HOUSING AND CHILD CARE IN THE LEGISLATURE’S STATE BUDGET

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DARTMOUTH ECHO

JUNE 15, 2023
# House Concurrence with Senate Bypasses Committee of Conference

## State Budget Process Timeline

<table>
<thead>
<tr>
<th>State Agency Phase</th>
<th>Governor’s Phase</th>
<th>House Phase</th>
<th>Senate Phase</th>
<th>Committee of Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1 Governor’s Office Provides Spending Targets</td>
<td>October 1 Agencies Submit Budget Requests</td>
<td>February 15 Final Day for Governor to Submit Budget to Legislature</td>
<td>April 6* Final Day for House Vote on State Budget; Crossover Day</td>
<td>June 8* Final Day for Senate Vote on State Budget</td>
</tr>
</tbody>
</table>

*Dates set by legislative leadership for the 2023 session; all other dates specified in statute.
TWO BILLS COMPRIZE THE STATE BUDGET

STATE BUDGET

Operating Budget Bill
(Typically House Bill 1)

Operating Budget Line Items
(House Bill 1, Sections 1.00 to 1.07)

- Line Item 1 $X,XXX
- Line Item 2 $XX
- Line Item 3 $XXX
- Organization, Class, and Agency Notes

Line Items Total $XX,XXX

Text Following Line Items
- Sections 1.08 Through Final Section
- Back of Budget Funding Adjustments
- Revenue Estimates
- Budget Footnotes

Trailer Bill
(Typically House Bill 2)

Omnibus Bill Text
Policy Language in Sentences, Which Can Include:
- Policy Changes Paired With Line Item Changes
- Additional Appropriations
- Allocations of Surplus Revenue from the Prior Biennium
- Policy on Other Topics
LEGISLATURE’S BUDGET PROPOSAL TOTALS $15.17 BILLION OVER TWO YEARS

HISTORICAL STATE BUDGET APPROPRIATIONS AS ENACTED AND THE LEGISLATURE’S SFYS 2024-2025 BUDGET PROPOSAL

Note: Includes Trailer Bill and Back of Budget adjustments as represented in Surplus Statements, and Back of Budget reductions only for State Fiscal Years 2006 to 2009. Appropriations of surplus from prior budget biennium included in the first year of each new State Budget, not including Rainy Day Fund appropriations.

Sources: New Hampshire Office of Legislative Budget Assistant, Surplus Statements, Compare House Finance to Governor March 28, 2023 and Briefing on Senate Finance Changes to House Passed Budget, June 6, 2023; HB 1, Section 1.07 as Approved, Sessions 2005 to 2015, 2021; HJR 9, Session 2016; HB 144, Session 2017; HB 3 as Approved, Session 2019; Governor’s Budget Bill, 2023 Session; HB 2, 2023 as Introduced; 2023-1244h, 2023-1247h, 2023-1339h, 2023-1295h, 2023-2076s, 2023-2092s, 2023-2177s, 2023-2189s, 2023-2054s
SENATE REMOVED KEY FUNDS FROM HOUSE BUDGET, DECREASING SIZE

• Legislature’s budget total appropriates $1.90 billion (14.3 percent) more than current State Budget as enacted
• Both inflation and policy changes impacted rise in total
• About $627.2 million (4.0 percent) decrease in total expenditures in the Senate’s version of the State Budget, agreed to by the House, than the House’s original version
• Most differences were due to accounting decisions, including moving funds authorized in separate statutes and funds that could be accepted later through the Joint Legislative Fiscal Committee off-budget, lowering total without service changes
• Adjusting for these changes, the Senate’s budget appropriates less than the House’s original version, but margin declines to a $86.3 million (0.5 percent) reduction
SENATE SHIFTED SIGNIFICANT APPROPRIATIONS OFF-BUDGET

DETAILED CHANGES IN APPROPRIATION LEVELS BETWEEN HOUSE AND SENATE BUDGETS

State Fiscal Years (SFY) 2024-2025, and SFY 2023 Surplus Appropriations, for Budget Proposals

Biennial Budget Total (Including Surplus Appropriations)

Sources: 2023-1244h; 2023-1247h; 2023-1336h; 2023-1299h; 2023-2054s; 2023-2076s; New Hampshire Office of Legislative Budget Assistant, Detail Change, Senate Finance vs. House Passed, June 1, 2023
ABOUT TWO-THIRDS OF PROPOSAL FOR HEALTH, SOCIAL SERVICES, AND EDUCATION

LEGISLATURE’S STATE BUDGET APPROPRIATIONS BY CATEGORY

State Fiscal Years 2024-25 and Surplus Appropriations, Includes Trailer Bill Appropriations

- Health and Social Services, $6.58 Billion, 44%
- Education, $3.47B, 23%
- Transportation, $1.54B, 10%
- Justice and Public Protection, $1.72B, 11%
- General Government, $0.95B, 6%
- Resource Protection and Development, $0.87B, 6%

