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

Lori A. Shibanette  
Commissioner

Christine L. Santaniello  
Director

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

July 20, 2020

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

**INFORMATIONAL ITEM**

Pursuant to RSA 4:45, RSA 4:47, and Section 4 of Executive Order 2020-04 as extended by Executive Orders 2020-05, 2020-08, 2020-09, and 2020-10, Governor Sununu has authorized the Department of Health and Human Services, Division of Economic and Housing Stability, to amend an existing Memorandum of Understanding with New Hampshire Employment Security to expand upon the economic analysis of the "cliff effect" across New Hampshire due to the COVID-19 pandemic, by increasing the total price limitation by \$80,000 from \$60,000 to \$140,000 effective upon the date of Governor approval through the date of termination by agreement of the parties when the project is completed. 100% Federal Funds. The Memorandum of Understanding was approved by the Governor and Council on June 5, 2019 (Item# 29).

Funds are available in the following account for State Fiscal Year 2021, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

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

SFY	Class/ Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Modified Budget Amount
2020	19400000- 049-584926	Transfer to Other State Agencies	45058211	\$60,000	0	\$60,000
			<b>Total</b>	\$60,000	0	\$60,000

**05-95-42-421110-1940 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT,  
HHS: HUMAN SERVICES DIV, CHILD DEVELOPMENT, CHILD CARE – GOFERR FUNDS**

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget	Increased (Decreased) Amount	Revised Budget
2021	049-588527	Transfer to Other State Agencies	42117797	\$0	\$80,000	\$80,000

**EXPLANATION**

Approval of this amendment to the Memorandum of Understanding will allow the Department of Health and Human Services (Department) to provide additional funding to New Hampshire Employment Security (NHES) to expand upon the economic analysis of the "cliff effect" across New Hampshire. The cliff effect means the experience of individuals or families who receive public benefits, whose 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. It describes what happens when wages alone do not equally make up for the loss of public benefits for working families.

The analysis described in the Memorandum of Understanding was initially 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.

The impact of CoVID-19 has caused the Department and the Department of Employment Security to re-examine the initial scope of data collection and expand this to include Unemployment Data and Child Care availability. At the time of the original engagement, Unemployment Data was not looked at, due to New Hampshire's low unemployment rate, nor was the availability of childcare in certain communities, the focus was on child care affordability. Due to the COVID-19 pandemic and the widespread impact on New Hampshire's workforce, business climate and entire economy, the analysis is being expanded to include both of these areas of focus. The Department, working together with NHES needs to include both of these issues and will expand the scope and time frame of the analysis.

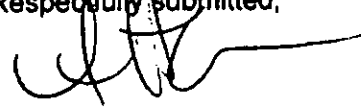
Approval of this transfer will allow the Department of Health and Human Services to provide funding to New Hampshire Employment Security (NHES) to continue and expand on the economic analysis of the "cliff effect" across New Hampshire. The impact of CoVID-19 has caused the Department and the Department of Employment Security to re-examine the initial scope of data collection and expand this to include Unemployment Data and Child Care availability. At the time of the original engagement, Unemployment Data was not looked at, due to New Hampshire's low unemployment rate, nor was the availability of childcare in certain communities, the focus was on child care affordability. Due to the COVID-19 pandemic and the widespread impact on New Hampshire's workforce, business climate and entire economy, the analysis is being expanded to include both of these areas of focus. The Department, working together with NHES needs to include both of these issues and will expand the scope and time frame of the analysis.

Area served: Statewide

Source of Funds: CFDA # 21.019, FAIN#TBD

The Department will not request General Funds in the event that Federal Funds are no longer available.

Respectfully submitted,



Lori A. Shabinette  
Commissioner

**New Hampshire Department of Health and Human Services  
Cliff Effect Memorandum of Understanding**



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**State of New Hampshire  
Department of Health and Human Services  
Amendment #1 to the Cliff Effect Memorandum of Understanding**

This 1<sup>st</sup> Amendment to the Cliff Effect Memorandum of Understanding (MOU) (hereinafter referred to as "Amendment #1") is by and between the New Hampshire Department of Health and Human Services (hereinafter referred to as the "Department") of 129 Pleasant Street, Concord, NH 03301 and New Hampshire Employment Security (hereinafter referred to as the "NHES"), a state agency located at 45 South Fruit Street, Concord, NH 03301.

WHEREAS, pursuant to the Memorandum of Understanding ("MOU") approved by the Governor and Executive Council on June 5, 2019 (Item #29), NHES agreed to perform certain services based upon the terms and conditions specified in the MOU, and in consideration of certain sums specified; and

WHEREAS, the parties agree to modify the terms of the MOU and increase the price limitation to support continued delivery of these services;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the MOU and set forth herein, the parties hereto agree as follows:

1. All modifications to the MOU are included in Amendment #1 to the Memorandum of Understanding, which is attached hereto and incorporated by reference herein.


