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# Committee Report

**REGULAR CALENDAR**

**April 24, 2019**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Majority of the Committee on Labor, Industrial and Rehabilitative Services to which was referred SB 2-FN,**

**AN ACT relative to funding for job training programs in the department of business and economic affairs.**

**Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.**

**Rep. Timothy Soucy**

**FOR THE MAJORITY OF THE COMMITTEE**

**MAJORITY  
COMMITTEE REPORT**

Committee:	Labor, Industrial and Rehabilitative Services
Bill Number:	SB 2-FN
Title:	relative to funding for job training programs in the department of business and economic affairs.
Date:	April 24, 2019
Consent Calendar:	REGULAR
Recommendation:	OUGHT TO PASS WITH AMENDMENT 2019-1523h

**STATEMENT OF INTENT**

The majority of the committee feels this legislation will help New Hampshire businesses attract workers. The legislation revises the job training programs offered by the department of business and economic affairs. This legislation creates a special fund, to be known as the training fund. It adds \$4 million dollars to the fund and expands training to unemployed workers and current workers as well.

Vote 12-8.

Rep. Timothy Soucy  
FOR THE MAJORITY

Original: House Clerk  
Cc: Committee Bill File

## REGULAR CALENDAR

Labor, Industrial and Rehabilitative Services

**SB 2-FN**, relative to funding for job training programs in the department of business and economic affairs. **MAJORITY: OUGHT TO PASS WITH AMENDMENT. MINORITY: INEXPEDIENT TO LEGISLATE.**

Rep. Timothy Soucy for the **Majority** of Labor, Industrial and Rehabilitative Services. The majority of the committee feels this legislation will help New Hampshire businesses attract workers. The legislation revises the job training programs offered by the department of business and economic affairs. This legislation creates a special fund, to be known as the training fund. It adds \$4 million dollars to the fund and expands training to unemployed workers and current workers as well. **Vote 12-8.**

# COMMITTEE REPORT

COMMITTEE: Labor

BILL NUMBER: SB 2

TITLE: Relative to funding for job training programs in the department of business and economic affairs

DATE: 4/24/19 CONSENT CALENDAR: YES  NO

- OUGHT TO PASS
- OUGHT TO PASS W/ AMENDMENT
- INEXPEDIENT TO LEGISLATE
- INTERIM STUDY (Available only 2<sup>nd</sup> year of biennium)

Amendment No.  
2019-1523h



## STATEMENT OF INTENT:

The majority of the committee feels this legislation will help NH businesses attract workers.

The legislation revises the job training programs offered by the department of business and economic affairs. This legislation creates a special fund to be known as the training fund. It adds \$4,000,000 to the fund and expands training to unemployed workers and current workers as well.

COMMITTEE VOTE: 12-8

RESPECTFULLY SUBMITTED,

- Copy to Committee Bill File
- Use Another Report for Minority Report

Rep. Tim Soucy  
For the Committee

Rep. Soucy, Merr. 16  
Sen. Cavanaugh, Dist 16  
Sen. Feltes, Dist 15  
April 17, 2019  
2019-1523h  
04/05

Amendment to SB 2-FN

1 Amend the bill by replacing section 3 with the following:

2

3 3 Unemployment Compensation; Contribution Rates. Amend RSA 282-A:87, IV(a) to read as  
4 follows:

5 IV.(a)(1) Each employer subject to payment of contributions pursuant to RSA 282-A:69, I  
6 shall have its rate reduced by [~~2/10~~] *2/5* of one percent beginning in the [~~second~~] *fourth* quarter of  
7 [~~2007~~] *2019*. An administrative contribution equal to the amount of this reduction shall be paid by  
8 all such employers.

9 (2) Commencing [~~July 1, 2007~~] *January 1, 2020*, after deduction of all costs  
10 incurred in the collection of the administrative contribution, 1/3 of the quarterly administrative  
11 contribution collected, not to exceed [~~\$2,000,000~~] *\$6,000,000* annually, shall be deposited each  
12 quarter in the fund established by RSA 282-A:138-a and shall be expended only as provided by and  
13 for the purposes provided in that section *and shall lapse to the unemployment trust fund*  
14 *account established in RSA 282-A:104, I(b) if unspent or unencumbered at the end of the*  
15 *relevant program year*. The remaining quarterly administrative contribution collected shall be  
16 *divided so that the proportional share of the quarterly administrative contribution*  
17 *resulting from the increase over 2/10 of one percent shall be deposited in the*  
18 *unemployment compensation fund established in RSA 282-A:103 and the remaining*  
19 *amount* deposited in the fund established by RSA 282-A:140 and shall be expended only as  
20 provided by and for the purposes provided in that section, and not for any other purpose.

**REGULAR CALENDAR**

**April 24, 2019**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Minority of the Committee on Labor, Industrial and Rehabilitative Services to which was referred SB 2-FN,**

**AN ACT relative to funding for job training programs in the department of business and economic affairs.**

**Having considered the same, and being unable to agree with the Majority, report with the following resolution:**

**RESOLVED, that it is INEXPEDIENT TO LEGISLATE.**

**Rep. Hershel Nunez**

**FOR THE MINORITY OF THE COMMITTEE**

**MINORITY  
COMMITTEE REPORT**

Committee:	Labor, Industrial and Rehabilitative Services
Bill Number:	SB 2-FN
Title:	relative to funding for job training programs in the department of business and economic affairs.
Date:	April 24, 2019
Consent Calendar:	REGULAR
Recommendation:	INEXPEDIENT TO LEGISLATE

**STATEMENT OF INTENT**

The minority of the committee recognizes that trusts are set up just for that. The House body should not be introducing legislation to manipulate the governing trusts set up to fund these programs. This bill takes \$10 million dollars from the trust to fund a \$4 million dollar program. It should have been introduced as an expenditure from the General Fund.

Rep. Hershel Nunez  
FOR THE MINORITY

Original: House Clerk  
Cc: Committee Bill File



## REGULAR CALENDAR

Labor, Industrial and Rehabilitative Services

**SB 2-FN**, relative to funding for job training programs in the department of business and economic affairs. **INEXPEDIENT TO LEGISLATE.**

Rep. Hershel Nunez for the **Minority** of Labor, Industrial and Rehabilitative Services. The minority of the committee recognizes that trusts are set up just for that. The House body should not be introducing legislation to manipulate the governing trusts set up to fund these programs. This bill takes \$10 million dollars from the trust to fund a \$4 million dollar program. It should have been introduced as an expenditure from the General Fund.

Original: House Clerk

Cc: Committee Bill File

MINORITY REPORT

COMMITTEE: LABOR

BILL NUMBER: SB2-FN

TITLE: Relative to funding for JOB TRAINING programs in Dept. of Business & Economic Affairs

DATE: 4-24-19 CONSENT CALENDAR: YES  NO

- OUGHT TO PASS
- OUGHT TO PASS W/ AMENDMENT
- INEXPEDIENT TO LEGISLATE
- INTERIM STUDY (Available only 2<sup>nd</sup> year of biennium)

Amendment No. \_\_\_\_\_

STATEMENT OF INTENT:

MINORITY OF THE COMMITTEE RECOGNIZES THAT TRUSTS ARE SETUP JUST FOR THAT. THE HOUSE BODY SHOULD NOT BE INTRODUCING LEGISLATION TO MANIPULATE THE GOVERNING TRUSTS SET UP TO FUND THESE PROGRAMS. WE'RE TAKING \$10 MILLION FROM ~~THE FUND~~ TO THE TRUST TO FUND A \$4 MILLION ROLATA PROGRAM. IT SHOULD HAVE BEEN INTRODUCED AS AN EXPENDITURE FROM THE GENERAL FUND.

COMMITTEE VOTE: 12-8

RESPECTFULLY SUBMITTED,

• Copy to Committee Bill File

Rep. Horshee Nuñez  
For the Minority

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# Voting Sheets

HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

EXECUTIVE SESSION on SB 2-FN

**BILL TITLE:** relative to funding for job training programs in the department of business and economic affairs.

**DATE:** April 24, 2019

**LOB ROOM:** 307

**MOTIONS:** OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Soucy

Seconded by Rep. Cahill

AM Vote: 12-8

Amendment # 2019-1523h

Moved by Rep. Soucy

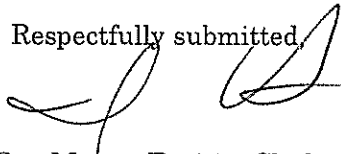
Seconded by Rep. Cahill

Vote: 12-8

**CONSENT CALENDAR: NO**

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,



Rep Manny Espitia, Clerk

HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

EXECUTIVE SESSION on SB 2-FN

BILL TITLE: relative to funding for job training programs in the department of business and economic affairs.

DATE: 4/24/19

LOB ROOM: 307

MOTION: (Please check one box)

~~OTP~~  ITL  Retain (1<sup>st</sup> year)  Adoption of Amendment # 2019-15234  
 (if offered)  
 Interim Study (2nd year)  
 Moved by Rep. Cahill Saucy Seconded by Rep. Saucy Cahill Vote: 12-8

MOTION: (Please check one box)

OTP  OTP/A  ITL  Retain (1<sup>st</sup> year)  Adoption of Amendment # \_\_\_\_\_  
 (if offered)  
 Interim Study (2nd year)  
 Moved by Rep. Saucy Seconded by Rep. Cahill Vote: 12-8

MOTION: (Please check one box)

OTP  OTP/A  ITL  Retain (1<sup>st</sup> year)  Adoption of Amendment # \_\_\_\_\_  
 (if offered)  
 Interim Study (2nd year)  
 Moved by Rep. \_\_\_\_\_ Seconded by Rep. \_\_\_\_\_ Vote: \_\_\_\_\_

MOTION: (Please check one box)

OTP  OTP/A  ITL  Retain (1<sup>st</sup> year)  Adoption of Amendment # \_\_\_\_\_  
 (if offered)  
 Interim Study (2nd year)  
 Moved by Rep. \_\_\_\_\_ Seconded by Rep. \_\_\_\_\_ Vote: \_\_\_\_\_

CONSENT CALENDAR: \_\_\_\_\_ YES  NO

Minority Report? \_\_\_\_\_ Yes  No If yes, author, Rep: Renzillo Motion 12-8

Respectfully submitted: \_\_\_\_\_  
Rep Manny Espitia, Clerk

OFFICE OF THE HOUSE CLERK



1/14/2019 3:23:04 PM  
Roll Call Committee Registers  
Report

2019 SESSION

Labor, Industrial and Rehabilitative Services

Bill #: SB2 Motion: Adopt Amend AM #: 2019-1523h Exec Session Date: 4-24-19

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Sullivan, Brian M. Chairman	12		
Soucy, Timothy A. Vice Chairman	1		
Barody, Benjamin C.	2		
Cahill, Michael D.	3		
DiSilvestro, Linda A.	4		
Schmidt, Janice E.	5		
Toomey, Dan	6		
Bordy, William E.	7		
Bouchard, Donald J.	8		
Espitia, Manny Clerk	9		
<del>Hall, Brett R.</del> <i>Cleaver</i>	10		
<del>Kanzler, Harrison</del> <i>Nutting-Wong</i>	11		
Flanagan, Jack B.		1	
Seaworth, Brian		2	
Avellani, Lino M.		3	
O'Day, John E.		4	
Renzullo, Andrew		5	
Callum, John M.		36	
Mackie, Jonathan D.		7	
Nunez, Hershel		8	
<b>TOTAL VOTE:</b>	12	8	



2019 SESSION

Labor, Industrial and Rehabilitative Services

Bill #: SB2 Motion: OTP/A AM #: 2019 1523h Exec Session Date: 4-24-19

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Sullivan, Brian M. Chairman	12		
Soucy, Timothy A. Vice Chairman	7		
Baroody, Benjamin C.	2		
Cahill, Michael D.	3		
DiSilvestro, Linda A.	4		
Schmidt, Janice E.	5		
Toomey, Dan	6		
Bordy, William E.	7		
Bouchard, Donald J.	8		
Espitia, Manny Clerk	9		
<del>Hall, Brett R.</del> Rep. Cleavers	10		
<del>Kanzler, Harrison</del> Rep. Nutting-Wong	11		
Flanagan, Jack B.		1	
Seaworth, Brian		2	
Avellani, Lino M.		3	
O'Day, John E.		4	
Renzullo, Andrew		5	
Callum, John M.		6	
Mackie, Jonathan D.		7	
Nunez, Hershel		8	
<b>TOTAL VOTE:</b>	<b>12</b>	<b>8</b>	

Rep. Soucy, Merr. 16  
Sen. Cavanaugh, Dist 16  
Sen. Feltes, Dist 15  
April 17, 2019  
2019-1523h  
04/05

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20 provided by and for the purposes provided in that section, and not for any other purpose.



# Hearing Minutes

HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

PUBLIC HEARING ON SB 2-FN

**BILL TITLE:** relative to funding for job training programs in the department of business and economic affairs.

**DATE:** April 17, 2019

**LOB ROOM:** 307 **Time Public Hearing Called to Order:** 1:10 p.m.

**Time Adjourned:** 2:05 p.m.

**Committee Members:** Reps. Sullivan, Soucy, Espitia, Baroody, Cahill, DiSilvestro, J. Schmidt, Toomey, Bordy, Bouchard, Kanzler, Flanagan, Seaworth, O'Day, Renzullo, Callum and Nunez

**Bill Sponsors:**

Sen. Cavanaugh  
Sen. Hennessey  
Sen. Chandley  
Sen. Levesque  
Sen. Morgan

Sen. Feltes  
Sen. D'Allesandro  
Sen. Kahn  
Sen. Rosenwald  
Sen. Dietsch

Sen. Watters  
Sen. Soucy  
Sen. Fuller Clark  
Sen. Sherman

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

**\*1. Prime Sponsor – Sen. Cavanaugh, Merrimack District #16 – Recommends OTP –**

This bill would increase the amount of the unemployment tax and increase the amount to the BEA from 2 million to 6 million. Many groups are supporting such as Concord Chamber of Commerce and NH Auto Dealers. This will address the issues we are seeing with workforce shortage. This will work to get jobs for people. This will help with workers. For those who don't want a 4 year degree, this will help them too. There are jobs available right now. We will be helping them too.

**\*Amendment 2019-1523h Reps; Cavanaugh, Rep. Feltes, Rep. Soucy**

**Question – Rep. DiSilvestro-** What type of jobs are out there and the require training time?

**Ans-** Auto techs. We are down with those. Financial services. We are down with sector strategies. Many of these businesses don't require a 4 year degree.

**Question -Rep. Flanagan -** We already have a fund for training?

**Ans** We are already have a training fund but its not funded at a level that's good enough. If I applied for a job, and i didn't have the skills. you as an employer can get a grant, in a coordinated way. **Q-** Is that 2 million spent every year? **Ans-** The issue was that it was federal money that doesn't have flexibility.

**Question -Rep. Bordy -** How are the distributions on these vetted?

**Ans-** There is a process of applying and there are selection and the demand is outpacing.

**Question -Rep. Flanagan -** So the Senate vote was 14-10 what was the issue?

**Ans-** They had questions and uncertainty about the Unemployment Trust Fund. If you put more money, the possibility of the balances and tax cuts you could get.

**Senator Feltes, District 15, Co-Sponsor bill and amendment 2019-1523h– supports the bill.**  
( filled out pink card but did not speak)

2. **Richard Lavers – NH Employment Security – Neutral** – There are definitely types of grants that people are getting. There is a 2.2 percent that goes into Business and Economic Affairs to administer the job training program. If we didn't have that, we would be able to maintain 6 out of the 12 NH Works offices. It would increase the fund from 2 million to 6 million in the program. If you divert more out of the trust fund, you will lose out on some of the benefits. We are currently slated to hit a 1.5 break for employers. If you take an additional 4 percent out, then that would have an impact on 2021, from 1 percent to .5 percent. With continued updates, and it changes from month to month, it would be delayed from 2020 to 2021. They pay the majority of the comp taxes in the first quarter.

**Question -Rep. Seaworth** – You talked about moving the timing it would it just be shifting the cost? **Ans-** I don't know. **Q** -I am going to look into the future, and I see that it will be 9 million.

**Ans-** Right now by increasing the job amount

**Question -Chairman Sullivan-** Are we getting enough benefit from the training?

**Question – Rep. Bordy** – A fund exists currently but what kind of funds exists in the job training?

**Ans-** I would defer to our friends from BEA

3. **Christopher Way – Business and Economic Affairs – Neutral** – This program is put forward by the office of opportunities. It is for the incumbent workforce. It could be management training, English as a language. We have trained about 26,000 people so far. In HB 2 this office would go to Department of Employment Security. Any excess funds, these might be on contracts, and are being paid out. 900,000 is used by funds every year.

**Question -Rep. Bordy-** How much is given out per year? **Ans-** Usually on average is 900,000.

**Q-** Have you had more training demands than can be fulfilled? **Ans-** Yes

**Question -Chairman Sullivan-** Can you describe the impact that the extra 4 million?

**Ans-** it would expand to who would be added to this. We would get many who aren't covered. We look at sector partner initiatives.

**Question -Rep. Renzullo** – Could you defined an incumbent worker?

**Ans-** Someone who is already working within a company. **Q-** So your program has nothing to do with training people who are unemployed? **Ans-** So these additional funds would help with those potential hires. **Q-** If your company wants train them, why don't they do it?

**Ans-** Well it might be because they don't have the funds to do it.

4. **Dave Juvet – BIA – Support** – You've heard a lot about the program, but I do want to make a foundation statement. This will help the NH economy. Rep. Cahill and Rep. Renzullo, why is the state doing this? This answers the question that this would help the employer. This program does not come from anywhere else but by the businesses of NH. This deals with philosophy and that they are not seeing the reaping the benefits. We support the program and we have seen businesses using the program. It is accessing training for individuals who are unemployed. It will get people off unemployment and putting it them in the workforce.

**Question – Chairman Sullivan** –Is it worth it to have that risk?

**Ans-** The answer is yes. We posed this question to our businesses and they said yes.

One other piece of information that has come up is that only companies that pay into the trust funds qualify for it.

**Question -Rep. Bordy** – This bill expands the number of people who can qualify for training?

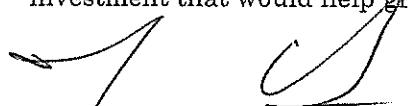
**Ans-** This will expand on the program by putting more funding.

**Question -Rep. Cahill-** Through the hearing, I feel much much better now. Do you feel much better that this would be a good investment? **Ans-** I do believe

**Question -Rep. Seaworth** – I feel that you have concerns that have not been addressed.

**Ans-** I would say that if you could consider a threshold during a recession. The reality will be that people will not be training during a recession.

5. **Josh Reap – Association of Building Contractors- Support** – this bill would be a great investment that would help granite staters. Possibly adding the recession amendment.

  
Respectfully submitted by,  
Rep. Manny Espitia Committee Clerk



HOUSE COMMITTEE ON LABOR, INDUSTRIAL, AND REHABILITATIVE SERVICES

PUBLIC HEARING ON SB 2

DATE: 4-17-2019

*Draft*

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

*SD 216 + Sen. Feltos Sen. Cavanaugh intro. bill and Amendment*

1. Prime Sponsor – Sen. Cavanaugh – Recommends OTP *✓* This bill would increase the amount of the unemployment tax and increase the amount to the BEA from 2 million to 6 million. Many groups are supporting such as Concord Chamber of Commerce and NH Auto Dealers. This will address the issues we are seeing with workforce shortage. This will work to get jobs for people. This will help with workers. For those who don't want a 4 year degree, this will help them too. There are jobs available right now. We will be helping them too. *← copy of Amendment 2019-1523h*

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Ans We are already have a training fund but its not funded at a level thats good enough. If I applied for a job, and i didn't have the skills. you as an employer can get a grant, in a coordinated way.

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Ans- There is a process of applying and there are selection and the demand is outpacing.

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Q-Seaworth – You talked about moving the timing it would it just be shifting the cost?

Ans- I don't know.

Q-I am going to look into the future, and I see that it will be 9 million.

HOUSE COMMITTEE ON LABOR, INDUSTRIAL, AND REHABILITATIVE SERVICES

Ans- Right now by increasing the job amount

Q-Chair- Are we getting enough benefit from the training?

Q- Bordy – A fund exists currently but what kind of funds exists in the job training?

Ans- I would defer to our friends from BEA

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Ans- Usually on average is 900,000.

Q- Have you had more training demands than can be fulfilled?

Ans- Yes

Q-Chair- Can you describe the impact that the extra 4 million?

Ans- it would expand to who would be added to this. We would get many who aren't covered. We look at sector partner initiatives.

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Q- Chair –Is it worth it to have that risk?

Ans- The answer is yes. We posed this question to our businesses and they said yes.

One other piece of information that has come up is that only companies that pay into the trust funds qualify for it.

Q- Bordy – This bill expands the number of people who can qualify for training?

Ans- This will expand on the program by putting more funding.

Q-Cahill- Through the hearing, I feel much much better now. Do you feel much better that this would be a good investment?

Ans- I do believe

Q- Seaworth – I feel that you have concerns that have not been addressed.

Ans- I would say that if you could consider a threshold during a recession. The reality will be that people will not be training during a recession.

5. Josh Reap – Association of Building Contractors- Support – this bill would be a great investment that would help granite staters. Possibly adding the recession amendment.

Sponsors present > Dan Fettes - supports the bill  
pink card - did not speak



41-17-14

LABOR 28 J

How many...

...

✓ 20 #12

...



# **Fiscal Note**

**SB 2-FN FISCAL NOTE  
 AS AMENDED BY THE SENATE (AMENDMENT #2019-0106s)**

AN ACT relative to funding for job training programs in the department of business and economic affairs.

FISCAL IMPACT:     State             County             Local             None

STATE:	Estimated Increase / (Decrease)			
	FY 2020	FY 2021	FY 2022	FY 2023
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	Indeterminable	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	Indeterminable	Indeterminable	Indeterminable	Indeterminable
<b>Funding Source:</b>	<input type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Unemployment Compensation Trust Fund and Job Training Fund			

**COUNTY:**

<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	Indeterminable	Indeterminable	Indeterminable	Indeterminable

**LOCAL:**

<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	Indeterminable	Indeterminable	Indeterminable	Indeterminable

**METHODOLOGY:**

This bill as amended creates the Granite State Jobs Act of 2019. It amends the unemployment compensation statutory contribution rate for employers from 0.2% to 0.4% beginning in the second quarter of 2019. After deduction of all costs incurred in the collection of the administrative contribution, 1/3 of the quarterly administrative contribution collected, not to exceed \$6 million annually (increased from \$2 million), shall be deposited each quarter into the job training program fund (Training Fund RSA 282-A:138-a) administered by the Department of Business and Economic Affairs (DBEA). Funds that are unspent or unencumbered at the end of the relevant program year shall lapse to the Unemployment Trust Fund account (RSA 282-A:104, I(b)). The remaining quarterly administrative contribution collected shall be divided so that the proportional share of the quarterly administrative contribution resulting from the increase over 0.2% shall be deposited in the Unemployment Compensation Fund (RSA 282-A:103) and the remaining amount into the Contingent Fund (RSA 282-A:140). The bill expands

the definition of and eligibility for training programs pursuant to RSA 12-O:32 and caps the annual amount of financial support for such programs at no more than \$500,000 annually. Additionally, the bill increases the current cap on the DBEA use of moneys from \$200,000 to \$600,000 annually or 10% of money received from the Training Fund, whichever is less, to administer the program, including support for the private sector partnership initiative.

The Department of Employment Security (DES) states the increase of the current 0.2% to 0.4% in the administrative contribution rate paid by employers pursuant to RSA 282-A:87, IV(a)(1) would provide an additional \$4 million in revenue for a total of \$6 million annually to the DBEA to supplement and expand existing workforce development and job training programs. The bill would not directly increase unemployment insurance taxes on employers. Currently each employer is required to pay quarterly unemployment tax has 0.2% deducted from their tax rate and then this 0.2% is added back as an administrative contribution (AC). The total AC revenue is split as follows:

- \$2 million deposited in to the Training Fund and administered by the DBEA for the Job Training Fund and the Work Ready NH Program.
- The remainder of the AC revenue is retained by the Department of Employment Security to support the administrative functions of the Department (RSA 282-A:87, IV(a) AC and RSA 282-A:140 Contingent Fund) and supplement the administrative funding received from the U.S. Department of Labor.

The DES states the current portion of the unemployment tax payment from an employer in excess of 0.2% is deposited in the Unemployment Compensation Trust Fund (Trust Fund) to pay unemployment compensation benefits. DES assumes the additional AC revenue generated by this legislation would not impact what NHES retains for administration but it would impact the Trust Fund balance because an increased amount of an employer's tax payment will be diverted from the Trust Fund to the DBEA Training Fund. The DES estimates the Fund Balance Reductions (FBRs) due to employers pursuant to RSA 282-A:82 in the first quarter of calendar year 2021 would be reduced from 1.0% to 0.5%, representing a smaller reduction in the forecasted tax rate reduction. The forecasted increase in tax payments caused by this decrease in the FBR would equal an additional \$16.1 million in unemployment tax payments being paid by employers for the first quarter. Further impact on the forecasted FBR due employers in the fourth quarter of calendar year 2021 would increase the FBR from 0.5% to 1.0%. The decrease in tax payments caused by this increase in the FBR equals \$2.7 million less in unemployment compensation tax payments paid by employers for the fourth quarter. The forecasted net impact on total employment compensation tax payments paid through 2021 would be an additional

\$13,328,970.

The Department of Business and Economic Affairs (DBEA) states this bill will increase the transfer from the Department of Employment Security to the State Job Training Fund, which is administered by the DBEA, from \$2,000,000 to \$6,000,000 each year. The DBEA states it will use the additional funds to address workforce demand by providing support and training, designed to address skill gaps and other barriers to employment for individuals that are not eligible for state or federal training funds. The DBEA states it will need to add an Administrator I (Salary Grade 27, Step 1) position to manage the additional funds and the expansion of training programs. The salary, benefits and other expenses associated with the position will be approximately \$87,000 in FY 2020, \$89,000 in FY 2021, \$93,000 in FY 2022 and \$98,000 in FY 2023.

The Community College System of New Hampshire (CCSNH) assumes some portion of the increase in job training funds would be allocated as follows: up to an additional \$500,000 in each fiscal year from the WorkReadyNH Program and an indeterminable additional amount through other education and training programs offered by CCSNH.

**AGENCIES CONTACTED:**

Department of Employment Security, Department of Business and Economic Affairs and the Community College System of New Hampshire

SB 2-FN- FISCAL NOTE  
AS INTRODUCED

AN ACT relative to funding for job training programs in the department of business and economic affairs.

FISCAL IMPACT:     State                     County                     Local                     None

STATE:	Estimated Increase / (Decrease)			
	FY 2020	FY 2021	FY 2022	FY 2023
Appropriation	\$0	\$0	\$0	\$0
Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable
<i>Funding Source:</i>	<input type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Unemployment Compensation Trust Fund and Job Training Fund			

COUNTY:

Revenue	\$0	\$0	\$0	\$0
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable

LOCAL:

Revenue	\$0	\$0	\$0	\$0
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable

METHODOLOGY:

This bill creates the Granite State Jobs Act of 2019. It amends the unemployment compensation statutory contribution rate for employers from 0.2% to 0.4% beginning in the second quarter of 2019. After deduction of all costs incurred in the collection of the administrative contribution, 1/3 of the quarterly administrative contribution collected, not to exceed \$6 million annually (increased from \$2 million), shall be deposited each quarter into the job training program fund (Training Fund RSA 282-A:138-a) administered by the Department of Business and Economic Affairs (DBEA). The remaining quarterly administrative contribution collected shall be divided so that the proportional share of the quarterly administrative contribution resulting from the increase over 0.2% shall be deposited in the Unemployment Compensation Fund (RSA 282-A:103) and the remaining amount into the Contingent Fund (RSA 282-A:140). The bill expands the definition of and eligibility for training programs pursuant to RSA 12-O:32 and caps the annual amount of financial support for such programs at no more than \$500,000 annually. Additionally, the bill increases the current cap on the DBEA use of moneys from \$200,000 to \$600,000 annually or 10% of money received from the Training Fund, whichever is less, to administer the program.

The Department of Employment Security (DES) states the increase of the current 0.2% to 0.4% in the administrative contribution rate paid by employers pursuant to RSA 282-A:87, IV(a)(1) would provide an additional \$4 million in revenue for a total of \$6 million annually to the DBEA to supplement and expand existing workforce development and job training programs. The bill would not directly increase unemployment insurance taxes on employers. Currently each employer is required to pay quarterly unemployment tax has 0.2% deducted from their tax rate and then this 0.2% is added back as an administrative contribution (AC). The total AC revenue is split as follows:

- \$2 million deposited in to the Training Fund and administered by the DBEA for the Job Training Fund and the Work Ready NH Program.
- The remainder of the AC revenue is retained by the Department of Employment Security to support the administrative functions of the Department (RSA 282-A:87, IV(a) AC and RSA 282-A:140 Contingent Fund) and supplement the administrative funding received from the U.S. Department of Labor.

The DES states the current portion of the unemployment tax payment from an employer in excess of 0.2% is deposited in the Unemployment Compensation Trust Fund (Trust Fund) to pay unemployment compensation benefits. DES assumes the additional AC revenue generated by this legislation would not impact what NHES retains for administration but it would impact the Trust Fund balance because an increased amount of an employer's tax payment will be diverted from the Trust Fund to the DBEA Training Fund. The DES estimates the Fund Balance Reductions (FBRs) due to employers pursuant to RSA 282-A:82 in the first quarter of calendar year 2021 would be reduced from 1.0% to 0.5%, representing a smaller reduction in the forecasted tax rate reduction. The forecasted increase in tax payments caused by this decrease in the FBR would equal an additional \$16.1 million in unemployment tax payments being paid by employers for the first quarter. Further impact on the forecasted FBR due employers in the fourth quarter of calendar year 2021 would increase the FBR from 0.5% to 1.0%. The decrease in tax payments caused by this increase in the FBR equals \$2.7 million less in unemployment compensation tax payments paid by employers for the fourth quarter. The forecasted net impact on total employment compensation tax payments paid through 2021 would be an additional \$13,328,970.

The Department of Business and Economic Affairs (DBEA) states this bill will increase the transfer from the Department of Employment Security to the State Job Training Fund, which is administered by the DBEA, from \$2,000,000 to \$6,000,000 each year. The DBEA states it will use the additional funds to address workforce demand by providing support and training, designed to address skill gaps and other barriers to employment for individuals that are not

eligible for state or federal training funds. The DBEA states it will need to add an Administrator I (Salary Grade 27, Step 1) position to manage the additional funds and the expansion of training programs. The salary, benefits and other expenses associated with the position will be approximately \$87,000 in FY 2020, \$89,000 in FY 2021, \$93,000 in FY 2022 and \$98,000 in FY 2023.

The Community College System of New Hampshire (CCSNH) assumes some portion of the increase in job training funds would be allocated as follows: up to an additional \$500,000 in each fiscal year from the WorkReadyNH Program and an indeterminable additional amount through other education and training programs offered by CCSNH.

**AGENCIES CONTACTED:**

Department of Employment Security, Department of Business and Economic Affairs and the Community College System of New Hampshire

# Bill as Introduced



SB 2-FN - AS AMENDED BY THE SENATE

01/31/2019 0106s

2019 SESSION

19-1032  
04/08

SENATE BILL **2-FN**

AN ACT relative to funding for job training programs in the department of business and economic affairs.

SPONSORS: Sen. Cavanaugh, Dist 16; Sen. Feltes, Dist 15; Sen. Watters, Dist 4; Sen. Hennessey, Dist 5; Sen. D'Allesandro, Dist 20; Sen. Soucy, Dist 18; Sen. Chandley, Dist 11; Sen. Kahn, Dist 10; Sen. Fuller Clark, Dist 21; Sen. Levesque, Dist 12; Sen. Rosenwald, Dist 13; Sen. Sherman, Dist 24; Sen. Morgan, Dist 23; Sen. Dietsch, Dist 9

COMMITTEE: Finance

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ANALYSIS

This bill:

I. Reduces an employer's unemployment contribution rate and requires that a portion of the administrative contribution be deposited in the unemployment compensation fund.

II. Revises the job training programs offered by the department of business and economic affairs.

III. Changes the maximum amount that the department of business and economic affairs may use to administer the job training program.

IV. Requires the commissioner of the department of business and economic affairs to submit an annual report on the effectiveness of job training programs and services.

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Explanation: Matter added to current law appears in *bold italics*.  
Matter removed from current law appears [~~in brackets and struck through.~~]  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

## STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Nineteen*

AN ACT relative to funding for job training programs in the department of business and economic affairs.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 Short Title. This act shall be known as the Granite State Jobs Act of 2019.

2 2 Findings. The general court finds it is in the public interest to enhance public-private  
3 partnerships to recruit, train, and re-employ workers in order to meet New Hampshire's skills gap  
4 and worker shortage, efficiently and timely assisting Granite state businesses and Granite stater  
5 looking for work, including those in recovery.

6 3 Unemployment Compensation; Contribution Rates. Amend RSA 282-A:87, IV(a) to read as  
7 follows:

8 IV.(a)(1) Each employer subject to payment of contributions pursuant to RSA 282-A:69, I  
9 shall have its rate reduced by [~~2/10~~] *2/5* of one percent beginning in the second quarter of [~~2007~~]  
10 *2019*. An administrative contribution equal to the amount of this reduction shall be paid by all such  
11 employers.

12 (2) Commencing July 1, [~~2007~~] *2019*, after deduction of all costs incurred in the  
13 collection of the administrative contribution, 1/3 of the quarterly administrative contribution  
14 collected, not to exceed [~~\$2,000,000~~] *\$6,000,000* annually, shall be deposited each quarter in the  
15 fund established by RSA 282-A:138-a and shall be expended only as provided by and for the  
16 purposes provided in that section *and shall lapse to the unemployment trust fund account*  
17 *established in RSA 282-A:104, I(b) if unspent or unencumbered at the end of the relevant*  
18 *program year*. The remaining quarterly administrative contribution collected shall be *divided so*  
19 *that the proportional share of the quarterly administrative contribution resulting from*  
20 *the increase over 2/10 of one percent shall be deposited in the unemployment compensation*  
21 *fund established in RSA 282-A:103 and the remaining amount* deposited in the fund  
22 established by RSA 282-A:140 and shall be expended only as provided by and for the purposes  
23 provided in that section, and not for any other purpose.

24 4 Unemployment Compensation; Training Fund. Amend RSA 282-A:138-a, I to read as follows:

25 I. There is hereby created in the state treasury a special fund to be known as the training  
26 fund. Commencing January 1, 2002, the moneys in this fund may be used, solely as determined by  
27 the commissioner of business and economic affairs in accordance with rules and guidelines adopted  
28 by the commissioner of business and economic affairs, *after consultation with the governor's*  
29 *workforce innovation board*, for funding training under the job training program for economic  
30 growth, established under RSA 12-O:30 through 12-O:37. Rulemaking authority relative to

1 administration of the grant award process shall be with the commissioner of [~~resources and~~  
2 ~~economic development~~] *business and economic affairs* pursuant to RSA 12-O:33.

3 5 Department of Business and Economic Affairs; Job Training Program for Economic Growth;  
4 Training Programs. RSA 12-O:32 is repealed and reenacted to read as follows:

5 12-O:32 Training Programs.

6 I. Training programs may include, but shall not be limited to:

7 (a) Structured, on-site laboratory or classroom training.

8 (b) Basic skills.

9 (c) Technical skills.

10 (d) Quality improvement.

11 (e) Safety.

12 (f) Management and supervision.

13 (g) English as a second language.

14 II. No more than \$500,000 annually shall be provided to support programs offered as of  
15 January 1, 2019, and, in addition to programs offered as of January 1, 2019, funding shall be  
16 provided for:

17 (a) Training individuals not otherwise eligible for state or federal training funds  
18 available as of January 1, 2019, including the cost of certificate programs, apprenticeship programs  
19 as defined under 29 C.F.R. Part 29, and occupational skills training in order to fill current, in-  
20 demand employment in New Hampshire with employers having immediate employment needs, with  
21 a priority for jobs identified through the state's sector partnership initiative and for employers who  
22 pay individuals during training periods.

