

29 for mac



Jeffrey A. Meyers
Commissioner

Christine L. Santaniello
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF ECONOMIC & HOUSING STABILITY

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9404 1-800-852-3345 Ext. 9404
Fax: 603-271-4230 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

May 8, 2019

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Economic and Housing Stability to enter into an Memorandum of Agreement with New Hampshire Employment Security (NHES), Economic and Labor Information (ELMI) Bureau to conduct, in partnership with the Department and technical experts, an economic analysis of the "cliff effect" across New Hampshire in an amount not to exceed \$60,000, effective upon the date of Governor and Executive Council approval, and will remain in effect until terminated by agreement of the parties when the project is completed. 100% General Funds.

Funds are available in the following account for State Fiscal Year 2019.

**05-95-45-4510-6127 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,
HHS: DIVISION OF TRANSITIONAL ASSISTANCE, BUREAU OF FAMILY ASSISTANCE,
EMPLOYMENT SUPPORT**

Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
SFY 2019	049-584927	Transfer to Other State Agencies	45058211	\$60,000
			Total	\$60,000

EXPLANATION

Approval of this Memorandum of Understanding will allow the Department of Health and Human Services to provide funding to New Hampshire Employment Security to conduct an economic analysis of the "cliff effect" across New Hampshire. The cliff effect describes what happens when wages alone do not equally make up for the loss of public benefits for working families. Prior to determining what policy changes are necessary to close the cliff effect, it is necessary to fully understand the economic dynamics by region across the state and determine what policy changes are best to close the cliff effect.

This analysis will help the Department fully understand the wage and benefits dynamics, identify policy changes with maximum potential impact for workers, and identify changes for impactful economic growth for all areas of our state. In order to support workers in successfully transitioning to work and support their career goals, an analysis of how federal and state benefits for families interact with the local economy is critical. Additionally, a community-by-community analysis to identify the needs unique to each community and an action plan to solve the benefits cliff at the local level. A final step will focus on examining and conducting an impact analysis on those policies that are most promising in solving the cliff effect.

Specific questions the analysis will answer are:

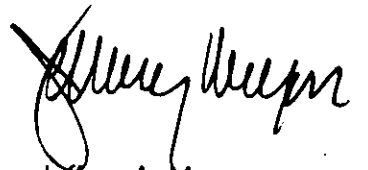
- What are the identified cliffs in New Hampshire, community by community and how can we create off ramps to these cliffs?
- What tools do parents and state/community workers need to understand how the cliff effect impacts workers' aspirations and decisions for families?
- How can we combine family economic goals and work ambitions with the worker shortage in an intentional, targeted manner?
- What populations are in deepest need of a rapid benefits cliff solution?
- How can business and government together reduce our worker shortage?
- How can we remove government barriers to sustainable employment and family resiliency?

Should the Governor and Executive Council not approve this request, the state of New Hampshire's ability to address the impact of the cliff effect will be significantly diminished.

Area served: Statewide

Source of Funds: 100% General Funds. If General Funds become unavailable, additional General Funds will not be requested.

Respectfully submitted,



Jeffrey A. Meyers
Commissioner

**MEMORANDUM OF
UNDERSTANDING**

BETWEEN THE

**NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN
SERVICES**

**129 Pleasant Street
Concord, NH 03301**

AND

NEW HAMPSHIRE EMPLOYMENT SECURITY

**45 South Fruit Street
Concord, NH 03301**

I. PURPOSE

This Memorandum of Understanding (MOU) is between the New Hampshire Department of Health and Human Services (NH DHHS) and New Hampshire Employment Security (NHES). The purpose of this MOU is to explain the respective roles of each agency in conducting an economic analysis to understand the economic, demographic, and policy factors affecting the cliff effect across New Hampshire. The cliff effect means the experience of individuals or families who receive public benefits and when new or increased income results in a reduction or loss of public benefits, but the increased income does not fully compensate for or exceed the loss of those public benefits. This analysis shall be undertaken to help the State fully understand the wage and benefits dynamics, identify policy changes of the cliff effect with maximum potential impact for working families, and identify changes for impactful economic growth and family self-sufficiency for all areas of the State.

II. GENERAL RESPONSIBILITIES

- A. Subject to NHES and NH DHHS compliance with the terms and conditions of this MOU, NH DHHS shall reimburse NHES for the actual agreed upon costs for completing the economic analysis to close the cliff effect. The total amount of all payments made to NHES for costs and expenses incurred in the performance of this

MOU shall not exceed \$60,000.

- B. NHES agrees to conduct an economic analysis regarding the cliff effect. This analysis shall include a statewide community-by-community analysis, which shall identify the unique needs to each community and recommendations to solve the benefits cliff at the state, local, and possibly federal level that are most promising to solving the cliff effect. The questions that the analysis will answer include but are not limited to:
- What is the cliff effect in the state, by regions and the entire state?
 - How does the cliff effect hamper family mobility?
 - What fiscal impacts does the cliff effect have on the shortage of eligible workers in the state and what is the impact for businesses, communities, and state revenue?
 - How does the cliff effect impact certain populations such as young families? What is the link to child well-being and risk outcomes?
 - If certain policies were selected to apply towards closing the cliff effect, how would they best be prioritized and implemented and why?
- C. NHES agrees that it will also issue a Request for Proposals (RFP) to meet some of the purposes of this MOU and NHES will involve NH DHHS in the writing and scoring of the RFP and selection of vendor.
- D. The parties agree to meet at least monthly regarding this MOU once this MOU is approved by Governor and Executive Council.
- E. NH DHHS agrees to share information with NHES so that NHES or its subcontractor may complete the economic analysis. This information shall include, program eligibility information and *aggregate* data regarding public assistance programs including, but not limited to: Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Medicaid, Child Care, Housing data, and Free and Reduced meals.
- F. The parties agree that NH DHHS will not provide NHES *any* confidential data regarding individuals receiving public assistance.

G. NHES agrees that the cliff effect study shall be completed within six (6) months of this MOU being approved by Governor and Executive Council.

III. AMENDMENT

A. This MOU may be amended at any time upon written agreement of both parties and approval by Governor and Executive Council.

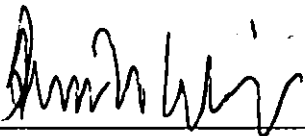
IV. DURATION

A. This MOU is effective upon being approved by Governor and Executive Council and will continue in effect until terminated by either party by written notice to the other party.

V. GOVERNING LAW

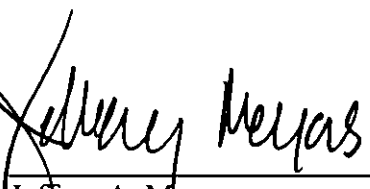
A. This MOU shall be governed by, and construed in accordance with, the laws of the State of New Hampshire.

5/7/19
Date



George N. Copadis
Commissioner
New Hampshire Employment Security

5/15/19
Date



Jeffrey A. Meyers
Commissioner
New Hampshire Department of Health &
Human Services

The preceding memorandum of Understanding, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

5/16/2019
Date



I hereby certify that the foregoing Memorandum of Understanding was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on:

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title: