



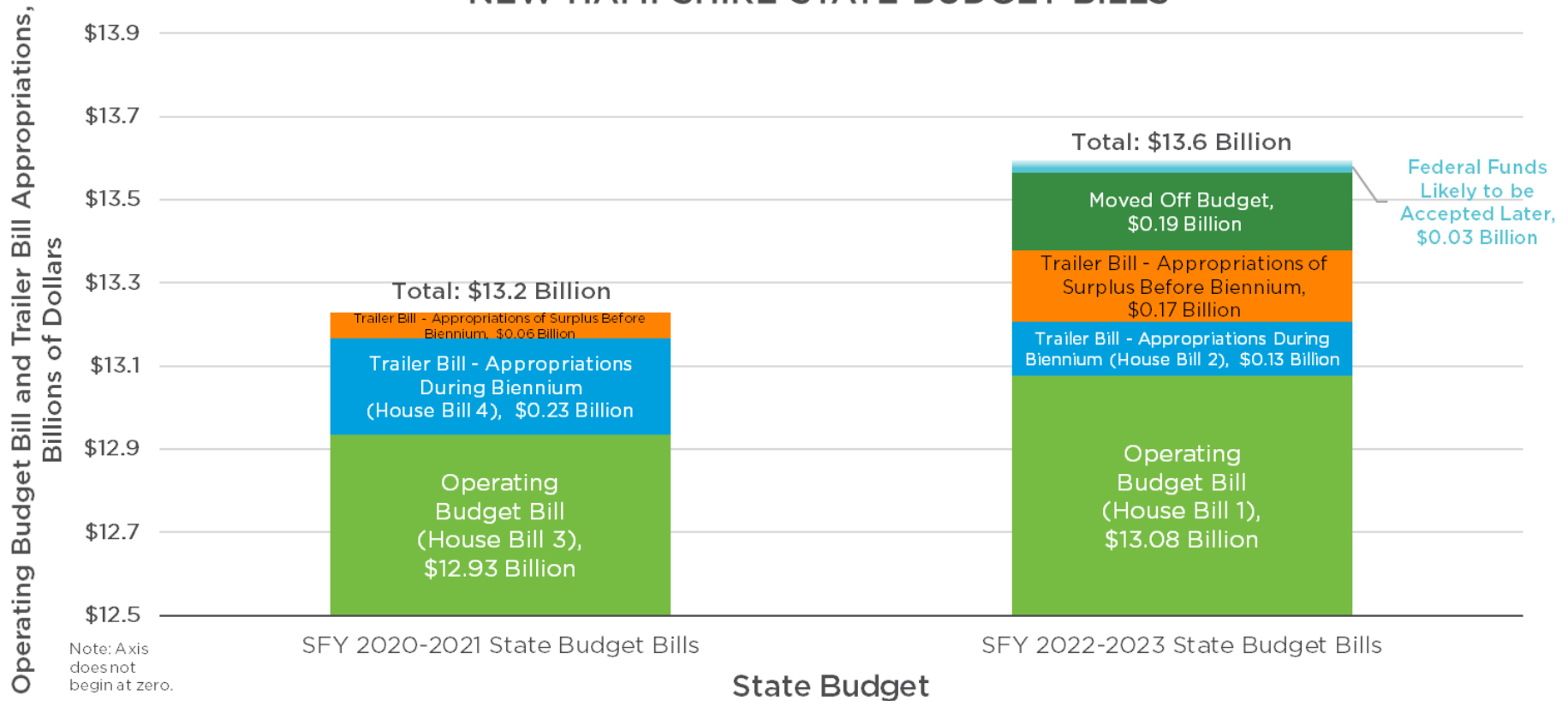
THE STATE BUDGET FOR FISCAL YEARS 2022-2023: A FOCUS ON HEALTH FUNDING

PRESENTED BY PHIL SLETTEN, SENIOR POLICY ANALYST

NEW HAMPSHIRE PURCHASERS GROUP ON HEALTH
JULY 9, 2021

THE NEW STATE BUDGET: TOPLINE NUMBERS

APPROPRIATIONS FROM PRIOR AND CURRENT NEW HAMPSHIRE STATE BUDGET BILLS

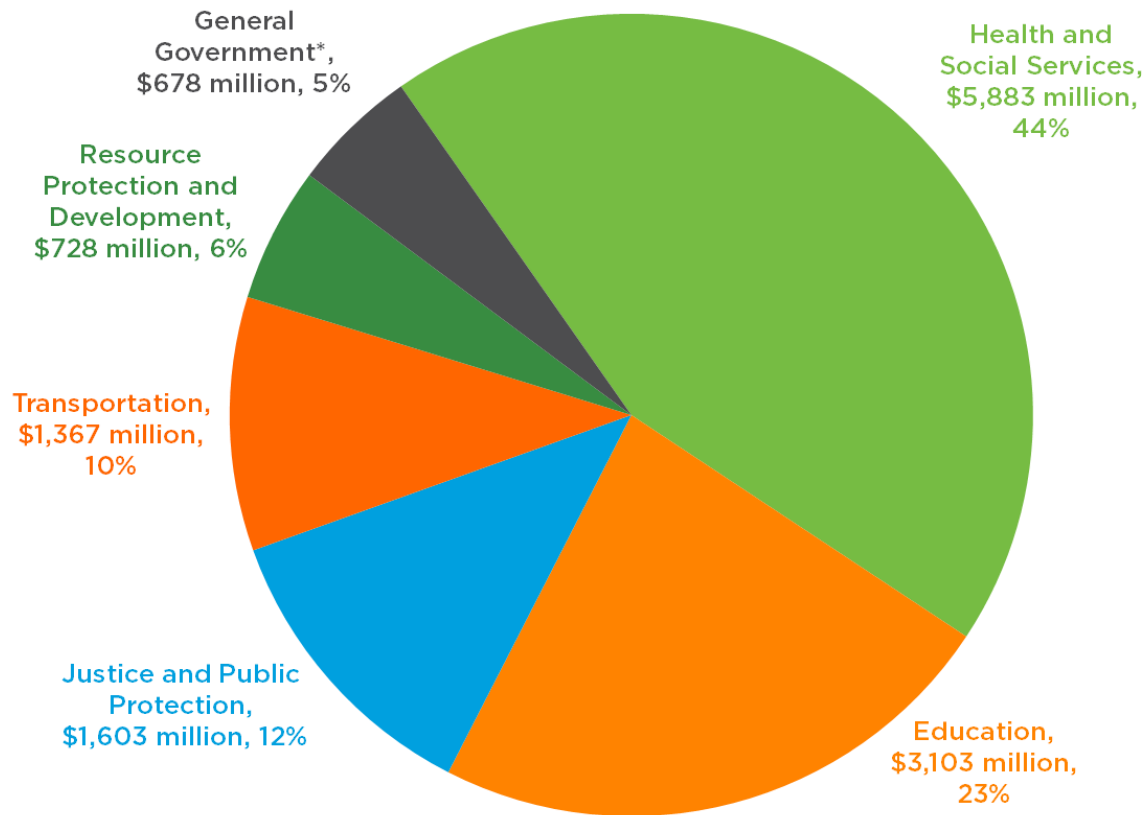


Note: Figures include all back-of-budget changes and Trailer Bill Appropriations, including changes identified on General, Education Trust, Highway, and Fish and Game Funds Surplus Statements prepared by the New Hampshire Office of Legislative Budget Assistant and changes to other funds identified in Office of Legislative Budget Assistant compare reports and legislative language.

Sources: New Hampshire Office of Legislative Budget Assistant, Surplus Statements; Chapter 345, Laws of 2019; Chapter 346, Laws of 2019; Chapter 90, Laws of 2021; Chapter 91, Laws of 2021.

TOTAL APPROPRIATIONS BY BUDGET CATEGORY

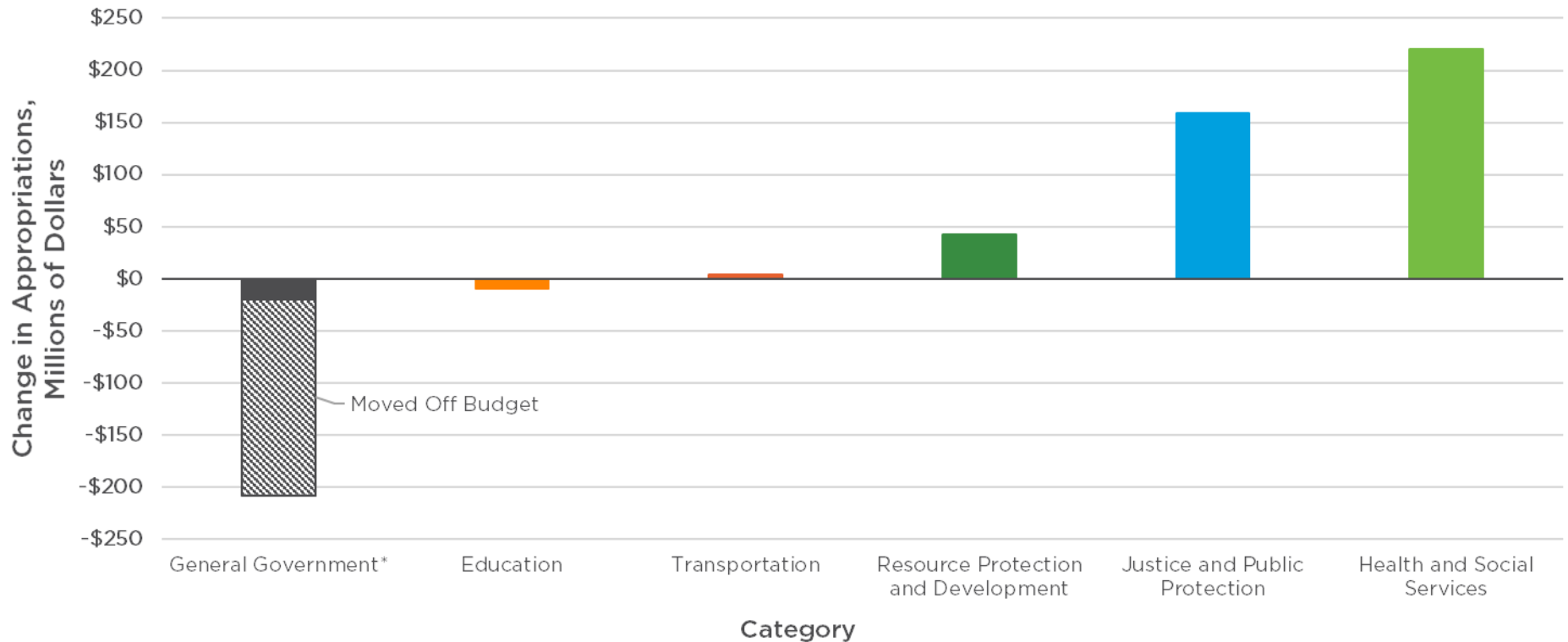
STATE BUDGET LEGISLATION APPROPRIATIONS
SFYs 2022 and 2023, and Trailer Bill SFY 2021 Appropriations



Note: General Government includes HB 2 appropriations for the Affordable Housing Fund, FRM Victim's Fund, and State employee pay raises.
Source: HB 1 and HB 2 as Approved, 2021 Session; New Hampshire Office of Legislative Budget Assistant, Surplus Statements, June 2021

CATEGORY CHANGES FROM PRIOR BUDGET

DIFFERENCE BETWEEN THE PRIOR STATE BUDGET'S APPROPRIATIONS AS ENACTED AND THE NEW STATE BUDGET'S APPROPRIATIONS BY CATEGORY



Note: Figures by category do not control for proposed agency reorganizations. Graph shows both Operating Budget Bill and Trailer Bill appropriations. *General Government includes Trailer Bill appropriations for the Affordable Housing Fund, FRM Victim's Fund, and State employee pay raises.
Sources: New Hampshire Office of Legislative Budget Assistant; HB 1 and HB 2 as Adopted, 2021 Session; Chapters 345 and 346. Laws of 2019

FUNDING CHANGES WITHIN NH DHHS

NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN SERVICES STATE BUDGET FUNDING CHANGES FOR STATE FISCAL YEAR 2022 FROM PRIOR BUDGET YEAR



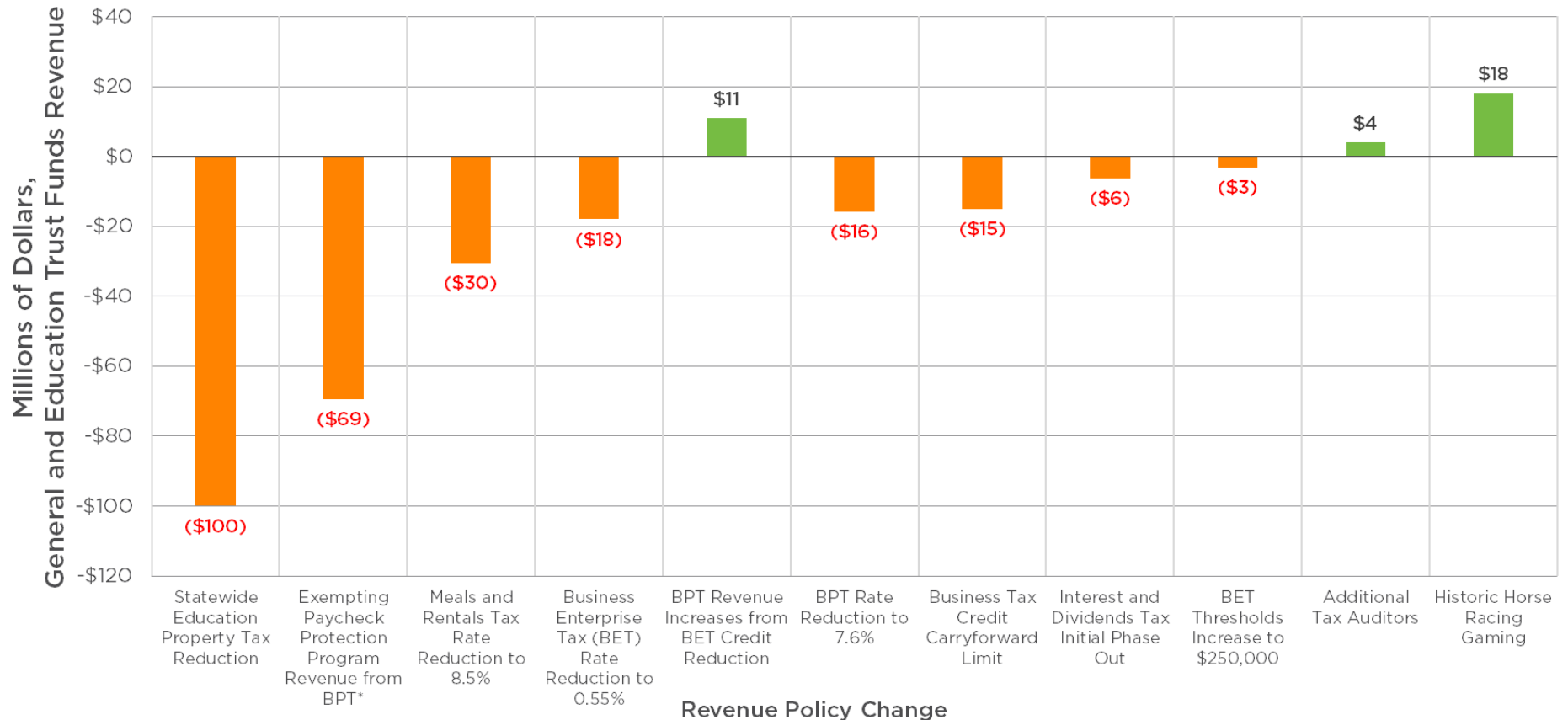
Source: HB 1 as Approved, 2021 Legislative Session; New Hampshire Department of Administrative Services (Adjusted Authorized amounts as presented in Governor's budget proposal)

