



**New Hampshire  
Employment  
Security**

[www.nhes.nh.gov](http://www.nhes.nh.gov)

*"We're working to keep New Hampshire working"*

ADMINISTRATIVE OFFICE

45 SOUTH FRUIT STREET  
CONCORD, NH 03301-4857



GEORGE N. COPADIS, COMMISSIONER

RICHARD J. LAVERS, DEPUTY COMMISSIONER

SEP 23 2015 12:10 PM  
September 23, 2015

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, NH 03301

**REQUESTED ACTION**

New Hampshire Employment Security is submitting its 2014-2015 Biennial Report for approval as required under RSA 20:7.

**EXPLANATION**

Attached is a copy of New Hampshire Employment Security's 2014-2015 Biennial Report, which covers the administration and operation of RSA Chapter 282-A for the two-year period ending June 30, 2015. This report also includes dedicated fund information reported as required under RSA 6:12e.

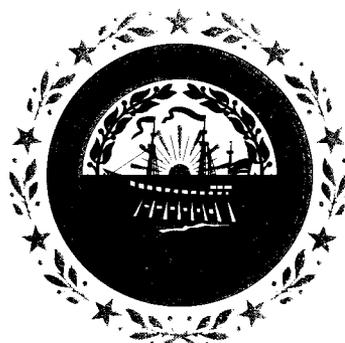
Respectfully submitted,

George N. Copadis  
Commissioner

GNC/jdr  
Attachment

**NEW HAMPSHIRE  
DEPARTMENT OF EMPLOYMENT SECURITY  
BIENNIAL REPORT**

for the period  
July 1, 2013 through June 30, 2015



*"We're working to keep New Hampshire working"*

September 30, 2015

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

# **The State of New Hampshire**

**Margaret Wood Hassan**  
Governor

**Joseph D. Kenney**  
Executive Councilor  
*First District*

**Colin Van Ostern**  
Executive Councilor  
*Second District*

**Christopher T. Sununu**  
Executive Councilor  
*Third District*

**Christopher C. Pappas**  
Executive Councilor  
*Fourth District*

**David K. Wheeler**  
Executive Councilor  
*Fifth District*

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# Organization and Function

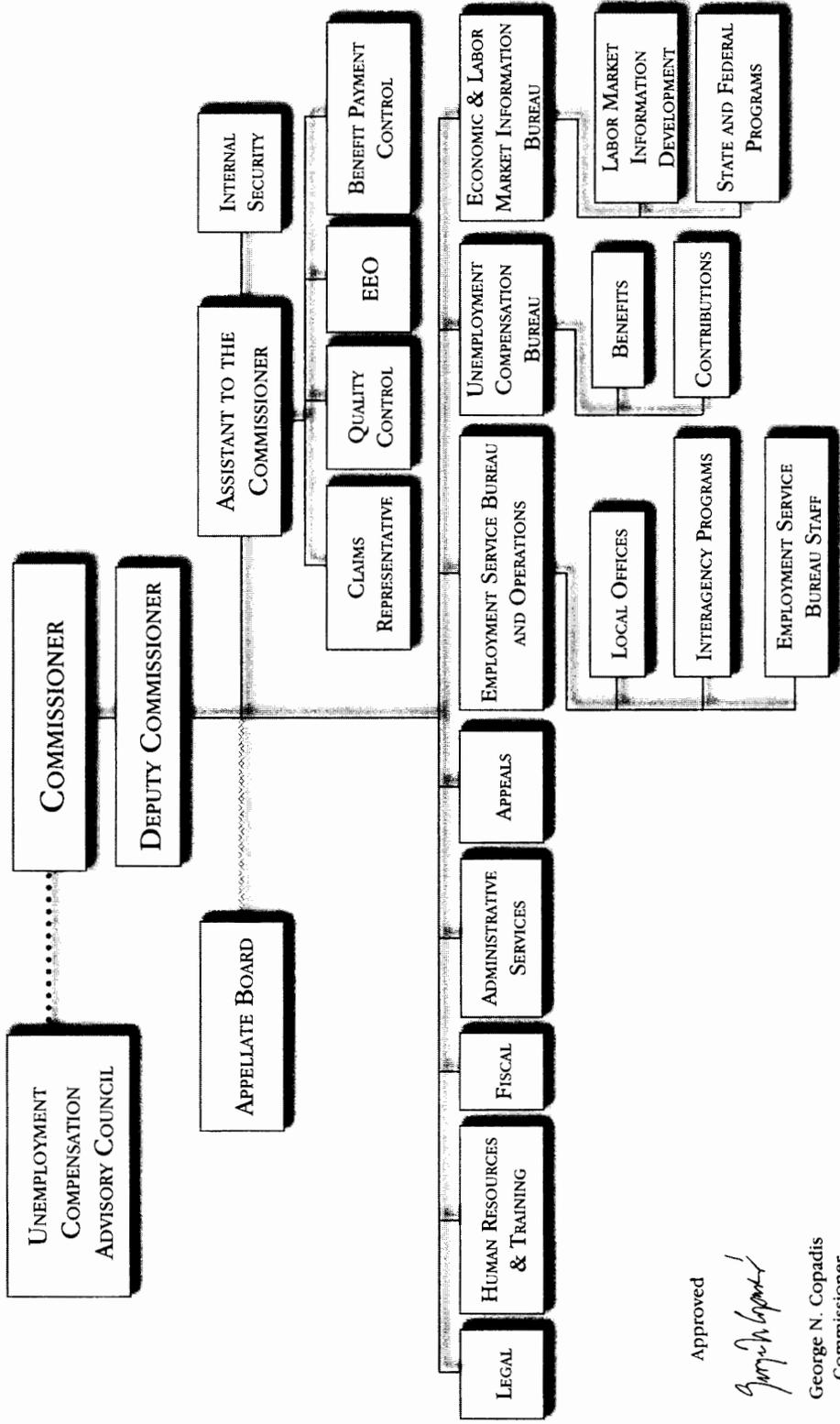
The mission of New Hampshire Employment Security is to:

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

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

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

ADVISORY .....  
ADMINISTRATIVE



Approved  
*George N. Copadis*  
 George N. Copadis  
 Commissioner  
 R-09/12

## Personnel Data

<b>Current Number of Employees</b>	<b>06/30/2014</b>	<b>06/30/2015</b>
1 Unclassified	6	6
2 Full-time	261	263
3 Part-time	47	50
<b>Total</b>	<b>314</b>	<b>319</b>

# Physical Plant and Property Appraisal

(Acquisition Value June 30)

	06/30/2014	06/30/2015
1. Equipment	\$34,508,931.95	\$32,964,840.92
2. Physical Plant	31,998,555.09	31,283,957.39
3. Farm	0.00	0.00
4. Highway	0.00	0.00
<b>Total</b>	<b>\$66,507,487.04</b>	<b>\$64,248,798.31</b>

# Receipts and Expenditures

Disbursements to State Agencies		
Agency	07/01/2013 to 06/30/2014	07/01/2014 to 06/30/2015
NH Dept of Administrative Services		
Risk Management Unit (Bond/Producer Services)	\$2,002.01	\$2,189.66
Bureau of Accounts		
Audit Fee	\$21,354.36	\$23,062.31
SWCAP Indirect Cost	\$315,283.00	\$242,485.64
State Postage Billing	\$2,053.16	\$2,239.61
Post Retirement/ Revenue Maximization	\$930,962.38	\$1,141,530.42
Unemployment Compensation	\$22,693.39	\$22,503.03
Workers' Compensation	\$108,538.51	\$94,838.47
Bureau of Graphic Services		
	\$97.07	\$246.04
Bureau of Education	\$4,690.00	\$1,405.00
Bureau of Public Works	\$83,710.53	\$13,408.34
Shared Services Support	\$24,874.44	\$23,331.85
NH Secretary of State	\$170.00	\$825.00
NH Dept of Corrections	\$953.49	\$400.73
NH Dept of Education	\$745.38	\$752.76
NH Dept of Health and Human Services (EAP)	\$9,750.00	\$9,750.00
NH Dept of Labor	\$400.00	\$300.00
NH Dept of Transportation	\$57,169.87	\$55,007.33
NH Dept of Safety		
Criminal Records Division	\$625.00	\$1,100.00
Telecommunications Division	\$148,617.53	\$125,324.09
NH Dept of Resources and Economic Development (DRED)	\$2,000,000.00	\$2,000,000.00
NH Dept of Information Technology (DoIT)	\$4,275,228.38	\$3,711,420.25
<b>Total</b>	<b>\$8,009,916.50</b>	<b>\$7,472,119.53</b>

Administrative Receipts and Expenditures		
Receipts	07/01/2013 to 06/30/2014	07/01/2014 to 06/30/2015
1 Federal Funds	\$21,905,524.36	\$23,319,161.08
2 Fees, Fines and Interest - Contingent *	\$14,633,121.00	\$13,440,536.72
3 All Other Sources	\$656,928.33	\$842,420.52
<b>Total</b>	<b>\$37,195,572.69</b>	<b>\$37,602,119.32</b>

\* Capital Fund Revenue Transfer to NH State Treasury of \$5,250,000 & \$1,575,000 for 2014 & 2015, respectively

Expenditures by State Appropriation Class	07/01/2013 to 06/30/2014	07/01/2014 to 06/30/2015
1 Permanent Personnel Services	\$11,026,037.39	\$12,376,834.15
2 Current Expense	\$2,214,086.47	\$2,070,586.85
3 Equipment	\$2,766,852.54	\$3,074,545.38
4 Contractual Services	\$758,579.94	\$864,044.56
5 Other Personnel Services	\$2,258,761.26	\$1,591,485.53
6 Benefits	\$7,872,886.84	\$7,889,450.47
7 Travel-In-State	\$135,032.64	\$144,683.93
8 Travel-Out-Of-State	\$49,604.70	\$40,277.86
9 Miscellaneous	\$336,637.36	\$313,642.31
10 Job Training Fund	\$2,000,000.00	\$2,000,000.00
11 NH Dept of Information Technology (DoIT)	\$4,275,228.38	\$3,711,420.25
12 Shared Services Support (DAS)	\$24,874.44	\$23,331.85
<b>Total</b>	<b>\$33,718,580.96</b>	<b>\$34,100,303.14</b>

Expenditures Capital Fund	07/01/2013 to 06/30/2014	07/01/2014 to 06/30/2015
1 Tobey Building	\$13,504,857.44	\$157,174.70
<b>Total</b>	<b>\$13,504,857.44</b>	<b>\$157,174.70</b>

# Major Accomplishments

## Trust Fund

New Hampshire's Trust Fund is solvent with a balance of \$286,916,839.44 as of 6/30/2015, up from \$272,457,180.08 on 6/30/2014 and \$225,556,741 on 6/30/2013.

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

Fund growth has slowed due to the removal of the final 0.5% emergency surcharge effective for fourth calendar quarter 2013 and implementation of fund balance reductions starting with fourth calendar quarter 2014. Employers received a 0.5% reduction that quarter and a full 1.0% reduction first calendar quarter 2015, which was significantly impactful as this quarter historically generates the highest tax collection. New Hampshire's minimum tax rate is 0.1% and due to the fund balance reduction, 47% of the subject employers were at this minimum rate for first quarter. In the second and third calendar quarter 2015, employers also received a 0.5% reduction.

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 5.0% for July 2013 and ended the period at 3.8% for June 2015. The high during the period was at the beginning of the period, July 2013 at 5.4%, and the rate has steadily declined to the 3.8% June 2015 low.

## The Office of the Commissioner

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

Deputy Commissioner Lavers was sworn in as Deputy Commissioner on November 20th 2013.

During the Biennial Period, the Executive Offices:

- Assisted the local office staff with more than 74 job fairs around the state as well as statewide job fairs and Veterans' events involving 16,839 job seekers, 3,221 employers and 34,274 job opportunities.
- Implemented and continued to enhance a cross match system to insure that those individuals that are incarcerated are not filing and receiving unemployment benefits.
- Appeared before the Governor and Executive Council, the New Hampshire House of Representatives and the New Hampshire Senate to advocate for the agency.
- Worked with both the regional office as well as the national office of the U.S. Department of Labor to ensure compliance with rules, federal laws, programs, regulations, guidelines, and audit findings.