*[Handwritten Signature]*  
7/2/20



**New Hampshire Department of Health and Human Services  
Cliff Effect Memorandum of Understanding**

All terms and conditions of the MOU not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

  
\_\_\_\_\_  
Lori A. Shibinette, Commissioner  
Department of Health and Human Services

7/21/2020  
Date

  
\_\_\_\_\_  
George N. Copadis, Commissioner  
New Hampshire Employment Security

7/24/20  
Date

**New Hampshire Department of Health and Human Services  
Cliff Effect Memorandum of Understanding**



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

OFFICE OF THE ATTORNEY GENERAL

07/22/20

Date

*Catherine Pinos*

Name:

Title: Catherine Pinos, Attorney

**AMENDMENT #1 TO THE  
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 is the first amendment to the Memorandum of Understanding (MOU) between the New Hampshire Department of Health and Human Services (NH DHHS) and New Hampshire Employment Security (NHES), approved by the Governor and Executive Council on June 5, 2019 (Item#29). 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 both pre-COVID-19 pandemic and post pandemic. This MOU is being updated due to the COVID-19 pandemic and the impact on the State of NH, individuals and families, and businesses. 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 \$140,000.

B. NHES agrees to continue conducting 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?

Due to the COVID-19 pandemic and the widespread impact on New Hampshire's workforce, business climate and entire economy, the following will be added to the analysis:

- Unemployment Data: Analyzing the particular reasons for receiving enhanced unemployment benefits in order to then help inform both short term and long term policy needs around child care as more and more of the economy opens back up and the workforce returns to normal levels. At the time of the original engagement, Unemployment Data was not looked at, due to New Hampshire's low unemployment rate. This data will be essential to the State of NH as we continue the recovery phase of the COVID-19 pandemic; and
- Child Care availability, to include affordability and access at a community level. This data will be specific by geography and at a minimum include the following:

household characteristics - gender, earnings prior to unemployment, the employment sectors, and community demographics. At the time of the original engagement, availability of childcare, particularly availability in certain communities, was not an area of focus. This data will be essential to the State of NH as we continue the recovery phase of the COVID-19 pandemic.

- How has increased unemployment across the state and among different industries due to the COVID-19 pandemic affected the probability that individuals will confront benefit cliff decisions in different communities and regions of the state. Do COVID-19 induced employment impacts fundamentally alter benefit cliff calculations or are the impacts transitory.
  - How will the COVID-19 pandemic broaden the population with child care demands thus accelerating concerns around child care availability and affordability for all and how does that restrict economic mobility for both the population previously facing a child care related benefit cliff prior to the pandemic and the population now facing a labor force participation cliff due to child care constraints.
- C. NHES agrees that it will amend the existing contract with Econsult Solutions Inc., to broaden the scope of work to cover the topics discussed herein in this MOU and NHES will involve NH DHHS in negotiation of the contract amendment.
- D. 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.
- E. The parties agree that NH DHHS will not provide NHES *any* confidential data regarding individuals receiving public assistance.
- F. NHES agrees that the expanded scope cliff effect study shall be completed by no later than September 18, 2020.



### **III. AMENDMENT**

- A. This MOU may be amended at any time upon written agreement of both parties and required State approval.

### **IV. DURATION**

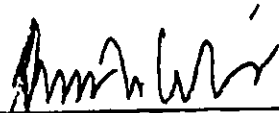
- A. This amendment to the MOU is effective upon being approved by the Governor and will continue in effect until terminated by either party by written notice to the other party.

### **V. ADDITIONAL TERMS**

- A. This Memorandum of Understanding shall be governed by, and construed in accordance with, the laws of the State of New Hampshire. Disputes arising under this Memorandum of Understanding which cannot be resolved between the agencies shall be referred to the New Hampshire Department of Justice for review and resolution.
- B. The parties hereto do not intend to benefit any third parties and this Memorandum of Understanding shall not be construed to confer any such benefit.
- C. In the event any of the provisions of this Memorandum of Understanding are held to be contrary to any state or federal law, the remaining provisions of this Memorandum of Understanding will remain in full force and effect.
- D. This Memorandum of Understanding, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Memorandum of Understanding and understandings between the parties, and supersedes all prior Memoranda of Understanding and understandings relating hereto.
- E. Nothing herein shall be construed as a waiver of sovereign immunity, such immunity being hereby specifically preserved.

2/2/20

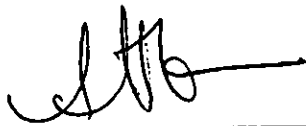
Date



George N. Copadis  
Commissioner  
New Hampshire Employment Security

7/21/2020

Date



*File* Lori A. Shibanette  
Commissioner  
New Hampshire Department of Health and  
Human Services

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

OFFICE OF THE ATTORNEY GENERAL

*Catherine Pinos*

Name:

Title: Catherine Pinos, Attorney

07/22/20

Date



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  
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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
			<b>Total</b>	<b>\$60,000</b>

**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.

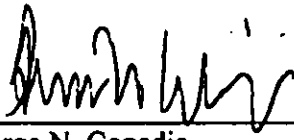
**IV. DURATION**

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.

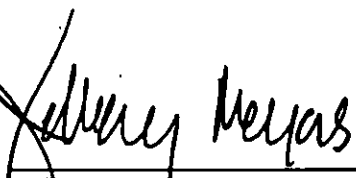
**V. GOVERNING LAW**

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

5/17/19  
Date

  
\_\_\_\_\_  
George N. Copadis  
Commissioner  
New Hampshire Employment Security

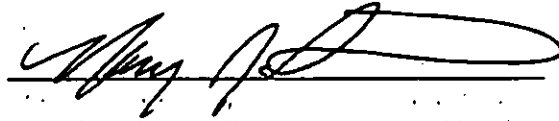
5/15/19  
Date

  
\_\_\_\_\_  
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: