



## STATE OF NEW HAMPSHIRE

FIS 21 357



GOVERNOR'S OFFICE

for

EMERGENCY RELIEF AND RECOVERY

November 8, 2021

The Honorable Karen Umberger, Chairman  
Fiscal Committee of the General Court

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

**REQUESTED ACTION**

Pursuant to RSA 14:30-a VI, authorize the Governor's Office For Emergency Relief and Recovery (GOFERR) to accept and expend in an amount not to exceed \$17,019,503 in American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to fund the Workforce Recruitment & Student Debt Relief Program (name of program subject to change) that will help address workforce issues exacerbated by the COVID-19 pandemic and assist in expanding and retaining New Hampshire's workforce by reducing or eliminating student debt for participants that qualify. This is an allowable use of ARP SFRF funds under Section 602 (c)(1)(A) to respond to the public health emergency or its negative economic impacts, effective upon Fiscal Committee and Governor and Council approval through June 30, 2023. **100% Federal Funds.**

Funds are to be budgeted in FY2022 in the following account:

<b><u>01-02-002-0202-24690000<sup>1</sup> ARP Grants and Disbursement</u></b>		<b><u>FY2022</u></b>	<b><u>FY2022</u></b>	<b><u>FY2022</u></b>
<b><u>CLASS</u></b>	<b><u>ACCOUNT</u></b>	<b><u>CURRENT MODIFIED BUDGET</u></b>	<b><u>BUDGET REQUEST</u></b>	<b><u>REVISED BUDGET</u></b>
<b><u>EXPENDITURES</u></b>				
040 – Indirect Costs	501587	\$652,500	\$2,500	\$655,000
041 – Audit Fund Set Aside	500801	\$99,831	\$17,003	\$116,834
042 – Additional Fringe Benefits	500620	\$60,500	\$0	\$60,500
072 – Grants Federal	500575	\$41,255,000	\$0	\$41,255,000
102 – Contracts for Program Svcs	500731	\$0	\$17,000,000	\$17,000,000
103 – Contracts for Op Services	502507	\$3,500,000	\$0	\$3,500,000
<b><u>TOTAL EXPENSES</u></b>		<b><u>\$45,567,831</u></b>	<b><u>\$17,019,503</u></b>	<b><u>\$62,587,334</u></b>
<b><u>SOURCE OF FUNDS</u></b>				
000 – Federal Funds	400338	\$45,567,831	\$17,019,503	\$62,587,334
<b><u>TOTAL REVENUE</u></b>		<b><u>\$45,567,831</u></b>	<b><u>\$17,019,503</u></b>	<b><u>\$62,587,334</u></b>

<sup>1</sup> All direct program costs will be accounted for using activity 00FRF602PH0210A and all administrative and indirect costs will be accounted for using activity 00FRF602PH0210Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

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### **EXPLANATION**

Because of the COVID-19 pandemic, there has been a shift in critical workforce, causing shortages nationwide. New Hampshire is also experiencing a serious workforce shortage that has been exacerbated by COVID-19, creating industry-related needs and vacant positions throughout the State's economy.

Funding will be utilized to run a full-scale 'pilot' version of a student debt relief program aimed to directly address New Hampshire's workforce retention and recruitment challenges. By focusing on reducing the principal balance of student debt tied to a commitment to New Hampshire employment, the state will have an innovative and powerful workforce recruitment program.

Potential outcomes include helping address an immediate and pressing workforce need in the State, especially those affected by COVID-19 related effects. In addition, this federally-funded pilot will provide valuable insight and data on the potential for future student debt relief programming and its impact on the State's workforce and economy.

To ensure that this program is helping those that need it most, a portion of the fund will be targeted toward those disproportionately impacted by the COVID-19 pandemic and a cap will be set on the maximum reimbursement amount of student debt.

To operate this program GOFERR, intends to partner with another agency or entity, issuing a subaward to oversee and facilitate it.

Funds are being budgeted in the classes listed below as follows:

Class 040 – Indirect Costs to recover, per by RSA 21-I:75, a proportional share of the outside funding source to alleviate agency indirect costs.

Class 041 – Audit Fund Set Aside to comply with RSA 124:16 that requires all agencies that receive federal funds to set aside a percentage (0.1%) of the federal revenue amount received to pay for financial and compliance audits.

Class 102 – Contracts for program services to provide funding for the Workforce Recruitment & Student Debt Relief Program.

In the event that Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Taylor Caswell,  
Executive Director, GOFERR