



Nicholas A. Toumpas  
Commissioner

Mary S. Weatherill  
Director

STATE OF NEW HAMPSHIRE 6:13 PM 2:39 DAS

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF CHILD SUPPORT SERVICES

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-4745 1-800-852-3345 Ext. 4745  
FAX: 603-271-4787 TDD Access: 1-800-735-2964  
Automated Voice Response 1-800-371-8844

*Sole Source*

May 21, 2013

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Executive Council  
State House  
Concord, New Hampshire 03301

*66% Federal  
8% Other  
26% General*

**REQUESTED ACTION**

Authorize the New Hampshire Department of Health and Human Services, Division of Child Support Services, to enter into a **sole source** Agreement with the New Hampshire Department of Employment Security, Concord, New Hampshire (Vendor Number 99459), for New Hire reporting services which are related to child support collection activity in an amount not to exceed \$264,000.00, effective from July 1, 2013, or the date of Governor and Council approval, whichever is later, through June 30, 2015. Funds are anticipated to be available in State Fiscal Year 2014 and State Fiscal Year 2015, upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts if needed and justified between State Fiscal Years.

05-00095-042-427010-7929 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD SUPPORT SERVICES, CHILD SUPPORT SERVICES

| Fiscal Year | Class/Object | Class Title                             | Job Number   | Amount               |
|-------------|--------------|-----------------------------------------|--------------|----------------------|
| SFY 2014    | 049-500294   | Transfer to Agencies<br>Other than Bldg | 95703400     | \$ 130,000.00        |
| SFY 2015    | 049-500294   | Transfer to Agencies<br>Other than Bldg | 95703400     | \$ 134,000.00        |
|             |              |                                         | <b>Total</b> | <b>\$ 264,000.00</b> |

EXPLANATION

No competitive bids were sought for this work, as New Hampshire Employment Security is required by New Hampshire RSA 282-A:117-a to be the provider of these services.

This Agreement will continue the comprehensive New Hire Program through June 30, 2015. The New Hire Program includes the collection of new hire information from employing units and the maintenance of the State Directory of New Hires. The Agreement has been in place since October 1, 1997. Payments are to be paid through an encumbrance in the New Hampshire First Enterprise Resource Planning system.

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Subsequent to the passage of P.L. 104-193 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996) and during the 1997 regular session, the New Hampshire Legislature enacted Chapter 263. This Chapter added a new section, NH RSA 282-A:117-a (effective October 1, 1997 and amended August 10, 2012), that mandates certain New Hire employment reports to New Hampshire Employment Security and creates a State Directory of New Hires. This law provides that any employing unit must report to the New Hampshire Employment Security within twenty (20) calendar days of such employment the hiring or rehiring of any individual or when contracting for services when reimbursement for such services is anticipated to exceed \$2,500.00.

New Hampshire Employment Security and Department of Health and Human Services shall conduct automated comparisons of the New Hire information file. Within three (3) business days after the date the New Hire information report is entered into the State Directory of New Hires, the New Hire information file shall be furnished to the National Directory of New Hires. The Department of Health and Human Services shall use such information to establish and enforce child support obligations and for the administration of any program as specified in 42 U.S.C. 1320b-7(b) for purposes of verifying eligibility for the program. The New Hampshire Employment Security shall also have access to the information for use in the administration of unemployment compensation programs.

The Agreement is to be renewed on a biennial basis to coincide with the biennium budget process and to meet certain procedural requirements prescribed by the Department of Administrative Services in part to encumber Department of Health and Human Services funds appropriated for these programs and services.

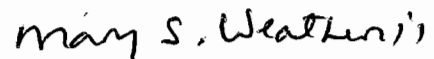
Should Governor and Executive Council determine not to approve this Request the Division of Child Support Services will be unable to comply with either the federal or the state law requiring New Hire reporting to New Hampshire Employment Security and the maintenance of the New Hire Directory. This resource has proven to be an effective tool in the establishment and enforcement of child support. Inability to utilize these resources would result in federal sanctions and loss of child support incentive funds.

Area served: statewide.

Source of funds: Federal Funds 66%, Other Funds 8% and General Funds 26%.

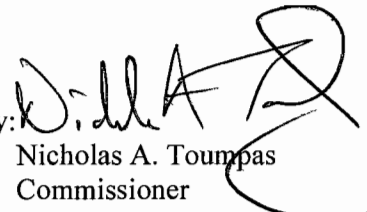
In the event that the Federal funds become no longer available, General Funds will not be requested to support this program.