INVESTMENTS IN BEHAVIORAL HEALTH, NURSING HOMES, AND LONG-TERM CARE

- Adds \$30 million appropriation to construct a 24-bed forensic psychiatric hospital, \$6 million for new transitional housing beds and enhanced reimbursement rates for behavioral health patients, and \$8.2 million for community mental health mobile crisis units and stabilization services
- Adds \$21.4 million to increase funding for nursing homes by 5 percent, using General Fund and federal matching funds without added county funding obligations
- Provides at least a 5 percent rate increase for most services for Choices for Independence Medicaid waiver services for home and community-based care as an alternative to nursing homes
- Includes a \$22.6 million General Fund back-of-budget reduction to reduce positions at the DHHS, not known which service areas
- Contains provisions limiting certain reproductive health services

SIGNIFICANT STATE REVENUE REDUCTIONS

ESTIMATED REVENUE IMPACTS OF REVENUE POLICY CHANGES IN STATE BUDGET DURING STATE FISCAL YEARS 2022-2023

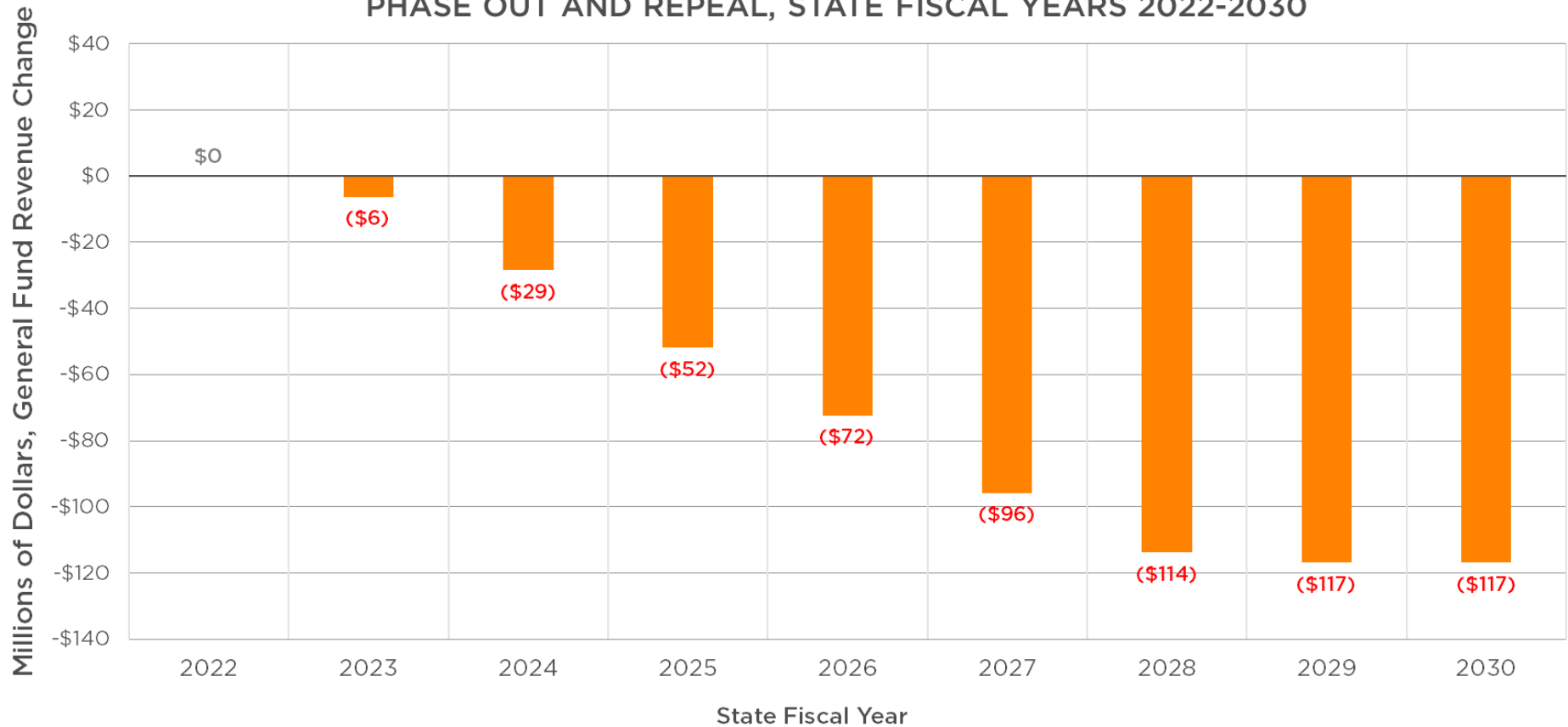


Note: *Business Profits Tax (BPT) exemption included in the Senate's version of the State Budget, but removed when it was passed separately as Senate Bill 3.

Sources: New Hampshire Office of Legislative Budget Assistant, General and Education Trust Funds Surplus Statement, June 17, 2021 and Senate Ways & Means Revenue Estimates, May 27, 2021

