SOUTHWEST REGION PLANNING COMMISSION

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

MINUTES

April 12, 2023

Members Present: Keith Thibault, Chairman, *Southwestern Community Services;* Sarah Bollinger, *Town of Swanzey;* Steve Dalessio, *Town of Walpole;* Steve Fortier, *NH Department of Business and Economic Affairs;* Med Kopczynski, *City of Keene*; Ed Merrell, *Town of Jaffrey;* Cody Morrison, *Monadnock Economic Development Corporation;* Luca Paris, *The Greater Monadnock Collaborative/Chamber;* Ron Rzasa, *Town of Chesterfield;* Bruce Smith, *Town of Westmoreland.*

Staff: Todd Horner, *Assistant Director*; Tim Murphy, *Executive Director*.

Guests: Tom Bascom, *Town of Greenfield;* Davis Bernstein, *Office of Congresswoman Kuster*; Jo Anne Carr, *Town of Jaffrey;* Taryn Fisher, *NH Small Business Development Center*; Robert Graham, *Office of Senator Hassan;* Rick Miller, *Town of Greenville;* Phil Sletten, *NH Fiscal Policy Institute*; Mark Tigan, *Winchester Economic Development Corporation*; Raisa West, *Town of Hancock.*

I. Welcome and Introductions

Chairman Thibault called the meeting to order at 1:00 p.m. and introductions were made.

II. Minutes of January 11, 2023

Motion: To approve the minutes of January 11, 2023 as submitted.

Motion by Ron Rzasa, seconded by Bruce Smith. Approved by unanimous vote.

III. Guest Presenter: Phil Sletten, NH Fiscal Policy Institute

Phil Sletten, Research Director at the NH Fiscal Policy Institute, provided a presentation on regional workforce trends, factors constraining workforce development, and elements of the proposed state budget that could affect those factors. He also shared information about how Local Fiscal Recovery Funds made available through the American Rescue Plan Act have been spent across different types of projects and in different counties across the state. A copy of the presentation is available at https://nhfpi.org/resource/workforce-constraints-and-the-state-budget/.

IV. South-West Collaborative Economic Development Region (SW CEDR) – Updates

Todd Horner provided an overview of the nomination process underway to identify projects that could benefit from grant writing or similar technical assistance funded through the SW CEDR. He noted that a current goal of the SW CEDR is to enhance the capacity of local stakeholders to pursue funding opportunities in support of economic development projects within the Monadnock Region or Upper Valley. He indicated that a short online form is available for interested parties to submit nominations. A project review committee will review nominations and evaluate them against criteria developed previously by the SW CEDR membership.

V. Our Economy: A Strategy for Southwest NH

Todd Horner led meeting participants through a portion of a modified SWOT analysis. During a previous meeting, EDAC attendees discussed regional economic development strengths, i.e., "what's working." At the current meeting, attendees continued the exercise by identifying weaknesses, or "what's not working." Below is a summary of issues and themes that attendees perceived as challenges.

- Childcare
  - A lack of openings.
  - Price points unaffordable to many households.
- Coordination – siloed social networks, both online and in person.
- Education
  - The lack of student debt relief.
  - The quality of public education, especially high schools.
  - The lack of financial incentives to pursue higher education in NH.
- Housing
  - A lack of clarity around housing definition, e.g., "affordable" versus "workforce."
  - Lack of information and process regarding attached dwelling units.
  - Limited land for residential development.
  - Few homeownership opportunities.
  - "Not in my backyard" (NIMBY) sentiments.
- Infrastructure – the absence or insufficiency of public water and sewer limits development.
- Jobs – growth in the service industry but not higher-paying jobs.
- Policy environment
  - State-level overregulation of federal funding.
  - Alteration of terrain (AOT) permitting process.
- Transportation
  - A lack of transportation options for older adults.
  - A lack of transportation options for youth.
- Workforce – a widespread shortage in available workers.

VI. Partner Updates

Partners updates included:

- An upcoming event hosted by the Greater Monadnock Collaborative regarding the recovery court system in Cheshire County and across the state. Recovery courts provide an alternative approach to criminal justice for individuals with substance use disorders. The Honorable Tina Nadeau, Chief Justice of the New Hampshire Superior Court, is the featured presenter.
- Progress on the Jaffrey "Dog-Leg" project. One structure claimed through eminent domain has been demolished in order to make way for a new roundabout. The Town has engaged a consultant who is providing recommendations regarding streetscape designs.
- The new Regional Housing Needs Assessment developed by SWRPC is available for public comment and review.[1]
- There will be a new funding round of the Complete Streets Implementation Grant Program, administered by SWRPC.
- The City of Keene has published a new local housing needs assessment.[2]

[1] https://www.swrpc.org/housing/
[2] https://keenenh.gov/sites/default/files/Community%20Development/Projects/Housing%20Analysis%202023/Full%20Report%20(No%20Appendices).pdf

- A medical services provider has bought a historic mill building in Greenville and has proposed converting it into an inpatient mental health facility. The proposal anticipates that the facility would house 40 clients and would host about 30 jobs. Public hearings are expected to take place in the months to come.
- The NH Liquor Store in Chesterfield occupies only a small portion of the parcel where it is located. Is there potential to develop housing on the property? The issue could be worthy of exploration, perhaps with assistance by the Community Housing Navigator working under the auspices of SWRPC and in partnership with the Town, as well as three other participating communities.
- The Municipal Per-Unit Program operating under the umbrella of InvestNH still has funding available. The Town of Swanzey has been awarded about $840,000 through the program, as a result of permitting construction of new workforce housing units. The Town is free to use those funds in any way it deems fit.
- The Town of Swanzey has about 500 units that have made it through zoning and site plan review, some of which are under construction and some of which are awaiting necessary permitting. The first project coming to fruition is anticipated to welcome tenants by the end of the summer.

VII. Other Matters

There were no other matters.

VIII. Next Meeting

The next meeting is scheduled for July 12, 2023.

VIII. Adjourn

The meeting adjourned at 2:33 p.m.

Respectfully submitted,

Todd Horner
Assistant Director

NEW HAMPSHIRE FISCAL POLICY INSTITUTE

WORKFORCE CONSTRAINTS AND THE STATE BUDGET

PRESENTED BY PHIL SLETTEN, RESEARCH DIRECTOR

SOUTHWEST REGIONAL PLANNING COMMISSION
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