Sincerely,



Mary S. Weatherill  
Director

Approved by:



Nicholas A. Tounpas  
Commissioner

**MEMORANDUM OF AGREEMENT  
BETWEEN  
NEW HAMPSHIRE DEPARTMENT OF EMPLOYMENT SECURITY  
And  
NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN SERVICES,  
DIVISION OF CHILD SUPPORT SERVICES**

**NEW HIRE REPORTING**

THIS AGREEMENT, entered into by and between the New Hampshire Department of Employment Security (NHES) and the New Hampshire Department of Health and Human Services, Division of Child Support Services (DCSS), is for the purpose of providing employer New Hire information to DCSS in Accordance with 42 U.S.C. 653A and New Hampshire RSA 282-A:117-a.

**ARTICLE 1**

**DEFINITIONS**

For the purpose of this Agreement:

- A. The acronym DCSS means the New Hampshire Department of Health and Human Services, Division of Child Support Services.
- B. The acronym NHES means the New Hampshire Department of Employment Security.
- C. The acronym OCSE means the United States Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement.
- D. The term "National Directory of New Hires" means an automated directory of new hire and associated information established and maintained by the United States Secretary of Health and Human Services.
- E. The term "State Directory of New Hires" means an automated directory maintained by NHES and containing such new hire information as required by RSA 282-A:117-a and 42 U.S.C. 653A.
- F. The term "Employing Unit" means employing unit as defined in RSA 282-A:7-I and includes employer, labor organization, and government entity.
- G. The term "New Hire Information Report" means new hire information as reported by employing units pursuant to New Hampshire RSA 282-A:117-a and such administrative rules adopted there under.
- H. The term "New Hire Information File" means the data file containing new hire information as reported to NHES and contained in the State Directory of New Hires.
- I. The term "UC Quarterly Wage Extracts" means quarterly reports of wages as required under 42 U.S.C. 503 (a)(6).
- J. The term "UC Claims Data" means quarterly reports, as required by 42 U.S.C.503(a)(6) of individuals who have applied for, are receiving, or have received unemployment compensation.

- K. The term "Connect Direct" means a peer-to-peer file-sharing protocol used to facilitate the transfer of data between the National Directory of New Hires and NHES or DCSS. Clients of Connect Direct connect to a central hub and can download files directly from one user to another.

## ARTICLE 2

### AUTHORITY OF PURPOSE

A. This Agreement is entered into and under the authority of 42 U.S.C. 653A, NH RSA126-A:5, NH RSA 161-H:2, NH RSA 282-A:112, and NH RSA 282-A:117-a.

B. The purpose of the Agreement is to enter into a Contract by and between NHES and DCSS to promote and maintain the comprehensive New Hire Program which includes, but is not limited to, the collection of new hire information from employing units, the maintenance of a State Directory of New Hires, the utilization of such new hire information as authorized by law, and to provide and exchange such information with the National Directory of New Hires as authorized and required by State and Federal law.

## ARTICLE 3

### SCOPE OF WORK

A. NHES shall be responsible for notifying all New Hampshire employing units of the requirement for reporting all New Hires as required by NH RSA 282-A:117-a, and under such rules as adopted. Such notification shall include information about the methods and procedure for providing New Hire information reports. NHES shall make the appropriate preparations and notify and educate such employing units by performing the following tasks:

1. Provide New Hire information to all New Hampshire employing units by:
  - a. Conducting mailings, as needed, to advise and inform all New Hampshire employing units of any significant changes in the law, administrative rules, policy, or procedure regarding New Hire information reporting obligations;
  - b. Providing supplemental informational mailings on an on-going basis and in addition to mailings associated with any significant change in the law, administrative rules, policy or procedure, conducted a minimum of one (1) time per each calendar year;
  - c. Developing, printing, and distributing such brochures, with the advice and consent of DCSS; and
  - d. Providing postage and envelopes for each mailing. Mailings may be in conjunction with regular NHES mailings.
2. Maintain and staff a toll free telephone line and maintain a readily accessible employer question and answer hotline.