INTEREST AND DIVIDENDS TAX PHASE OUT HAS LONG-TERM FUNDING IMPACTS

ESTIMATED YEARLY REVENUE IMPACTS OF INTEREST AND DIVIDENDS TAX PHASE OUT AND REPEAL, STATE FISCAL YEARS 2022-2030

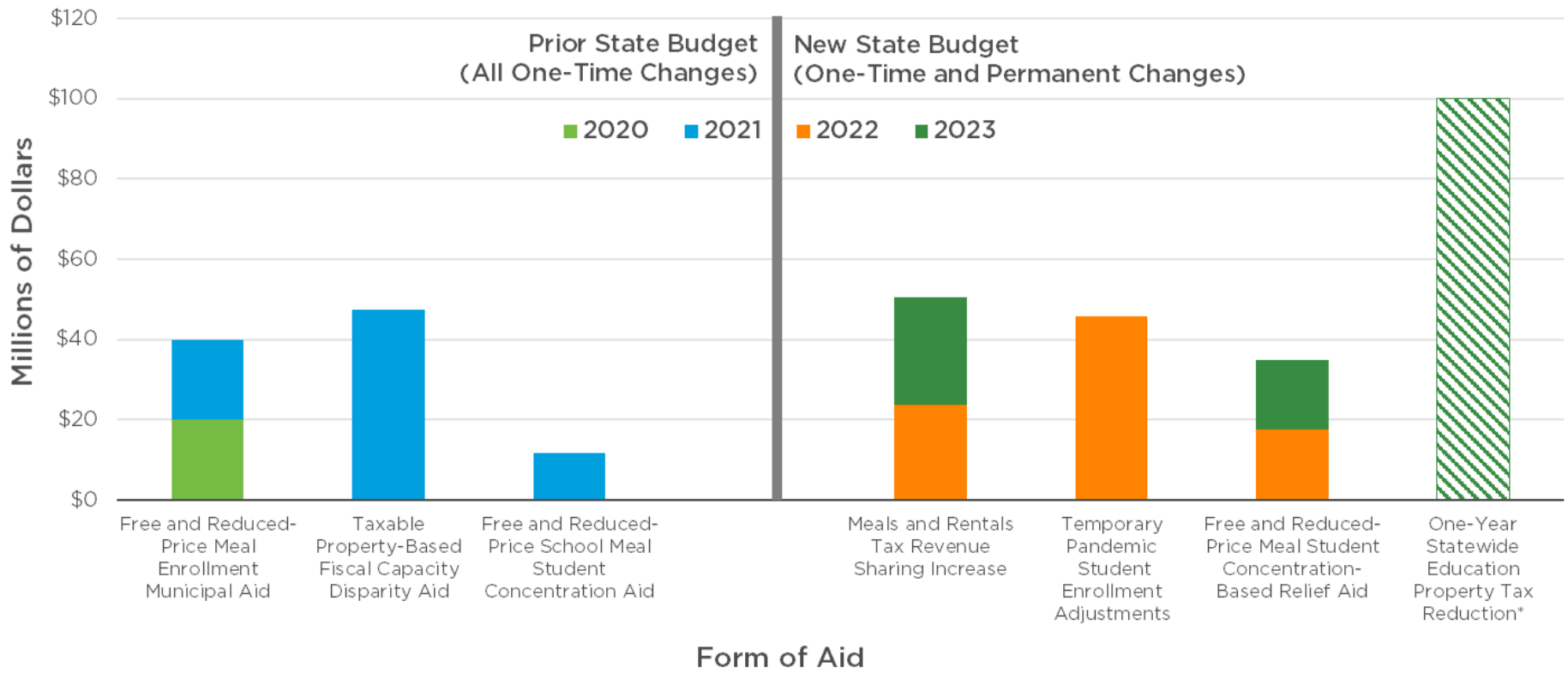


Note: New Hampshire Department of Revenue Administration analysis of the Interest and Dividends Tax repeal used a static analysis based on the State Fiscal Year 2021 revenue plan. Actual revenue reductions may be larger.

Sources: New Hampshire Department of Revenue Administration, Governor's Office Request to Model State Tax Change Proposals, February 22, 2021

SIGNIFICANT CHANGES IN AID TO CITIES, TOWNS, AND SCHOOL DISTRICTS

KEY AGGREGATE AID TO CITIES, TOWNS, AND SCHOOL DISTRICTS ADDED TO EACH STATE BUDGET, BY STATE FISCAL YEAR



*Note: Statewide Education Property Tax reduction replaces a State tax raised locally with revenue from other State taxes, shifting aid to sources other than local residential property tax payers. Sources: New Hampshire Office of Legislative Budget Assistant, General and Education Trust Funds Surplus Statement, June 17, 2021; New Hampshire Department of Education, State Adequacy Aid Documents, Division II House Finance, March 3, 2021; Chapter 346, Laws of 2019; NHFPI, The State Budget for Fiscal Years 2020 and 2021, December 2019

AMERICAN RESCUE PLAN ACT RESOURCES FOR STATE AND LOCAL GOVERNMENTS

- Coronavirus State and Local Fiscal Recovery Funds: State (\$995M), counties (\$264M), and municipalities (\$198M)
 - Support pandemic response, public revenue, economic stabilization
 - Address systemic health, economic challenges contributing to unequal impacts
