

LEGISLATIVE COMMITTEE MINUTES

SB2

Bill as Introduced

SB 2-FN - AS INTRODUCED

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

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 struckthrough.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 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 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. The remaining quarterly administrative contribution collected
17 shall be *divided so that the proportional share of the quarterly administrative contribution*
18 *resulting from the increase over 2/10 of one percent shall be deposited in the*
19 *unemployment compensation fund established under RSA 282-A:103 and the remaining*
20 *amount* deposited in the fund established by RSA 282-A:140 and shall be expended only as
21 provided by and for the purposes provided in that section, and not for any other purpose.

22 4 Unemployment Compensation; Training Fund. Amend RSA 282-A:138-a, I to read as follows:

23 I. There is hereby created in the state treasury a special fund to be known as the training
24 fund. Commencing January 1, 2002, the moneys in this fund may be used, solely as determined by
25 the commissioner of business and economic affairs in accordance with rules and guidelines adopted
26 by the commissioner of business and economic affairs, *after consultation with the governor's*
27 *workforce innovation board*, for funding training under the job training program for economic
28 growth, established under RSA 12-O:30 through 12-O:37. Rulemaking authority relative to
29 administration of the grant award process shall be with the commissioner of ~~[resources and~~
30 ~~economic development]~~ *business and economic affairs* pursuant to RSA 12-O:33.

SB 2-FN - AS INTRODUCED

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1 5 Department of Business and Economic Affairs; Job Training Program for Economic Growth;
2 Training Programs. RSA 12-O:32 is repealed and reenacted to read as follows:

3 12-O:32 Training Programs.

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

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

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

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

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

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

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

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

33 (f) Recruitment and coordination of services provided in this section to populations with
34 higher than average unemployment in New Hampshire, including persons in need of training to
35 change careers, persons with substance use disorders who are in recovery programs, persons with
36 disabilities, inmates transitioning to the general population, senior citizens, legal immigrants and
37 speakers of languages other than English, including documented outreach to and priority given to
38 persons with substance use disorders who are in recovery programs.

SB 2-FN - AS INTRODUCED

- Page 3 -

1 6 Department of Business and Economic Affairs; Job Training Program for Economic Growth.
2 Amend RSA 12-O:35, IV to read as follows:

3 IV. The department may use no more than 10 percent, or ~~[\$200,000]~~ *\$600,000*, of any
4 moneys received from the training fund established at RSA 282-A:138-a, whichever is less, to
5 administer this program.

6 7 New Paragraph; Department of Business and Economic Affairs; Job Training Program for
7 Economic Growth; Performance. Amend RSA 12-O:37 by inserting after paragraph III the following
8 new paragraph:

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

14 8 Effective Date. This act shall take effect upon its passage.

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
Funding Source:	<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

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

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 struckthrough.~~]
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STATE OF NEW HAMPSHIRE

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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 fund
15 established by RSA 282-A:138-a and shall be expended only as provided by and for the purposes
16 provided in that section *and shall lapse to the unemployment trust fund account established*
17 *in RSA 282-A:104, I(b) if unspent or unencumbered at the end of the relevant program year.*
18 The remaining quarterly administrative contribution collected shall be *divided so that the*
19 *proportional share of the quarterly administrative contribution resulting from the*
20 *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 economic~~
2 ~~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;
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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, which
24 would not otherwise be available through any other state, federal, or other programs, with such
25 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

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
Appropriation	\$0	\$0	\$0	\$0
Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<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 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.

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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 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)			
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Appropriation	\$0	\$0	\$0	\$0
Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<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

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Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable

METHODOLOGY:

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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 - 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

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 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]~~ **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 unemployment**
21 **compensation fund established in RSA 282-A:103 and the remaining amount** deposited in the
22 fund 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

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 economic~~
3 ~~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, which
25 would not otherwise be available through any other state, federal, or other programs, with such
26 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

SB 2-FN - AS AMENDED BY THE HOUSE

- Page 3 -

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

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

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

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

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

19 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
Appropriation	\$0	\$0	\$0	\$0
Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<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 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 - FINAL VERSION

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

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

SB 2-FN - FINAL VERSION

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-
3 private partnerships to recruit, train, and re-employ workers in order to meet New
4 Hampshire's skills gap and worker shortage, efficiently and timely assisting Granite state
5 businesses and Granite staters looking for work, including those in recovery.

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

8 IV.(a)(1) Each employer subject to payment of contributions pursuant to RSA 282-
9 A:69, I shall have its rate reduced by ~~[2/10]~~ **2/5** of one percent beginning in the ~~[second]~~
10 **fourth** quarter of ~~[2007]~~ **2019**. An administrative contribution equal to the amount of this
11 reduction shall be paid by 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
14 administrative contribution collected, not to exceed ~~[\$2,000,000]~~ **\$6,000,000** annually, shall
15 be deposited each quarter in the fund established by RSA 282-A:138-a and shall be
16 expended only as provided by and for the purposes provided in that section **and shall**
17 **lapse to the unemployment trust fund account established in RSA 282-A:104, I(b) if**
18 **unspent or unencumbered at the end of the relevant program year**. The remaining
19 quarterly administrative contribution collected shall be **divided so that the proportional**
20 **share of the quarterly administrative contribution resulting from the increase over 2/10**
21 **of one percent shall be deposited in the unemployment compensation fund established in**
22 **RSA 282-A:103 and the remaining amount** deposited in the fund established by RSA 282-
23 A:140 and shall be expended only as provided by and for the purposes provided in that
24 section, and not for any other purpose.

25 4 Unemployment Compensation; Training Fund. Amend RSA 282-A:138-a, I to read as
26 follows:

27 I. There is hereby created in the state treasury a special fund to be known as the
28 training fund. Commencing January 1, 2002, the moneys in this fund may be used, solely
29 as determined by the commissioner of business and economic affairs in accordance with

1 rules and guidelines adopted by the commissioner of business and economic affairs, *after*
2 *consultation with the governor's workforce innovation board*, for funding training under
3 the job training program for economic growth, established under RSA 12-O:30 through 12-
4 O:37. Rulemaking authority relative to administration of the grant award process shall
5 be with the commissioner of [~~resources and economic development~~] *business and*
6 *economic affairs* pursuant to RSA 12-O:33.

7 5 Department of Business and Economic Affairs; Job Training Program for Economic
8 Growth; Training Programs. RSA 12-O:32 is repealed and reenacted to read as follows:

9 12-O:32 Training Programs.

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

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

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

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

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

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

35 (d) Certificate programs, apprenticeship programs as defined under 29 C.F.R.
36 Part 29, and occupational skills training opportunities for New Hampshire high school

SB 2-FN - FINAL VERSION

- Page 3 -

1 students upon graduation in order to fill current, in-demand employment in New
2 Hampshire.

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

5 (f) Recruitment and coordination of services provided in this section to
6 populations with higher than average unemployment in New Hampshire, including
7 persons in need of training to change careers, persons with substance use disorders who
8 are in recovery programs, persons with disabilities, inmates transitioning to the general
9 population, persons who are homeless, senior citizens, legal immigrants and speakers of
10 languages other than English, including documented outreach to and priority given to
11 persons with substance use disorders who are in recovery programs.

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

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

17 7 New Paragraph; Department of Business and Economic Affairs; Job Training
18 Program for Economic Growth; Performance. Amend RSA 12-O:37 by inserting after
19 paragraph III the following new paragraph:

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

25 8 Effective Date. This act shall take effect upon its passage.

