



New Hampshire's Budget Shortfalls and Future Federal Relief

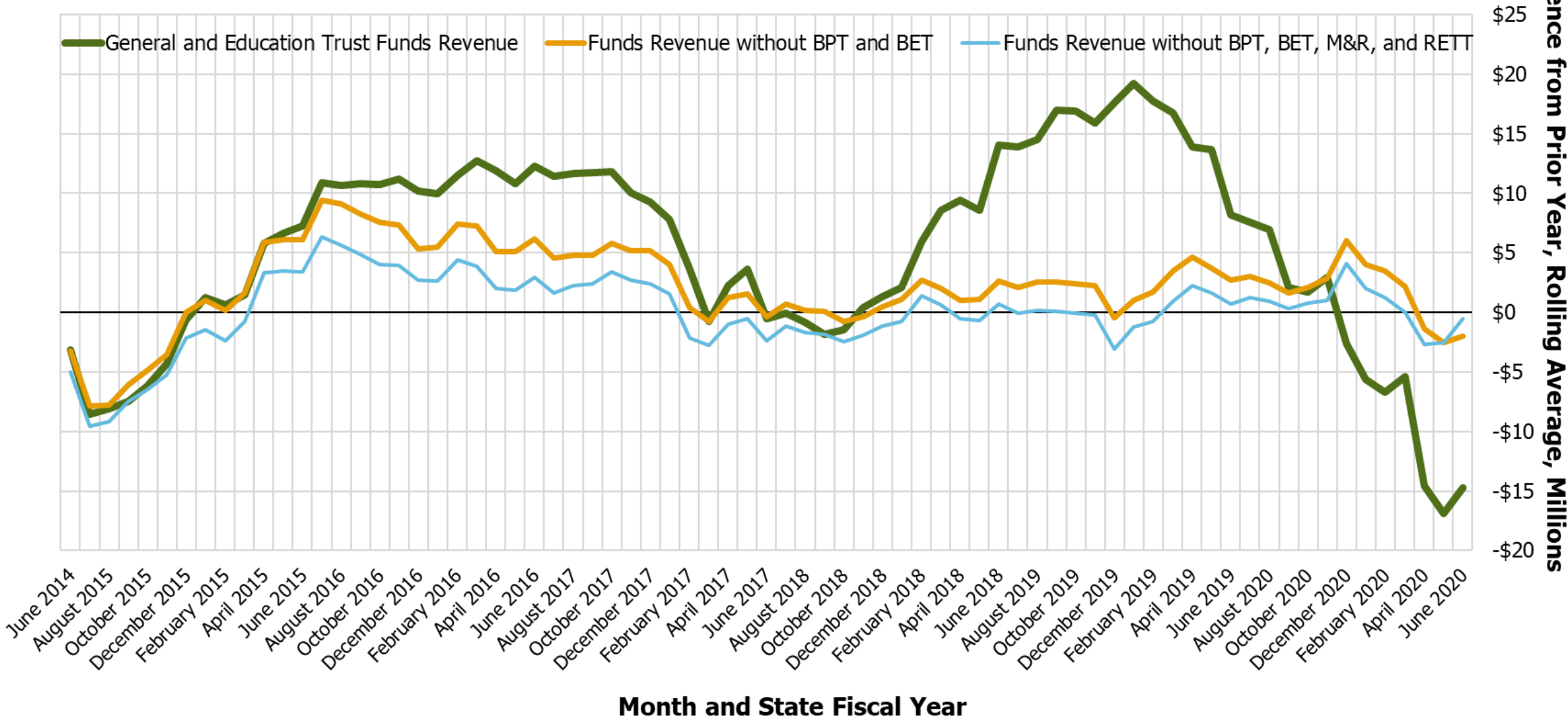
Phil Sletten, Senior Policy Analyst

Be A Hero: The Next Coronavirus Relief Package

July 23, 2020

Differences in General and Education Trust Funds Monthly Cash Receipts

Twelve-Month Rolling Averages of Monthly Cash Receipts to the General and Education Trust Funds Relative to Prior Year from All Sources; Less Business Taxes; and Less Business, Meals and Rentals, and Real Estate Transfer

