



**STATE OF NEW HAMPSHIRE  
OFFICE OF THE GOVERNOR**

**CHRISTOPHER T. SUNUNU**  
Governor

June 9, 2021

Taylor Caswell  
Director  
Governor's Office of Emergency Relief and Recovery  
100 North Main Street, Suite 100  
Concord, N.H. 03301

Dear Director Caswell,

Pursuant to my authority under RSA 21-P:43; RSA 4:45; RSA 4:47; and Executive Order 2020-04, as extended by Executive Orders 2020-05, 2020-08, 2020-09, 2020-10, 2020-14, 2020-15, 2020-16, 2020-17, 2020-18, 2020-20, 2020-21, 2020-23, 2020-24, 2020-25, 2021-01, 2021-02, 2021-04, 2021-05, 2021-06, 2021-08, and 2021-10 I have approved your written request, in attachment, to take the following actions related to the CARES Act Coronavirus Relief Funds:

1. Authority for the Governor's Office for Emergency Relief and Recovery (GOFERR) to transfer up to \$14,239,047 in Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Funds (CRF) to New Hampshire Employment Security (NHES) Clearing Housing Trust Fund to cover reimbursing employers' obligation. Budgeted consistent with the request, in attachment, effective through December 31, 2021. (100% Federal Funds)
2. Authority for GOFERR to transfer all remaining CARES CRF funds to NHES Clearing Housing Trust Fund, up to the balance that existed on March 1, 2020 to restore the solvency of the Trust Fund that has occurred between March 1, 2020 and December 31, 2021 due to the high volume of unemployment claims as a result of COVID-19 that have not been covered by any other federal funding. Budgeted consistent with the request, in attachment, effective through December 31, 2021. (100% Federal Funds)
3. Authority for GOFERR to make direct payments to NHES Clearing Housing Trust Fund from CARES Act CRF funds without further approval. Budgeted consistent with the request, in attachment, effective through December 31, 2021. (100% Federal Funds)

The Department of Administrative Services is authorized to take the actions necessary to effectuate this authorization.

Sincerely,

Christopher T. Sununu  
Governor

CC: Charles Arlinghaus, Commissioner, Department of Administrative Services

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# STATE OF NEW HAMPSHIRE



GOVERNOR'S OFFICE

*for*

EMERGENCY RELIEF AND RECOVERY

June 10, 2021

His Excellency, Governor Christopher T. Sununu  
State House  
Concord, NH 03301

**REQUESTED ACTION UNDER RSA 21-P:43, RSA 4:45, RSA 4:47, AND EXECUTIVE ORDER 2020-04, AS EXTENDED BY EXECUTIVE ORDER 2020-05, 2020-08, 2020-09, 2010-10, 2020-14, 2020-15, 2020-16, 2020-17, 2020-18, 2020-20, 2020-21, 2020-23, 2020-24, 2020-25, 2021-01, AND 2021-02, 2021-04, 2021-05, 2021-06, 2021-08 AND 2021-10**

Dear Governor Sununu,

The Governor's Office for Emergency Relief and Recovery (GOFERR) requests that the Governor authorize that any remaining funds from the Coronavirus Relief Fund (CRF) established by the CARES Act, H.R. 748, Section 5001 on March 27, 2020, provided by the United States Department of Treasury, CFDA number 21.019 to the State of New Hampshire, which are received by or returned to GOFERR on or after November 1, 2021, including any funding lapsed from funds already allocated but not expended by December 31, 2021 and any funding being recouped from programs that were authorized with CRF funds, be allocated to the following COVID-19 related, unbudgeted, unreimbursed expenses incurred between March 1, 2020 and December 31, 2021.

Requested Action #1:

Item 1. Should GOFERR determine that funds will remain after all other allocations from CRF funds are paid, allocate up to \$14,239,047 to cover reimbursing employers' obligation to the New Hampshire Employment Security (NHES) Clearing House Unemployment Trust Fund. Effective upon your approval through December 30, 2021. 100% Federal Funds.

Item 2. Contingent upon Requested Action #1, allocate all remaining funds to replenish the New Hampshire Employment Security (NHES) Clearing House Unemployment Trust Fund, up to the balance that existed on March 1, 2020 to restore the solvency of the Trust Fund that has occurred between March 1, 2020 and December 31, 2021 due to the high volume of unemployment claims as a result of COVID-19 that have not been covered by any other federal funding. Effective upon your approval through December 30, 2021. 100% Federal Funds.

Requested Action #2:

The GOFERR requests authority to make direct payments for the New Hampshire Employment Security (NHES) Clearing House Unemployment Trust Fund, Vendor # 177446, from Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding. Effective upon your approval through December 31, 2021. 100% Federal Funds.

Funds for the payment are or will be available in 01-02-002-020210 – Governor’s Office for Emergency Relief & Recovery, 19110000 – Office of the Director, as follows:

072 – 500575 – Grants Federal

FY 2022  
any remaining funds

**Explanation**

**Unemployment Insurance - Allocation for Reimbursing Employers**

Congress enacted changes that make it easier for states to qualify for a 50% federal match on unemployment insurance fund contributions. The new provisions require only that there be an obligation on the employer to contribute a portion of benefits withdrawn—actual collection is not required. Subsequent to this, on September 9, 2020, the Governor modified the employer-reimbursement waiver such that reimbursing employers are obligated to contribute 50% of the amount of unemployment benefits actually collected by their employees.

Although through federal policy the Trust will recoup 50% of dispersals to employees of reimbursing employers, this still results in a 50% shortfall in the Trust. Between March 21, 2020 and May 29, 2021, this shortfall is \$ \$13,784,047. And NHES estimates the dispersal of an additional \$455,000 in unreimbursed benefits between May 30, 2021 and September 4, 2021. This includes that for the period of June 13, 2021 to September 4, 2021, non-profits and governmental employers will be responsible for 25% of benefit charges upon the expiration of the state of emergency.

As a result, GOFERR recommends the allocation up to \$14,239,047 to replenish the Trust as to reimbursing employers through December 31, 2021, the date that CARES Act funding expires.

The Treasury Department has stated “To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State’s obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.” U.S. Treasury Department, Coronavirus Relief Fund Frequently Asked Questions, October 19, 2020, FAQ # 9.

**Unemployment Trust Fund Balance**

Throughout this pandemic states across the country have experienced an eroding away of the balances built up in their unemployment compensation trust funds to insure solvency during downturns during the prior decade. New Hampshire started the pandemic with a trust fund balance of \$300 million with an unemployment rate of 2.4%. As recently as February 2020 New Hampshire had been determined to be solvent by the US Department of Labor.

The historically unprecedented impact that the pandemic has on the state's workforce in terms of reliance temporarily on unemployment benefits has caused the unemployment compensation trust fund to be reduced to \$149,950,369.03.

All CARES Act funds used under this allocation are for expenses or costs incurred prior to December 31, 2021.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "T. Caswell", is positioned above the typed name.

Taylor Caswell  
Executive Director, GOFERR