26

27 VETOED August 9, 2019 -- Veto Sustained September 19, 2019

28

LBAO
19-1032
Amended 2/1/19

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
Appropriation	\$0	\$0	\$0	\$0
Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<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 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

Amendments

Sen. Cavanaugh, Dist 16
January 22, 2019
2019-0054s
04/08

Amendment to SB 2-FN

1 Amend RSA 12-O:32, II(f) as inserted by section 5 of the bill by replacing it with the following:

2

3 (f) Recruitment and coordination of services provided in this section to populations with
4 higher than average unemployment in New Hampshire, including persons in need of training to
5 change careers, persons with substance use disorders who are in recovery programs, persons with
6 disabilities, inmates transitioning to the general population, persons who are homeless, senior
7 citizens, legal immigrants and speakers of languages other than English, including documented
8 outreach to and priority given to persons with substance use disorders who are in recovery
9 programs.

10

11 Amend RSA 12-O:35, IV as inserted by section 6 of the bill by replacing it with the following:

12

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

UNAPPROVED

Sen. Cavanaugh, Dist 16
January 24, 2019
2019-0102s
04/10

Amendment to SB 2-FN

1 Amend RSA 282-A:87, IV(a)(2) as inserted by section 3 of the bill by replacing it with the following:

2

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

UNAPPROVED

Amendment to SB 2-FN

1 Amend RSA 282-A:87, IV(a)(2) as inserted by section 3 of the bill by replacing it with the following:

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

15
16 Amend RSA 12-O:32, II(f) as inserted by section 5 of the bill by replacing it with the following:

17
18 (f) Recruitment and coordination of services provided in this section to populations with
19 higher than average unemployment in New Hampshire, including persons in need of training to
20 change careers, persons with substance use disorders who are in recovery programs, persons with
21 disabilities, inmates transitioning to the general population, persons who are homeless, senior
22 citizens, legal immigrants and speakers of languages other than English, including documented
23 outreach to and priority given to persons with substance use disorders who are in recovery
24 programs.

25
26 Amend RSA 12-O:35, IV as inserted by section 6 of the bill by replacing it with the following:

27
28 IV. The department may use no more than 10 percent, or [~~\$200,000~~] **\$600,000**, of any
29 moneys received from the training fund established at RSA 282-A:138-a, whichever is less, to
30 administer this program, **including support for the sector partnership initiative.**

Committee Minutes

ATTENDANCE

AMENDED
SENATE CALENDAR NOTICE
Finance

- X Sen Lou D'Allesandro, Chair
- ✓ Sen Dan Feltes, Vice Chair
- ✓ Sen Cindy Rosenwald, Member
- ✓ Sen Jay Kahn, Member
- ✓ Sen John Reagan, Member
- ✓ Sen Bob Giuda, Member

START : 1:03
STOP : 2:05

Date: January 17, 2019

HEARINGS

Tuesday		01/22/2019
(Day)		(Date)
Finance		SH 103
		1:00 p.m.
(Name of Committee)		(Place)
1:00 p.m.	SB 2-FN	<u>relative to funding for job training programs in the department of business and economic affairs.</u>
1:30 p.m.	SB 6-FN-A-LOCAL	relative to child protection staffing and making an appropriation therefor.

Sponsors:

SB 2-FN

- | | | | |
|-------------------|---------------|----------------|----------------|
| Sen. Cavanaugh | Sen. Feltes | Sen. Watters | Sen. Hennessey |
| Sen. D'Allesandro | Sen. Soucy | Sen. Chandley | Sen. Kahn |
| Sen. Fuller Clark | Sen. Levesque | Sen. Rosenwald | Sen. Sherman |
| Sen. Morgan | Sen. Dietsch | | |

SB 6-FN-A-LOCAL

- | | | | |
|----------------|-------------------|----------------|--------------|
| Sen. Morgan | Sen. Cavanaugh | Sen. Levesque | Sen. Dietsch |
| Sen. Sherman | Sen. Chandley | Sen. Rosenwald | Sen. Kahn |
| Sen. Watters | Sen. Fuller Clark | Sen. Soucy | Sen. Feltes |
| Sen. Hennessey | Rep. Wallner | | |

Presentation by the Office of the Legislative Budget Assistant to follow hearings.

Deb Martone 271-4980

Lou D'Allesandro
Chairman

Senate Finance Committee

Deb Martone 271-4980

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

Hearing Date: January 22, 2019

Time Opened: 1:03 p.m.

Time Closed: 2:05 p.m.

Members of the Committee Present: Senators Feltes, Rosenwald, Kahn, Reagan and Giuda

Members of the Committee Absent: Senator D'Allesandro

Bill 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.

Sponsors:

Sen. Cavanaugh

Sen. Feltes

Sen. Watters

Sen. Hennessey

Sen. D'Allesandro

Sen. Soucy

Sen. Chandley

Sen. Kahn

Sen. Fuller Clark

Sen. Levesque

Sen. Rosenwald

Sen. Sherman

Sen. Morgan

Sen. Dietsch

Who supports the bill: Senators Cavanaugh, Feltes, Rosenwald, Sherman, Watters, Fuller Clark and Soucy; Representatives Nordgren and Wallner; Dave Juvet; Jonathan Mitchell; Denis Beaudoin; Michael Ponce; Jackie Cowell; Maryellen Schule; Jonathan Routhier; Jake Berry; David Pelletiere; Joshua Reap; Dr. Ross Gittell; Robert Segal; Tim Sink; Glenn Brackett.

Who opposes the bill: Senator Morse; Dan McGuire.

Who is neutral on the bill: Deputy Commissioner Richard Lavers; Dr. Will Arvelo.

Summary of testimony presented in support:

Senator Cavanaugh, Prime Sponsor:

- This bill is designed to help employers obtain skilled workers.
- Each week in New Hampshire there are over 10,000 job openings vacant due to a gap in training.
- SB 2-FN will help attract, retain and retrain employees, giving businesses qualified employees.
- The bill will help populations with higher than average unemployment. It will help individuals in changing careers.
- SB 2-FN will help individuals in recovery and those homeless.
- Senator Cavanaugh introduced Amendment #2019-0054s to address the homeless and recovery populations.
- This bill gives employers the opportunity to access funds to train new employees, rather than limiting it to current employees.
- SB 2-FN increases the job training fund established in 2007 from \$2 million to \$6 million by increasing the cap for allowable contributions to the fund.
- Training may include structured, onsite lab or classroom training, basic skills, technical skills, quality improvement, safety, management and supervision, and English as a second language.
- Senator Cavanaugh submitted additional written testimony on behalf of Matt Kfoury, CEO of Central Paper Products Company. Mr. Kfoury also represents the Unemployment Insurance Advisory Council.
- Senator Kahn inquired what Senator Cavanaugh envisioned with his proposed onsite training. Senator Cavanaugh believes onsite training will enable employees to learn better by performing "hands on" work.
- Senator Giuda questioned why the bill came to the Finance Committee prior to a policy committee. It should come to Finance as a second committee. Senator Giuda wondered if SB 2-FN represents an increase in Workers Compensation rates. Senator Cavanaugh stated it would not. He sees the potential to decrease the rates and remove employees from Workers Compensation.
- Senator Feltes sought confirmation that the first part of Amendment #2019-0054s merely adds the homeless population. Senator Cavanaugh agreed. Senator Feltes then sought to clarify the second portion of the amendment allows for administrative monies to be used for the sector partnership initiative. Senator Cavanaugh agreed.
- Senator Reagan remarked the Unemployment Compensation Fund is a tax on employers to mitigate circumstances when an individual loses their job. Why should they be obligated to pay to train other employers' employees when that was not the purpose of the fund? The fund has a very specific purpose; the proposal is attempting to make the fund serve two purposes. Senator Cavanaugh explained business owners would like the opportunity to hire new

workers and have them trained prior to being on the books. It will help, as well, with retraining workers. Senator Cavanaugh has not heard that business owners are upset. This bill will help them obtain a qualified workforce. Senator Reagan asked if he was a business owner not looking to train other business owners' employees, why would he be inclined to go along with this proposal. Senator Cavanaugh pointed out a business owner who retrainers would save on the costs of an employee being unemployed.

- Senator Giuda inquired about the number of current workforce training programs under the Department of Business and Economic Affairs. Senator Cavanaugh was unsure of the number. Senator Giuda wondered what happens if the economy sours. Senator Cavanaugh indicated protections must be put in place to protect the fund.
- Senator Kahn inquired where the current \$2 million allocation is drawn from. Senator Cavanaugh indicated it comes from the Unemployment Fund.

Dave Juvet, BIA:

- The number one concern for BIA members is workforce, both the lack of individuals able to fill current vacancies, and the lack of worker skills in this state.
- Many, many companies have utilized the job training program over the years, and successfully upgraded their workforce.
- The fund is oversubscribed. There are more employers that want to do training and access the fund, than there are grant dollars available.
- Mr. Juvet suggests the administrative cost increase from \$200,000 to \$600,000 be carefully reviewed. Although the proposal triples the fund itself, administrative costs may not necessarily triple.
- Rather than allow these funds to accrue and be non-lapsing from year to year causing a build up in the fund, Mr. Juvet suggests the funds be allowed to lapse back to the Unemployment Trust Fund if they are not used in a fiscal year
- In the case of an economic slowdown or recession, Mr. Juvet urged the committee to strongly consider some type of threshold or trigger to freeze or reduce the funds available for job training. This would be a practical measure.

Jonathan Mitchell, Training Director, IBEW Local 490:

- Mr. Mitchell has been involved with the IBEW apprentice program for the last 23 years. During that time union contractors and their members have absorbed all the costs of training for their apprentices. Costs have kept the program lean. This bill allows an opportunity to make quality improvements to their existing program on both the basic skill level and technical skills.
- SB 2-FN will help all training programs in the state and help produce the skilled workforce New Hampshire needs now and in the future.

Jonathan Routhiere, Executive Director, Community Support Network, Inc:

- The Network works in support of the ten area agencies throughout the state that provide community-based services to individuals with developmental disabilities and acquired brain disorders and their families.
- Any efforts to improve our state's ability to recruit, train and support a qualified workforce are vitally important to the overall function of their system.
- "Workforce" includes individuals with disabilities who are seriously under-

represented in our current workforce. Recent reports estimate an employment rate of roughly 35-38 percent for individuals with intellectual disabilities. SB 2-FN has the potential to positively impact that number with its emphasis on helping employers with the cost of training new employees. Further, with high vacancy rates and direct support positions, area agencies and private providers of services to individuals with disabilities bear significant costs for training new staff. SB 2-FN will help.

- Referencing DHHS job training appropriations, Senator Reagan inquired how the proposal differed from DD Home and Community Waivers supported employment. Mr. Routhiere's understanding is that SB 2-FN is directed towards the cost of training that is borne by employers to fill vacant positions and bring on new employees. The home and community-based services waiver provides supports to individuals who are working or engaging in community activities within a residential program. Senator Reagan noted currently \$3 million is appropriated.
- Senator Giuda inquired what percentage of the state's population Mr. Routhiere's organization represents. Mr. Routhiere stated the Network represents roughly 12,000 individuals who are experiencing developmental disabilities and acquired brain disorders. Senator Giuda wondered what percentage of that population will never be able to hold down a job, due to the severity of their disability. Mr. Routhiere indicated the Network's hope is that every individual who has a disability and wishes to engage in work will have the supports to do so.

Dr. Ross Gittell, Chancellor, Community College System of NH:

- There are employers across the state poised to add well paying jobs if they could retrain their current employees and new recruits to meet the changing needs at their places of employment. CCSNH wants to be poised to work with those companies to ensure the opportunity to expand the economy and employment throughout the state, and the opportunity to expand economic opportunity for individuals to enhance their skills and earn good income.
- Employers need access to job training funds to expand employment in New Hampshire.
- The bill would enhance CCSNH's ability to support activities such as certificate attainment in manufacturing, health care and auto technology to expand apprenticeships for employees to "earn while they learn". This would be in addition to CCSNH's Work Ready Program, which addresses the needs of the unemployed, and those who experience difficulty in gaining employment due to being out of the labor market for an extended time, or have particular challenges which need to be addressed. The Work Ready Program moves those individuals toward employment. Since 2011 the program has graduated 3500 individuals.
- This requires partnership with industry and leads to the creation and expansion of jobs.
- Referring to information supplied by Senator Morse's testimony, Senator Reagan stated CCSNH has a balance from federal funds of \$1.2 million received in 2016 from the US Labor Department. The balance of the grant remains

available for use through 2019. Senator Reagan was wondering about the size of the balance. Dr. Gittell stated that money was allocated, and is being used to create apprenticeship programs throughout the state. The funding has been renewed and increased. This bill would not preclude CCSNH from the opportunity to leverage these funds and seek federal funding, and seek further investment by employers in their own employees.

- Senator Kahn praised the sector partnerships CCSNH has developed. He inquired if the Work Ready Program allocation of \$500,000 would cover current programs or new offerings? If new, where? Dr. Gittell imagined it would be a combination. They are looking to expand the population to be served. They want to insure this program is available in rural areas where there is a critical need to transition individuals.
- Senator Giuda wondered how many of the various job training appropriations listed on Senator Morse's spreadsheet, CCSNH accesses or taps into? Dr. Gittell explained they attempt to be resourceful with the support they receive from the State of New Hampshire. As stated previously, they also receive federal support. Dr. Gittell is unable to approximate how much of the current \$84 million job training appropriations they access. Senator Giuda asked Dr. Gittell to approximate the amount of current job training funds CCSNH seeks. Dr. Gittell agreed to supply that to the committee.
- Senator Feltes addressed Section 7 of the bill, which creates a new annual report. He asked Dr. Gittell for his input on this new requirement. Dr. Gittell agreed the annual requirement was sufficient.

David Pelletiere, Business Manager, UA Local 131:

- Their industry, pipe fitters, requires skilled labor acquired through job training and apprenticeship programs.
- Existing programs will greatly benefit from the increased funding in SB 2-FN.
- Their programs are constantly incurring additional costs from new equipment and increased instruction time from change in technologies.
- Increasing the funding for job training programs from \$2 million to \$6 million will allow more skilled workers to be trained here in New Hampshire and seek employment in this state.
- While their organization offers apprenticeship and journeyman training currently, legislation such as this bill is critical in ensuring their members and all New Hampshire workers have access to the newest technologies possible.
- Current and future workers need access to training necessary to make them competitive when building jobs of the future.
- Senator Reagan inquired absent this funding, how many individuals will not get trained this year. Mr. Pelletiere stated none in his organization. However, there is a serious issue with recruiting young labor in the mechanical trades, including plumbing apprentices and gas fitters. Senator Reagan remarked that is not from a lack of training, but from a lack of workforce.
- Senator Giuda pointed out CCSNH has seen a significant increase in workers in the construction trade, such as electricians, plumbers and HVAC personnel applying to their programs. That money is producing workers that will ultimately end up with Mr. Pelletiere's organization. Mr. Pelletiere disagreed.

Senator Giuda asked if Mr. Pelletiere's organization or businesses his members work in receive funding for job training from any federal or state source currently in existence. Mr. Pelletiere stated they did not, and he did not know if they were eligible to receive funding.

Joshua Reap, President/CEO, Associated Builders & Contractors, Inc. NH/VT:

- ABC is pleased to see SB 2-FN expands flexibility by allowing businesses to access funds to train employees they are going to hire in the future, rather than limiting it to current employees. It shows state government is truly a partner with employers and sends the message to all New Englanders that opportunity awaits you in the Granite State.
- New Hampshire construction companies are ready and eager to hire. Nationally, on an annual basis, ABC and its members spend over \$1.1 billion on workforce development in the private sector. More needs to be done.
- Presently there are over an estimated 500,000 skilled construction jobs to fill across the country. And, the problem is only going to magnify as baby boomers continue to retire at a record pace.
- The sector partner initiative has brought together industry and public entities to identify needs as well as locate the resources that exist. Communities within the state have much going on, and the sector partnership has become sort of the nexus, or meeting place to come together. In the last couple of months the construction sector partnership has brought together dozens of stakeholders and helped address general needs leading to additional resources.
- The construction partnership has helped create resources and enhanced communication across the sector.
- Senator Feltes asked Mr. Reap to expand on the flexibility, being able to train workers that are not in current employment but prospective employed workers. Mr. Reap explained they need workers that come into the job with certain competencies and safety skills before they set foot on the job site. By expanding the job training funds, to take someone unemployed or underemployed and give them the skills needed to come into the workforce, that would help their contractors. They are having a difficult time finding people to work. This help would be welcomed.

Glenn Brackett, President, NH AFL-CIO:

- They are the largest labor union in New Hampshire, representing 40,000 working families and 60 different local unions.
- SB 2-FN helps provide the necessary funding for job training for many of the industries in this state that employ their members.
- It is important to train potential employees, and attract skilled individuals into the state by providing them with opportunities to obtain valuable training for the job openings available.
- Many of their member organizations already provide potential apprentice programs for new members of the industry. SB 2-FN will allow those organizations financial support for their already existing programs, as well as update, modernize and expand to increase the number of new employees they can bring into the field.
- It is important apprentice and job training programs continue to keep up with

advancing technology.

Summary of testimony presented in opposition:

Senator Morse:

- Senator Morse distributed a document on job training appropriations.
- In 2019, job training provides \$84 million throughout the state of New Hampshire, up from \$77.9 million in 2018. Currently, we have extensive job training throughout the state.
- There are policy issues in the bill that need to be debated by a policy committee before the financial aspects of the bill are debated.
- SB 2-FN deals with the Unemployment Trust Fund. Before the money goes into the fund, it goes for training, paying for a building, and paying for unemployment to function. The Unemployment Trust Fund cannot be tapped. But it can be tapped before money from businesses is placed into the fund.
- This bill is the first attempt to take a little over \$4 million before it enters the Unemployment Trust Fund.
- Senator Morse also distributed figures from the Job Training Dedicated Funds Report. At the beginning of 2018 the fund had \$5 million. An additional \$2 million in revenue was taken in. Going into 2019 that fund had \$4 million of unspent money, which will grow by another \$2 million. This bill adds money to a fund that currently already has a significant balance. The proposal should not be supported.

Neutral Information Presented:

Dr. Will Arvelo, Director, Division of Economic Development, Department of Business and Economic Affairs:

- Dr. Arvelo oversees the Job Training Fund, consisting of the Work Ready New Hampshire and the Job Training Fund, a 50/50 match.
- The Department takes no position on SB 2-FN. However, there is significant value to both pieces. Since 2007, over 31,000 workers have been trained, with 655 grants issued.
- Dr. Arvelo was a previous President of Great Bay Community College and has much job training experience.
- The Work Ready New Hampshire Program has been described by former graduates as "life changing". They received the basic skills necessary to return to the workforce.
- Dr. Arvelo worked with many companies, such as Sig Sauer, who accessed the job training funds and trained/retrained their employees. These employees eventually do see an increase in salaries.
- Senator Feltes referenced the job training appropriations spreadsheet. He wondered if the BEA is using the money appropriated to the department for job training. Dr. Arvelo stated yes.

Deputy Commissioner Richard Lavers, Department of Employment Security:

- DES shares and appreciates the need for workforce training.

- BEA, not DES, is the state's WIOA training provider, and administers the Job Training Fund.
- Regarding the bill's fiscal note, in looking at trust fund projections through calendar year 2021, an increase in the amount going to the Job Training Fund, dollars that would otherwise have gone to the Unemployment Compensation Trust Fund, would cause a change in the fund balance reduction that is currently projected for employers for 2021-Quarter 1. Currently, DES projects the fund would have a balance in excess of \$276 million at the end of 2020-Quarter 4, which would cause a one percent fund balance reduction on unemployment compensation employer tax rates for Quarter 1. In reviewing SB 2-FN, that would cause the DES projection for that balance in 2020-Quarter 4 to fall below \$275 million, which would cause the fund balance reduction for employers to go from a one percent level to .5 percent, thus increase unemployment compensation tax rates. That would be a statewide increase of \$16 million for employers because of that impact on the fund balance reduction. Senator Rosenwald sought clarification of the fiscal note. At the beginning of Fiscal Year 2021 the fund balance is high enough so there is a decrease in the tax rate reduction paid by employers. That lasts for 3 quarters. In the last quarter of 2021 the fund balance reduction tax rate decrease goes back up to one percent. Is this correct? Senator Rosenwald remarked it really isn't an increase in taxes. It's a decrease in the decrease in taxes. Deputy Commissioner Lavers explained the fund balance reduction itself is set by statute. Employers receive a .5 percent reduction when the fund maintains a balance of \$250 million. They receive a one percent reduction at \$275 million. And, a 1.5 percent reduction when the fund maintains a balance of \$300 million or more. Currently, employers for the Quarter 4 of 2018 and this current quarter, 2019 Quarter 1, are receiving the 1.5 percent reduction. Looking at a status quo projection on current unemployment claim volume and trying to forecast disbursements coming out of the trust fund and revenue going into the trust fund, DES projects a balance in the trust fund at the end of 2020 Quarter 4 of just over \$276 million. Looking at the proposed changes in SB 2-FN, they would reduce the 2020 Quarter 4 ending balance to \$271 million dollars. That would cause a change in the fund balance reduction. If that is carried forward to 2021 Quarter 4 described in the bill's fiscal note, it would result in an increase in the fund balance reduction from the current forecast of .5 percent to one percent. However, because most employers pay the majority of their unemployment compensation taxes based on Quarter 1 wages, any change in a fund balance reduction due for Quarter 1 has a much more significant impact than it does for Quarter 3 or Quarter 4. Employers only pay at their earned tax rate. They pay based on the first \$14,000 in annual wages per employee. Other than seasonal businesses, for the most part businesses pay all of their unemployment compensation taxes in the first two quarters. Therefore, the projection would be a loss of a fund balance reduction in 2021 Quarter 1. They would gain on the fund balance reduction for 2021 Quarter 4. That net impact would still be an increase of approximately \$13.3 million in unemployment compensation taxes being paid statewide by employers because of the discrepancy for how much is

paid for Quarter 1 as compared to what is really paid for Quarter 4. Senator Rosenwald sought further clarification. In 2022 Quarter 1, wouldn't it be likely they would still have the fund balance reduction when they pay the majority of their taxes again, the one percent? Deputy Commissioner Lavers stated any time there is a projected change in the fund balance reduction as a result of something like SB 2-FN, any quarters after that, it is difficult to project...to compare those change quarters to the current projection. The reason why that Quarter 4 fund balance reduction was to increase is because the loss of the fund balance reduction in Quarter 1 caused \$16 million more to be paid. It goes into the trust fund and the balance increases. That is why they are receiving an increase. There could be a 2022 impact.

- The Unemployment Compensation Advisory Council met on January 14th and voted to support SB 2-FN. The Department is staying neutral.

dm

Date Hearing Report completed: January 23, 2019

Speakers

SENATE FINANCE COMMITTEE

Date: 01/22/2019

Time: 1:00 p.m.

Public Hearing on: SB 2-FN

Relative to funding for job training programs in the Department of Business and Economic Affairs.

Please check box(es) that apply.

SPEAKING FAVOR		OPPOSED		NAME (Please print)	REPRESENTING	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sen. Dan F. Ves	District #15	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sen. CINDY ROSENWALD	DISTRICT #13	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Don McGuire	Granite State Taxpayers	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sen. Tom Sherman	SD 24	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rep. Sharon Norford	Grafton	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rep. Maryjane Walker	Merr.	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Dave Joret	BIA	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Jonathan Mitchell	IBEW	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Denis Boudoin	IBEW	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	MICHAEL PONCE	IBEW	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	LARRY COWEN	EARLY LEARNING NH	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	MARY ELLEN SCHULTE HENRIKSEN		<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	JONATHAN ROUWIER	Community Support Network, Inc.	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Jake Berry	New Futures II	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sen. Kevin Cartwright	District 16	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DAVID PELLETIER	UNA Local 127	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Richard Lavers, Deputy Commissioner	MA Employment Security	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Joshua Reap	ABC, Inc.	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Ross Gifford	CEA NH	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sen. David Daltys	SD # 4	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Dr. Will Arvelo	BFA D.V. Ec. Dev.	<input checked="" type="checkbox"/>

Testimony



NEW HAMPSHIRE AFL-CIO

PRESIDENT
Glenn Brackett

EXECUTIVE VICE PRESIDENT
David Pelletier

SECRETARY/TREASURER
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Chair and members of the committee,

My name is Glenn Brackett and I am the President of the NH AFL-CIO. The NH AFL-CIO is the largest labor organization in the State of New Hampshire. I am here today to offer our support for SB 2, An Act relative to funding for job training programs in the department of business and economic affairs.

We are supporting this piece of legislation because it helps provide necessary funding for job training programs for many of the industries in our membership. It is important to be able to train potential employees across New Hampshire, or attract skilled individuals into our state by providing them the opportunities to get the valuable training for the job openings that are available.

Many of our member organizations already provide potential apprenticeship programs for new members of their industry or trade. This bill would allow those organizations some financial support for their already existing programs to update and modernize, as well as expand to allow for more new employees each year. It is important to these workers and our state that apprenticeship and job training programs continue to advance with the constantly developing technology.

This bill includes outreach to communities of higher average unemployment. This will benefit our member organizations by allowing them to tap into these communities and help them secure good paying jobs here in New Hampshire. The outreach portion of this legislation along with the increased funding will help our apprenticeship programs continue to grow in numbers and quality.

In conclusion, the New Hampshire AFL-CIO is supporting SB 2. This is an important piece of legislation to make sure the working men and women of this state are the highest quality, most skilled employees possible, and allow Granite Staters the opportunity to gain the skills necessary for these good jobs of both today and tomorrow. The signal pieces of legislation like this one send to businesses and employers is that New Hampshire is a state with a well trained workforce that can complete any project with skilled labor. I encourage all members of the committee to vote in favor of SB 2.

Thank you,

Glenn Brackett
President, AFL-CIO



**New Hampshire/
Vermont Chapter**

**Joshua Reap
President & CEO
Associated Builders & Contractors
New Hampshire/Vermont Chapter
603.226.4789
josh@abcnhvt.org**

Testimony on SB2
January 22, 2019

My name is Josh Reap, I am the President of Associated Builders & Contractors of New Hampshire/Vermont. In New Hampshire we represent over 200 companies that employ tens of thousands of Granite Staters. As an association we work to help our members develop people, win work and deliver that work safely, ethically and profitably for the betterment of the communities in which ABC and its members work.

If I may speak on the merits of the bill, we are very pleased to see it expands flexibility by allowing businesses to access funds to train employees they are going to hire in the future – rather than limiting it to current employees. This shows that state government is truly a partner with employers and sends the message to all New Englanders: opportunity awaits you in the Granite State.

New Hampshire construction companies are ready and eager to hire. We are so committed to workforce that I will point out that nationally, and on an annual basis, ABC and its members spent over \$1.1 billion on craft and safety training. However, more needs to be done.

By our estimates, right now there are over 500,000 skilled construction jobs to fill across the country; you can imagine the challenge we face here with such a low unemployment rate. Well, the problem is only going to magnify as baby boomers continue to retire at a record pace. What is the Granite State doing to address this crisis?

This leads me to my next point.

The sector partner initiative has brought together industry and public entities to identify needs as well as locate the resources that exist. We found that the communities within New Hampshire have a lot of great things going on, and the sector partnership has become sort of the nexus, or meeting place, where its come together. In just the last twelve months, the construction sector partnership has brought together dozens of stakeholders and helped to address general needs which has led us to find resources. But it has also began to look at what the long-term.

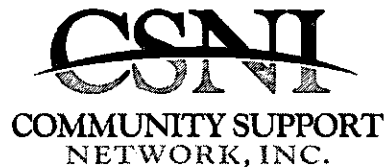
The construction partnership has helped create resources and enhanced communication across the sector.

We are optimistic that the results of the SPI thus far are only the beginning.

We are encouraged that SB2 seeks to ensure the long-term success of the SPIs and for that we thank each and every Senator.

We are enthusiastic for what the future may hold and fully support SB2 and encourage its swift passage.

Thank you.



Tuesday January 23, 2018

Senate Finance Committee
NH State House Room 103
Concord, NH 03301

Dear Chairman, D'Allesandro:

Thank you for the opportunity to provide testimony in support of SB 2-FN, **relative to funding for job training programs in the department of business and economic affairs.**

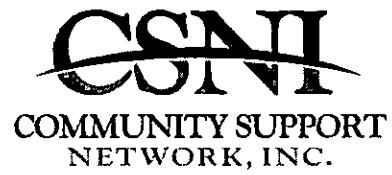
My name is Jonathan Routhier and I serve as the Executive Director of the Community Support Network (CSNI). The Community Support Network is a non-profit organization that works in support of the 10 Area Agencies throughout the state of New Hampshire that provide community-based services to individuals with developmental disabilities and acquired brain disorders and their families.

The Area Agencies believe that SB 2 has the strong potential to expand employment opportunities for those who experience disabilities, who are significantly underrepresented in the workforce. For most citizens, having paid work is not just about getting a paycheck. It is also about being a valued member of the community. We can and should use whatever means we have available to ensure that those who experience a disability also have the opportunity to receive training and support to participate in the workforce.

In addition to assisting people with disabilities with new employment, this bill also has the potential to expand the pool of available workers in the human services field. For several years now, the Developmental Services system in our state has been experiencing a shortage of workers to provide direct support to those individuals living with a Developmental Disability or an Acquired Brain Disorder.