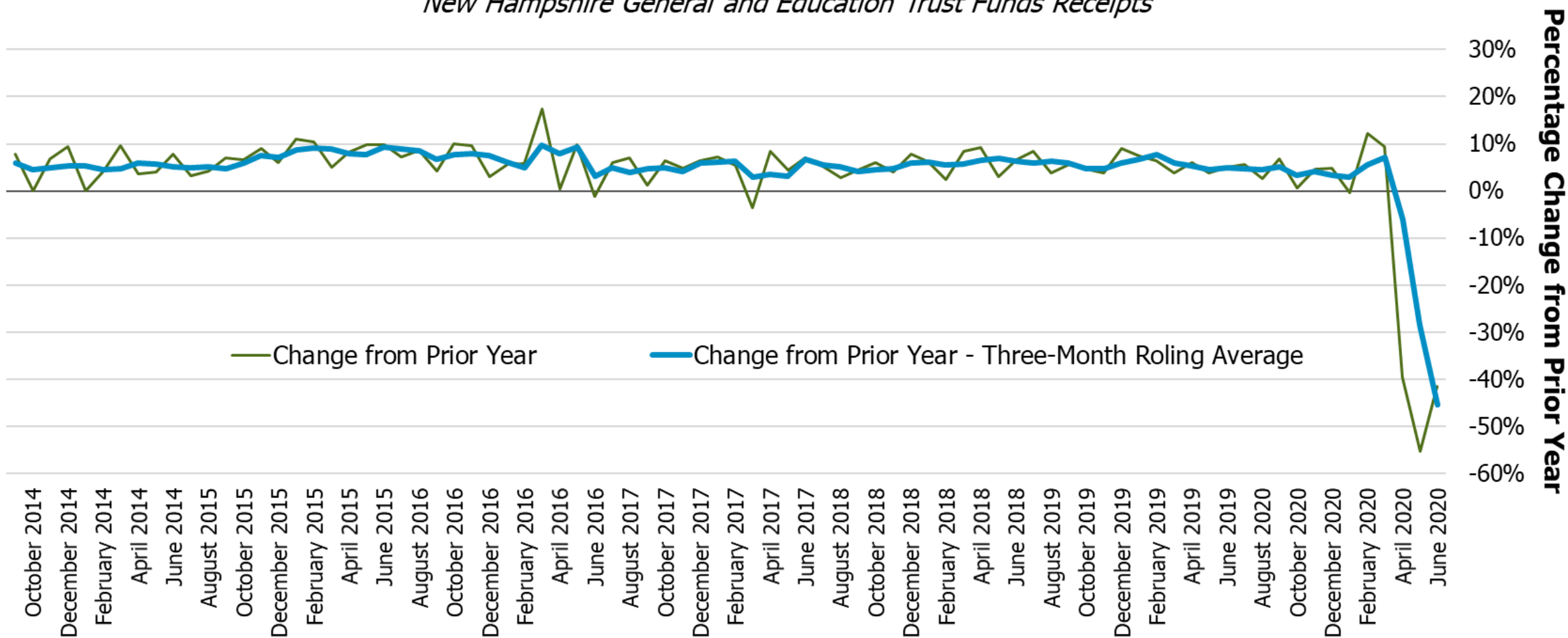


Sources: NH Department of Administrative Services Monthly Revenue Focus Reports

Note: Medicaid Enhancement Tax excluded from historical data.

Meals and Rentals Tax Revenue Changes

*Change in Receipts from Same Month of Prior Year,
New Hampshire General and Education Trust Funds Receipts*

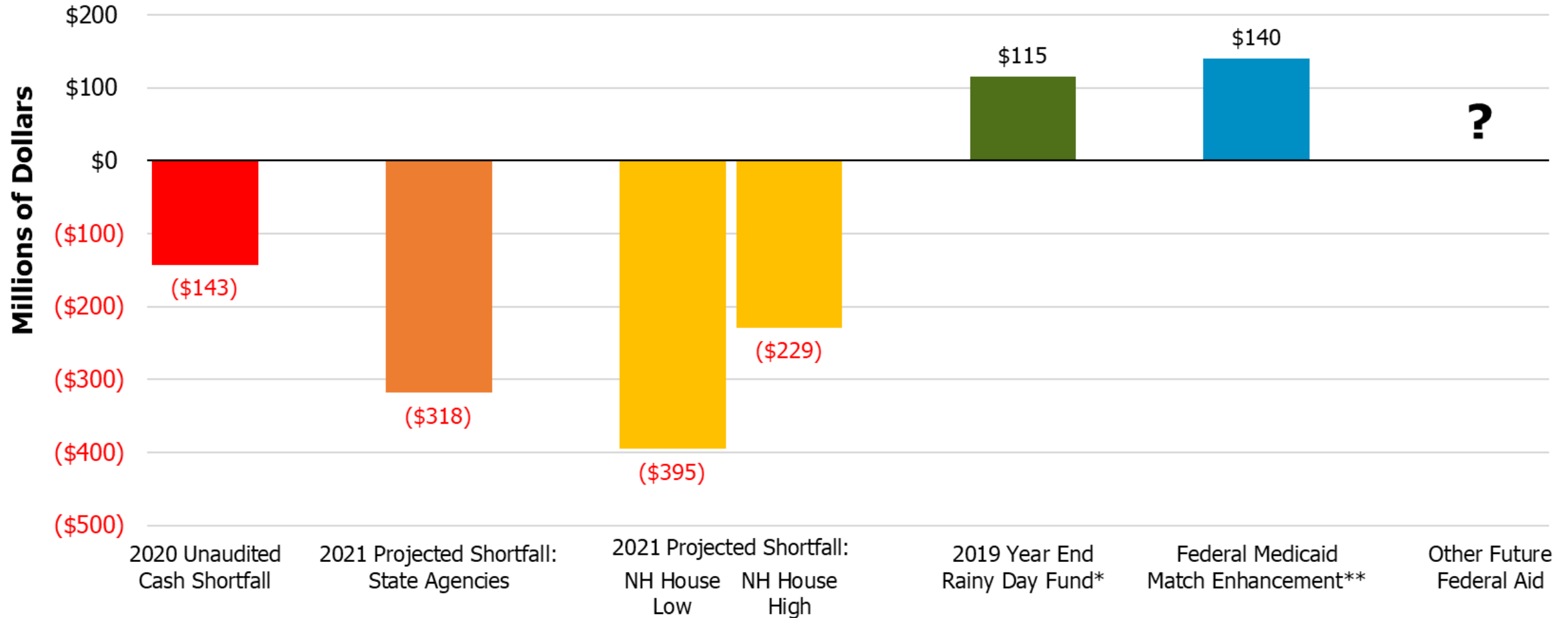


Month and State Fiscal Year

Sources: NH Department of Administrative Services Monthly Revenue Focus Reports

New Hampshire State Budget Shortfalls and Assets

*Selected Deficits, Possible Funding Sources, and Projections
for the General and Education Trust Funds, by State Fiscal Year*



Asset or Change from State Budget Plan

Notes: *Rainy Day Fund refers to the Revenue Stabilization Reserve Account. **Federal Medicaid Match Enhancement Estimate assumes federal match, and the federal public health emergency on which the availability of the match is based, extends through the end of the year.