- Addressed the federal government shutdown and the impact on NH workers.
- Continued to promote and grow the NH Working Programs to job seekers and businesses.
- The Department continued to participate in the US Treasury Offset Program (UCTOP) collecting millions of dollars in fraudulent benefit overpayments by offsetting individual Federal income tax refunds.
- Continued to work with staff to enhance utilization of video conferencing equipment to serve the job seeking public and employers with the most efficient methods for communication and conducting hearings.
- Continued with quarterly and special meetings with the Unemployment Insurance Advisory Council.
- Issued press releases and participated in interviews with the news media outlets on various employment related issues.
- Implemented statewide initiatives for charitable efforts.
- The Department hosted Vice President Joe Biden and USDOL Secretary Thomas Perez for an event at the Nashua NH Works office. The Department and all of the NH Works partner agencies providing reemployment services in the NH Works offices throughout the state were recognized as being a national model for putting people back to work.
- Opened two itinerant offices-Franklin and Exeter New Hampshire.
- In 2014 Governor Hassan and the Department kicked off the first annual 100 day challenge to New Hampshire businesses to hire veterans. “Operation VETS Connect” was a 100-day challenge for New Hampshire’s business community to demonstrate support for our veterans and returning service members. Under the leadership of Governor Hassan, the Department partnered with New Hampshire’s military community in an aggressive effort to connect our brave returning service members and veterans with hiring employers.
- Consolidated and relocated approximately 220 staff from offices in Concord and Manchester into the newly renovated Tobey building in 2014.
- The Department sold the former administrative building located at 32 South Main Street in Concord to the City of Concord.
- As a result of a healthy Unemployment Compensation Trust Fund the New Hampshire business community experienced continued tax savings as a result of the Unemployment Compensation Trust Fund achieving and sustaining quarterly balances over \$250 million as well as over \$275 million.

### **Quality Control**

The quality control review of a statistically valid sample of unemployment compensation benefit payments for fiscal year 2014 found that 94.9 percent of dollars paid were paid correctly. Payments for fiscal year 2015 were paid correctly for 92.5 percent of dollars paid. There is a 95 percent confidence level associated with these results.

### **Benefit Payment Operations**

The benefit payment system (NHUIS – New Hampshire Unemployment Insurance System), where individuals file applications, staff process claims and payments are generated for all unemployment benefit programs, whether regular unemployment (UI), emergency unemployment (EUC), extended unemployment (EB), trade assistance (TRA and TAA) or disaster unemployment benefit (DUA), celebrated its sixth year anniversary on August 17, 2015. Fixes, changes and improvements are a continuous process, as required by State and Federal law changes or to improve the efficiency and effectiveness of the system and business processes.

Federal funds are occasionally made available by competitive application for additional projects that will increase the integrity of information the Department receives as well as the efficiency with which it is processed. The funds, if awarded, have a two-year liquidation period. New Hampshire has been fortunate and received awards every year in September from 2010 through 2014. Projects made possible with these funds and completed during this biennium included:

- (1) automated scheduling of fact-finding interviews for determination of benefit eligibility
- (2) implementation of additional cross matches for benefit fraud detection
- (3) benefit payment control case management system for managing potential fraud investigations
- (4) business process analysis regarding improper payments with accompanying technical improvements
- (5) collections unit case management system for recovery and tracking of claimant and employer debt
- (6) implementation of interstate overpayment recovery process

Projects remaining that will be completed no later than September 2016 include:

- (1) usability and integrity analysis and improvement of initial claims filing process
- (2) usability and integrity analysis and improvement of continued claims filing process, including significant improvements in collection of partial earnings, employment and worksearch efforts to reduce improper payments
- (3) implementation of data collection and analytics module to proactively identify potential fraud
- (4) temporary additional staffing to increase employer audits to identify misclassified workers
- (5) temporary additional staffing to pursue prosecution of fraud

During the biennium period of July 1, 2013 through June 30, 2015, the following State legislation was passed:

- (1) RSA 282-A:31-h Self-Employment Assistance Program. On July 11, 2013, the Governor signed SB 143, relative to benefits for unemployed persons who are attempting to establish a business. The new law allows individuals to receive regular unemployment insurance benefits while establishing a business as long as they meet certain conditions.
- (2) RSA 282-A:31 Worksharing sections. On July 10, 2013, the Governor signed HB 361, relative to worksharing also known as short-time compensation. Changes made to existing unemployment compensation laws were necessary in order to conform to a new subsection (v) of Section 3306 of the Federal Unemployment Tax Act re:Short-Time Compensation Program.
- (3) RSA 282-A:117-a State Directory of New Hires. On June 4, 2013, the Governor signed HB 440, relative to new hire reports. Changes made to existing law were made to conform to changes in Federal law.

### **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, 2013 through June 30, 2015 there were 492,608 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, 365,830 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, 2013 through June 30, 2015, 52,016 individuals were registered and active for employment services in JMS. The local offices received 30,113 job openings during this period. Because of services received from NHES, 13,147 individuals entered employment during this period.

### **Job & Resource Fairs**

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

During the period from July 1, 2013 through June 30, 2015, 61 job fairs were conducted throughout the state. 2,114 employers participated in the job fairs with 23,880 job openings available and 9,656 job seekers attended.

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

### **Trade Act Program**

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

services. Additionally weekly Trade Readjustment Allowances (TRA) may be payable to eligible workers when they exhaust their unemployment benefits.

From July 1, 2013 through June 30, 2015, nine New Hampshire companies were certified, 187 eligible individuals enrolled in training under Trade Act and 5 individuals received job search allowances.

The Health Coverage Tax Credit is available to certain TAA eligible individuals for the purchase of private health insurance. These individuals may receive an advance payment of the credit, which equals 72.5 percent of their insurance premium, or they may claim it as an end of the year tax credit. The remaining 27.5 percent of the premium is paid by the eligible individual. Prior to the implementation of Trade Adjustment Assistance Extension Act of 2011, the claimant paid 20 percent of the premium. The Department of Treasury is responsible for implementing this credit.