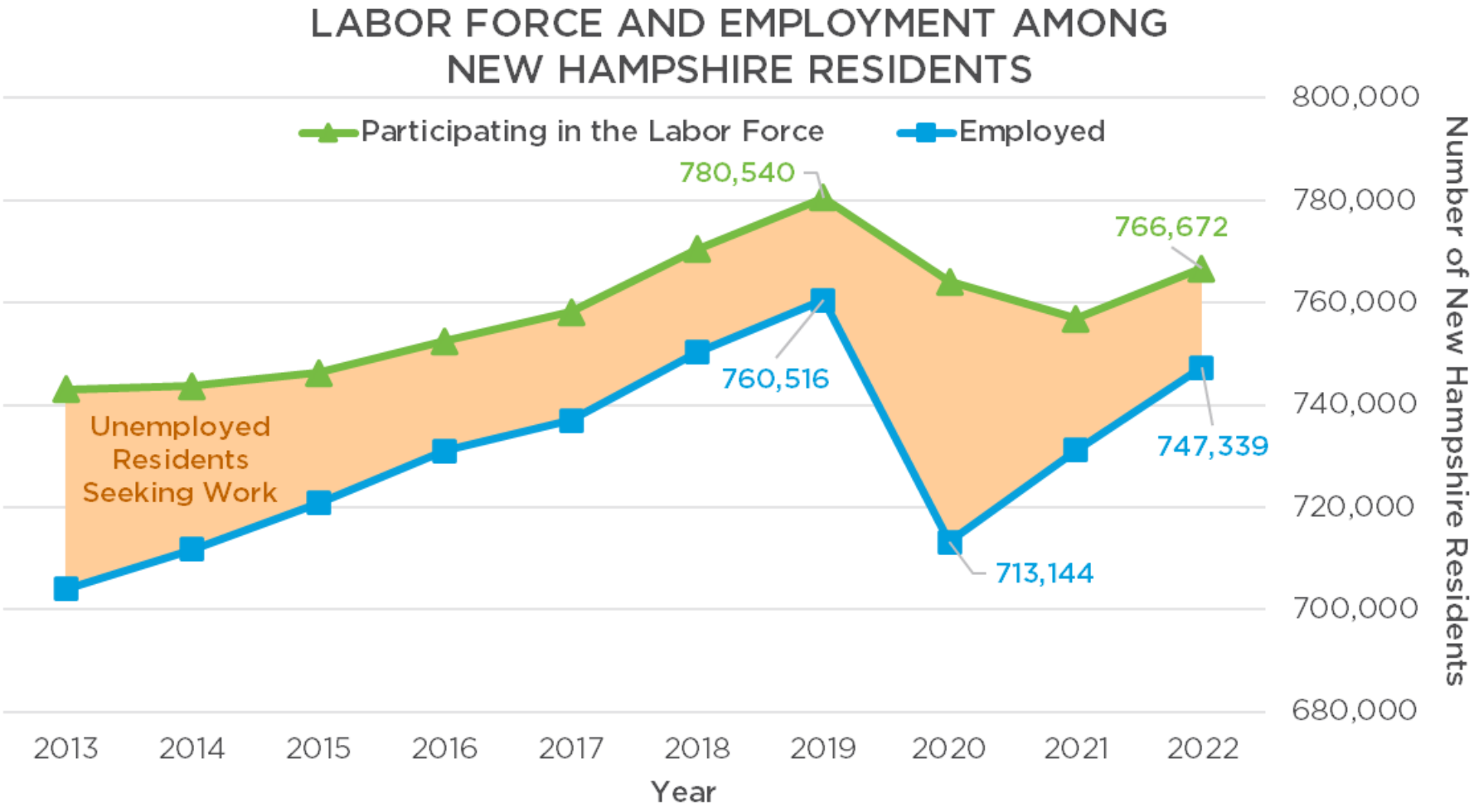
APRIL 12, 2023

IN THIS PRESENTATION

- Changes in the size of the labor force facing New Hampshire and Cheshire County
- Identifiable causes for statewide labor force constraints
- Potential State investments in addressing those labor force constraints through the State Budget
- Flexible American Rescue Plan Act resources available at the local level

CHANGES IN THE SIZE OF THE LABOR FORCE

NUMBER OF NH RESIDENTS PARTICIPATING IN LABOR FORCE BELOW 2019 PEAK



Source: New Hampshire Employment Security, GraniteStats, Local Area Unemployment Statistics

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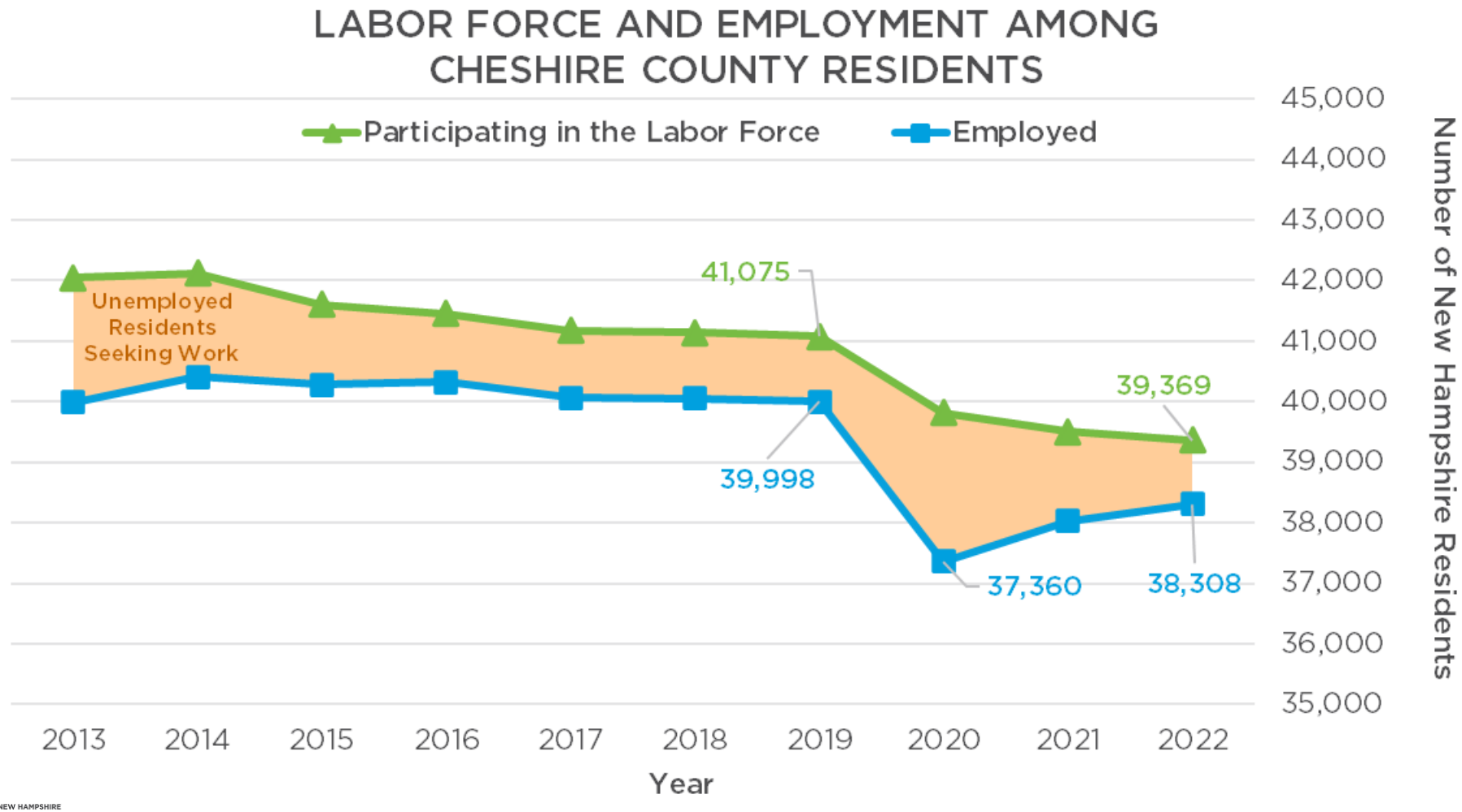
LONGER-TERM TREND, NO IMMEDIATE REBOUND IN CHESHIRE COUNTY



Source: New Hampshire Employment Security, GraniteStats, Local Area Unemployment Statistics

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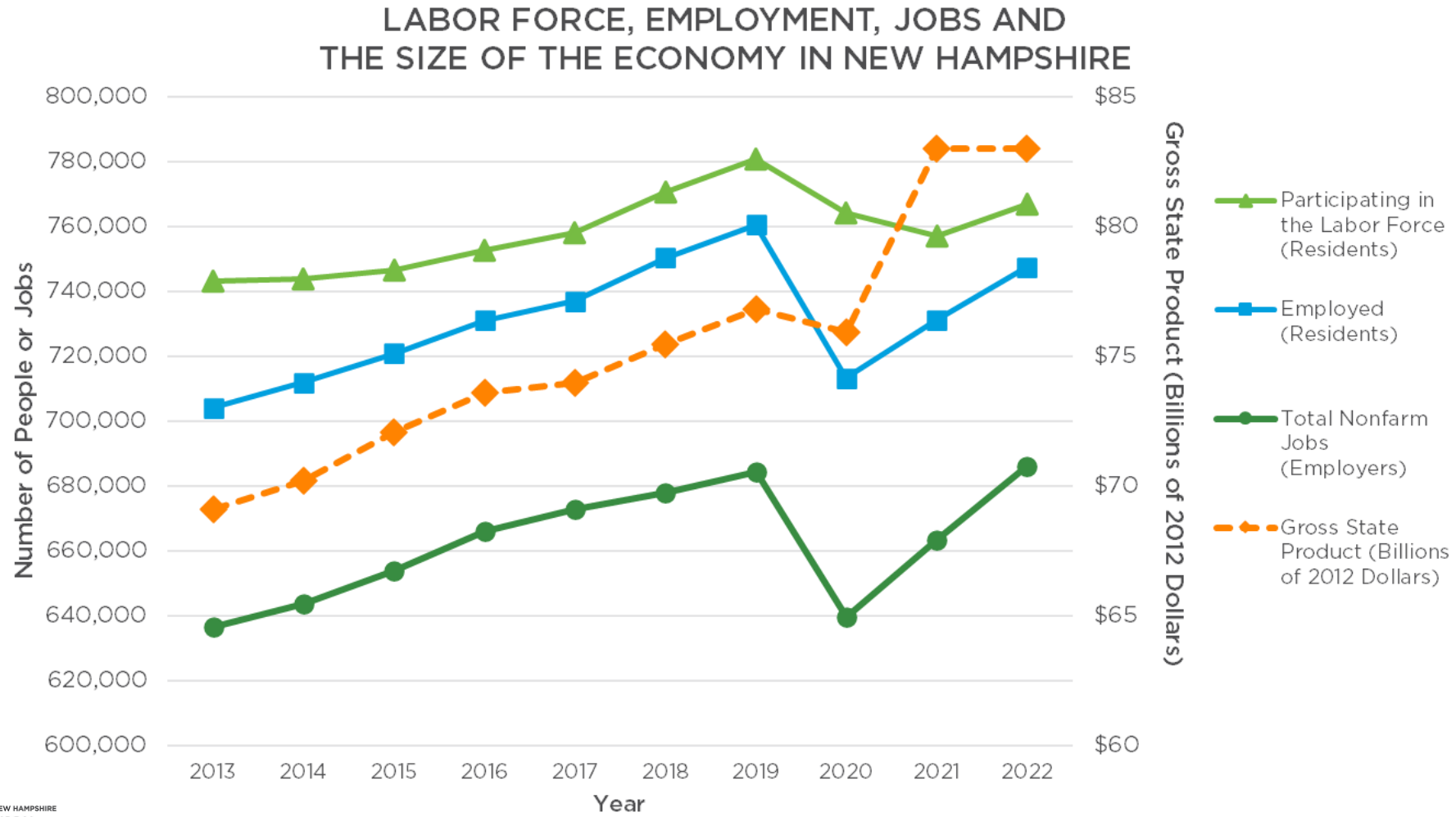
NUMBER OF JOBS STATEWIDE UP ONLY SLIGHTLY WITH MUCH LARGER ECONOMY



Source: New Hampshire Employment Security; U.S. Bureau of Economic Analysis

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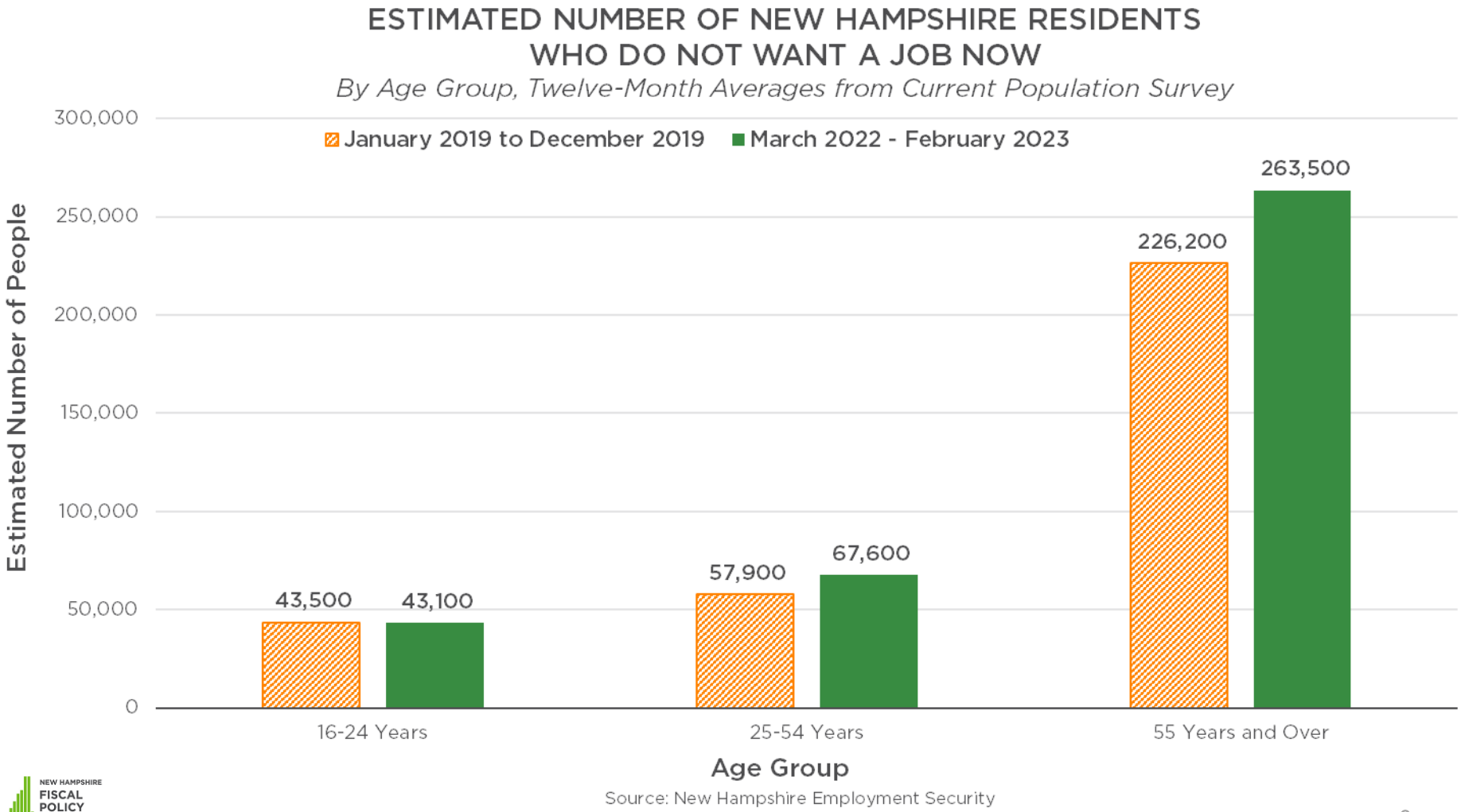
IDENTIFIABLE REASONS FOR LABOR FORCE CONSTRAINTS

LARGER NUMER OF OLDER ADULTS NOW SAYING THAT THEY DO NOT WANT A JOB



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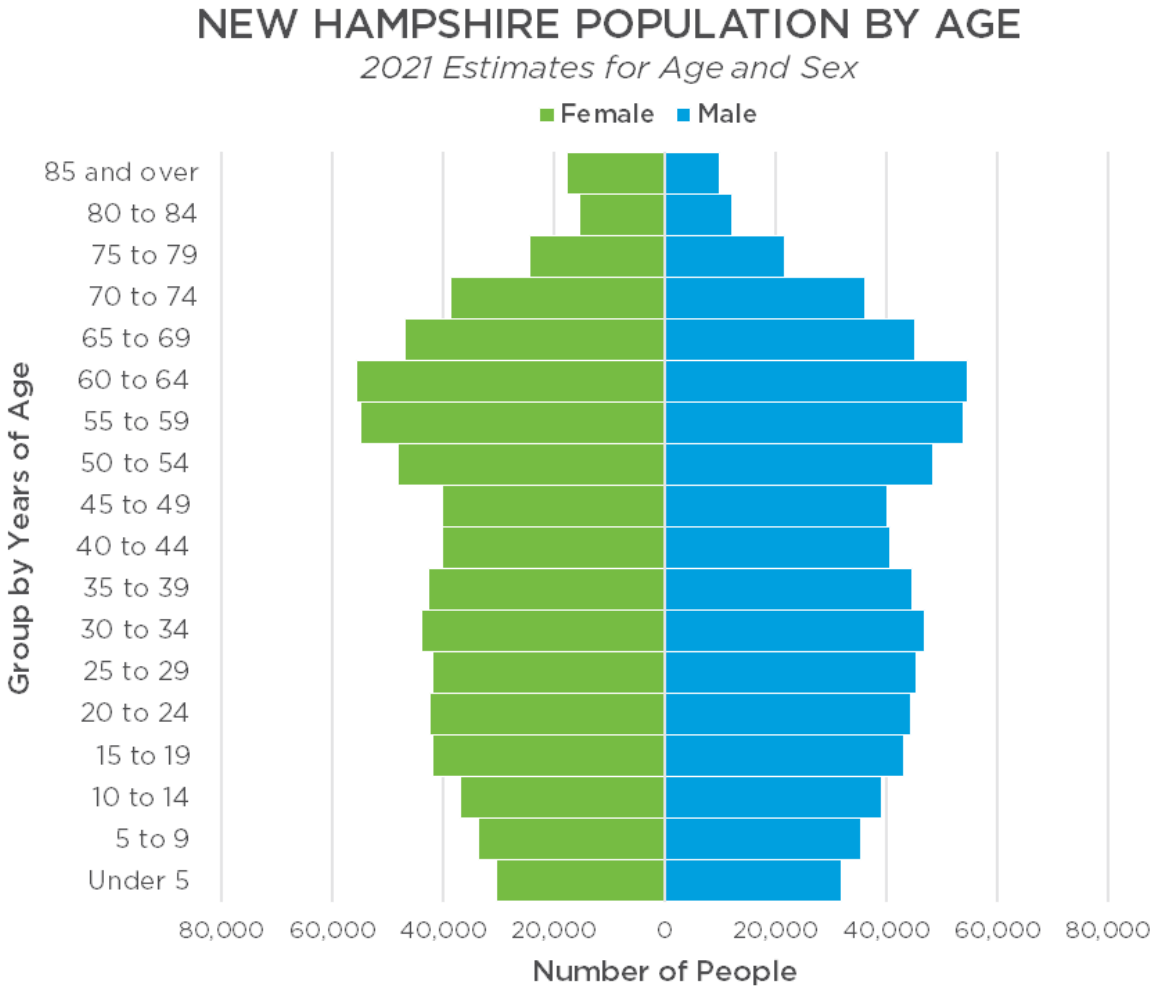
DEMOGRAPHICS LIKELY TO ADD TO LABOR FORCE CONSTRAINTS

