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ADMINISTRATIVE OFFICE  
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CONCORD, NH 03301-4857



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

October 26, 2020

The Honorable Mary Jane Wallner, Chairman  
Fiscal Committee of the General Court, and

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

**INFORMATIONAL ITEM**

Pursuant to RSA 21-P:43; RSA 4:45; RSA 4:47; and Executive Order 2020-04, as extended by Executive Orders 2020-05, 2020-08, 2020-09, 2020-10, 2020-14, 2020-15, 2020-16, 2020-17, 2020-18 and 2020-20, Governor Sununu has authorized the New Hampshire Employment Security (NHES) to accept and expend \$8,875,726 in additional federal funds from the United States Department of Labor – Employment and Training Administration (USDOL-ETA) resulting from the significant increase in unemployment claims due to COVID-19 through June 30, 2021. 100% Federal Funds.

02-027-027-270010-80400000 Employment Security			SFY 2021		
Class	Account	Class Description	Current Budget	Requested Action	Revised Budget
000	404625	FEDERAL FUNDS	(\$27,161,426)	(\$8,875,726)	(\$36,037,152)
001	484922	TRANSFERS FROM OTHER AGENCY	(\$895,757)		(\$895,757)
003	407549	REVOLVING FUNDS	(\$11,658,183)		(\$11,658,183)
009	402338	AGENCY INCOME	(\$593,391)		(\$593,391)
00D	488522	TRANSFERS FROM OTHER AGENCY	(\$4,523,000)		(\$4,523,000)
<b>TOTAL REVENUE:</b>			<b>(\$44,831,757)</b>	<b>(\$8,875,726)</b>	<b>(\$53,707,483)</b>
010	500100	PERSONAL SERVICES PERM CLAS	\$13,428,549	\$761,612	\$14,190,161
011	500126	PERSONAL SERVICES UNCLASSIF	\$232,480		\$232,480
012	500128	PERSONAL SERVICES UNCLASSIF	\$108,451		\$108,451
013	500131	PERSONAL SERVICES UNCLASSIF	\$347,354		\$347,354
018	500106	OVERTIME	\$1,078,239	\$2,750,000	\$3,828,239
019	500105	HOLIDAY PAY	\$25,499		\$25,499
020	500200	CURRENT EXPENSES	\$626,160	\$60,000	\$686,160
022	500248	RENTS-LEASES OTHER THAN STA	\$443,514		\$443,514
023	500291	HEAT ELECTRICITY WATER	\$479,773	\$25,000	\$504,773
024	500225	MAINT OTHER THAN BUILD-GRN	\$220,287	\$20,000	\$240,287
026	500251	ORGANIZATIONAL DUES	\$25,500		\$25,500
027	582703	TRANSFERS TO DOIIT	\$4,866,731		\$4,866,731
028	582814	TRANSFERS TO GENERAL SERVIC	\$1		\$1

Class	Account	Class Description	Current Budget	Requested Action	Revised Budget
030	500331	EQUIPMENT NEW REPLACEMENT	\$51,713	\$30,000	\$81,713
037	500174	TECHNOLOGY-HARDWARE	\$462,323	\$540,000	\$1,002,323
038	509038	TECHNOLOGY-SOFTWARE	\$6,489,598	\$1,000,000	\$7,489,598
039	500188	TELECOMMUNICATIONS	\$479,728	\$40,000	\$519,728
040	500800	INDIRECT COSTS	\$372,976	\$25,000	\$397,976
041	500801	AUDIT FUND SET ASIDE	\$30,943	\$8,876	\$39,819
042	500620	ADDITIONAL FRINGE BENEFITS	\$1,196,691	\$429,762	\$1,626,453
046	500460	CONSULTANTS	\$4,000		\$4,000
047	500240	OWN FORCES MAINT BUILD-GRN	\$9,210		\$9,210
048	500226	CONTRACTUAL MAINT BUILD-GRN	\$340,409	\$175,000	\$515,409
049	584995	TRANSFER TO OTHER STATE AGENCY	\$9,104		\$9,104
050	500109	PERSONAL SERVICE TEMP APPOI	\$865,656		\$865,656
057	500531	BOOKS PERIODICALS SUBSCRIPT	\$11,300		\$11,300
059	500117	TEMP FULL TIME	\$496,026	\$608,827	\$1,104,853
060	500601	BENEFITS	\$8,237,249	\$1,480,550	\$9,717,799
061	500536	UNEMPLOYMENT COMPENSATION	\$20,000		\$20,000
062	500538	WORKERS COMPENSATION	\$125,000		\$125,000
065	500542	BOARD EXPENSES	\$15,000		\$15,000
066	500544	EMPLOYEE TRAINING	\$6,907	\$9,999	\$16,906
070	500700	IN STATE TRAVEL REIMBURSEME	\$84,900		\$84,900
080	500710	OUT OF STATE TRAVEL REIMB	\$37,000		\$37,000
085	588512	INTER-AGENCY TRANSFERS-FEDERAL	\$0	\$465,000	\$465,000
102	500731	CONTRACTS FOR PROGRAM SERVI	\$3,390,000	\$343,100	\$3,733,100
103	500740	CONTRACTS FOR OP SERVICES	\$188,956	\$90,000	\$278,956
211	501530	CATASTROPHIC CASUALTY INS	\$3,373		\$3,373
229	500764	SHERIFF REIMBURSEMENT	\$5,500	\$5,000	\$10,500
230	500765	INTERPRETER SERVICE	\$15,657	\$8,000	\$23,657
<b>TOTAL EXPENDITURES:</b>			<b>\$44,831,757</b>	<b>\$8,875,726</b>	<b>\$53,707,483</b>