Sources: NH Fiscal Policy Institute, State Agencies Project Major Revenue Declines Due to COVID-19 Crisis Impacts, May 29, 2020; NH House Ways and Means Estimating Worksheets, June 1, 2020; NH Comprehensive Annual Financial Report, SFY 2019; Center on Budget and Policy Priorities, Families First's Medicaid Funding Boost a Useful First Step But Far From Enough, April 21, 2020

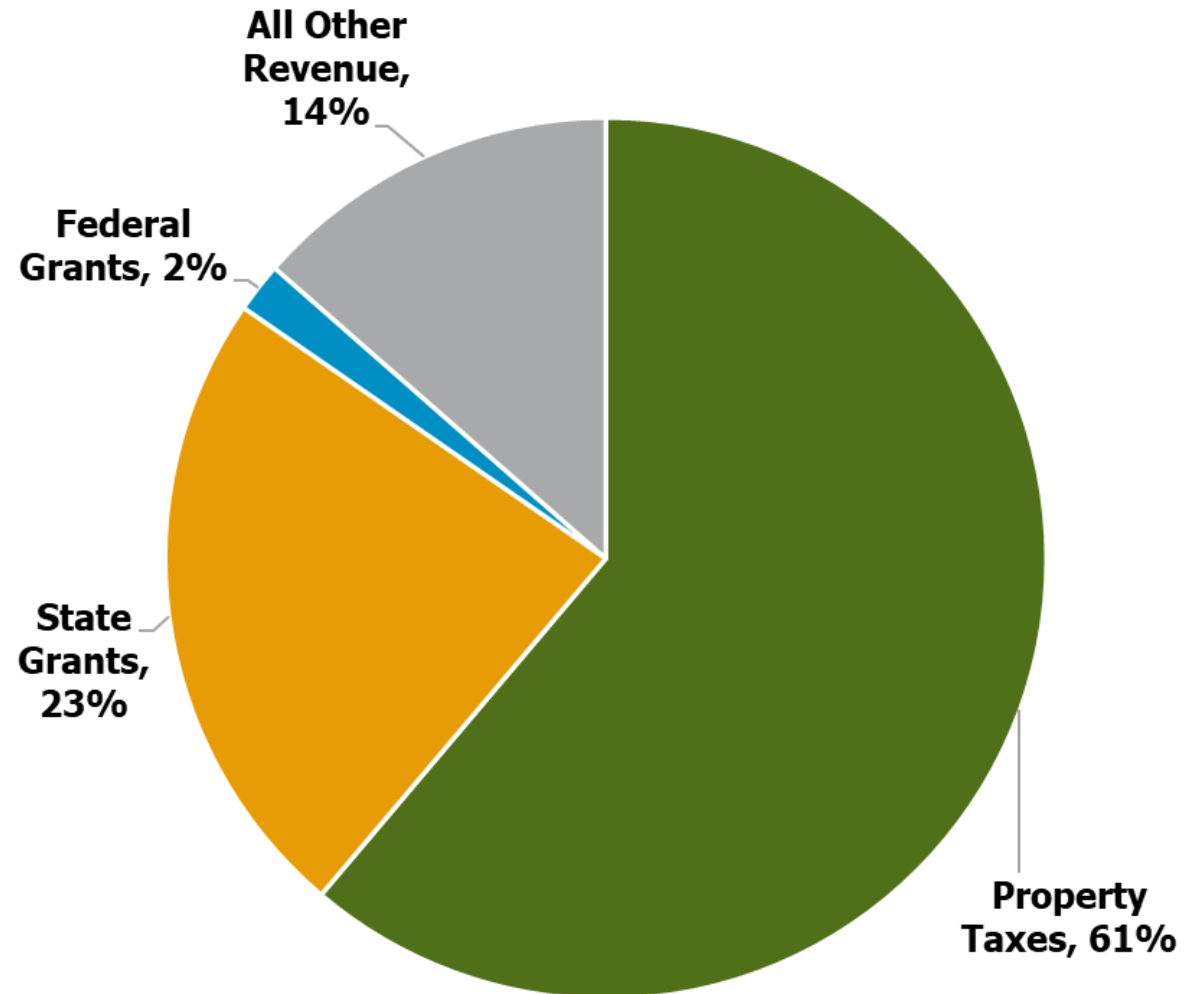
Municipal and Local Budget Impacts

- Property tax payments fund about six in ten dollars going to local governments
- Current assistance may be helping keep property tax payments flowing
- Impacts can be long-term, including late payments and changes to property tax bases
- Potentially increased local welfare assistance needs