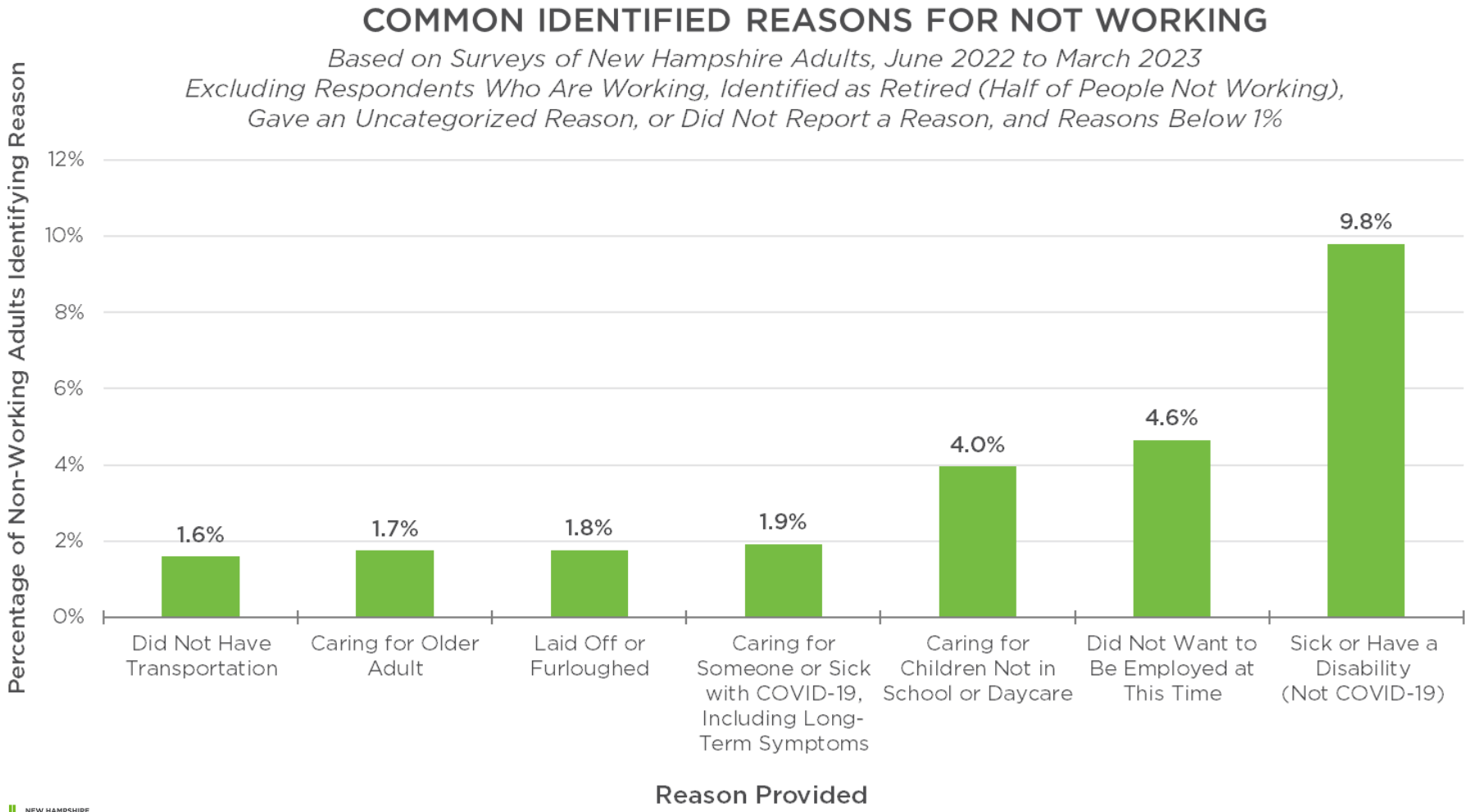
- State projections estimate more than 30 percent of state population will be 60 years old or older by 2030
- Labor force participation typically declines after age 55, drops substantially for 65-74 year olds



Source: U.S. Census Bureau, Population Estimates Program, July 1, 2021 Estimates

Sources: New Hampshire Department of Business and Economic Affairs, Office of Planning and Development September 2022 report State, County, and Municipal Population Projections: 2020-2050; New Hampshire Employment Security

ILLNESS, DISABILITY, CHILD CARE KEY REASONS IDENTIFIED FOR NOT WORKING



Source: U.S. Census Bureau, Household Pulse Survey. Note: Insufficient data cells assumed to be zero for purposes of averages.

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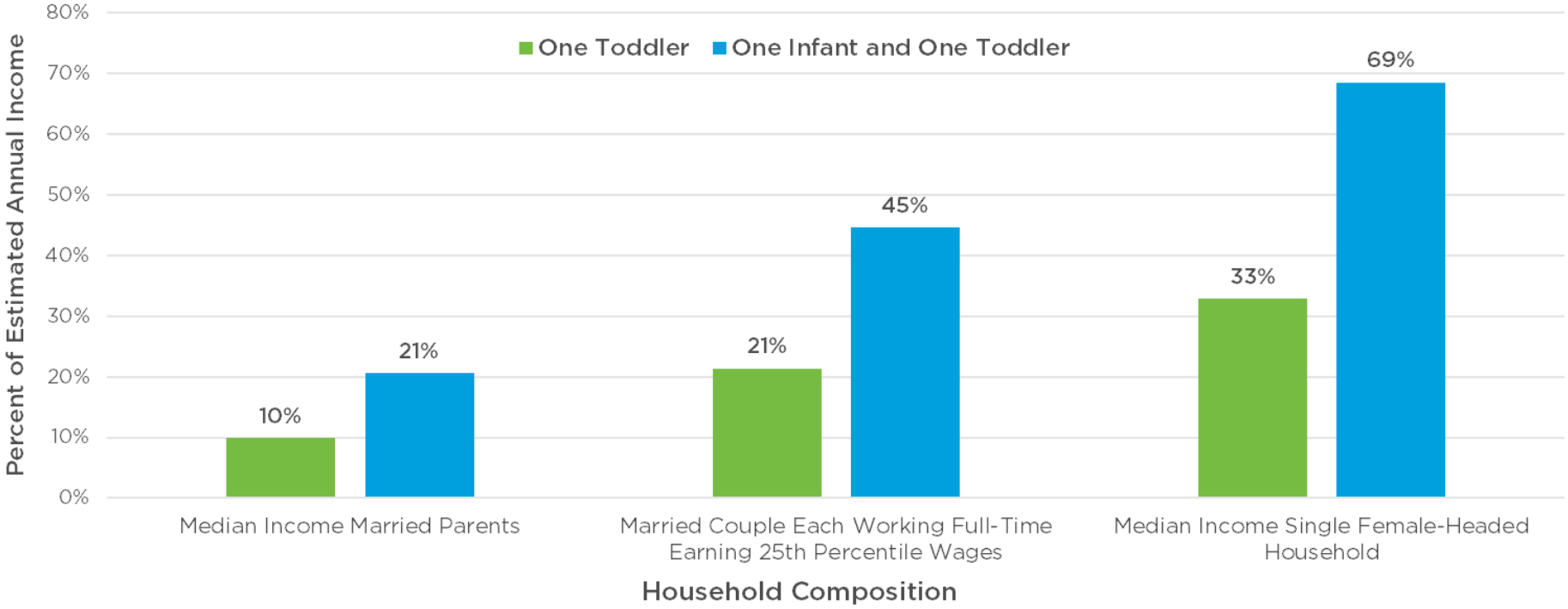
CHILD CARE AVAILABILITY, AFFORDABILITY LIMITED IN NEW HAMPSHIRE

PRICES FOR CENTER-BASED CHILD CARE AS A PERCENT OF INCOME IN NEW HAMPSHIRE

Full-Time Annual Price in 2021 Relative to Household Incomes

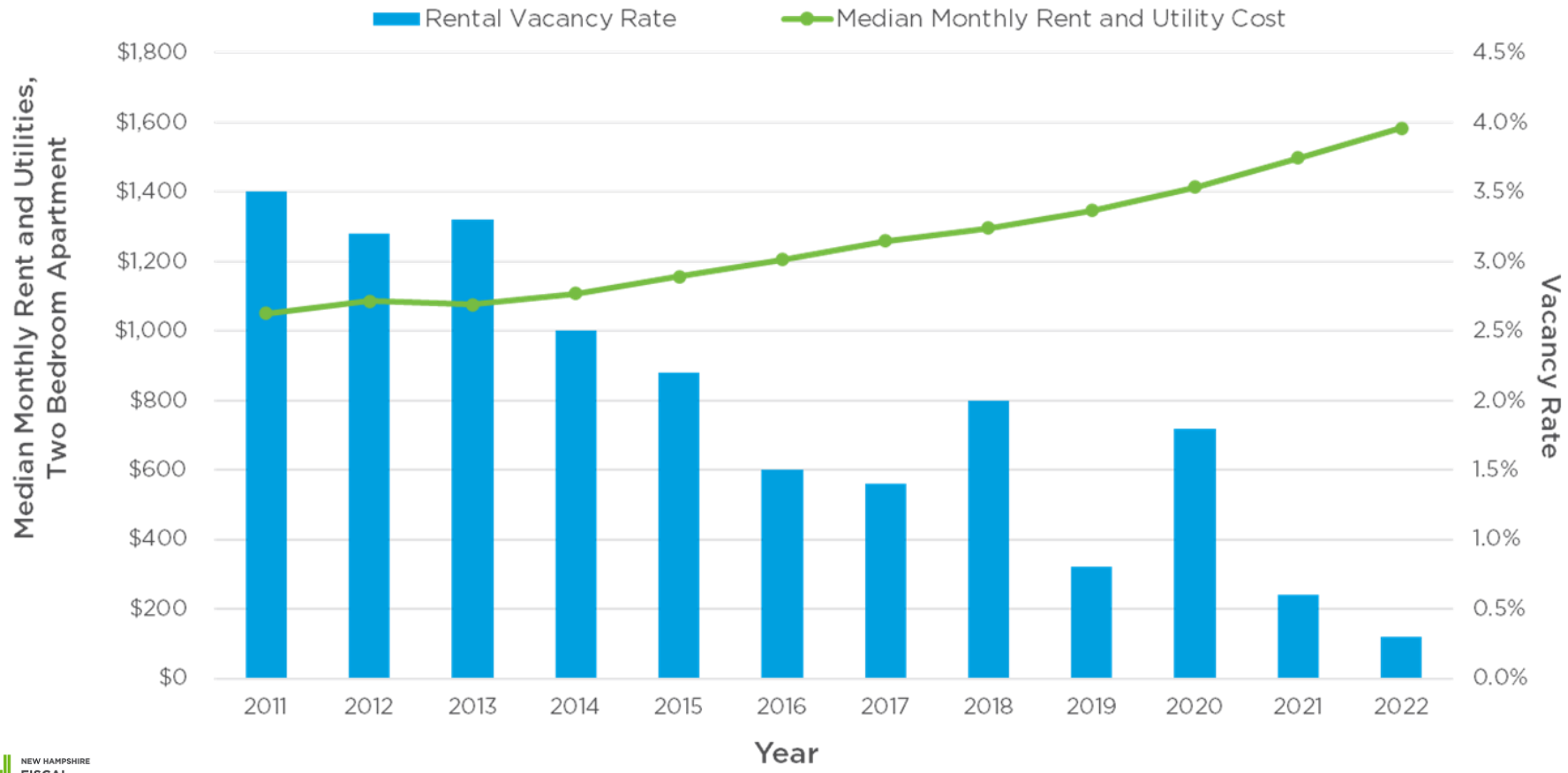


Note: Full-time 25th percentile wage earner calculations based on estimated hourly wages for May 2021 and 2,080 hours worked per year. Calculation assumes the two 25th percentile wage jobs are the only sources of income for the household. Incomes for other households based on survey data collected from 2017-2021, and adjusted for inflation to 2021 dollars. Average child care prices for infants and toddlers added together for calculations.
Sources: U.S. Bureau of Labor Statistics, May 2021 State Occupational Employment and Wage Estimates; U.S. Census Bureau, American Community Survey, 2017-2021 Five Year Estimates; Child Care Aware of America, Child Care Affordability in New Hampshire Fact Sheet, 2021.

LACK OF HOUSING INVENTORY LIMITS ABILITY OF WORKERS TO MOVE TO NH

MEDIAN MONTHLY RENTAL COSTS AND VACANCY RATES

New Hampshire Statewide Data, Two Bedroom Apartments



Source: New Hampshire Housing Finance Authority

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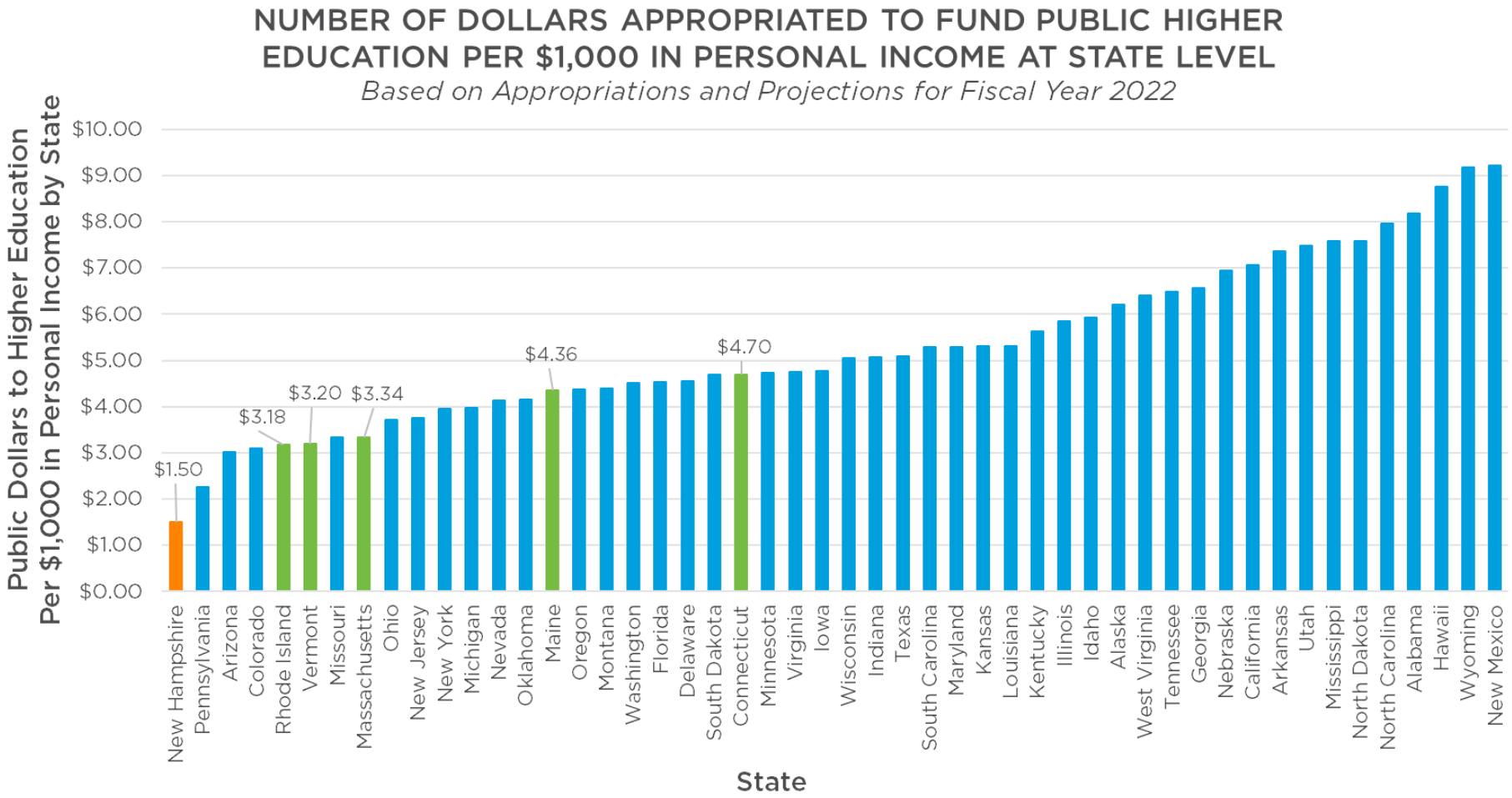
RELATIVELY EXPENSIVE PUBLIC HIGHER EDUCATION, FEWER STATE FUNDS