23 (b) Enhanced support services, including child care and transportation assistance,  
24 which would not otherwise be available through any other state, federal, or other programs, with  
25 such assistance limited to income eligible individuals with an identified career path and who are  
26 determined to be in need of such support services to successfully compete for employment  
27 opportunities;

28 (c) The WorkReadyNH program established by the community college system of New  
29 Hampshire in an amount not to exceed \$500,000 annually.

30 (d) Certificate programs, apprenticeship programs as defined under 29 C.F.R. Part 29,  
31 and occupational skills training opportunities for New Hampshire high school students upon  
32 graduation in order to fill current, in-demand employment in New Hampshire.

33 (e) Marketing of New Hampshire's workforce development initiatives to employers and  
34 business community representatives in New Hampshire.

35 (f) Recruitment and coordination of services provided in this section to populations with  
36 higher than average unemployment in New Hampshire, including persons in need of training to  
37 change careers, persons with substance use disorders who are in recovery programs, persons with  
38 disabilities, inmates transitioning to the general population, persons who are homeless, senior

1 citizens, legal immigrants and speakers of languages other than English, including documented  
2 outreach to and priority given to persons with substance use disorders who are in recovery  
3 programs.

4 6 Department of Business and Economic Affairs; Job Training Program for Economic Growth.  
5 Amend RSA 12-O:35, IV to read as follows:

6 IV. The department may use no more than 10 percent, or [~~\$200,000~~] **\$600,000**, of any  
7 moneys received from the training fund established at RSA 282-A:138-a, whichever is less, to  
8 administer this program, *including support for the sector partnership initiative*.

9 7 New Paragraph; Department of Business and Economic Affairs; Job Training Program for  
10 Economic Growth; Performance. Amend RSA 12-O:37 by inserting after paragraph III the following  
11 new paragraph:

12 IV. The commissioner shall annually submit a report to the governor's state workforce  
13 innovation board, the speaker of the house of representatives, the president of senate, the  
14 chairperson of the senate committee with jurisdiction over commerce issues, and the chairperson of  
15 the house committee with jurisdiction over labor issues concerning the effectiveness of all job  
16 training programs and services.

17 8 Effective Date. This act shall take effect upon its passage.

# Majority Report

**REGULAR CALENDAR**

**May 22, 2019**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Majority of the Committee on Finance to which was referred SB 2-FN,**

**AN ACT relative to funding for job training programs in the department of business and economic affairs.**

**Having considered the same, report the same with the recommendation that the bill OUGHT TO PASS.**

**Rep. Patricia Lovejoy**

**FOR THE MAJORITY OF THE COMMITTEE**

## **MAJORITY COMMITTEE REPORT**

<b>Committee:</b>	<b>Finance</b>
<b>Bill Number:</b>	<b>SB 2-FN</b>
<b>Title:</b>	<b>relative to funding for job training programs in the department of business and economic affairs.</b>
<b>Date:</b>	<b>May 22, 2019</b>
<b>Consent Calendar:</b>	<b>REGULAR</b>
<b>Recommendation:</b>	<b>OUGHT TO PASS</b>

### **STATEMENT OF INTENT**

This legislation increases the contribution to the Job Training Fund administered by the Department of Business and Economic Affairs from \$2 million to \$6 million and revises the program. Funding is from the Unemployment Compensation Fund. Unemployment security rates are based on an employer's experience rating. When the Unemployment Compensation Fund has balances exceeding \$250 million employers receive discounted rates ranging from ½ % to 1 ½% depending on the balance of the fund. Employment Security anticipates the fund balance without this change would be slightly more than \$275 million in 2021 which would entitle employers to a 1% discount. With this increased funding of the Job Training Fund, Employment Security anticipates that the fund will fall just below the \$275 million-dollar threshold for the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2021, thereby resulting in a reduction in discount to ½% for those two quarters with the discount rising again to 1% in the 4<sup>th</sup> quarter of 2021. The impact of this reduced rate for the two quarters of 2021 would be \$9.8 million spread among all employers in the state. The majority of the committee believes it is in the public interest to enhance public-private partnerships to recruit, train, and re-employ workers in order to meet New Hampshire's skill gap and worker shortage.

Vote 11-9.

Rep. Patricia Lovejoy  
FOR THE MAJORITY

Original: House Clerk  
Cc: Committee Bill File

## REGULAR CALENDAR

### Finance

**SB 2-FN**, relative to funding for job training programs in the department of business and economic affairs. **MAJORITY: OUGHT TO PASS. MINORITY: INEXPEDIENT TO LEGISLATE.**

Rep. Patricia Lovejoy for the **Majority** of Finance. This legislation increases the contribution to the Job Training Fund administered by the Department of Business and Economic Affairs from \$2 million to \$6 million and revises the program. Funding is from the Unemployment Compensation Fund. Unemployment security rates are based on an employer's experience rating. When the Unemployment Compensation Fund has balances exceeding \$250 million employers receive discounted rates ranging from ½ % to 1 ½% depending on the balance of the fund. Employment Security anticipates the fund balance without this change would be slightly more than \$275 million in 2021 which would entitle employers to a 1% discount. With this increased funding of the Job Training Fund, Employment Security anticipates that the fund will fall just below the \$275 million-dollar threshold for the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2021, thereby resulting in a reduction in discount to ½% for those two quarters with the discount rising again to 1% in the 4<sup>th</sup> quarter of 2021. The impact of this reduced rate for the two quarters of 2021 would be \$9.8 million spread among all employers in the state. The majority of the committee believes it is in the public interest to enhance public-private partnerships to recruit, train, and re-employ workers in order to meet New Hampshire's skill gap and worker shortage. **Vote 11-9.**

Original: House Clerk

Cc: Committee Bill File



SB 2-FN  
OTP  
11-9  
Rep. Lovejoy  
Majority

MSW

This legislation increases the contribution to the Job Training Fund administered by the Department of Business and Economic Affairs from \$2 million to \$6 million and revises the program. Funding is from the Unemployment Compensation Fund. Unemployment security rates are based on an employer's experience rating. When the Unemployment Compensation Fund has balances exceeding \$250 million employers receive discounted rates ranging from ½ % to 1 ½% depending on the balance of the fund. Employment Security anticipates the fund balance without this change would be slightly more than \$275 million in 2021 which would entitle employers to a 1% discount. With this increased funding of the Job Training Fund, Employment Security anticipates that the fund will fall just below the \$275 million-dollar threshold for the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2021, thereby resulting in a reduction in discount to ½% for those two quarters with the discount rising again to 1% in the 4<sup>th</sup> quarter of 2021. The impact of this reduced rate for the two quarters of 2021 would be \$9.8 million spread among all employers in the state. The majority of the committee believes it is in the public interest to enhance public-private partnerships to recruit, train, and re-employ workers in order to meet New Hampshire's skill gap and worker shortage.

# Minority Report

**REGULAR CALENDAR**

**May 22, 2019**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Minority of the Committee on Finance to which was referred SB 2-FN,**

**AN ACT relative to funding for job training programs in the department of business and economic affairs.**

**Having considered the same, and being unable to agree with the Majority, report with the following resolution:**

**RESOLVED, that it is INEXPEDIENT TO LEGISLATE.**

**Rep. Werner Horn**

**FOR THE MINORITY OF THE COMMITTEE**

**MINORITY  
COMMITTEE REPORT**

<b>Committee:</b>	<b>Finance</b>
<b>Bill Number:</b>	<b>SB 2-FN</b>
<b>Title:</b>	<b>relative to funding for job training programs in the department of business and economic affairs.</b>
<b>Date:</b>	<b>May 22, 2019</b>
<b>Consent Calendar:</b>	<b>REGULAR</b>
<b>Recommendation:</b>	<b>INEXPEDIENT TO LEGISLATE</b>

**STATEMENT OF INTENT**

The minority believes that in times of moderate to high unemployment there is significant value in workforce job training programs. To divert an additional \$4 million at this point in time will have the economic impact of levying an additional \$13.3 million from New Hampshire employers according to the fiscal note prepared by the LBA. New Hampshire is at a point of low unemployment, indicating lack of workers to justify the 200% increases to these programs. Diverting \$4 million at this point will reduce the fund balance in the Unemployment Compensation Fund below the \$275 million threshold triggering the higher tax rate for businesses. Sustaining funding for this program over multiple years will unnecessarily prevent the fund rising above the \$300 million balance which would keep the unemployment tax rate at the higher rate. It is important to justify government expenditures against the benefit to New Hampshire and increasing funding for these programs 200% fails to meet that standard.

Rep. Werner Horn  
FOR THE MINORITY

Original: House Clerk  
Cc: Committee Bill File

## REGULAR CALENDAR

### Finance

**SB 2-FN**, relative to funding for job training programs in the department of business and economic affairs. **INEXPEDIENT TO LEGISLATE.**

Rep. Werner Horn for the **Minority of Finance**. The minority believes that in times of moderate to high unemployment there is significant value in workforce job training programs. To divert an additional \$4 million at this point in time will have the economic impact of levying an additional \$13.3 million from New Hampshire employers according to the fiscal note prepared by the LBA. New Hampshire is at a point of low unemployment, indicating lack of workers to justify the 200% increases to these programs. Diverting \$4 million at this point will reduce the fund balance in the Unemployment Compensation Fund below the \$275 million threshold triggering the higher tax rate for businesses. Sustaining funding for this program over multiple years will unnecessarily prevent the fund rising above the \$300 million balance which would keep the unemployment tax rate at the higher rate. It is important to justify government expenditures against the benefit to New Hampshire and increasing funding for these programs 200% fails to meet that standard.