HCTC expired on January 1, 2014. Beginning January 1, 2014, every eligible TAA recipient was responsible for paying the full health coverage premiums without HCTC. The 2015 Program (see below) will bring back some form of the Health Coverage Tax Credit.

Reemployment Trade Adjustment Assistance (RTAA) under the Trade Act of 2009 allows workers at least 50 years of age who become reemployed after separation from the Trade certified company to receive 50 percent of the difference between their previous wage and new wage. They may collect for a period of two years, up to a maximum of \$12,000. The Trade Adjustment Assistance Extension Act of 2011 amended the maximum amount to \$10,000.00.

During the past two years, 108 participants and 52 new applicants were determined eligible for RTAA. Fifteen individuals reached their monetary limit and 63 individuals reached their 2-year eligibility period without exhausting their maximum benefit. A total of \$354,373.42 was paid out in RTAA subsidy payments.

Working together with the Department of Resources and Economic Development, Office of Workforce Opportunity, NH Employment Security applied for and received a National Emergency "Gap-filler" Grant from the US Department of Labor. The purpose of the grant is to reimburse eligible TAA recipients for the amount of the tax credit while in the registration process for the Health Coverage Tax Credit. In New Hampshire this money became available to individuals beginning in May of 2011 and during the period July 1, 2013 through June 30, 2015 \$6,642.65 in gap fill payments was paid out to. The grant ended on September 30, 2013.

Trade Act was amended as part of the American Recovery and Reinvestment Act of 2009 although it was not funded through this Act. The 2009 Act overhauls the TAA program and expands TAA coverage to more workers and firms, including workers and firms in the service sector, and improves workers' opportunities for training, health insurance coverage, and reemployment.

On October 21, 2011, President Obama signed the *Trade Adjustment Assistance (TAA) Extension Act of 2011*, which changed the group eligibility requirements, and individual benefits and services available under the Trade Adjustment Assistance program, for some workers. The main changes were Public sector workers were no longer being included for eligibility, the number of TRA weeks available went from 156 to 130, and the number of reasons a person may be waived from training went from six to three.

On December 31, 2013 the Trade Act expired, therefore, it became known as the *2014 Reversion Act*. Reversion 2014 means the TAA program administered by the Sunset Provisions of the Amendments to the Trade Act of 1974, Enacted by the Trade Adjustment Assistance Extension Act of 2011 (the TAA program under the 2002 Amendments with 2011 Sunset Provisions).

Under the Reversion Act, only Manufacturing sector workers were eligible, the Service workers no longer qualified. The number of weeks of TRA benefits remained at 130 and there were only three reasons an individual could qualify for a training waiver.

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

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

The U.S. Office of Trade Adjustment Assistance (OTAA) will issue Operating Instructions to administer benefits and services under the 2015 Program, which will address the transition of workers from the Reversion 2014 Program to the 2015 Program, and provide information on the HCTC program as soon as possible.

### **Reemployment and Eligibility Assessment**

The Reemployment and Eligibility Assessment (REA) program is designed to ensure claimants are aware of, and have access to, the full array of reemployment services available at the One-Stop Centers while also ensuring they are complying with the unemployment insurance requirements. Claimants are selected for the REA program based on their likelihood of not exhausting their unemployment insurance benefits and returning to work within the average duration time frame.

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

During the period of July 1, 2013 through June 30, 2015 the REA program selected 8,290 claimants that were assisted by staff every three weeks with their work search endeavors.

### **Profiling**

Profiling is a means of identifying those claimants most likely to be long term unemployed. During this biennium 61,122 claimants met the program criteria. Of the latter, 3,186 were referred to core employment services and 3,298 reported and received reemployment services. Reemployment services begin with a program orientation presented by an Employment Service staff person. The orientation provides an overview of the program and also serves as a gateway to all other reemployment services such as skills assessment, job search workshops, job counseling and job development.

## **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, 2013 through June 30, 2015, the program has produced the following results:

Agreements discussed . . . . .	226
Agreements entered . . . . .	203
Agreements denied . . . . .	1
Program related hires . . . . .	151

## **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, 2013 through June 30, 2015, the WOTC program received 23,693 requests, certified 8,247, and denied 15,529.

## **Pathway to Work**

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

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

During the period July 1, 2013 through June 30, 2015, a total of 372 applications were received. Of the 327 applications, 235 were approved to participate in the program. A total of 121 applications were denied. There were 110 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 83 requests from employers for temporary foreign agricultural workers. This reflects a decrease of 9 requests processed from the previous biennium total of 92.

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 . . . . .	32
Farmworker & Laborers, Crop . . . . .	286
Horticultural Workers . . . . .	4
Logging Operations . . . . .	0
Total Workers Requested . . . . .	322

### **BRI Workshop Program**

New Hampshire Employment Security had a mandatory one-hour workshop for individuals filing for unemployment benefits. This workshop, entitled Benefit Rights Interview, was scheduled for the week following the initiation of an individual's claim for benefits and was designed to provide the individual an overview of their rights and obligations and the services available for their reemployment. From July 1, 2013 through June 30, 2015, 43,205 individuals attended this workshop.

### **Employer Services Program**

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

The Employer Services Program engages with the business community by informing employers of the array of services and solutions available to meet their specific needs. Employer Services Representatives (ESR) contact employers to provide assistance with recruiting for job openings, customized screening, referral of candidates, scheduling of interviews and to offer the use of a private interview space in our conference rooms. They also provide information on available employment and training programs, labor market and economic information, layoff process, and unemployment insurance and make referrals to NHWORKS partners for technical and regulatory assistance. Through active business engagement, ESRs can be proactive in providing Rapid Response services that meet the needs of the business community.