Source: State Higher Education Executive Officers Association and Illinois State University

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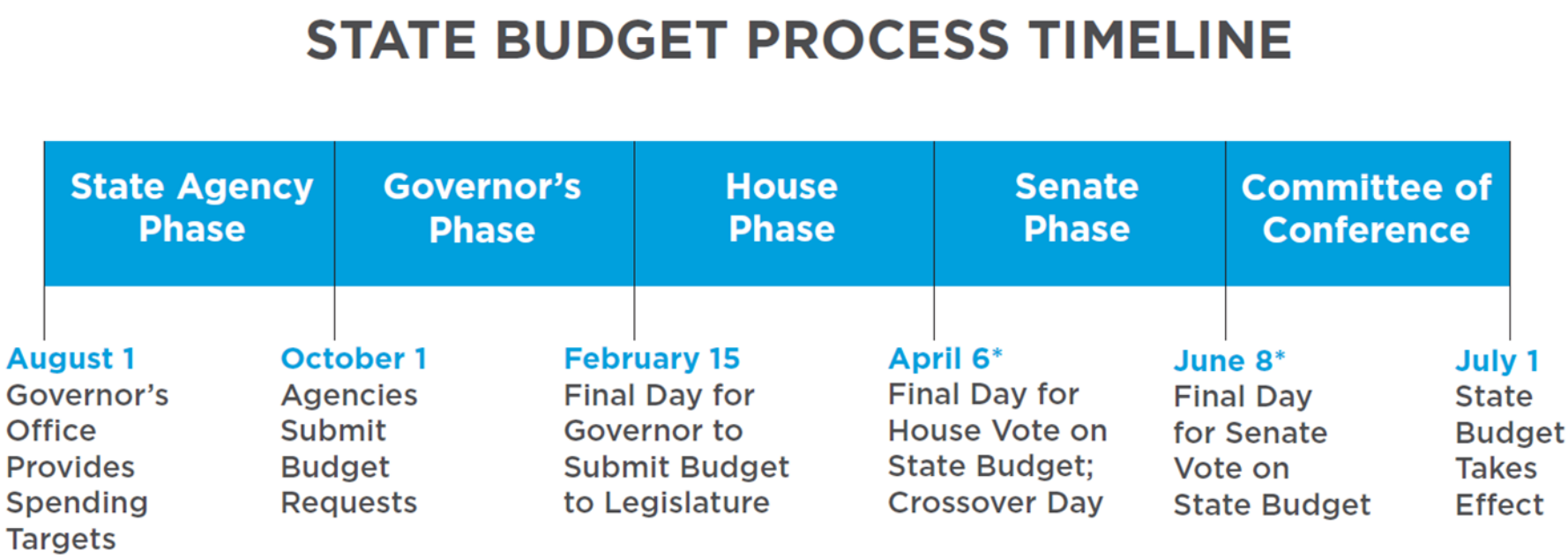
ONGOING STATE BUDGET CONSIDERATIONS RELATIVE TO WORKFORCE SUPPORTS

HOUSE PHASE OF CURRENT STATE BUDGET PROCESS COMPLETED, CHANGES TO COME



HOUSE MADE KEY CHANGES TO SUPPORT HOUSING, CHILD CARE THROUGH BUDGET

Housing Supports and Programming

- One-time contribution of $30 million to the Affordable Housing Fund
- One-time contribution of $15 million to InvestNH Fund, established in law to support municipalities, change from current $100 million fund supported with flexible federal funds from the American Rescue Plan Act
- Enables creation of a land use review docket in State superior court

Child Care

- Increase access to State support for households through expansion of Child Care Scholarship eligibility to 85 percent of Area Median Income
- Set reimbursements for child care centers to 75 percent of market rate survey or a "true cost" calculation yet to be determined

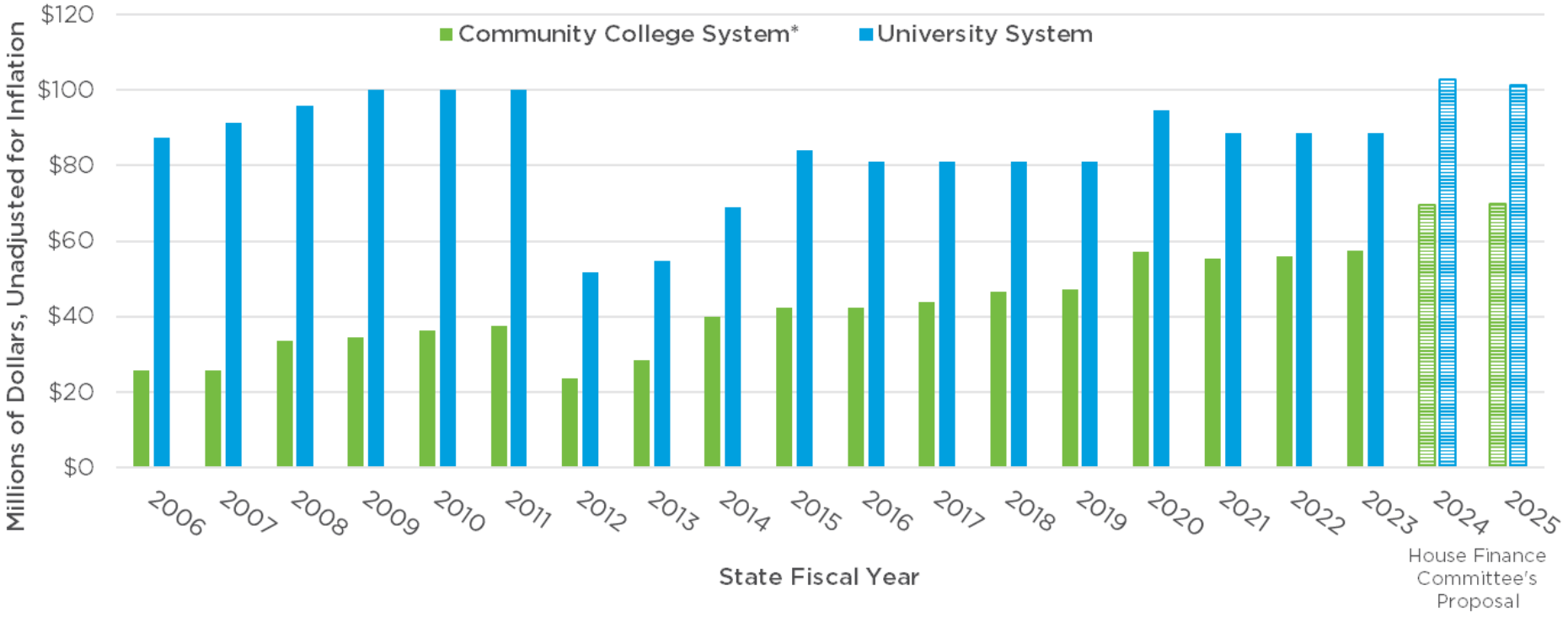
Education

- Both the Governor's and the House's State Budget proposals would increase funding for the University and Community College Systems incrementally
- Both proposals include overhauls to the State's education funding formula for local public education; House targets more resources to less-wealthy districts

HIGHER EDUCATION BOOST INCLUDES TARGETED FUNDS FOR SPECIFIC PROJECTS

NEW HAMPSHIRE PUBLIC HIGHER EDUCATION FUNDING IN THE STATE BUDGET

Includes Certain One-Time Appropriations for Certain Projects or Initiatives



*Note: Prior to SFY 2012, the Community College System was organized differently, and its entire structure was included in the State Budget. In this graph, only General Fund line item and one-time Trailer Bill appropriations are included in the historical data.