### EXPLANATION

The accepted funds are from the United States Department of Labor – Employment and Training Administration (USDOL-ETA) for unemployment claims-related workloads in excess of that which was funded in our Unemployment Insurance (UI) base grant. The funds will be used to support anticipated costs associated with the increase in unemployment claim volumes resulting from the COVID-19 pandemic.

Due to the unexpected nature of the COVID-19 pandemic, NHES was not able to forecast or budget these funds in advance.

The funds have been budgeted as follows:

Class 010 – The funds will be used to support nineteen (19) full-time permanent positions.

Class 018 – The funds will be used to pay anticipated overtime expenses to be incurred in response to increased workloads.

Class 020 – The funds will be used to pay increased current expenses in response to increased workloads.

Class 023 – The funds will be used to pay increased utility costs associated with longer hours of operation.

Class 024 – The funds will be used to pay increased equipment maintenance costs associated with increased workloads.

Class 030 – The funds will be used to pay for necessary office equipment/furniture for new staff.

Class 037 – The funds will be used to pay for anticipated computer hardware replacements.

Class 038 – The funds will be used to pay for necessary desktop software updates/products and potential further NH Unemployment Insurance Benefit System enhancements.

Class 039 – The funds will be used to pay for additional phone lines and anticipated increased usage.

Class 040 – The funds will be used to pay increased indirect costs associated with additional federal funding.

Class 041 – The funds will be used to pay increased audit fee set aside associated with additional federal funding.

Class 042 – The funds will be used to pay increased post-retirement costs associated with the additional salary costs incurred in response to increased workloads.

Class 048 – The funds will be used to support a general increase in building and grounds costs as well as to pay a portion of the cost to equip NHES with plexiglass partitions.

Class 059 – The funds will be used to fund existing full-time temporary positions needed to assist with increased workloads.

Class 060 – The funds will be used to pay increased fringe benefit costs associated with increased salary costs.

Class 066 – The funds will be used to support training expenses associated with new staff.

Class 085 – The funds will be used to support Memorandums of Understanding with other agencies assisting NHES with the increased workloads.

Class 102 – The funds will be used to support costs associated with anticipated program contracts.

Class 103 – The funds will be used to pay for operational contracts cost increases.

Class 229 – The funds will be used to support anticipated court-related costs related with increased workloads.

Class 230 – The funds will be used to support anticipated increases in interpreter services.

The following information is provided in accordance with the Comptroller's instructional memorandum dated September 21, 1981.

- 1) List of personnel involved:
  - a. Full-time permanent positions (11007, 11029, 11035, 11081, 11097, 11102, 11119, 11234, 11237, 11243, 11260, 11290, 11316, 41598, 43669, 43670, 44004, 44107, and 44108) and full-time temporary positions (exact titles and quantities will vary depending on specific need) to assist with claims activities (such as certifying officers, interviewers, program assistants/specialists, etc.).
- 2) Nature, Need, and Duration:
  - a. To assist with the unprecedented volume of unemployment claims and related fraud cases resulting from the COVID-19 crisis.
- 3) Relationship to existing agency programs:
  - a. These funds are related to our existing Unemployment Insurance program.
- 4) Has a similar program been requested of the legislature and denied?
  - a. No.
- 5) Why wasn't funding included in the agency's budget request?
  - a. NHES could not have forecasted or budgeted for the circumstances surrounding the COVID-19 crisis.
- 6) Can portions of the grant funds be utilized?
  - a. Based on the volume of current claims and estimated future claims, NHES anticipates the entire grant will be necessary.
- 7) Estimate the funds required to continue this position(s):
  - a. The increase in staffing costs will continue as long as the increased workloads resulting from COVID-19 related shutdowns continue.

There are no General Funds required with this request. In the event that these funds become no longer available, General funds will not be requested to support these expenditures.

Respectfully submitted,



George N. Copadis  
Commissioner

GNC/jdr