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

ESRs meet quarterly to share best practices and to learn about partner agency programs geared towards recruiting, training and retaining employees for the workforce of tomorrow. ESRs also

survey employers to determine topics of interest in order to plan Employer Seminars. These seminars cover a variety of human resource related subjects to include Labor Laws, UI Taxes, Recruiting Services, Human Rights, Respect in the Workplace and much more

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

### **Jobs for Veterans State Grants Program**

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

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

Over the past two years, 642 veterans received intensive services by grant staff, with an average of 56 percent entering employment following the receipt of intensive services.

### **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 Emergency Unemployment Compensation 2008 (EUC08) program ended during the 2013-2015 biennium. Some appeals were still heard on EUC08 and Extended Benefit (EB) program claims.

During the biennium, 6,244 single-claimant appeals were filed and 320 claimants were part of multi-claimant appeals. This is a decrease of about 32 percent from the prior biennium. The Unit decided 6,853 cases, a decrease of 34.5 percent from the previous biennium.

Of the 6,853 decided cases, 97.21 percent were under the Unemployment Insurance program, 0.03 percent EB, and 2.76 percent EUC08. Claimants filed 86.34 percent of the appeals, prevailing in 45.6 percent of those appeals. Employers prevailed in 37.69 percent of the appeals

for which the employer was the appellant. Overall, the appellant prevailed in 44.52 percent of the cases.

The issues under appeal were 20.63 percent voluntary quit, 31.62 percent misconduct, 1.01 percent suitable work, 12.39 percent availability and 0.01 percent labor dispute. The remaining 34.34 percent 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 percent to pass. At least 80 percent 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, eleven cases were not scored for various reasons, such as an inaudible recording. Of the 149 cases scored, over 98 percent (147) passed. Over 33 percent (50 cases) earned a 100 percent score. These are both increases from the prior biennium, during which 93 percent of the cases passed and 23.6 percent earned a 100 percent score.

Appeal Tribunal (AT) Chairmen also preside at administrative hearings on appeals of employer tax liability determinations and on compromises of taxes or overpaid benefits. During the biennium, 940 decisions were issued. This is down from 1,195 such hearings conducted in the prior biennium and about even with the 939 such hearings during the 2009-2011 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 or fewer days old. The United States average was 38.5 days. For New Hampshire, the Unit averaged 9.8 days during the biennium, which placed it fifth in the country out of 53 State Employment Security Agencies that include the District of Columbia, Puerto Rico, and the Virgin Islands.

Federal Department of Labor Secretary Standards in Regulation require that 60 percent of appeals should be decided within 30 days. The Unit met this standard in all 24 months of the biennium, averaging 88 percent of the cases completed within 30 days.

During the biennium, the Unit moved from its own building in Manchester to the Administration Building at the former Tobey School. Three Chairmen are out-stationed, with one each in Conway, Nashua, and Somersworth.

### **Administrative Services**

Areas of responsibilities include Purchasing, Reproduction Center, Maintenance Department, Agency Mail Services, Warehousing, and Administration Building Receptionist.

During the biennium we completed the renovation of the Tobey Building in the Hugh J. Gallen State Office Park. The building now houses all operations from two Concord locations as well as Manchester operations other than the Manchester Local Office. Occupancy was established in April 2014.

### **Purchasing**

The purchasing department services the agency needs by processing service contracts, supply orders, equipment orders, etc. There are approximately 1,275 in-house requisitions and 100 plus contracts per year. They process all agency requisitions and monitor the purchases of these items. They establish service contracts, from RFP to bid to final contract, and work with others to prepare documents for the Budget Review Committee and the Governor and Council.

## **Reproduction Center**

The department's Reproduction Section 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. We continue to enhance our capabilities in designing and producing single page, multipage, and bound documents in black and white as well as multi-color publications.

The total impressions were 4,087,145 for Fiscal 2014, and 4,910,665 for Fiscal 2015. This is an overall drop of about 15 percent from the prior two fiscal years. The increase for Fiscal 2015 was driven by new information packets for orientations in our agency local offices, and the UI SIDES (Unemployment Insurance State Information Data Exchange System).

Other responsibilities include:

- The designing of all departmental printed materials for the purpose of improving the appearance while providing cost savings.
- Assist in maintaining the agency web site, including the new "Facebook" site.
- Purchasing and managing all fax and copy machines throughout the agency.
- Stocking & inventory management of forms.

## **Maintenance**

Over the course of a year the maintenance staff performs many ergonomic evaluations, adjustments and moves of various individuals and workspaces within the agency offices.

- Maintain and upgrade security and alarm systems throughout the Agency. Monitor fire extinguishers and AED inspections in all facilities and perform fire evacuation testing periodically at all facilities. Perform Safety and building inspections at all facilities.
- Replaced and reconfigured store front entrance way in the Portsmouth office.
- Replaced the Salem shingled roof with a standing seamless metal roof.
- Emptied all system furniture contents, file cabinets, etc., in preparation for the sale of 32 South Main Street.
- Emptied all system furniture contents, file cabinets, etc., in preparation for the sale of 10 West Street.
- Along with OIT, provided maintenance and support of new VOIP telephone system in all locations.

## **Mail and Warehouse Services**

The unit mailed 893,653 pieces during Fiscal Year 2014 and 772,652 pieces during Fiscal Year 2015. In addition, approximately 175,000 pieces of messenger mail were handled each year. The unit also

- Operated 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 the shredding and recycling programs for the Budget Review Committee and the Governor and Council.

### Local Area Unemployment Statistics (LAUS)

The LAUS program reviews and transmits monthly state and substate labor force estimates. During the 2014 program year (10/1/13 – 9/30/14), New Hampshire had two areas that qualified as Areas of Substantial Unemployment (ASU). The first contiguous area was labeled as the New Hampshire North Country ASU, consisting of Coös County and a total of six census tracts in Carroll and Grafton counties. The second contiguous area was labeled as the New Hampshire Southern ASU, consisting of a total of 187 census tracts across Belknap, Carroll, Cheshire, Hillsborough, Merrimack, Rockingham, Strafford, and Sullivan counties. During the 2015 program year (10/1/14 – 9/30/15), New Hampshire had two areas that qualified as Areas of Substantial Unemployment. The first contiguous area was labeled as the New Hampshire North and Southeast ASU, consisting of a total of 127 census tracts across Belknap, Carroll, Coös, Grafton, Hillsborough, Merrimack, Rockingham, and Strafford counties. The second contiguous area was labeled as the New Hampshire West ASU, consisting of a total of eight census tracts in Cheshire and Sullivan counties. The Employment and Training Administration (ETA) uses ASU information to determine funding allocations for the Adult and Youth Program Activities of the Workforce Investment Act (WIA).

### Mass Layoff Statistics (MLS)

The Mass Layoff Statistics program uses a standardized approach to identify, describe, and track the effects of major job cutbacks. Information is collected for establishments which have at least 25 initial claims for unemployment insurance (UI) filed against them during a consecutive 5-week period to determine the duration, total number of persons separated, the reasons for these separations, and recall expectations. This information is used to analyze economic trends and to aid in the development of programs that may benefit those workers who are displaced from their employment. Prior to July 2013 the MLS program was a Federal-State cooperative effort with the Bureau of Labor Statistics (BLS). However, federal funding for the program was discontinued effective June 30, 2013, and is now operated exclusively by the State. Mass Layoff statistics reported for years prior to 2013 are not comparable to data published for 2013 onward due to the fact that pre-2013 data include only layoff events that meet the BLS criteria of 50 initial claims for UI filed against an establishment during a consecutive 5-week period.

Calendar Year 2013		Calendar Year 2014	
Layoff Events	Initial Claims	Layoff Events	Initial Claims
164	8,831	88	8,724

### 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 49,000 employers with over 600,000 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:

2014 Refiling: . . . . . 86.0%

2015 Refiling: . . . . . 84.0%

### Occupational Employment Statistics (OES)

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

## **Workforce Information Grant Activities**

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

Workforce Information Grant funding supports the New Hampshire Workforce Information Database, a compilation of workforce and economic data gathered from multiple sources and maintained in a relational database. Access to the data is provided through 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 variety of scenarios in support of activities related to the New Hampshire Regional Planning Commissions' Sustainable Communities Grant from the US Housing and Urban Development.

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 *2014 In Review: Recovery; Measuring New Hampshire's Economic Health: A Workforce Perspective*; and *Sullivan County: A Workforce Study*.

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 1,200 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)
- *Work in Progress: Construction in New Hampshire* (September 2014)
- *Manufacturing in New Hampshire Fact Sheet* (September 2014)
- *Veterans in New Hampshire, 2014*
- 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:

- Nursing Job Postings in New Hampshire (June 2015)
- New Hampshire Computer and Information Technology Job Postings (May 2015)

### **Performance Accountability and Customer Information Agency (PACIA)**

PACIA is the reporting unit for Workforce Investment Act Title I-B (WIA) 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 WIA eligible training providers and programs.

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

### **Legal Section**

Since July 2013 the Collections Unit has recovered over \$6.1 million in overpaid benefits, of which over \$5.1 million came from the offset of Federal Income Tax refunds to recapture fraudulently overpaid unemployment benefits. The unit has also recorded just under \$600,000 worth of real estate liens to secure future payment of overpaid benefits. In addition, the Collections Unit has returned 17,039 telephone calls to claimants with questions regarding their debt owed the Department.

From July 1, 2013 through June 30, 2015 the Collections Unit recovered over \$2.6 million in delinquent unemployment taxes from New Hampshire employers, including over \$1 million in funds distrained from employer bank accounts. Also during this period the Collections Unit recorded almost \$1.2 million worth of real estate liens to secure future payment of delinquent unemployment taxes.

# Legislation

Section of Law	Content of Legislation	Implementation
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<b>Chapter 0144</b> ..... <b>(HB 2–FN-A-L)</b>		<b>July 1, 2013</b>
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The bill as enacted establishes the position of deputy commissioner of employment security as an unclassified position requiring appointment by the Governor and Council.

<b>Chapter 0218</b> ..... <b>(SB 143–FN)</b>		<b>July 1, 2013</b>
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This bill as enacted establishes a self-employment assistance program in the department of employment security to pay benefits to unemployed persons who are attempting to establish a business.

<b>Chapter 0206</b> ..... <b>(HB 246)</b>		<b>July 10, 2013</b>
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New legislation enacted under this bill clarifies that the failure/refusal of employers to furnish quarterly reports and include every individual who performed services within the covered time period constitutes a criminal offense. There is also an amendment to current law to include a 20% penalty on overpaid benefits which are received as a result of fraud. Finally, another amendment clarifies that the Superior Court has jurisdiction over civil proceedings for collection of taxes and recovery of overpaid benefits.

<b>Chapter 0039</b> ..... <b>(HB 359)</b>		<b>August 3, 2013</b>
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The bill as enacted allows the commissioner of the department of employment security to send notices of withdrawal of appeals and decisions on requests to reopen appeal tribunal decisions by first class mail rather than by certified mail only.

<b>Chapter 210</b> ..... <b>(HB 361)</b>		<b>September 8, 2013</b>
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The bill as enacted makes changes to New Hampshire Worksharing statutes in order to conform to the Federal Unemployment Tax Act. This includes: (1) Changes to the Worksharing plan section to require a participating employer to certify that the terms and implementation of the Worksharing plan are consistent with employer obligations under applicable federal and state laws; (2) Inclusion of language that eligible employees may participate, as appropriate, in training (including employer-sponsored training or worker training funded under the Workforce Investment Act of 1998) to enhance job skills if such program has been approved by the commissioner, and (3) Inclusion of language that any section of the Worksharing statutes not approved by the Secretary of Labor pursuant to the Federal Unemployment Tax Act shall be severed and not affect the validity of the remaining provisions.

<b>Section of Law</b>	<b>Content of Legislation</b>	<b>Implementation</b>
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<b>Chapter 0047</b> .....		<b>August 3, 2013</b>
<b>(HB 440)</b>		

The bill as enacted requires employing units to report as new hires individuals whom they previously employed, and who have come back to work for them after a separation of 60 consecutive calendar days or more. This is consistent with federal requirements.