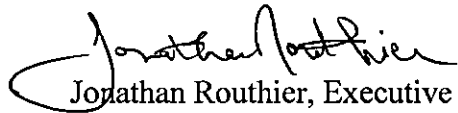
At present there are over 300 vacant Direct Support Professional positions statewide. DSPs are those individuals who provide direct care to individuals in a wide variety of daily life domains. The turnover rate in this field exceeds 25% annually, resulting in a high cost of recruitment and onboarding of new employees. The human services field, like many other industries, has been hard hit by the low unemployment rate in our state. With employment opportunities in retail and fast food services paying at or above the rates that our Medicaid reimbursement structure allows agencies to pay DSPs, many potential employees are lured into positions that have less responsibility and higher wages.

In 2018 legislative session, over 50 bills were introduced to address the workforce challenges that NH is currently facing, but most did not pass. CSNI is hopeful that this year, NH will adopt SB 2 and other legislative solutions to help address NH's workforce challenges.



We ask the committee to support SB 2.

Sincerely,


Jonathan Routhier, Executive Director



Kevin Cavanaugh <cavanaughkevin3@gmail.com>

(no subject)

1 message

Matt Kfoury <MKfoury@centralpaper.com>

Tue, Jan 22, 2019 at 10:20 AM

To: "cavanaughkevin3@gmail.com" <cavanaughkevin3@gmail.com>

We are in a time of desperate need of jobs and skills training. Due to the current low unemployment level we need to quickly be able to re-tool individuals with the necessary skills needed in today's workforce. Job and skills training will help to keep business prospering in the state and help to keep our workforce here instead of crossing state borders. It would be especially helpful for our young to be able to identify and engage in these types of training programs.

Matthew J. Kfoury

Chief Operating Officer

Central Paper Products Co.

New England Division of Imperial Dade

Manchester, NH

603-624-4064

**We have what you need...**

January 22, 2019

The Honorable Lou D'Allesandro
Senate Finance Committee
State House, Room 103
107 North Main Street
Concord, NH 03301

Re: New Futures Support for SB 2-FN; Relative to a funding for job training programs in the department of business and economic affairs

Dear Senator D'Allesandro and Honorable Members of the Committee:

New Futures appreciates the opportunity to testify in support of SB 2-FN, which expands New Hampshire's job training program to include outreach and coordination of services for populations with higher than average unemployment, including individuals in recovery from substance use disorder. New Futures is a nonpartisan, nonprofit organization that advocates, educates and collaborates to improve the health and wellness of all New Hampshire residents. In this role, we work extensively with policy makers, service providers and families afflicted by substance misuse and mental illness to prevent, address and reduce behavioral health issues in our state.

New Futures stands strongly in support of SB 2-FN, as it would undoubtedly improve the employment prospects for individuals in recovery and help to reduce the stigma associated with substance use disorder throughout our state. There are approximately 23.5 million people in the United States living in long-term recovery from misuse of drugs and alcohol.¹ Despite the fact that substance use disorder (SUD) treatment is effective, many people with SUD experience repeated cycles of deteriorating health, dysfunctional behaviors, and relapse. It should therefore come as no surprise that many individuals in recovery have criminal records or poor work histories as a result of their addiction, which presents challenges when attempting to re-enter the workforce.

Steady employment is critical to sustaining long-term recovery, but opportunities are limited and often difficult to come by. SB 2-FN recognizes that history of substance use disorder should not disqualify an individual from being a full participant in our workforce or a valuable member of our society. Providing targeted employment and training opportunities for individuals in recovery and encouraging employers to take a second look at an applicant in recovery, will help to reduce the stigma of addiction and improve the economic wellbeing of individuals in recovery and their families.

For the reasons cite above, New Futures *supports* SB 2-FN and encourages the Committee to recommend this bill Ought to Pass.

Respectfully submitted,



Jake Berry, Vice President of Policy, New Futures

¹ Faces and Voices of Recovery, *Life in Recovery – Report on the Survey Findings*, April 2013.



New Hampshire State Senate Finance Committee
Senator Lou D'Allesandro, Chair

Submitted Testimony in Support of Senate Bill 2
New Hampshire Tech Alliance

January 22, 2019

Dear Senator D'Allesandro and members of the Senate Finance Committee. I am writing you today to convey the support of the New Hampshire Tech Alliance for Senate Bill 2, the Granite State Jobs Act of 2019.

With a mission of supporting companies at every stage of growth and development from start-ups to established leaders in the global economy, the Alliance is committed to nurturing a vibrant tech ecosystem by building partnerships, enhancing knowledge, and shaping public policy. Having a skilled and growing workforce is essential to this mission. We have over 300 corporate members representing more than 50,000 workers and comprise 12.6% of the state's annual gross domestic product.

It is well documented that New Hampshire has a workforce shortage. The tech sector has felt this impact for several years now, and each month we see over 2,000 technology-related jobs go unfilled. As co-chair of our Workforce Development Committee, we review these numbers regularly as we strategize how best to align the tech sector with training and workforce resources. This workforce gap has a negative effect on those companies that are unable to grow and creates a drag on our economy, which certainly is strong but could be even stronger if more of these jobs were being filled.

While there is much talk about the low unemployment rate, there is also the "underemployment rate," which refers to those people in lower-level or part-time jobs that want to advance their careers. Over the past few years, we have seen several efforts assist this population. This includes the Sector Partnership Initiative, ApprenticeshipsNH, Work Ready and more. But these and other efforts operate on very small budgets due to limited state resources.

The demographics are not in our favor either. With an aging population and limited immigration, we will struggle to meet the goal of 65 by 25 – having 65% of our population earn some education and training by 2025 to meet workforce goals.

Senate Bill 2 addresses some of these demands in very meaningful ways. It directs an additional \$4 million a year into core workforce funds as directed by the Commissioner of the Department of Business and Economic Affairs, who has made workforce development a



top priority. These funds will support workforce training for those not eligible for existing programs, support for the Sector Partnership Initiative, enhances support services, WorkReadyNH and additional marketing efforts to support the business community.

Making these strategic investments in workforce will pay dividends to New Hampshire down the road, and SB 2 as drafted gives the state much flexibility in supporting efforts that show the most promise towards enhancing workforce skills and resources. This is a truly bipartisan effort that advances our economy and make smart use of funds set aside to assist those who want to be contributors to our workforce.

Thank you for taking the time to consider our position on this important piece of legislation.

Sincerely,

A handwritten signature in cursive script that reads "Colleen C. Cone".

Colleen Cone
Co-Chair, NH Tech Alliance Workforce Development Committee

SEN. MORSE

Dedicated Funds Reporting
Compilation of Dedicated Fund Reports
Fiscal Year: 2018

Fund Name: Job Training Program

Agency: Business and Economic Affairs

RSA 6:12 ID# 074

Statutory Reference

RSA 282-A:138-a

House Policy Committee Resources, Recreation and Development

Senate Policy Committee Energy and Natural Resources

Energy and Natural Resources

Purpose of Dedicated Fund

To enhance the State's economic growth and vitality by offering assistance to privately owned businesses and industries in training their workforce

Accounting Unit 1454

Fiscal Year	Beginning Balance	Revenue	Expenses	Encumb.	Other Funding	Ending Balance
2018	5,127,080	2,001,128	(1,850,085)	(1,224,870)	-	4,053,253
2017	4,798,431	2,007,495	(1,678,846)	(1,132,160)	-	3,994,920
2016	4,464,134	2,004,376	(1,670,080)	(1,268,035)	-	3,530,395
2015	4,249,602	2,001,608	(1,787,076)	(1,180,703)	-	3,283,431

Detailed Activities

Job training grants, and promotion of program.

Revenue and Funding Source Narrative

Transfer funds from Employment Security pursuant to RSA 282-A:138-a

Expenses and Fund Uses Narrative

None supplied

Future Funding Needs Narrative

Future funding is contingent upon continued appropriation.

