



State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES

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June 7, 2022

The Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

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 Department of Administrative Services (DAS) to accept and expend \$4,235,300 of American Rescue Plan (ARP) State and Local Recovery Funds (FRF), for Direct Care and Institutional Employee Retention Incentives, effective upon approval by the Fiscal Committee and the Governor and Executive Council through June 30, 2023. This is an allowable use of ARP FRF funds under Section 602(c)(1) to respond to the public health emergency or its negative economic impacts. 100% Federal Funds.

Funds are to be budgeted in state fiscal year (FY) 2023. Funds for the Direct Care and Institutional Employee Retention Incentives are to be budgeted for the Department of Health and Human Services, NH Veteran's Home, Department of Corrections, Department of Information Technology, and Department of Safety in the following new accounting units:

Department of Health and Human Services – Glencliff	05-95-91-910010-XXXX0000
Department of Health and Human Services – NH Hospital	05-95-94-940010-XXXX0000
Department of Health and Human Services – SYSC	05-95-42-421510-XXXX0000
NH Veteran's Home	05-43-43-430010-XXXX0000
Department of Corrections	02-46-46-463510-XXXX0000

Department of Information Technology

01-03-03-030010-XXXX0000

Department of Safety

02-23-23-234010-XXXX0000

Funds will be budgeted as follows¹:

Department of Health and Human Services – Glencliff		05-95-91-910010-XXXX0000
CLASS/ ACCOUNT	DESCRIPTION	FY 2023 REQUESTED
000-400338	Federal Funds	\$271,423
	TOTAL REVENUE	\$271,423
010-500100	Personal Services - Full-Time	\$170,000
040-500800	Indirect Costs	\$27,140
041-500801	Audit Fund Set Aside	\$2,710
042-500620	Post-Retirement Benefits	\$15,028
050-500109	Personal Services – Temp Part-Time	\$17,500
060-500601	Benefits	\$39,045
	TOTAL EXPENSES	\$271,423

Department of Health and Human Services – NH Hospital		05-95-94-940010-XXXX0000
CLASS/ ACCOUNT	DESCRIPTION	FY 2023 REQUESTED
000-400338	Federal Funds	\$1,071,058
	TOTAL REVENUE	\$1,071,058
010-500100	Personal Services - Full-Time	\$700,000
040-500800	Indirect Costs	\$107,100
041-500801	Audit Fund Set Aside	\$1,070
042-500620	Post-Retirement Benefits	\$61,880
050-500109	Personal Services – Temp Part-Time	\$42,500
060-500601	Benefits	\$158,508

¹ All direct program costs will be accounted for using activity 00FRF602PH1406A and all administrative and indirect costs will be accounted for using activity 00FRF602PH1406Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

Department of Health and Human Services – NH Hospital 05-95-94-940010-XXXX0000		
CLASS/ ACCOUNT	DESCRIPTION	FY 2023 REQUESTED
	TOTAL EXPENSES	\$1,071,058

Department of Health and Human Services – SYSC 05-95-42-421510-XXXX0000		
CLASS/ ACCOUNT	DESCRIPTION	FY 2023 REQUESTED
000-400338	Federal Funds	\$154,724
	TOTAL REVENUE	\$154,724
010-500100	Personal Services - Full-Time	\$100,000
040-500800	Indirect Costs	\$15,475
041-500801	Audit Fund Set Aside	\$155
042-500620	Post-Retirement Benefits	\$8,840
050-500109	Personal Services – Temp Part-Time	\$7,500
060-500601	Benefits	\$22,754
	TOTAL EXPENSES	\$154,724

Department of Corrections 02-46-46-463510-XXXX0000		
CLASS/ ACCOUNT	DESCRIPTION	FY 2023 REQUESTED
000-400338	Federal Funds	\$2,152,377
	TOTAL REVENUE	\$2,152,377
010-500100	Personal Services - Full-Time	\$1,260,000
040-500800	Indirect Costs	\$215,200
041-500801	Audit Fund Set Aside	\$2,150
042-500620	Post-Retirement Benefits	\$111,383
050-500109	Personal Services – Temp Part-Time	\$37,500
060-500601	Benefits	\$526,144
	TOTAL EXPENSES	\$2,152,377

NH Veteran's Home		05-43-43-430010-XXXX0000
CLASS/ ACCOUNT	DESCRIPTION	FY 2023 REQUESTED
000-400338	Federal Funds	\$534,439
	TOTAL REVENUE	\$534,439
010-500100	Personal Services - Full-Time	\$340,000
040-500800	Indirect Costs	\$53,450
041-500801	Audit Fund Set Aside	\$535
042-500620	Post-Retirement Benefits	\$30,056
050-500109	Personal Services – Temp Part-Time	\$32,500
060-500601	Benefits	\$77,898
	TOTAL EXPENSES	\$534,439