- Capital Projects Fund, critical investments in broadband, capital assets (\$122M to State of New Hampshire)
- Enhanced federal Medicaid funding for home and community-based services (\$43M to State of New Hampshire)
- Elementary and Secondary School Emergency Relief, reopening schools and addressing pandemic learning loss (\$350M to New Hampshire K-12 schools)

Sources: NHFPI, Federal American Rescue Plan Act Directs Aid to Lower-Income Children, Unemployed Workers, and Public Services, March 26, 2021; NHFPI, Federal Guidance Details Uses of Flexible Aid for State and Local Governments, May 25, 2021; Kaiser Family Foundation, Potential Impact of Additional Federal Funds for Medicaid HCBS for Seniors and People with Disabilities, May 28, 2021; U.S. Department of Health and Human Services; U.S. Department of Education; U.S. Department of the Treasury; NH Office of Legislative Budget Assistant

ADDITIONAL NHFPI RESOURCES

- Blog: Legislature Sends State Budget to Governor – June 25, 2021
- Blog: Committee of Conference Largely Accepts Senate Version of State Budget with Key Changes – June 21, 2021
- Issue Brief: The Senate Budget Proposal for State Fiscal Years 2022 and 2023 – June 11, 2021
- Webinar: Examining the State Budget: The Senate’s Proposal – June 8, 2021
- Blog: Federal Guidance Details Uses of Flexible Aid for State and Local Governments – May 25, 2021
- Blog: Federal American Rescue Plan Act Directs Aid to Lower-Income Children, Unemployed Workers, and Public Services – March 26, 2021

All available at nhfpi.org/topic/budget



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