Signed By: Hilary Denoncourt

Title: Administrator III

Notes
hilary.denoncourt@livefree.nh.gov
603-271-2341

	A	B	C	D	E	F	G	H	I	J	K
	State of New Hampshire										
	Appropriations for Job Training										
			FY 2018				FY 2019				
Department	Accounting Unit Information	General	Federal	Other	Total	General	Federal	Other	Total	Program Description	
1	Health and Human Services	6127 Employment Support	\$ 1,666,416	\$ 5,194,984	\$ -	\$ 6,861,400	\$ 1,666,416	\$ 5,194,984	\$ -	\$ 6,861,400	TANF- New Hampshire Employment Program Job Training Programs. (Net of \$125k transferred to Employment Security)
2	Health and Human Services	6125 SNAP Employment and Training	\$ 13,821	\$ 168,041	\$ -	\$ 181,862	\$ 19,250	\$ 183,383	\$ -	\$ 202,633	Supplemental Nutritional Assistance Program (formerly Food Stamps).
3	Health and Human Services	6127 Granite Workforce	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	TANF funds for the period 1/1/19 to 6/30/19. \$565,000 identified for tuition payment. (SB313)
4	Health and Human Services	Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Evidence-based Supported Employment helps people with mental illness find and keep jobs in the community. This service is billable to Medicaid.
5	Health and Human Services	DD Home and Community Waivers - Supported Employment	\$ 1,240,169	\$ 1,240,169	\$ -	\$ 2,480,338	\$ 1,298,639	\$ 1,298,630	\$ -	\$ 2,597,269	Provides job development, coaching, and workplace support to eligible clients to help find competitive employment.
6	Health and Human Services	DCYF Bureau of Organizational Learning and Quality Improvement	\$ -	\$ 224,144	\$ -	\$ 224,144	\$ -	\$ 251,654	\$ -	\$ 251,654	Federal Title IV-E funds. Provide tuition for DCYF staff for Social Work Programs at UNH and Plymouth.
7	Health and Human Services	DCYF Bureau of Organizational Learning and Quality Improvement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	National Child Welfare Grant ends 9/30/2018. Grant funds have been expended.
8	Health and Human Services	Public Health State loan Repayment Program	\$ 250,000	\$ 410,000	\$ -	\$ 660,000	\$ 960,000	\$ -	\$ -	\$ 960,000	Loan repayment contracts for certain medical professionals who agree to serve low income individuals in under-served regions of the state.
9	Health and Human Services	Public Health Recruitment Center Contract			\$ -	\$ -	\$ 199,810	\$ 177,190	\$ -	\$ 377,000	Bi State Recruitment Center works with DHHS to recruit medical professionals for service in health centers and SUDS providers. Assists with federal and state loan repayment applications.
10	Health and Human Services	Public Health Oral Health Workforce Recruitment		\$ 56,360	\$ -	\$ 56,360	\$ -	\$ 293,640	\$ -	\$ 293,640	Bi State Recruitment Center works with DHHS to recruit dental professionals for service in dental professional shortage areas. \$350k grant, \$56.4 spent in FY 2018 balance to FY 2019.
11	Health and Human Services	Division of Long Term Supports and Services	\$ 70,000	\$ -	\$ -	\$ 70,000	\$ 70,000	\$ -	\$ -	\$ 70,000	Education assistance provided to staff of area agencies for degree and/or certificate programs in the field of developmental services.
12	Health and Human Services	Division of Long Term Supports and Services	\$ 271,138	\$ 271,138	\$ -	\$ 542,276	\$ 325,000	\$ 325,000	\$ -	\$ 650,000	For those working in nursing homes education reimbursement for completion and receipt of an LNA certificate.
15	Education	6031 Apprenticeship Training	\$ -	\$ -	\$ 605,520	\$ 605,520	\$ -	\$ -	\$ 605,520	\$ 605,520	Provides curriculum, coordination and development of apprenticeship programs. Assist students to access apprenticeship programs. Tuition funds are awarded to the various training sites in NH. Oversees the classroom instruction of plumbing, electrical and machinist apprentices attending evening programs at five state-sponsored schools. Other funds= tuition of \$975 per apprentice.
16	Education	6030 Apprenticeship Training	-	-	-	-	-	-	-	-	
17	Education	6030 CTE VOC ED - State	820,726	-	-	820,726	835,516	-	-	835,516	Career and Technical Education/ Vocation Education. Create pathways with seamless transitions from secondary career and technical education programs to postsecondary programs, including dual enrollment opportunities in all program, including participating in Running Start and programs earning transcripted college credit while in high school.
18	Education	6032 CTE VOC ED - Federal	-	6,488,114	-	6,488,114	-	-	6,507,904	6,507,904	
19	Education	4095 Youth Title I - WIA (Workforce Investment Act)	-	-	2,601,572	2,601,572	-	-	2,608,798	2,608,798	Addresses the employment and training needs of economically disadvantaged youth, ages 14-24 facing barriers to employment. Grants are awarded through a competitive application process and students are provided academic, employment/soft skills development, counseling, and college & career readiness skills training to aid in transitioning from school to work. Grant Funds from the federal department of labor received through Business & Economic Affairs (Account 1453)
20	Education	7004/2535 Adult Education	4,148,436	2,194,291	83,100	6,425,827	4,148,436	2,210,263	84,311	6,443,010	Provides adult basic education, adult high school education, and adult tutorial programs. Local programs range from full-time adult learning centers in large cities to small evening programs in rural areas. Students range from those with very low literacy skills to those studying to pass the High School Equivalency test and adults studying English as a second language. (Assumes budgeted fund mix)
21	Education	2537 Program Administration	-	2,503,439	-	2,503,439	-	2,523,483	-	2,523,483	Program administration budget for the career technical education and adult learning programs