Local Government Revenue Sources

New Hampshire, Fiscal Year 2016

Source: U.S. Census Bureau, State and Local Government Finance Survey



Federal Assistance

Enhanced Medicaid Match

- Medicaid is a state-federal fiscal partnership to provide health coverage to children, parents, pregnant women, older adults in long-term care settings, individuals with disabilities, and other individuals with low incomes
- Federal Medical Assistance Percentage (FMAP) is the portion of costs paid by the federal government, 50% federal-50% state funds for most programs
- FMAP increased by 6.2 percentage points in the Families First Coronavirus Response Act for duration of federal public health emergency; efficient way to support states and enable use of General Fund revenues for other services
- Counting state and non-state funds, Medicaid was an approximately \$2.0 billion program in New Hampshire in State Fiscal Year 2019 (NH Treasury Department)
- On June 30, 2020, 193,436 people accessed health care through Medicaid, up from 178,930 on Feb. 29, 2020; includes more than 89,000 children (NH Dept. of Health and Human Services)

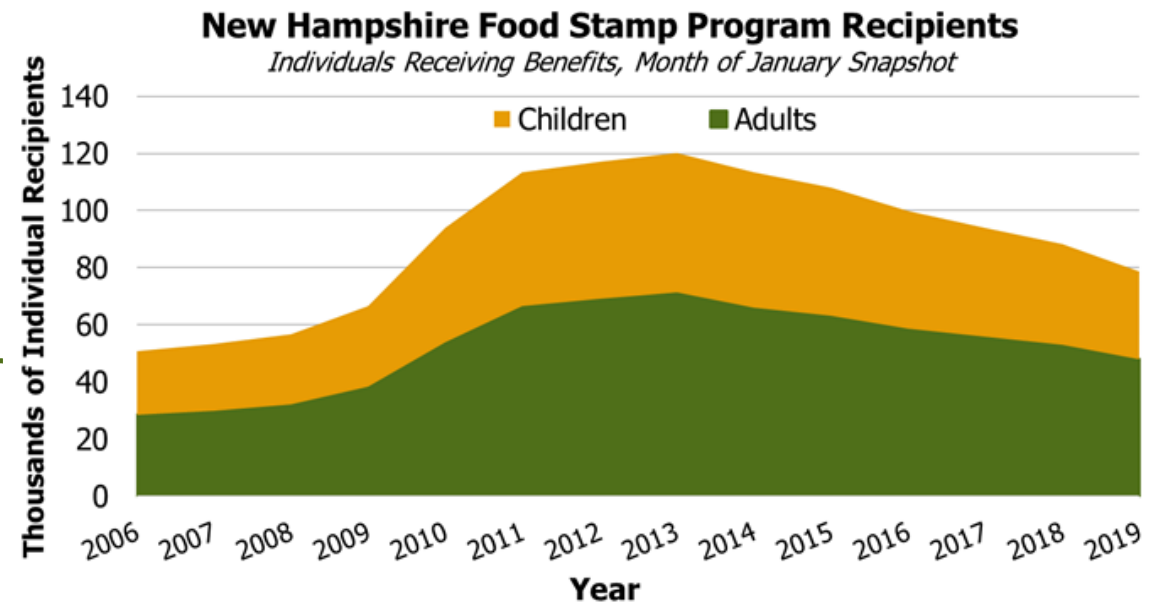
Federal Assistance

Direct Aid to States

- Current Coronavirus Relief Fund federal grants (\$1.25 billion for NH) cannot be used to pay for previously-budgeted state or municipal expenses
- Unrestricted aid or aid that can offset existing costs would permit states to fill budget shortfalls

Supplemental Nutrition Assistance Program (SNAP)

- Known as the Food Stamp Program in New Hampshire, provides income support with federally-funded benefits that can only be used for food items to people with low incomes, very effective at boosting local economies
- Maximum benefit is about \$1.82 per person per meal for a three person household
- Benefit increase would be federal support to local economies, may offset costs to local welfare offices



Source: N.H. Dept. of Health and Human Services, Division of Family Assistance, Data Provided September 2019



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