3. Adopt such administrative rules, with the advice and consent of DCSS, as may be necessary for the efficient administration of NH RSA 282-A:117-a.
4. Participate, in cooperation with DCSS to the extent possible, in promoting the New Hire reporting program by participating in an on-going outreach effort, including, but not limited to, appearing at speaking engagements before such groups as the Business and Industry Association, the various payroll organizations, and at employment seminars.
5. Investigate and enforce against, as appropriate, possible cases of New Hampshire employing units in violation of the requirements for reporting all New Hires as required by NH RSA 282-A:117-a, and under such rules as adopted.

B. NHES shall be responsible for collecting New Hire information reports from employing units in accordance with RSA 282-A:117-a and any administrative rules adopted there under. NHES shall make the appropriate preparations and collect such New Hire reports by performing the following tasks:

1. Accept New Hire information reports in such form or format as provided by NH RSA 282-A:117-a or such administrative rules adopted there under, from employing units via first class mail, fax, electronic file or magnetic media (tape, diskette, or cartridge) or by any other means mutually agreed upon by:
  - a. Providing and maintaining a Post Office box for New Hire information reports submitted by mail;
  - b. Providing a fax machine with adequate memory capacity and maintaining a toll-free fax line for New Hire information reports submitted by employing units via fax; and
  - c. Informing Employing Units of the acceptable format(s) and procedure for reporting by electronic file and accepting such reports in two (2) monthly transmissions not less than twelve (12) nor more than sixteen (16) calendar days apart.
  - d. Providing access via Internet for reporting New Hire information reporting submitted by employing units.

C. NHES has established and shall maintain the State Directory of New Hires in accordance with 42 U.S.C. 653A, NH RSA 282-A:117-a, and all administrative rules adopted thereunder. NHES maintains the State Directory of New Hires by performing the following tasks:

1. Provide such computer hardware and software as is required to accept, store, and maintain automated New Hire information reports as provided by employing units and to compile, produce, and transmit New Hire information files as required under 42 U.S.C. 653 A, NH RSA 282-A:117-a, all administrative rules adopted there under, and pursuant to Article 4-D of this Agreement. The State Directory of New Hires shall be a secure database and shall include sufficient back-up capabilities to ensure the successful transmission of the New Hire information file.

2. Enter New Hire information reports, which are properly submitted to NHES pursuant to NH RSA 282-A:117-a and all administrative rules adopted there under, into the State Directory of New Hires within five (5) business days of receipt.

D. NHES shall transfer to DCSS New Hire information files as contained in the State Directory of New Hires in a file format as specified by OCSE and in accordance with the record specifications for the National Directory of New Hires. NHES shall make the appropriate preparations and shall effect the transfer of the New Hire information file by performing the following tasks:

1. On a daily basis and in accordance with the schedule set forth in the paragraph below, NHES shall transfer a New Hire information file containing only the individual New Hire information reports which were entered into the State Directory of New Hires on that particular day.
2. NHES shall transfer each New Hire information file containing the individual New Hire information reports, which were entered into the State Directory of New Hires on that particular day, to DCSS by electronic transfer by 3:30 P.M. on the same business day.
3. DCSS shall conduct an automated comparison with the New Hire information file in accordance with NH RSA 282-A:117-a.

E. NHES shall, with the assistance of DCSS, furnish New Hire information to the National Directory of New Hires within three (3) business days after the information is entered into the State Directory of New Hires. NHES shall make the appropriate preparations and the parties shall effect the transfer of the New Hire information to the National Directory of New Hires by performing the following tasks:

1. NHES shall transfer to DCSS New Hire information files as entered into the State Directory of New Hires in a file format as specified by DCSS;
2. DCSS shall, after performing the automated comparison as provided by NH RSA 282-A:117-a, transfer the New Hire information file to the National Directory of New Hires via Cyberfusion; and
3. If the method of transfer from NHES to DCSS is by electronic file, subsequent to the transfer of the New Hire information file to the National Directory of New Hires and all other automated comparisons as authorized under NH RSA 282-A:117-a, DCSS shall return the electronic file to NHES.

F. Commencing on July 1, 2013, NHES shall continue, with the assistance of DCSS, to furnish UC claim data to the National Directory of New Hires, via Cyberfusion, by such dates, in such format, and containing such information as the United States Secretary of Health and Human Services shall specify in regulations.

G. Commencing on July 1, 2013, NHES shall continue, with the assistance of DCSS, to furnish quarterly wage extracts to the National Directory of New Hires, via Connect Direct, by such dates, in such format, and containing such information as the United States Secretary of Health and Human Services shall specify in regulations.