Original: House Clerk

Cc: Committee Bill File

MJW

SB 2-FN

ITL

Rep. Horn

Minority

The minority believes that in times of moderate to high unemployment there is significant value in workforce job training programs. To divert an additional \$4 million at this point in time will have the economic impact of levying an additional \$13.3 million from New Hampshire employers according to the fiscal note prepared by the LBA. New Hampshire is at a point of low unemployment, indicating lack of workers to justify the 200% increases to these programs. Diverting \$4 million at this point will reduce the fund balance in the Unemployment Compensation Fund below the \$275 million threshold triggering the higher tax rate for businesses. Sustaining funding for this program over multiple years will unnecessarily prevent the fund rising above the \$300 million balance which would keep the unemployment tax rate at the higher rate. It is important to justify government expenditures against the benefit to New Hampshire and increasing funding for these programs 200% fails to meet that standard.

SB 2-FN

SB 284 MINORITY REPORT

THE MINORITY BELIEVES THAT IN TIMES OF MODERATE TO HIGH UNEMPLOYMENT THERE IS SIGNIFICANT VALUE IN WORKFORCE JOB TRAINING PROGRAMS. ~~THE FUND~~ THE TO DIVERT AN ADDITIONAL \$4M AT THIS POINT IN TIME WILL HAVE THE ECONOMIC IMPACT OF <sup>ACCORDING TO THE</sup> LEVYING AN ADDITIONAL \$13.3M FROM NH EMPLOYERS TO CORRECT TO THE FISCAL NOTE PREPARED BY LBA. NH IS AT A POINT OF LOW UNEMPLOYMENT, INDICATING A LACK OF WORKERS TO JUSTIFY THE 200% INCREASES TO THESE PROGRAMS. <sup>DIVERTING</sup> ~~THE \$4M~~ AT THIS POINT WILL REDUCE THE FUND BALANCE IN THE UNEMPLOYMENT COMPENSATION FUND BELOW THE \$275M <sup>THRESHOLD</sup> ~~TRIGGERING~~ TRIGGERING THE HIGHER TAX RATE FOR BUSINESSES. ~~TO MAINTAIN THIS LEVEL OF~~ <sup>SUSTAINABLE FUNDING FOR</sup> THIS PROGRAM OVER MULTIPLE YEARS WILL UNNECESSARILY PREVENT THE FUND RISING ABOVE THE \$300M BALANCE WHICH WOULD KEEP THE UNEMPLOYMENT ~~THE~~ AT THE HIGHER RATE. IT IS IMPORTANT TO JUSTIFY GOVERNMENT EXPENDITURES AGAINST THE BENEFIT TO NH AND <sup>INCREASING</sup> ~~THE~~ <sup>DEBT</sup> ~~FUNDING~~ FOR THESE PROGRAMS \$200M FAILS TO MEET THAT STANDARD.

Levying Fiscal Note

threshold

REP WENNER D. HORN

# Voting Sheets



**HOUSE COMMITTEE ON FINANCE**

**EXECUTIVE SESSION on SB 2-FN**

**BILL TITLE:** relative to funding for job training programs in the department of business and economic affairs.

**DATE:** May 22, 2019

**LOB ROOM:** 210-211

**MOTIONS:** OUGHT TO PASS

Moved by Rep. Lovejoy

Seconded by Rep. Hatch

Vote: 11-9

**CONSENT CALENDAR: NO**

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,

Rep Katherine Rogers, Clerk

HOUSE COMMITTEE ON FINANCE

EXECUTIVE SESSION on SB 2-FN

BILL TITLE: relative to funding for job training programs in the department of business and economic affairs.

DATE: May 22, 2019

LOB ROOM: 210-211

MOTION: (Please check one box)

- OTP
- ITL
- Retain (1<sup>st</sup> year)
- Adoption of Amendment # \_\_\_\_\_ (if offered)
- Interim Study (2nd year)

Moved by Rep. Lovejoy Secoded by Rep. Hatch Vote: 11-9

MOTION: (Please check one box)

- OTP
- OTP/A
- ITL
- Retain (1<sup>st</sup> year)
- Adoption of Amendment # \_\_\_\_\_ (if offered)
- Interim Study (2nd year)

Moved by Rep. \_\_\_\_\_ Secoded by Rep. \_\_\_\_\_ Vote: \_\_\_\_\_

MOTION: (Please check one box)

- OTP
- OTP/A
- ITL
- Retain (1<sup>st</sup> year)
- Adoption of Amendment # \_\_\_\_\_ (if offered)
- Interim Study (2nd year)

Moved by Rep. \_\_\_\_\_ Secoded by Rep. \_\_\_\_\_ Vote: \_\_\_\_\_

MOTION: (Please check one box)

- OTP
- OTP/A
- ITL
- Retain (1<sup>st</sup> year)
- Adoption of Amendment # \_\_\_\_\_ (if offered)
- Interim Study (2nd year)

Moved by Rep. \_\_\_\_\_ Secoded by Rep. \_\_\_\_\_ Vote: \_\_\_\_\_

CONSENT CALENDAR: \_\_\_\_ YES \_\_\_\_ NO

Minority Report? \_\_\_\_ Yes \_\_\_\_ No If yes, author, Rep: \_\_\_\_\_ Motion \_\_\_\_\_

Respectfully submitted: Katherine Rogers  
Rep Katherine Rogers, Clerk

2019 SESSION

Finance

Bill #: SB 2 - FM Motion: OTP AM #: \_\_\_\_\_ Exec Session Date: May 22, 2019

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Vallner, Mary Jane Chairman	<del>1</del>		
Luot, David O. Vice Chairman	1		
Rogers, Katherine D. Clerk	2		
Jordgren, Sharon L.	3		
Leishman, Peter R.	—		
Luco, Thomas L.	4		
Latch, William A.	5		
Lord, Susan M.	6		
Lovejoy, Patricia T.	7		
Valz, Mary Beth	8		
Leath, Mary	9		
Martin, Joelle	10		
Murray, Kate R.	11		
Meyler, Kenneth L.		1	
Mober, Lynne M.		2	
Manielson, David J.		3	
Panos, Peter J.		4	
Pennessy, Erin T.		5	
Parry, Richard W.		6	
Pre, Joseph A. <del>Hoazel, Kathleen</del>		7	
Porn, Werner D.		8	
Pf, Keith Pierson, Mark		9	
<b>TOTAL VOTE:</b>	11	9	

motion carries

Division I  
Work Session  
Minutes

HOUSE COMMITTEE ON Finance

DIVISION I WORK SESSION ON SB 2-FN

**BILL TITLE:** relative to funding for job training programs in the department of business and economic affairs.

**DATE:** May 15, 2019

**ROOM:** 212

**Time Work Session Called to Order: 10:00**

**Time Adjourned: <<End Time>>**

(please circle if present)

Committee Members: Lovejoy, Hatch, Leishman, Walz, Wallner, L. Ober, Spanos and Barry

Bill Sponsors:

Sen. Cavanaugh  
Sen. Hennessey  
Sen. Chandley  
Sen. Levesque  
Sen. Morgan

Sen. Feltes  
Sen. D'Allesandro  
Sen. Kahn  
Sen. Rosenwald  
Sen. Dietsch

Sen. Watters  
Sen. Soucy  
Sen. Fuller Clark  
Sen. Sherman

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

Taylor Caswell, Commissioner, Department of Business and Economic Affairs (BEA):

- fund not to be in employment security but back in BEA;
- in the budget it is in employment security;
- program highly effective;
- greatest interest in maintaining the program;
- managed by Michael Power in BEA;
- office of Workforce Opportunity (federal funds).

Rich Lavers, Deputy Commissioner, Department of Employment Security:

- governor's proposal to transfer to the Department of Employment Security for simplicity: to allow BEA to focus on recruitment and retention.
- Unemployment Compensation Trust Fund will be hit in the 2nd and 3rd quarter of 2020;
- employers currently discount is at 1.2% - could rise to 2.7% under law;
- discount will be at 1.5% this year and without changes will drop to 1% discount;
- with this bill, discount will drop to .5% for two quarters in 2020 and in 2021 rise to 1%.

Respectfully submitted,

Rep. Mary Beth Walz  
Acting Clerk, Division I

**HOUSE COMMITTEE ON Finance**  
**DIVISION I WORK SESSION ON SB 2-FN**

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Sen. D'Allesandro  
Sen. Kahn  
Sen. Rosenwald  
Sen. Dietsch

Sen. Watters  
Sen. Soucy  
Sen. Fuller Clark  
Sen. Sherman

**TESTIMONY**

\* Use asterisk if written testimony and/or amendments are submitted.

5/15/19 Senate Bill 2-FN

Taylor Caswell - BEA Commissioner

- fund not to be in employment security but back in BEA
- in the budget it is in employment security

- program highly effective
- greatest interest in maintaining the program.

- managed by Michael Power in BEA
  - office of Workforce Opportunity (federal funds)

Rick Lanes - Deputy Commissioner Employment Security

- governor's proposal to transfer to DES for simplicity: to allow BEA to focus on recruitment + retention

Unemployment Compensation Trust fund will be hit in the 2<sup>nd</sup> + 3<sup>rd</sup> quarter of 2020

- Employers currently <sup>discount is at</sup> paying 1.2% - could rise to 2.7% under law.