<b>Chapter 138</b> .....		<b>June 12, 2015</b>
<b>(HB 361)</b>		

The committee established pursuant to Chapter 138 is charged with following duties: (a) Investigate how many persons are working exclusively at home via the Internet for online business activities and are currently considered employees in both the public and private sector; (b) Analyze and propose changes, if any, to state laws which define employee, including, but not limited to: RSA 275:4, II, RSA 275:42, II, RSA 275-E:1, I; and RSA 279:1, X; (c) Identify other state's definitions of employee pertaining to persons who may be working exclusively at home via the Internet for online business activities, and (d) Analyze the potential impact and the economic advantages and disadvantages in New Hampshire of any proposed legislation.

Membership in the committee is limited to 4 House members and 1 Senate member who may work with and seek information from individuals, organizations, and state agencies including NH DOL and NHES. The committee Report is due on November 1, 2015.

<b>Chapter 220</b> .....		<b>June 30, 2015</b>
<b>(HB 25)</b>		

The capital budget bill contains the extension of lapse dates (including the one pertaining to the Tobey renovation and garage construction) to June 30, 2017.

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

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

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

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

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

**APPENDIX II  
SPECIAL REPORTING REQUIREMENTS  
RSA 6:12-e & RSA 6:12-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. It 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 41% of NHES' administrative costs in SFY2014, and 35.6% in SFY2015. 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, 2013 - June 30, 2014		July 1, 2014 - June 30, 2015	
<b>Beginning Balance:</b>		<b>\$1,610,933.53</b>		<b>\$2,644,257.49</b>
<b>Revenues</b>				
P&I	\$1,259,083.57		\$1,155,830.32	
P&I Investment	\$0.66		\$1.81	
Reed Act Distribution – Title IX	\$0.00		\$0.00	
	\$1,259,084.23		\$1,155,832.13	
0.2% Administrative Assessment	\$13,624,037.31		\$12,284,704.59	
Returned to Trust Fund	\$0.00		\$0.00	
IRS Transfer	\$0.00		\$0.00	
Tobey Facility Transfer	(\$5,250,000.00)		(\$1,575,000.00)	
	\$8,374,037.31		\$10,709,704.59	
<b>Total Revenues:</b>		<b>\$9,633,121.54</b>		<b>\$11,865,536.72</b>
<b>Expenditures</b>				
Penalty & Interest Expenditures	\$318,631.88		\$1,500,294.00	
Facilities Maintenance Expenditures	\$65,453.07		\$49,518.57	
0.2% AA Expenditures	\$6,215,712.63		\$7,044,749.51	
0.2% AA Expenditures – Training Fund	\$2,000,000.00		\$2,000,000.00	
Reed Act Expenditures	\$0.00		\$0.00	
<b>Total Expenditures:</b>		<b>\$8,599,797.58</b>		<b>\$10,594,562.08</b>
<b>Ending Balance:</b>		<b>\$2,644,257.49</b>		<b>\$3,915,232.13</b>

**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 59% of NHES's administrative costs in SFY2014 and 64.4% in SFY2015.

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

<b>Period:</b>	July 1, 2013 through June 30, 2014	July 1, 2014 through June 30, 2015
<b>Beginning Balance:</b>	\$6,592.23	(\$203,687.89)
<b>Revenue:</b>	\$24,908,504.26	\$23,496,570.24
<b>Expenditures:</b>	\$25,118,784.38	\$23,505,741.06
<b>Ending Balance:</b>	(\$203,687.89)	(\$212,858.71)

**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 \$286,916,839.44 on June 30, 2015.

**NHES UNEMPLOYMENT COMPENSATION TRUST FUND<sup>1</sup>**  
**3-YEAR COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND EQUITY**  
**Fiscal Years Ended June 30, 2013, June 30, 2014 & June 30, 2015**

	7/1/12 – 6/30/13	7/1/13 – 6/30/14	7/1/14 – 6/30/15 on 6/30/15
<b>FUND BALANCE, beginning</b>	<b>\$188,829,623</b>	<b>\$249,161,946</b>	<b>\$284,602,537</b>
<b>Revenues:</b>			
Reimbursing Employers	\$11,453,442	\$10,008,263	\$7,648,707
Federal Programs	\$32,450,226	\$10,770,607	\$1,605,182
Fees, Fines, Int., Court Costs & Adm. Contributions	\$14,766,960	\$14,972,690	\$13,353,431
Employer Contributions	\$165,304,986	\$118,471,029	\$51,226,115
Investment Income	\$4,636,774	\$5,872,178	\$6,628,415
NH Title IX Funds	\$0	\$0	\$28,048
NH Titles IX Funds – Reserved for Special Purposes	\$0	\$0	\$156,259
STC - Improvement Implementation Grant	\$0	\$0	\$150,490
<b>Total Operating Revenues</b>	<b>\$228,612,388</b>	<b>\$160,094,767</b>	<b>\$80,796,647</b>
<b>Expenditures:</b>			
Reimbursing Employers	\$11,453,442	\$10,008,263	\$7,648,707
Federal Programs	\$32,450,226	\$10,770,607	\$1,605,182
Fees, Fines, Int., Court Costs & Adm. Contributions	\$14,766,960	\$14,972,690	\$13,353,431
Unemployment Insurance Benefit Payments	\$107,378,626	\$87,831,725	\$65,135,365
Provision for Doubtful Receivables	\$2,230,811	\$1,070,891	(\$99,117)
<b>Total Operating Revenues</b>	<b>\$168,280,065</b>	<b>\$124,654,176</b>	<b>\$87,643,568</b>
<b>FUND BALANCE, ending</b>	<b>\$249,161,946</b>	<b>\$284,602,537</b>	<b>\$277,755,616</b>
<b>Net Change in Fund Balance for the Year</b>	<b>\$60,332,323</b>	<b>\$35,440,591</b>	<b>-\$6,846,921</b>

<sup>1</sup> UCTF Financial Statements include State & Federal Funds Payable & Receivable Amounts