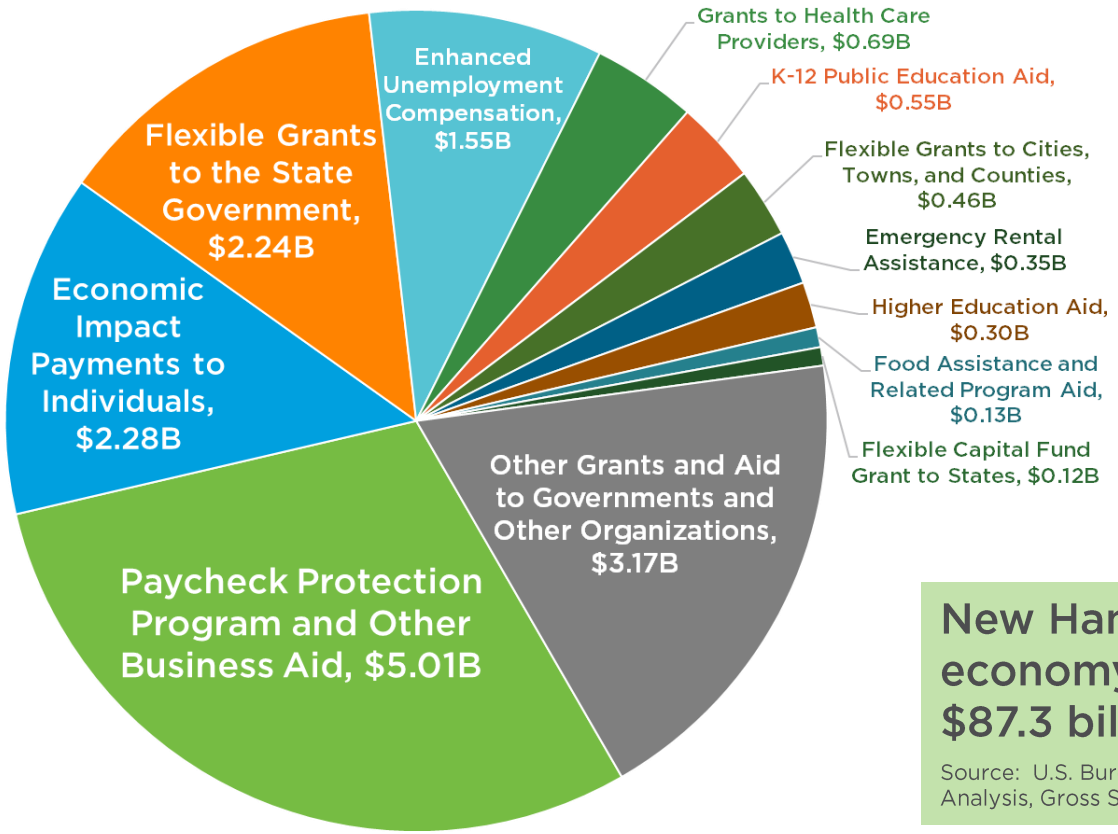
Sources: New Hampshire State Operating Budgets and Trailer Bills as Enacted; Office of Legislative Budget Assistant, Compare House Finance to Governor, March 28, 2023 and March 29, 2023 Combined General and Education Trust Funds Surplus Statement; 2023-1247h

FLEXIBLE FEDERAL FUNDS FROM THE AMERICAN RESCUE PLAN ACT

ABOUT $17 BILLION TO NEW HAMPSHIRE

FEDERAL ASSISTANCE RELATED TO COVID-19 IN NEW HAMPSHIRE

Total of Nearly $16.9 billion Through July 7, 2022



New Hampshire economy in 2019: $87.3 billion

Source: U.S. Bureau of Economic Analysis, Gross State Product

Note: Sums may include small amounts of double-counting due to summation mismatches. Totals presented are derivations. Small amounts of aid to individuals are also included in the "Other Grants and Aid" section, including aid for funeral expenses.
Source: New Hampshire Office of Legislative Budget Assistant, Federal COVID-19 Funds, New Hampshire Allocations, July 7, 2022.

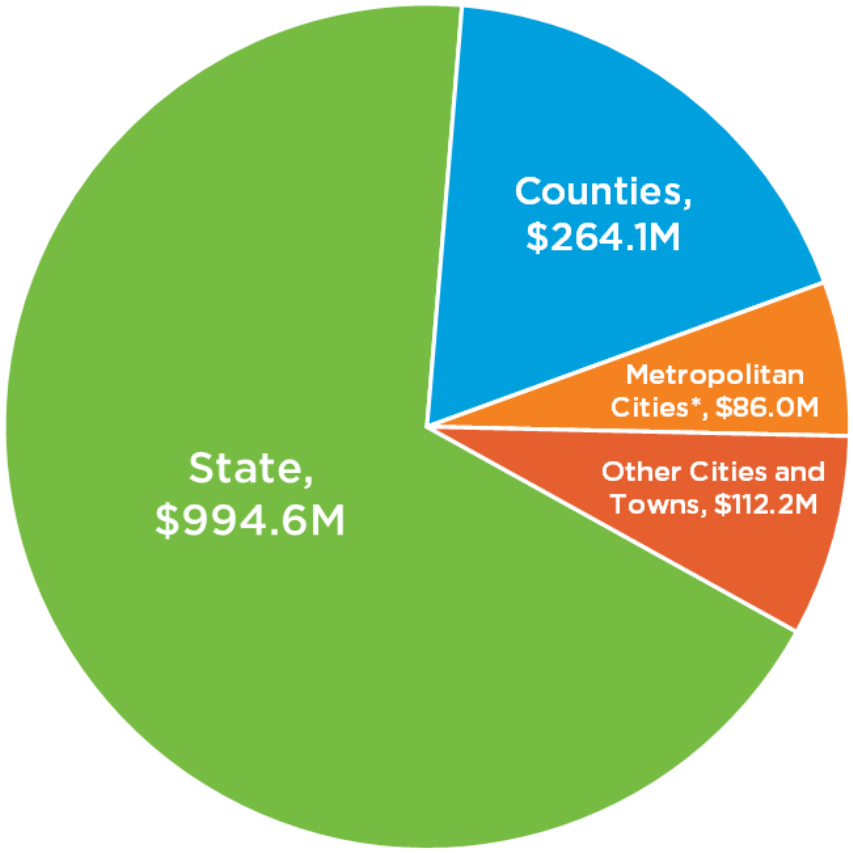
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS IN NEW HAMPSHIRE

NEW HAMPSHIRE'S ALLOCATIONS OF AMERICAN RESCUE PLAN ACT CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

Source: U.S. Department of the Treasury, *Coronavirus State and Local Fiscal Recovery Funds*, accessed May 16, 2021

Funds must be obligated by December 31, 2024 and spent by December 31, 2026.

Source: U.S. Department of the Treasury



*"Metropolitan Cities" in New Hampshire include Dover, Manchester, Nashua, Portsmouth, and Rochester.

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FISCAL RECOVERY FUNDS PERMITTED USES

Relatively flexible funds designed to:

- Respond to the public health and economic impacts of the pandemic
- Provide premium pay for essential workers
- Replace lost public sector revenue
- Invest in water, sewer, and broadband infrastructure
- Provide services to "impacted" households or communities (generally, below 300 percent of the Federal Poverty Guidelines, or experiencing certain conditions or hardships or qualifying for existing programs)[1]

U.S. Treasury Department:

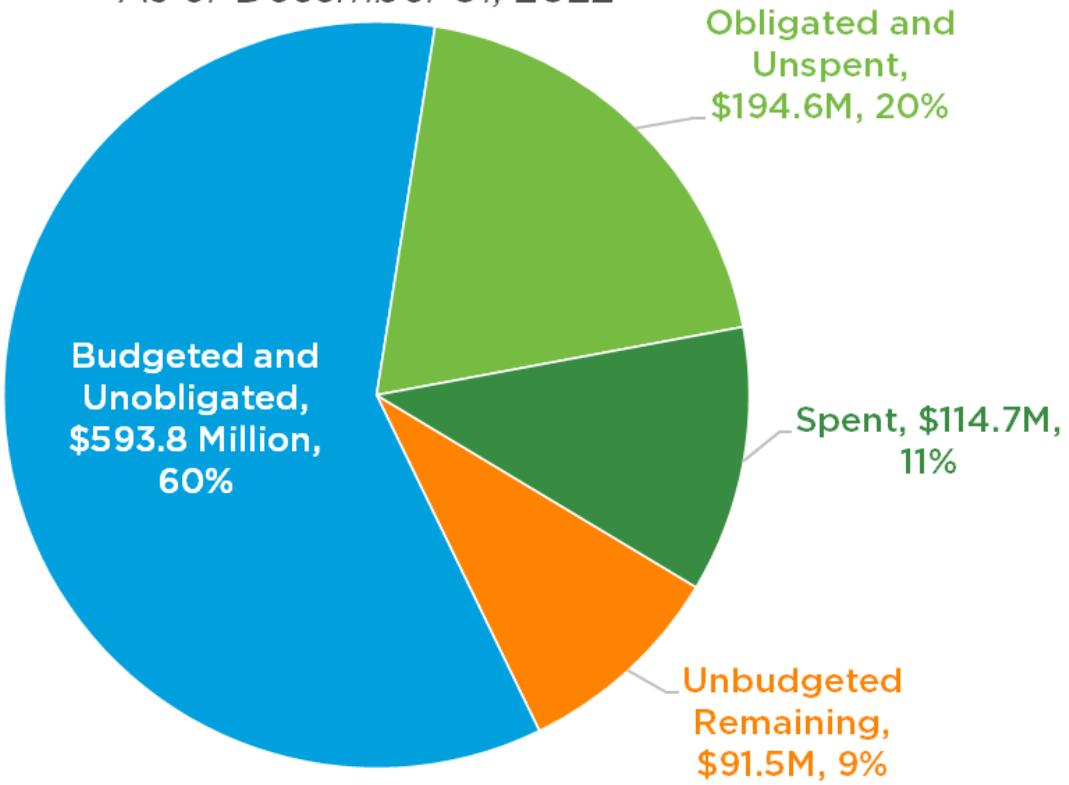
- "...encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes." [2]
- Fiscal Recovery Funds can help address "...systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color." [2]

1. U.S. Department of the Treasury, Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule, January 2022
2. U.S. Department of the Treasury, Interim Final Rule, May 10, 2021

AS OF DECEMBER 31, 2022, LESS THAN 12 PERCENT SPENT, 20 PERCENT OBLIGATED

AMERICAN RESCUE PLAN ACT CORONAVIRUS STATE FISCAL RECOVERY FUND EXPENDITURES IN NEW HAMPSHIRE

As of December 31, 2022

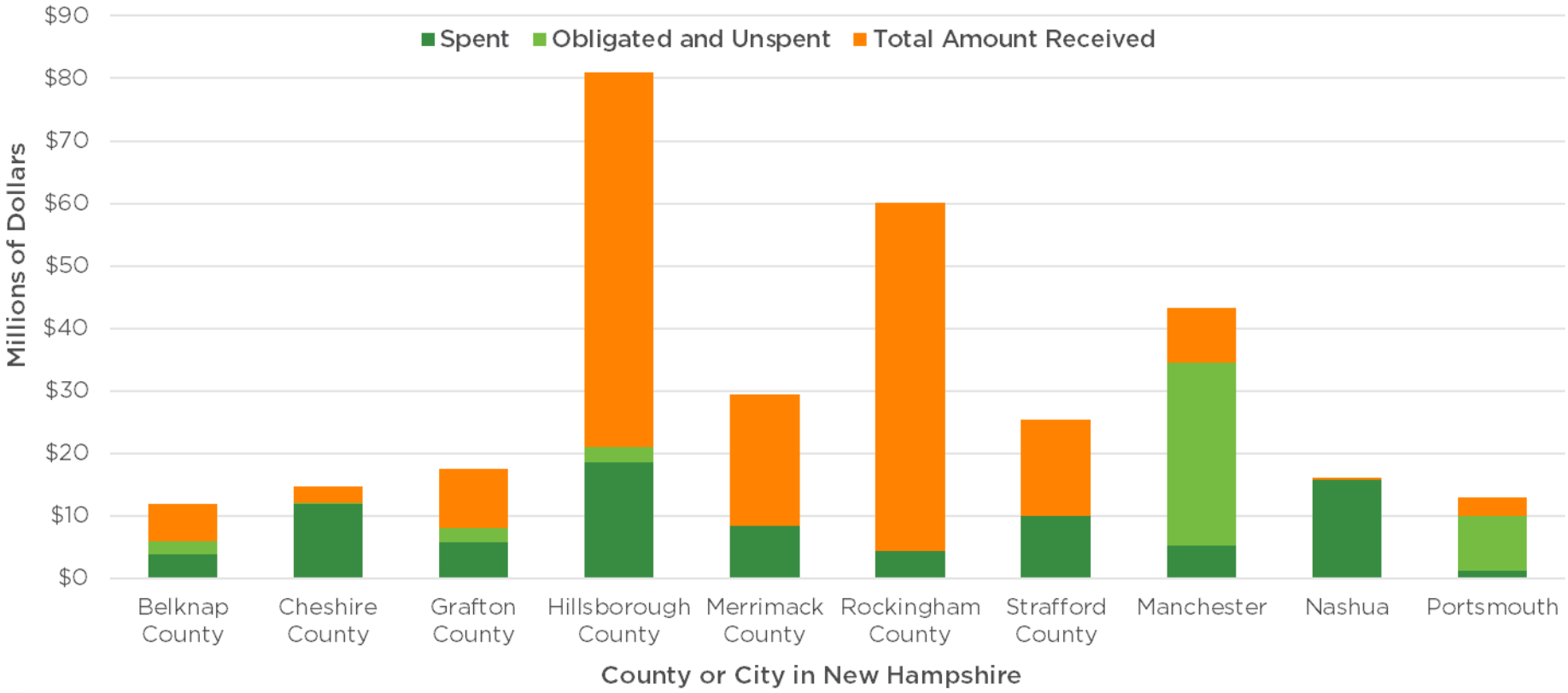


Source: U.S. Treasury Department

LOCAL GOVERNMENT EXPENDITURE RATES VARY WITHIN THE STATE

USE OF CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS BY REPORTING NEW HAMPSHIRE COMMUNITY

Counties and Cities with Over $10 Million in Received Funds, Data as of December 31, 2022



Source: U.S. Treasury Department

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KEY USES BY CHESHIRE COUNTY

- Cheshire County reported spending 80.8 percent of the $14.78 million it had received, as of the end of December 2022
- $3.57 million for newly-created public ambulance service called Cheshire EMS, in part through purchasing a private ambulance service
- $2.44 million for HVAC and other COVID-19-related upgrades to county buildings
- $1.89 million in aid to nonprofits
- $1.81 million in premium pay to county employees
- $1.07 million for Maplewood construction project due to delays
- $1.0 million in direct aid to municipalities
- Also provided aid to help small businesses, performing arts, and community events
- Premium pay for county employees and assistance to nonprofits were frequent uses of NH county Coronavirus Local Fiscal Recovery Funds

Source: U.S. Department of the Treasury

KEY TAKEAWAYS

- Key workforce constraints likely slowing New Hampshire's economy, including in Cheshire County
- Child care costs and availability appear to limit workforce participation, and limited affordable housing options may prevent workers from moving to New Hampshire
- State Budget includes increases in funding for affordable housing opportunities, as well as expanded access to public child care assistance for families and providers
- Housing shortage will not be solved, but may be helped, with State Budget resources
- Boost to education aid may support future workforce growth and retention
- Flexible American Rescue Plan Act funds have provided a substantial opportunity to support a more equitable economy

ADDITIONAL RESOURCES

- Issue Brief: The Governor's Budget Proposal for State Fiscal Years 2024 and 2025 – March 27, 2023 https://nhfpi.org/resource/the-governors-budget-proposal-for-state-fiscal-years-2024-and-2025/
- Webinar: Examining the State Budget: Understanding the House Finance Committee's Proposal – April 4, 2023 https://nhfpi.org/resource/examining-the-state-budget-understanding-the-house-finance-committees-proposal/
- Blog: A Snapshot of New Hampshire's Workforce and the Impacts of the COVID-19 Pandemic After Three Years – March 23, 2023 https://nhfpi.org/blog/a-snapshot-of-new-hampshires-workforce-and-the-impacts-of-the-covid-19-pandemic-after-three-years/
- Resource Pages: https://nhfpi.org/topic/budget/ https://nhfpi.org/topic/economy/

ADDRESS: 100 North Main Street, Suite 400, Concord, NH 03301

PHONE: 603.856.8337

WEBSITE: www.nhfpi.org

EMAIL: info@nhfpi.org

TWITTER: @NHFPI

FACEBOOK: NewHampshireFiscalPolicyInstitute