- <sup>Discount</sup> will be at 1.5% this year + w/out changes will drop to 1% discount

- with this bill, discount will drop to .5% for 2 quarters in 2020 + in 2021 rise to 1%

2019 SESSION

Finance - Division I

Bill #: SB 2 Motion: OTP AM #: \_\_\_\_\_ Exec Session Date: 5/15/19

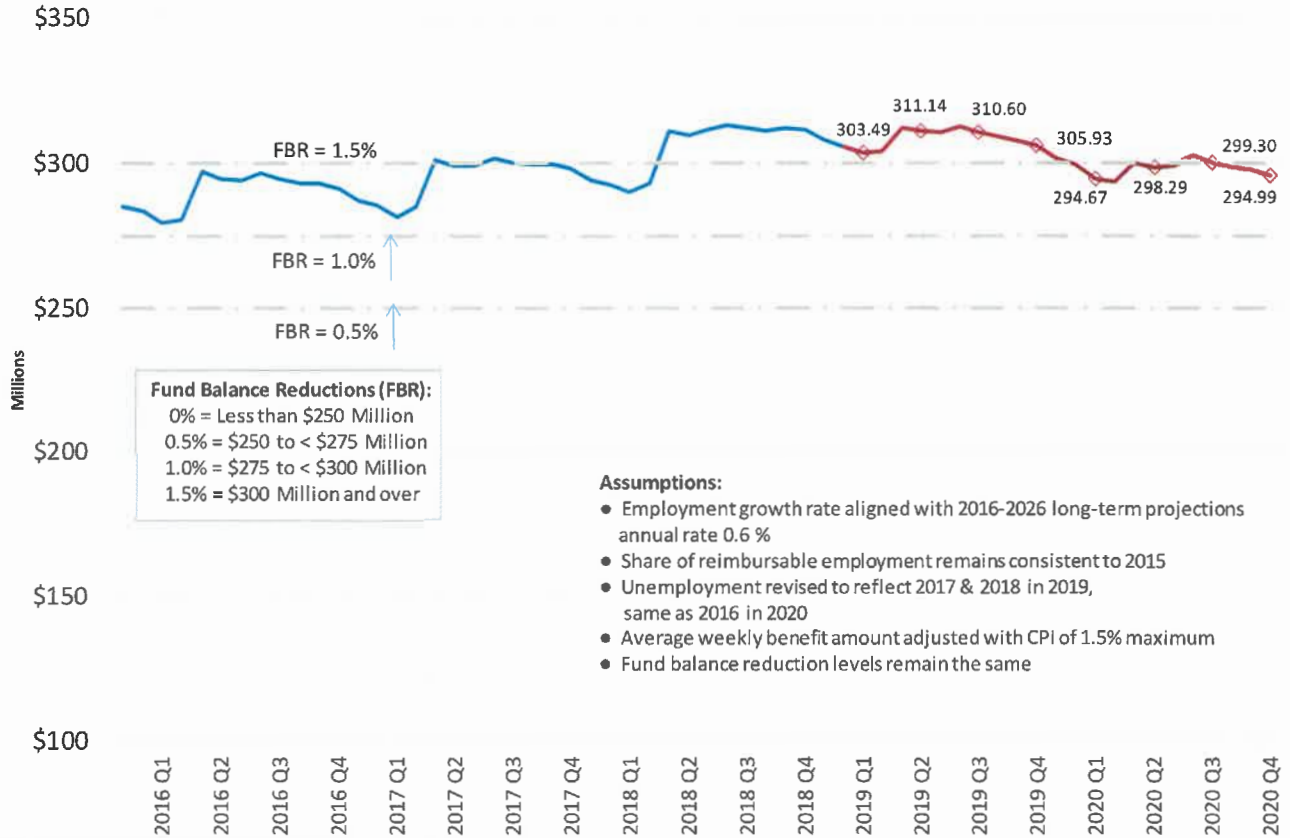
<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Lovejoy, Patricia T. Chairman	X		
Hatch, William A. Vice Chairman	X		
Leishman, Peter R.	X		
Walz, Mary Beth	X		
Wallner, Mary Jane			
Ober, Lynne M. Clerk			
Spanos, Peter J.	X		
Barry, Richard W.	X		
<b>TOTAL VOTE:</b>	<b>6</b>	<b>0</b>	<b>0</b>

Rep Lovejoy / Rep Hatch



**ESTIMATED TRUST FUND BALANCES**

Unemployment Trust Fund Balance  
Actuals and Forecast Estimates



Trust Fund Estimates and  
Fund Balance Reductions

Quarter Ending Date	Estimated Trust Fund Balance	Projected Fund Balance Reduction Rate
2019 Q1	\$303,493,318	1.5% FBR
2019 Q2	\$311,136,997	1.5% FBR
2019 Q3	\$310,599,169	1.5% FBR
2019 Q4	\$305,932,304	1.5% FBR
2020 Q1	\$294,668,954	1.5% FBR
2020 Q2	\$298,290,470	1.0% FBR
2020 Q3	\$299,297,608	1.0% FBR
2020 Q4	\$294,989,379	1.0% FBR

Revised April 22, 2019  
2112 report - March 2019

- Revised Estimates —April 22, 2019
- Revised employment estimates
- Based on annual average employment growth of 0.6%
- Trust fund balanced with March 2019 ETA 2112 report

\*In any given quarter, the Fund Balance Reduction applied is based on the estimated Trust Fund balance of the prior quarter, but is applied to collections of the given quarter.

For example, the fund balance reduction applied to Q3 is based on the balance of Q2, which is assumed to be between the balance at the end of Q1 and the end balance of Q2.

Bill  
as  
Amended  
by the  
House

SB 2-FN - AS AMENDED BY THE HOUSE

01/31/2019 0106s  
8May2019... 1523h  
8May2019... 1842h

2019 SESSION

19-1032  
04/08

SENATE BILL

**2-FN**

AN ACT

relative to funding for job training programs in the department of business and economic affairs.

SPONSORS:

Sen. Cavanaugh, Dist 16; Sen. Feltes, Dist 15; Sen. Watters, Dist 4; Sen. Hennessey, Dist 5; Sen. D'Allesandro, Dist 20; Sen. Soucy, Dist 18; Sen. Chandley, Dist 11; Sen. Kahn, Dist 10; Sen. Fuller Clark, Dist 21; Sen. Levesque, Dist 12; Sen. Rosenwald, Dist 13; Sen. Sherman, Dist 24; Sen. Morgan, Dist 23; Sen. Dietsch, Dist 9

COMMITTEE:

Finance

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ANALYSIS

This bill:

- I. Reduces an employer's unemployment contribution rate and requires that a portion of the administrative contribution be deposited in the unemployment compensation fund.
- II. Revises the job training programs offered by the department of business and economic affairs.
- III. Changes the maximum amount that the department of business and economic affairs may use to administer the job training program.
- IV. Requires the commissioner of the department of business and economic affairs to submit an annual report on the effectiveness of job training programs and services.

-----  
Explanation:

Matter added to current law appears in **bold italics**.

Matter removed from current law appears [~~in brackets and struck through~~].

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

SB 2-FN - AS AMENDED BY THE HOUSE

01/31/2019 0106s  
8May2019... 1523h  
8May2019... 1842h

19-1032  
04/08

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Nineteen*

AN ACT relative to funding for job training programs in the department of business and economic affairs.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 Short Title. This act shall be known as the Granite State Jobs Act of 2019.

2 2 Findings. The general court finds it is in the public interest to enhance public-private  
3 partnerships to recruit, train, and re-employ workers in order to meet New Hampshire's skills gap  
4 and worker shortage, efficiently and timely assisting Granite state businesses and Granite staters  
5 looking for work, including those in recovery.

6 3 Unemployment Compensation; Contribution Rates. Amend RSA 282-A:87, IV(a) to read as  
7 follows:

8 IV.(a)(1) Each employer subject to payment of contributions pursuant to RSA 282-A:69, I  
9 shall have its rate reduced by [~~2/10~~] *2/5* of one percent beginning in the [~~second~~] *fourth* quarter of  
10 [~~2007~~] *2019*. An administrative contribution equal to the amount of this reduction shall be paid by  
11 all such employers.

12 (2) Commencing [~~July 1, 2007~~] *January 1, 2020*, after deduction of all costs  
13 incurred in the collection of the administrative contribution, 1/3 of the quarterly administrative  
14 contribution collected, not to exceed [~~\$2,000,000~~] *\$6,000,000* annually, shall be deposited each  
15 quarter in the fund established by RSA 282-A:138-a and shall be expended only as provided by and  
16 for the purposes provided in that section *and shall lapse to the unemployment trust fund*  
17 *account established in RSA 282-A:104, I(b) if unspent or unencumbered at the end of the*  
18 *relevant program year*. The remaining quarterly administrative contribution collected shall be  
19 *divided so that the proportional share of the quarterly administrative contribution*  
20 *resulting from the increase over 2/10 of one percent shall be deposited in the*  
21 *unemployment compensation fund established in RSA 282-A:103 and the remaining*  
22 *amount* deposited in the fund established by RSA 282-A:140 and shall be expended only as  
23 provided by and for the purposes provided in that section, and not for any other purpose.