Note: General Government includes HB 2 appropriations for the Affordable Housing Fund, InvestNH, and all State employee pay raises defined by and funded through appropriations made in House Bill 2, as amended by the House. Sources: New Hampshire Office of Legislative Budget Assistant, Compare House Finance to Governor, March 28, 2023, Surplus Statements, April 6 and 7, 2023, Briefing on Senate Finance Changes to House Passed Budget, June 6, 2023; 2023-2092s; 2023-2171s; 2023-2139s
HOUSING-RELATED FUNDING IN BUDGET

• **Affordable Housing Fund:** administered by the New Hampshire Housing Finance Authority, provides grants and low-interest loans for building or acquiring housing affordable to people with low-to-moderate incomes

• **InvestNH Fund:** created originally by executive branch to use flexible funds from American Rescue Plan Act to support developers creating multifamily rental housing and incentivize municipalities to add units and update zoning regulations

• **Housing Champion Designation and Grant Program:** provides incentives for municipalities to make certain land use and zoning changes, perform water and sewer upgrades, and support walkability and transportation infrastructure to promote workforce housing; originally a $29 million Senate bill

• **Homelessness and Housing Shelter Programs:** increases to rates paid to shelter programs and helps pay for cold weather shelter, hotel stays, and other shelter alternatives
HOUSING FUNDING CHANGES ACROSS BUDGET PROPOSALS

HOUSING APPROPRIATIONS IN EACH STATE BUDGET PROPOSAL
State Fiscal Years 2024-2025 Budget Legislation, Including SFY 2023 Surplus Funding

- **Governor**
- **House**
- **Senate (Final)**

<table>
<thead>
<tr>
<th>Program</th>
<th>Governor</th>
<th>House</th>
<th>Senate (Final)</th>
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<tbody>
<tr>
<td>Affordable Housing Fund</td>
<td>$25M</td>
<td>$30M</td>
<td></td>
</tr>
<tr>
<td>InvestNH Fund</td>
<td>$15M</td>
<td></td>
<td></td>
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<tr>
<td>Homelessness and Housing Shelter Programs</td>
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<tr>
<td>Housing Champions Program</td>
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<td>$5.25M</td>
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**Housing-Related Fund**

Sources: New Hampshire Office of Legislative Budget Assistant, Surplus Statement for Combined General and Education Trust Funds Schedule 2, April 7, 2023; HB 2, 2023 Session as adopted by both bodies
CHILD CARE SUBSIDY PROGRAM CHANGES

- Lifts cap on income eligibility for child care scholarships to 85 percent of State Median Income, significant expansion relative to 220 percent FPG entry limit and 250 percent FPG phaseout.

- Increases reimbursement for child care providers serving scholarship children to 75th percentile of market rate survey, up from 55th or 60th percentile depending on child age.

ANNUAL INCOME ELIGIBILITY THRESHOLDS FOR CHILD CARE SCHOLARSHIPS

*Current Two-Tiered Eligibility by Federal Poverty Guidelines (FPG) and House Proposal in State Median Income, July 2022*

<table>
<thead>
<tr>
<th>Family Size</th>
<th>220% FPG</th>
<th>250% FPG</th>
<th>85% State Median Income</th>
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<tbody>
<tr>
<td>1</td>
<td>$29,898</td>
<td>$33,975</td>
<td>$53,403</td>
</tr>
<tr>
<td>2</td>
<td>$40,282</td>
<td>$45,775</td>
<td>$69,835</td>
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<tr>
<td>3</td>
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<td>6</td>
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<tr>
<td>7</td>
<td>$92,202</td>
<td>$104,775</td>
<td>$138,642</td>
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<tr>
<td>8</td>
<td>$102,586</td>
<td>$116,575</td>
<td>$141,723</td>
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</table>

Source: New Hampshire Department of Health and Human Services Family Assistance Manual, July 2022
OTHER CHILD CARE AND WELL-BEING CHANGES AND INVESTMENTS

• Eliminates child care cost share for families below 100 percent FPG, and limited cost to $5 per week for families under 138 percent FPG

• Adds $15 million for recruitment and retention of child care workforce through grants to providers for employee costs such as training and education, paid time off, and health coverage

• Appropriates $67 million for residential provider reimbursement rates for system of care for children to support behavioral health

• Provides $1 million to Early Childhood Mental Health Consultation pilot program

• Funds Family Resource Centers with $4.0 million, plus $50,000 for family support providers
ADDITIONAL RESOURCES

• **Webinar:** Examining the State Budget: Reviewing the Senate’s Proposal – June 12, 2023: [https://nhfpi.org/events/reviewing-the-senates-proposal/](https://nhfpi.org/events/reviewing-the-senates-proposal/)


• **Resource Pages:** Budget, Health [https://nhfpi.org/topic/budget/](https://nhfpi.org/topic/budget/) [https://nhfpi.org/topic/health/](https://nhfpi.org/topic/health/)
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