Department of Information Technology		01-03-03-030010-XXXX0000
CLASS/ ACCOUNT	DESCRIPTION	FY 2023 REQUESTED
000-400338	Federal Funds	\$8,745
	TOTAL REVENUE	\$8,745
010-500100	Personal Services - Full-Time	\$6,000
040-500800	Indirect Costs	\$875
041-500801	Audit Fund Set Aside	\$9
042-500620	Post-Retirement Benefits	\$530
050-500109	Personal Services – Temp Part-Time	\$0
060-500601	Benefits	\$1,331
	TOTAL EXPENSES	\$8,745

Department of Safety		02-23-23-234010-XXXX0000
CLASS/ ACCOUNT	DESCRIPTION	FY 2023 REQUESTED
000-400338	Federal Funds	\$42,534
	TOTAL REVENUE	\$42,534

Department of Safety		02-23-23-234010-XXXX0000
CLASS/ ACCOUNT	DESCRIPTION	FY 2023 REQUESTED
010-500100	Personal Services - Full-Time	\$24,000
040-500800	Indirect Costs	\$4,250
041-500801	Audit Fund Set Aside	\$42
042-500620	Post-Retirement Benefits	\$2,122
050-500109	Personal Services – Temp Part-Time	\$2,000
060-500601	Benefits	\$10,120
	TOTAL EXPENSES	\$42,534

EXPLANATION

RSA 21-I:42,VI, as amended by SB 226 (Laws of 2022), authorizes DAS-DOP to develop programs for the recruitment and retention of qualified applicants in State service. Under the statute, DOP is required to obtain the approval of the Fiscal Committee prior to developing or implementing such programs. DAS-DOP has submitted a separate item to Fiscal Committee to establish an Employee Retention Incentive Program for the State Executive Branch under RSA 21-I:42,VI.

RSA 21-I:42, VI(e), as amended by SB 226 (Laws of 2022), further requires any expenditures for recruitment or retention incentives or bonuses to be approved by the Fiscal Committee. The purpose of this request is to obtain the required approval to accept and expend funds allocated under ARP for specific retention incentives to be issued to direct care and institutional employees under the Employee Retention Incentive Program. No payments will be made under this program until after the effective date of SB 226.

Specifically, this item requests approval to use ARP funds to issue retention incentives to all state workers providing direct care and/or working in an institutional setting. The proposed direct care and institutional employee retention incentives include a payment of \$2,000 to eligible full-time employees and a payment of \$500 to eligible part-time employees.

To be eligible, an employee must be in a position in which they are actively engaged in the care and treatment of patients or inmates or are continuously exposed to inmates or forensic patients in the normal course of their duties at the New Hampshire Hospital, Glencliff Home, New Hampshire Veteran's Home, the Youth Development Center, or a state prison.

Eligible employees must be, and remain, employed in a qualifying position throughout the defined retention period, which will extend from July 1, 2022, through November 3, 2022. Qualifying employees will receive the retention incentive payment in a subsequent paycheck (timing depends on processing time to confirm eligibility and process payments).

This request supports incentive payments for up to 1,300 full-time and 280 part-time and temporary full-time employees. As of May 26th, the State had 166 part-time or temporary full-time and 1,193 full-time qualifying employees, but is actively recruiting to fill numerous vacancies.

Pursuant to U.S. Treasury 31 CFR Part 35, RIN 1501-AC77, the Coronavirus State Fiscal Recovery Fund established under the American Rescue Plan Act authorizes use of funding to address the public health emergency. This request supports restoring state employment to pre-pandemic levels to maintain essential state services, pursuant to 31 CFR Part 35, by helping to retain existing employees.

Under ARP (§35.6(c)), state employees are considered “essential workers” and thus, could qualify for a discretionary payment. To be eligible for the retention payment, qualified State employees cannot telework. By definition of their job duties, State employees providing direct care or working in institutional settings cannot perform their duties remotely.

Over the last two years, the turnover rate, or loss of state employees, as well as the number of vacant positions across Executive Branch agencies have increased dramatically. As of March 31, 2021, all of the direct healthcare facilities (e.g., NH Veteran’s Home, NH Hospital, Glencliff Home), as well as the Department of Corrections, have vacancy and turnover rates above the State averages of 19.5% and 11.6%, respectively. Increased competition in the labor market is adding to the challenge to recruit and retain good candidates, especially for jobs in institutional settings.

Funds are to be budgeted as follows:

Class 10 – Personal Services: Funds for retention payments for full-time employees.

Class 40 – Indirect Costs: Funds to cover statewide indirect costs (SWCAP) associated with non-general funding.

Class 41 – 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 received to pay for financial and compliance audits.

Class 42 – Post-Retirement Benefits: Reimbursement of general fund for post-retirement benefits on non-general funded payments made to full-time positions (at rate of 8.84% of payments).

Class 50 – Personal Services – Temporary Part-time: Funds for retention payments for part-time employees.

Class 60 – Benefits: Benefit costs associated with retention payments made to employees, as described above.

In the event that federal funds are no longer available, General Funds will not be requested to support this program and this program would terminate. The Department of Administrative Services requests approval of this request.

Respectfully submitted,



Charles M. Arlinghaus
Commissioner