24 4 Unemployment Compensation; Training Fund. Amend RSA 282-A:138-a, I to read as follows:

25 I. There is hereby created in the state treasury a special fund to be known as the training  
26 fund. Commencing January 1, 2002, the moneys in this fund may be used, solely as determined by  
27 the commissioner of business and economic affairs in accordance with rules and guidelines adopted  
28 by the commissioner of business and economic affairs, *after consultation with the governor's*  
29 *workforce innovation board*, for funding training under the job training program for economic

1 growth, established under RSA 12-O:30 through 12-O:37. Rulemaking authority relative to  
2 administration of the grant award process shall be with the commissioner of [~~resources and~~  
3 ~~economic development~~] *business and economic affairs* pursuant to RSA 12-O:33.

4 5 Department of Business and Economic Affairs; Job Training Program for Economic Growth;  
5 Training Programs. RSA 12-O:32 is repealed and reenacted to read as follows:

6 12-O:32 Training Programs.

7 I. Training programs may include, but shall not be limited to:

- 8 (a) Structured, on-site laboratory or classroom training.  
9 (b) Basic skills.  
10 (c) Technical skills.  
11 (d) Quality improvement.  
12 (e) Safety.  
13 (f) Management and supervision.  
14 (g) English as a second language.

15 II. No more than \$500,000 annually, from sources other than the WorkReadyNH program,  
16 shall be provided to support programs offered as of January 1, 2019, and, in addition to programs  
17 offered as of January 1, 2019, funding shall be provided for:

18 (a) Training individuals not otherwise eligible for state or federal training funds  
19 available as of January 1, 2019, including the cost of certificate programs, apprenticeship programs  
20 as defined under 29 C.F.R. Part 29, and occupational skills training in order to fill current, in-  
21 demand employment in New Hampshire with employers having immediate employment needs, with  
22 a priority for jobs identified through the state's sector partnership initiative and for employers who  
23 pay individuals during training periods.

24 (b) Enhanced support services, including child care and transportation assistance,  
25 which would not otherwise be available through any other state, federal, or other programs, with  
26 such assistance limited to income eligible individuals with an identified career path and who are  
27 determined to be in need of such support services to successfully compete for employment  
28 opportunities;

29 (c) The WorkReadyNH program established by the community college system of New  
30 Hampshire in an amount not to exceed \$500,000 annually.

31 (d) Certificate programs, apprenticeship programs as defined under 29 C.F.R. Part 29,  
32 and occupational skills training opportunities for New Hampshire high school students upon  
33 graduation in order to fill current, in-demand employment in New Hampshire.

34 (e) Marketing of New Hampshire's workforce development initiatives to employers and  
35 business community representatives in New Hampshire.

36 (f) Recruitment and coordination of services provided in this section to populations with  
37 higher than average unemployment in New Hampshire, including persons in need of training to  
38 change careers, persons with substance use disorders who are in recovery programs, persons with

SB 2-FN - AS AMENDED BY THE HOUSE

- Page 3 -

1 disabilities, inmates transitioning to the general population, persons who are homeless, senior  
2 citizens, legal immigrants and speakers of languages other than English, including documented  
3 outreach to and priority given to persons with substance use disorders who are in recovery  
4 programs.

5 6 Department of Business and Economic Affairs; Job Training Program for Economic Growth.  
6 Amend RSA 12-O:35, IV to read as follows:

7 IV. The department may use no more than 10 percent, or [~~\$200,000~~] **\$600,000**, of any  
8 moneys received from the training fund established at RSA 282-A:138-a, whichever is less, to  
9 administer this program, *including support for the sector partnership initiative*.

10 7 New Paragraph; Department of Business and Economic Affairs; Job Training Program for  
11 Economic Growth; Performance. Amend RSA 12-O:37 by inserting after paragraph III the following  
12 new paragraph:

13 IV. The commissioner shall annually submit a report to the governor's state workforce  
14 innovation board, the speaker of the house of representatives, the president of senate, the  
15 chairperson of the senate committee with jurisdiction over commerce issues, and the chairperson of  
16 the house committee with jurisdiction over labor issues concerning the effectiveness of all job  
17 training programs and services.

18 8 Effective Date. This act shall take effect upon its passage.

**SB 2-FN- FISCAL NOTE**  
 AS AMENDED BY THE SENATE (AMENDMENT #2019-0106s)

AN ACT relative to funding for job training programs in the department of business and economic affairs.

**FISCAL IMPACT:**     State             County             Local             None

STATE:	Estimated Increase / (Decrease)			
	FY 2020	FY 2021	FY 2022	FY 2023
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	Indeterminable	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	Indeterminable	Indeterminable	Indeterminable	Indeterminable
<b>Funding Source:</b>	<input type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Unemployment Compensation Trust Fund and Job Training Fund			

**COUNTY:**

<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	Indeterminable	Indeterminable	Indeterminable	Indeterminable

**LOCAL:**

<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	Indeterminable	Indeterminable	Indeterminable	Indeterminable

**METHODOLOGY:**

This bill as amended creates the Granite State Jobs Act of 2019. It amends the unemployment compensation statutory contribution rate for employers from 0.2% to 0.4% beginning in the second quarter of 2019. After deduction of all costs incurred in the collection of the administrative contribution, 1/3 of the quarterly administrative contribution collected, not to exceed \$6 million annually (increased from \$2 million), shall be deposited each quarter into the job training program fund (Training Fund RSA 282-A:138-a) administered by the Department of Business and Economic Affairs (DBEA). Funds that are unspent or unencumbered at the end of the relevant program year shall lapse to the Unemployment Trust Fund account (RSA 282-A:104, I(b)). The remaining quarterly administrative contribution collected shall be divided so that the proportional share of the quarterly administrative contribution resulting from the increase over 0.2% shall be deposited in the Unemployment Compensation Fund (RSA 282-A:103) and the remaining amount into the Contingent Fund (RSA 282-A:140). The bill expands the definition of and eligibility for training programs pursuant to RSA 12-O:32 and caps the annual amount of financial support for such programs at no more than \$500,000 annually. Additionally, the bill increases the current cap on the DBEA use of moneys from \$200,000 to

\$600,000 annually or 10% of money received from the Training Fund, whichever is less, to administer the program, including support for the private sector partnership initiative.

The Department of Employment Security (DES) states the increase of the current 0.2% to 0.4% in the administrative contribution rate paid by employers pursuant to RSA 282-A:87, IV(a)(1) would provide an additional \$4 million in revenue for a total of \$6 million annually to the DBEA to supplement and expand existing workforce development and job training programs. The bill would not directly increase unemployment insurance taxes on employers. Currently each employer is required to pay quarterly unemployment tax has 0.2% deducted from their tax rate and then this 0.2% is added back as an administrative contribution (AC). The total AC revenue is split as follows:

- \$2 million deposited in to the Training Fund and administered by the DBEA for the Job Training Fund and the Work Ready NH Program.
- The remainder of the AC revenue is retained by the Department of Employment Security to support the administrative functions of the Department (RSA 282-A:87, IV(a) AC and RSA 282-A:140 Contingent Fund) and supplement the administrative funding received from the U.S. Department of Labor.

The DES states the current portion of the unemployment tax payment from an employer in excess of 0.2% is deposited in the Unemployment Compensation Trust Fund (Trust Fund) to pay unemployment compensation benefits. DES assumes the additional AC revenue generated by this legislation would not impact what NHES retains for administration but it would impact the Trust Fund balance because an increased amount of an employer's tax payment will be diverted from the Trust Fund to the DBEA Training Fund. The DES estimates the Fund Balance Reductions (FBRs) due to employers pursuant to RSA 282-A:82 in the first quarter of calendar year 2021 would be reduced from 1.0% to 0.5%, representing a smaller reduction in the forecasted tax rate reduction. The forecasted increase in tax payments caused by this decrease in the FBR would equal an additional \$16.1 million in unemployment tax payments being paid by employers for the first quarter. Further impact on the forecasted FBR due employers in the fourth quarter of calendar year 2021 would increase the FBR from 0.5% to 1.0%. The decrease in tax payments caused by this increase in the FBR equals \$2.7 million less in unemployment compensation tax payments paid by employers for the fourth quarter. The forecasted net impact on total employment compensation tax payments paid through 2021 would be an additional \$13,328,970.

The Department of Business and Economic Affairs (DBEA) states this bill will increase the transfer from the Department of Employment Security to the State Job Training Fund, which is administered by the DBEA, from \$2,000,000 to \$6,000,000 each year. The DBEA states it will



use the additional funds to address workforce demand by providing support and training, designed to address skill gaps and other barriers to employment for individuals that are not eligible for state or federal training funds. The DBEA states it will need to add an Administrator I (Salary Grade 27, Step 1) position to manage the additional funds and the expansion of training programs. The salary, benefits and other expenses associated with the position will be approximately \$87,000 in FY 2020, \$89,000 in FY 2021, \$93,000 in FY 2022 and \$98,000 in FY 2023.

The Community College System of New Hampshire (CCSNH) assumes some portion of the increase in job training funds would be allocated as follows: up to an additional \$500,000 in each fiscal year from the WorkReadyNH Program and an indeterminable additional amount through other education and training programs offered by CCSNH.

**AGENCIES CONTACTED:**

Department of Employment Security, Department of Business and Economic Affairs and the Community College System of New Hampshire