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

Year *	Contributions**	Fines, Penalties & Interest***	Trust Fund Interest	Total Collections
1996	\$47,595,722.36	\$428,963.75	\$17,520,175.37	\$65,544,861.48
1997	\$29,824,746.34	\$3,138,699.44	\$18,091,901.98	\$51,055,347.76
1998	\$26,681,551.60	\$3,337,617.03	\$18,822,006.46	\$48,841,175.09
1999	\$28,795,329.06	\$3,597,759.37	\$19,390,927.21	\$51,784,015.64
2000	\$31,879,620.94	\$4,159,366.07	\$20,145,866.82	\$56,184,853.83
2001	\$33,474,556.56	\$4,428,045.34	\$21,366,072.25	\$59,268,674.15
2002	\$33,170,185.61	\$4,469,324.65	\$20,605,613.48	\$58,245,123.74
2003	\$34,512,303.33	\$4,221,593.62	\$17,487,314.48	\$56,221,211.43
2004	\$71,875,123.30	\$4,652,738.56	\$13,684,779.29	\$90,212,641.15
2005	\$88,667,505.62	\$4,972,961.98	\$13,328,448.30	\$106,968,915.90
2006	\$68,864,045.84	\$4,845,526.57	\$12,312,949.91	\$86,022,522.32
2007	\$62,663,910.90	\$4,900,920.31	\$12,413,129.17	\$79,977,960.38
2008	\$52,161,671.22	\$8,756,729.78	\$11,498,459.88	\$72,416,860.88
2009	\$71,950,284.32	\$8,799,362.84	\$6,927,639.14	\$87,677,286.30
2010	\$157,820,295.45	\$9,301,997.98	\$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

\*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
1996	\$65,544,861.48	\$439,005.77	\$65,105,855.71	\$40,617,073.36	\$0.00	\$263,407,305.80	62.4%
1997	\$51,055,347.76	\$3,135,953.91	\$47,919,393.85	\$39,020,621.72	\$0.00	\$272,306,077.93	81.4%
1998	\$48,841,175.09	\$3,334,130.04	\$45,507,045.05	\$31,092,124.47	\$0.00	\$286,720,998.51	68.3%
1999	\$51,784,015.64	\$3,484,248.32	\$48,299,767.32	\$33,485,170.21	\$74,894.44	\$301,610,490.06	69.3%
2000	\$56,184,853.83	\$4,136,801.90	\$52,048,051.93	\$34,794,970.36	\$404,529.00	\$319,268,100.63	66.9%
2001	\$59,268,674.15	\$4,565,713.90	\$54,702,960.25	\$34,332,116.30	-\$6,677.00	\$339,632,267.58	62.8%
2002	\$58,245,123.74	\$4,457,893.37	\$53,787,230.37	\$108,111,505.50	\$38,470,395.00	\$323,778,387.45	201.0%
2003	\$56,221,211.43	\$4,224,014.22	\$51,997,197.21	\$116,184,580.19	-\$392,627.00	\$259,198,377.47	223.4%
2004	\$90,212,641.15	\$4,657,594.71	\$85,555,046.44	\$104,859,849.31	-\$489,387.04	\$239,404,187.56	122.6%
2005	\$106,968,915.90	\$4,959,419.69	\$102,009,496.21	\$79,162,596.76	-\$5,425.47	\$262,245,661.54	77.6%
2006	\$86,022,522.32	\$4,863,218.02	\$81,159,304.30	\$72,969,059.57	-\$143,578.30	\$270,292,327.97	89.9%
2007	\$79,977,960.38	\$4,879,845.11	\$75,098,115.27	\$85,501,740.69	-\$788,675.48	\$259,100,027.07	113.9%
2008	\$72,416,860.88	\$8,777,047.14	\$63,639,813.74	\$100,661,196.08	-\$4,775,887.40	\$217,302,757.33	158.2%
2009	\$87,677,286.30	\$8,794,900.53	\$78,882,385.77	\$208,992,453.94	\$8,927,891.00	\$96,120,580.16	264.9%
2010	\$168,724,332.62	\$9,308,182.71	\$159,416,149.91	\$212,106,732.23	-\$24,605,743.42****	\$18,824,254.42	145.6%
2011	\$204,014,465.13	\$11,394,519.76	\$192,619,945.37	\$147,385,329.42	\$0.00	\$64,058,870.37	76.5%
2012	\$232,896,368.18	\$13,384,772.02	\$219,511,596.16	\$134,203,380.90	\$0.00	\$149,367,085.63	61.1%
2013	\$207,050,575.36	\$14,719,883.01	\$192,330,692.35	\$116,141,036.24	\$0.00	\$225,556,741.74	60.4%
2014	\$157,478,097.39	\$14,883,120.88	\$142,594,976.51	\$95,694,538.17	\$0.00	\$272,457,180.08	67.1%
2015	\$105,841,081.60	\$13,345,320.49	\$92,495,761.11	\$78,064,150.23	\$28,048.48	\$286,916,839.44	84.4%

\*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, 2014**

<b>Assets</b>		<b>Liabilities and Fund Balance</b>	
Cash .....	\$291,055,149	Payment Due Other Jurisdictions/Overpayments (Total Liabilities) .....	\$13,299,533
Receivables .....	\$3,840,975	Reserve for Unemployment Compensation Benefits (Fund Balance) .....	\$277,755,616
<b>Total Assets</b> .....	<b>\$291,055,149</b>	<b>Total Liabilities &amp; Fund Balances</b> . . . .	<b>\$291,055,149</b>

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

**UNEMPLOYMENT COMPENSATION HIGHLIGHTS**  
**State Fiscal Years 2012, 2013 and 2014**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
The amount of state UC Benefits paid <sup>1,2</sup>	\$116,141,036.24	\$95,694,538.17	\$78,064,150.23
Employer taxes collected to support the Trust Fund <sup>2,3</sup>	\$187,698,389.57	\$136,708,566.29	\$85,876,904.70

<sup>1</sup> includes UI, CWC Receivable & Payable, SW, NP & PS Employers

<sup>2</sup> excludes Fees, Interest, Adm. Contrib. and Court Costs Payable

<sup>3</sup> includes UI, SW, NP, PS Employers