment Insurance Benefit Payments	\$55,274,388	\$51,821,652	\$43,313,595
Provision for Doubtful Receivables	(\$581,461)	(\$245,930)	(\$447,506)
Total Operating Expenditures	\$74,631,200	\$71,333,486	\$61,506,428
Administrative Expenditures²			
NH Titles IX Funds – Reserved for Special Purposes	0	0	0
STC - Improvement Implementation Grant	\$150,490	0	0
FUND BALANCE, ending	\$300,379,096	\$310,831,407	\$302,656,805
Net Change in Fund Balance for the Year	\$5,512,823	\$10,452,311	(\$8,174,602)

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
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
2018	\$59,145,557.11	\$13,804,651.09	\$6,728,158.12	\$79,678,366.32
2019	\$45,628,449.85	\$13,454,264.49	\$7,309,183.92	\$66,391,898.26

*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
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%
2018	\$79,678,366.32	\$13,804,679.37	\$65,873,686.95	\$55,410,384.04	.00	\$309,126,438.75	84.1%
2019	\$66,391,898.26	\$13,429,324.16	\$52,962,574.10	\$49,160,758.42	.00	\$312,928,254.43	92.8%

*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, 2019

Assets		Liabilities and Fund Balance	
Cash	\$313,076,579	Payment Due Other Jurisdictions/Overpayments (Total Liabilities)	\$12,365,924
Receivables	\$1,946,150	Reserve for Unemployment Compensation Benefits (Fund Balance)	\$302,656,805
Total Assets	\$315,022,729	Total Liabilities & Fund Balances	\$315,022,729

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

UNEMPLOYMENT COMPENSATION HIGHLIGHTS
State Fiscal Years 2017, 2018 and 2019

	2017	2018	2019
The amount of state UC Benefits paid ^{1,2}	\$59,211,439.69	\$55,410,384.04	\$49,160,758.42
Employer taxes collected to support the Trust Fund ^{2,3}	\$57,263,327.83	\$59,145,557.11	\$45,628,449.85

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