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STATE OF NEW HAMPSHIRE



GOVERNOR'S OFFICE

for

EMERGENCY RELIEF AND RECOVERY

February 10, 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 Governor's Office for Emergency Relief and Recovery (GOFERR) to accept and expend funds in the amount of \$345,395 in American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to fund an expansion of the Career Pathways Program, which provides skills-based education and training as well as information on available career paths in the trades industry to help bridge the existing skills gap and address workforce shortages upon approval by the Fiscal Committee and Governor and Executive Council, through June 30, 2023. This is an allowable use of ARP FRF funds under Section 602 (c)(1)(A) to respond to the public health emergency or its negative economic impacts. **100% Federal Funds.**

Funds are to be budgeted in FY2022 as follows:

01-02-002-020210-24690000[1]¹ ARP GRANTS AND DISBURSEMENTS		<u>FY2022</u>	<u>FY2022</u>	<u>FY2022</u>
<u>CLASS</u>	<u>ACCOUNT</u>	<u>CURRENT MODIFIED BUDGET</u>	<u>BUDGET REQUEST</u>	<u>REVISED BUDGET</u>
<u>EXPENDITURES</u>				
040 – Indirect Costs	501587	\$722,750	\$2,500	\$725,250
041 – Audit Fund Set Aside	500801	\$103,752	\$345	\$104,097
042 - Additional Fringe Benefits	500620	\$60,500	\$0	\$60,500
072 – Grants Federal	500575	\$45,170,850	\$342,550	\$45,513,400
103 - Contracts for Op Services	502664	\$3,500,000	\$0	\$3,500,000
TOTAL EXPENSES		\$49,557,852	\$345,395	\$49,903,247
<u>SOURCE OF FUNDS</u>				

¹ All direct program costs will be accounted for using activity 00FRF602PH0215A and all administrative and indirect costs will be accounted for using activity 00FRF602PH0215Z. 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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000 – Federal Funds	400338	\$49,557,852	\$345,395	\$49,903,247
TOTAL REVENUE		\$49,557,852	\$345,395	\$49,903,247

EXPLANATION

Employers are unable to fill key positions because the State currently lacks qualified workers for those vital positions throughout its economy. The trades are no exception. What's more, trade schools and vocational programs, like other educational institutions, have had to adapt their methods during the COVID-19 pandemic. In many cases, that has required remote learning and increased social distancing, which makes the hands-on, experiential learning needed for the trades even more challenging.

High school students have also had to weather the pandemic, modifying their own educational path to accommodate remote learning and other COVID-19 mitigation efforts. An illustration of such efforts includes the dramatically increased enrollment (nearly 50 percent) in the Virtual Learning Academy Charter School (VLACS) in New Hampshire, which has expanded to accommodate students that need access to remote learning capabilities.

As the State continues to recover from the health crisis, and the return to in-person education continues and the availability of experiential-learning opportunities grows, high school students will again need assistance in adapting their educational and vocational trajectories. Even before the pandemic, less than 60 percent of New Hampshire's high school graduates enrolled in post-secondary education, according to the New Hampshire Department of Education. And in 2019, close to half of all jobs held by younger workers in New Hampshire were either in accommodation and food services or in retail, and the trend over the past decade is that there are now fewer younger workers in industries such as construction, wholesale trade, and manufacturing.

There is a demonstrated need for these new entrants to our State's workforce to receive increased guidance and training that introduces them to the trades, helping to put them on a rewarding vocational path within valuable industries for our economy that are in dire need of new and younger workers.

In addition to being industries with long-term needs for additional workers, the trade, transportation, and utilities industries experienced the second largest number of job losses in the State as a result of the pandemic, trailing only leisure and hospitality. Although the trades have begun to recover, they still lag prepandemic workforce numbers and the State has identified a need to train younger workers to ensure a future skilled labor force to help fill its workforce needs, including the potential value of apprenticeships, mentorships, and other innovative pathways to employment that help accelerate training for younger workers. That is especially the case as the State and its economy continue to recover from the pandemic.

Expanding the skills-based education facilitated by the Career Pathways Program will help provide insight, guidance, and a path forward for high school students about to graduate that are interested in the trades, while providing hope for industry employers and small businesses that the pipeline of future workers will grow and help meet their needs, as well as help bridge the skills gap between our State's students and workforce.

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This effort would be interconnected with other workforce and economic development related proposed uses of ARPA SFRF funds, as the State adapts and responds to the workforce crisis greatly exacerbated by the COVID-19 pandemic.

GOFERR would receive and manage the overall fund, providing awards to Chambers of Commerce to establish and facilitate each Career Pathways Program, with a focus on the Seacoast and Greater Manchester Region, which is where participating trade schools are located. Funding would be provided based on the number of students enrolled and resulting cost of each program. It is expected that this funding would enable up to seven programs at two locations, reaching up to 260 students.

New Hampshire School of Mechanical Trades would develop and facilitate courses in four areas of trade, working alongside Experiential Learning Opportunity programs and coordinators, while Apprenticeship NH and Manchester Community College would work with area high schools and chambers to match students with qualifying apprenticeship opportunities.

The program includes information fairs, coursework, career research and exploration, professional guidance and career counseling, such as resume writing, goal planning, and professional mentoring, and more.

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 072 – Grants-Federal to provide funding for grants to sub-grantees.

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