## ARTICLE 4

### DURATION OF AGREEMENT

- A. This Agreement will commence upon execution subject to the approval by the NH Governor and Executive Council. The term of this Agreement is July 1, 2013 through June 30, 2015 and shall continue thereafter year to year at the mutual agreement of both parties subject to available funds appropriated through the biennium budget process and/or through subsequent Governor and Executive Council action.
- B. Either party may terminate this Agreement by providing sixty (60) days written notice to either party.
- C. This Agreement may be modified in writing at any time by mutual consent of both NHES and DCSS.
- D. In the event changes in either State or Federal laws and/or regulations occur which render performance hereunder illegal, void, impracticable, or impossible, this Agreement will terminate immediately. DCSS will reimburse NHES for all costs incurred under this Agreement within thirty (30) days of such termination.

## ARTICLE 5

### CONFIDENTIALITY

- A. NHES and DCSS shall ensure that information contained in their respective records and obtained from each other be safeguarded and treated as confidential information pursuant to all applicable State and Federal laws, policies, and procedures that such information shall be used solely for purposes as authorized by law.

## ARTICLE 6

### COST/REIMBURSEMENT

- A. DCSS shall reimburse NHES for the actual amount of approved costs as listed in *Attachment A*.
- B. NHES shall define and document all costs incurred under this Agreement as follows:
  - 1. On-going costs shall be based upon the personnel costs associated with data preparation, data entry, program administration, hardware and software replacements and maintenance, and the costs of transmission of the New Hire Information file. All personnel costs shall be categorized within the existing Federal Cost Accounting System reporting format. The number of individual reports on each New Hire information file shall be documented by NHES and verified by DCSS.
- C. The estimated annual costs for this service for the period July 1, 2013 through June 30, 2014 is \$130,000.00 and for July 1, 2014 through June 30, 2015 is \$134,000.00 for a total cost of \$264,000.00 during the term of the Agreement.

D. Costs incurred under this Agreement will be documented by the NHES cost accounting system and billed to DCSS on a monthly basis.

E. NHES shall submit invoices for all approved costs to DCSS on a monthly basis. All invoices shall be submitted to DCSS within thirty (30) calendar days of the end of the calendar month and shall contain sufficient detail to satisfy federal and state audit requirements. DCSS shall review each invoice and NHES shall be reimbursed in accordance with each invoice and shall deduct from said fund ten (10) days after the invoice is submitted to DCSS.

F. The costs listed on *Attachment A* are guaranteed for the term of the Agreement, July 1, 2013 through June 30, 2015. Any cost change shall be negotiated only if DCSS requests a change in Article 3, *Scope of Work*.

G. NHES shall submit to DCSS an accounting of the New Hire Reporting Program for each year. The accounting will be submitted on or before June 30th of each year. The accounting shall contain, at a minimum, a cost/benefit analysis of the program specifically addressing any impact on fraud detection, prevention, or enforcement within the Unemployment Compensation Program.

H. As a result of the accounting pursuant to Article 6, paragraph G of this Agreement, or, if the Department of Labor, or any other entity authorized by law, requests and receives New Hire information reports or New Hire information files, the costs of receiving such information may be equitably prorated and this Agreement shall be adjusted and modified accordingly.

## ARTICLE 7

### ADDITIONAL TERMS

A. On and after the effective date of this Agreement, with the exception of documents required to be retained by NHES for federal and state audit purposes, all property received from DCSS and all information and things developed or obtained during the performance of, or acquired or developed by reason of this Agreement, including, but not limited to, all files, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, whether finished or unfinished, which has been purchased with funds provided for that purpose or developed under this Agreement shall become the property of DCSS, and shall be returned to DCSS upon demand or upon termination of this Agreement for any reason. If such return of property is not practical, DCSS shall be reimbursed accordingly.

B. Unless otherwise agreed in writing, NHES shall keep and maintain New Hire records and memoranda for not less than two years. At any time after two years or other agreed-to time period, NHES may dispose of such data in a manner it seems appropriate assuring that confidentiality is maintained.