State of New Hampshire											
Appropriations for Job Training											
		FY 2018				FY 2019					
Department	Accounting Unit Information	General	Federal	Other	Total	General	Federal	Other	Total	Program Description	
22	Education	4020 Voc Rehab Field Programs Match 2536 Vocational Rehab-State 2538 Field Programs-Match	3,337,761	15,865,547	-	19,203,308	3,337,741	16,775,350	-	20,113,091	Provides training to individuals with disabilities to include college tuition, community college tuition, vocational training on-the job training, apprenticeship training, remedial or literacy training, job readiness training and disability related skills training. (Assumes a 23.25% State Maintenance of Effort)
23	Education	4029 Supported Employment Title VI-C 2539 St Supported Empl Title VI-C	-	500,500	-	500,500	-	500,500	-	500,500	Provides training to individuals with significant disabilities to include college tuition, community college tuition, vocational training, on-the job training, apprenticeship training, remedial or literacy training, job readiness training and disability related skills training.
24	Corrections	Various Accounts									The Department operates the following training programs: NH Correctional Industries, Community Corrections / Workforce Job Programs, Granite State High School, Automotive Mechanics Program, Building Trades Program, Business Enterprise Center, Computer Education Program, Culinary Arts, Intro to the Workforce, Project Flagging and Commercial Driver's License. Additional details for each are included in the Department survey responses. NH Correctional Industries programs are funded under the industries accounting unit. The other programs have considerable overlap and shared costs between and among the programs. Budgeting is prepared at the expenditure class level in accordance with RSA 9:4 and not at the program level, therefore accurate costs for a specific component or program are not readily available
25	Corrections	5731 Correctional Industries	-	-	2,938,909	2,938,909	-	-	2,997,664	2,997,664	The Primary mission is to assist the persons under departmental control with the establishment of strong re-entry plans which includes a component of workforce develop and job training. We offer a wide array of educational offerings from assisting with the high school equivalency preparation and testing, a full Department of Education High School and a Career and Technology Center. Our school educational department is known as the Corrections Special School District.
26	Safety	237010 Fire Standards and Emergency Medical Services	-	26,801	7,322,472	7,349,273	-	26,801	7,412,895	7,439,696	Division of Fire Standards and Training and Emergency Medical Services is charged with fire training and Emergency Medical Services coordination. The Bureau of Fire Training and Administration is responsible for all fire academy operations, offering training courses both on and off campus, research and development of fire training courses both for certification and for informational purposes, administering the curriculum as adopted by the Fire Standards and Training Commission, and conducting examinations after training courses. (Other funds is mainly from a fee on DMV record checks and a smaller amount (\$995k) is tuition paid by locals or private companies to cover the cost of certain courses.
27	Employment Security	Job Training Funds from DHHS	-	-	125,000	125,000	-	-	125,000	125,000	Agreement with DHHS to provide job training. \$125k from DHHS to DES through a Memorandum of Agreement to provide on the job training. The source of funds at DHHS is 80% federal and 20% general. Funds are paid to participating to employers.
28	Department of Business & Economic Affairs	5420 Job Training Program	-	5,000	1,995,000	2,000,000	-	5,000	1,995,000	2,000,000	Job Training Program for Economic Growth RSA 12-O:30-O:37. Offers assistance to privately owned businesses and industries in training a new workforce and retraining existing employees to implement new technologies, in creating new jobs, and in retaining and upgrading existing jobs. Provides technical education and training as a component of the state's economic development efforts. Flexible and responsive to the training needs of business and industry in New Hampshire. Funds received from the NH Department of Employment Security, Administrative Contribution Fund.
29	Department of Business & Economic Affairs	WIOA Mature Worker Demonstration Project						975,345		975,345	New grant awarded July 1, 2018 for \$975,345. Project Goals: 1. Expand the capacity of the state's public workforce system to help low-income older workers enter employment and reduce siloed approaches to serving this population; 2. Develop, or further develop, and implement a replicable and innovative model for service delivery for this population; and 3. Document the model and identify challenges and lessons learned for use by other states. Eligible Participants must be at least 55 years old, unemployed, and have a family income of no more than 125% of the federal poverty level. Allowable Activities The Department of Business and Economic Affairs will expand the capacity of the public workforce system to serve low-income older workers. The Department will develop and implement a replicable and innovative model for service delivery for this population. The Department will also be required to document their model and identify lessons learned for sharing with other states.

Committee Report

General Court of New Hampshire - Bill Status System

Docket of SB2

Docket Abbreviations

Bill Title: relative to funding for job training programs in the department of business and economic affairs.*Official Docket of SB2.:*

Date	Body	Description
1/14/2019	S	Introduced 01/03/2019 and Referred to Finance; SJ 4
1/17/2019	S	Hearing: 01/22/2019, Room 103, SH, 01:00 pm; SC 7
1/24/2019	S	Committee Report: Ought to Pass with Amendment #2019-0106s , 01/31/2019; SC 8
1/31/2019	S	Committee Amendment #2019-0106s, RC 24Y-0N, AA ; 01/31/2019; SJ 4
1/31/2019	S	Ought to Pass with Amendment 2019-0106s, RC 14Y-10N, MA ; OT3rdg; 01/31/2019; SJ 4
3/21/2019	H	Introduced 03/20/2019 and referred to Labor, Industrial and Rehabilitative Services HJ 11 P. 68
4/10/2019	H	Public Hearing: 04/17/2019 01:00 pm LOB 307
4/17/2019	H	Executive Session: 04/24/2019 03:00 pm LOB 305-307
4/25/2019	H	Majority Committee Report: Ought to Pass with Amendment #2019-1523h for 05/08/2019 (Vote 12-8; RC) HC 23 P. 10
4/25/2019	H	Minority Committee Report: Inexpedient to Legislate
5/8/2019	H	Amendment #2019-1523h : AA VV 05/08/2019 HJ 15 P. 27
5/8/2019	H	FLAM #2019-1842h (Rep. Sullivan): AA VV 05/08/2019 HJ 15 P. 27
5/8/2019	H	Ought to Pass with Amendment 2019-1523h and 1842h: MA RC 216-146 05/08/2019 HJ 15 P. 27
5/8/2019	H	Referred to Finance 05/08/2019 HJ 15 P. 27
5/8/2019	H	Division I Work Session: 05/15/2019 10:00 am LOB 212
5/15/2019	H	Executive Session: 05/22/2019 10:00 am LOB 210-211
5/22/2019	H	Majority Committee Report: Ought to Pass for 06/05/2019 (Vote 11-9; RC) HC 27 P. 14
5/22/2019	H	Minority Committee Report: Inexpedient to Legislate
6/5/2019	H	Ought to Pass: MA RC 207-140 06/05/2019 HJ 17 P. 58
6/13/2019	S	Sen. D'Allesandro Moved to Concur with the House Amendment, RC 14Y-10N, MA ; 06/13/2019; SJ 20
6/28/2019	H	Enrolled 06/27/2019
6/28/2019	S	Enrolled (In recess 06/27/2019); SJ 21
8/13/2019	S	Vetoed by Governor 08/09/2019
9/19/2019	S	Notwithstanding the Governor's Veto, Shall SB 2 Become Law: RC 14Y-10N , Veto Sustained, lacking the necessary two-thirds vote; 09/19/2019; SJ 22

NH House

NH Senate

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: SB2

Senate Committee: Finance

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

Bill Hearing Documents: {Legislative Aides}

- Bill version as it came to the committee
- All Calendar Notices
- Hearing Sign-up sheet(s)
- Prepared testimony, presentations, & other submissions handed in at the public hearing
- Hearing Report
- Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

Committee Action Documents: {Legislative Aides}

All amendments considered in committee (including those not adopted):

- amendment # 00543 - amendment # 01063
- amendment # 01023 ___ - amendment # _____
- ___ Executive Session Sheet
- Committee Report

Floor Action Documents: {Clerk's Office}

All floor amendments considered by the body during session (only if they are offered to the senate):

- ___ - amendment # _____ ___ - amendment # _____
- ___ - amendment # _____ ___ - amendment # _____

Post Floor Action: (if applicable) {Clerk's Office}

- ___ Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):
- ___ Enrolled Bill Amendment(s)
- Governor's Veto Message

All available versions of the bill: {Clerk's Office}

- as amended by the senate as amended by the house
- final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

Committee Aide

Date

Senate Clerk's Office AK

August 9, 2019

Governor's Veto Message Regarding Senate Bill 2

By the authority vested in me, pursuant to part II, Article 44 of the New Hampshire Constitution, on August 9th, 2019, I have vetoed Senate Bill 2, relative to funding for job training programs in the department of business and economic affairs.

Senate Bill 2 irresponsibly diverts millions of dollars from the Unemployment Trust Fund, triggering additional taxes for our citizens. Raiding the unemployment system for this purpose is shortsighted, risky, and financially irresponsible. I strongly support workforce programs, and have put forward several proposals to address the State's workforce issues including a \$16 million per year student debt assistance and worker retention program and a \$24 million investment into Nursing and STEM programs across the University System. Rather than move forward with these innovative proposals, the legislature has once again put aside sound financial management and opted for tax increases. I cannot support that approach.

For the reasons stated above, I have vetoed Senate Bill 2.

Respectfully submitted,

Christopher T. Sununu
Governor