C. This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings related hereto.

## ARTICLE 8

### LIAISON AND NOTICE

A. To facilitate the performance of this Agreement, the following positions are designated as a liaison between NHES and DCSS:

#### NHES

Jill Revels  
Business Administrator III  
(603) 229-4449

or

Dianne Carpenter  
Director of Unemployment Compensation Bureau  
New Hampshire Department of Employment Security  
(603) 228-4031  
32 South Main Street  
Concord, NH 03301

#### DCSS

Contracts Manager  
Division of Child Support Services  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301  
(603) 223-4828

B. All notices, bills, paperwork or other communication from NHES to DCSS shall be addressed and sent to:

Management Analyst  
Division of Child Support Services  
129 Pleasant Street  
Concord, NH 03301

IN WITNESS WHEREOF, the New Hampshire Department of Health and Human Services, Division of Child Support Services, by its Director, and the New Hampshire Department of Employment Security, by its Commissioner, in their official capacity, have hereunto set their hands to this document on the day and year written below.

For the New Hampshire Department of Health and Human Services, Division of Child Support Services:

Mary Weatherill  
Mary Weatherill, Director  
New Hampshire Department of Health and  
Human Services, Division of Child Support Services

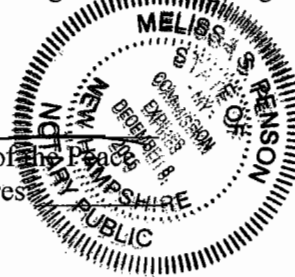
5/17/13  
Dated

STATE OF NEW HAMPSHIRE  
MERRIMACK, S.S.

On this 17 day of May, 2013, personally appeared before me, Mary Weatherill, Director of the Department of Health and Human Services, Division of Child Support Services, acting in her official capacity for and on behalf of the State of New Hampshire, Department of Health and Human Services, Division of Child Support Services, and acknowledged that she signed the foregoing instrument for the purposes contained therein and to be her voluntary act and deed.

Before me,

Notary Public/Justice of the Peace  
My Commission Expires:



For the New Hampshire Department of Employment Security:

George Copadis  
George Copadis, Commissioner  
New Hampshire Department of  
Employment Security

5/16/13  
Dated

STATE OF NEW HAMPSHIRE  
MERRIMACK, S.S.

On this 16th day of May, 2013, personally appeared before me, George Copadis, Commissioner of the New Hampshire Department of Employment Security, acting in his official capacity for and on behalf of the State of New Hampshire, Department of Employment Security, and acknowledged that he signed the foregoing instrument for the purposes contained therein and to be his voluntary act and deed.

Before me,

Alice P. Bisson  
Notary Public/Justice of the Peace  
My Commission Expires:

**ALICE P. BISSON**  
Notary Public - New Hampshire  
My Commission Expires February 2, 2016

New Hire  
Budget Estimates  
Fiscal Years 2014 and 2015  
Attachment A

|                              | SFY 2012<br>ACTUAL<br>7/1/11<br>6/3012 | SFY 2013<br>BUDGET | SFY 2012<br>SFY 2013<br>AVERAGE<br>MONTHLY | SFY 2014<br>BUDGET<br>ESTIMATE | SFY 2015<br>BUDGET<br>ESTIMATE |
|------------------------------|----------------------------------------|--------------------|--------------------------------------------|--------------------------------|--------------------------------|
| PERSONAL<br>SERVICE/SALARIES | 52,738                                 | 81,937             | 5,611                                      | 69,694                         | 72,134                         |
| FRINGE BENEFITS              | 31,214                                 | 35,315             | 2,772                                      | 34,429                         | 35,634                         |
| NON PERSONAL<br>SERVICES     | 38,035                                 | 28,375             | 2,767                                      | 25,198                         | 26,080                         |
| TOTALS                       | 121,987                                | 145,627            | 11,151                                     | 129,321                        | 133,847                        |
| ANNUALIZED<br>TOTALS         |                                        |                    | 133,807.02                                 |                                |                                |
|                              |                                        | 146,000            |                                            | 130,000                        | 134,000                        |
|                              |                                        | <b>Budgeted</b>    |                                            | <b>Want to budget</b>          |                                |

FACTORS INFLUENCING INCREASES FOR SFY 2014/2015:

1. NO SALARY RAISE
2. INCREMENTAL SALARY (STEP) INCREASES
3. INCREASES IN HEALTH/DENTAL RATES
4. POTENTIAL COST INCREASES FOR WORKLOAD INCREASES

69,694.28 Average FY12 & 13 plus 3.5% for increments  
 5,807.86 Monthly rate before raise  
 Pay raises  
 69,694.28 FY 14 annual salaries  
 72,133.58 FY 15 increase rate of 3.5% for increments

Footnote: No estimate for future raises after Jan 2009  
 5/16/2013 9:46