



HOUSING AND CHILD CARE IN THE LEGISLATURE'S STATE BUDGET

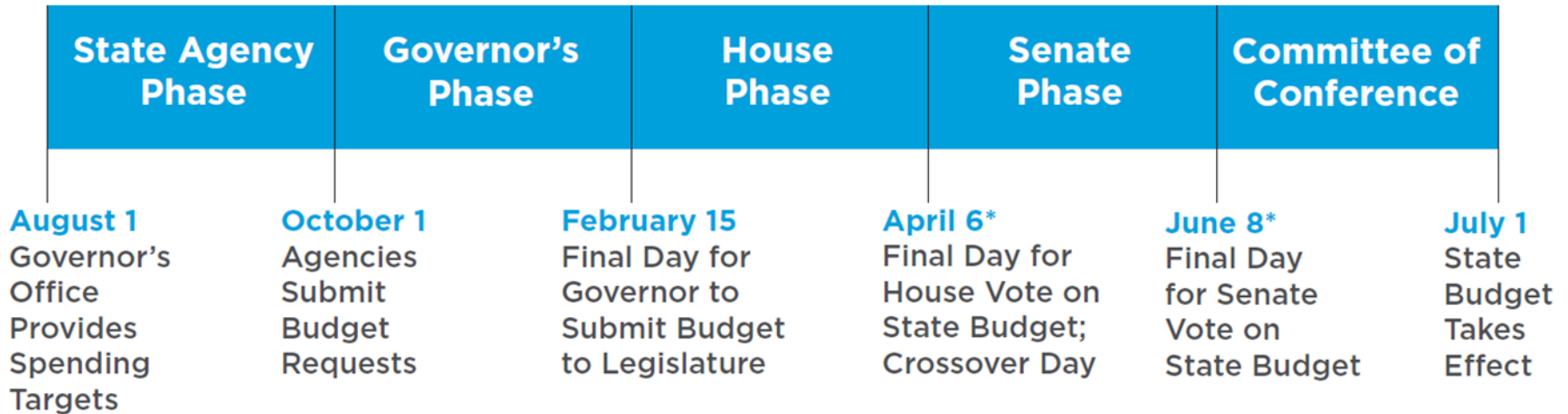
PRESENTED BY PHIL SLETTEN, RESEARCH DIRECTOR

DARTMOUTH ECHO

JUNE 15, 2023

HOUSE CONCURRENCE WITH SENATE BYPASSES COMMITTEE OF CONFERENCE

STATE BUDGET PROCESS TIMELINE



*Dates set by legislative leadership for the 2023 session; all other dates specified in statute.

TWO BILLS COMPRISE 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)

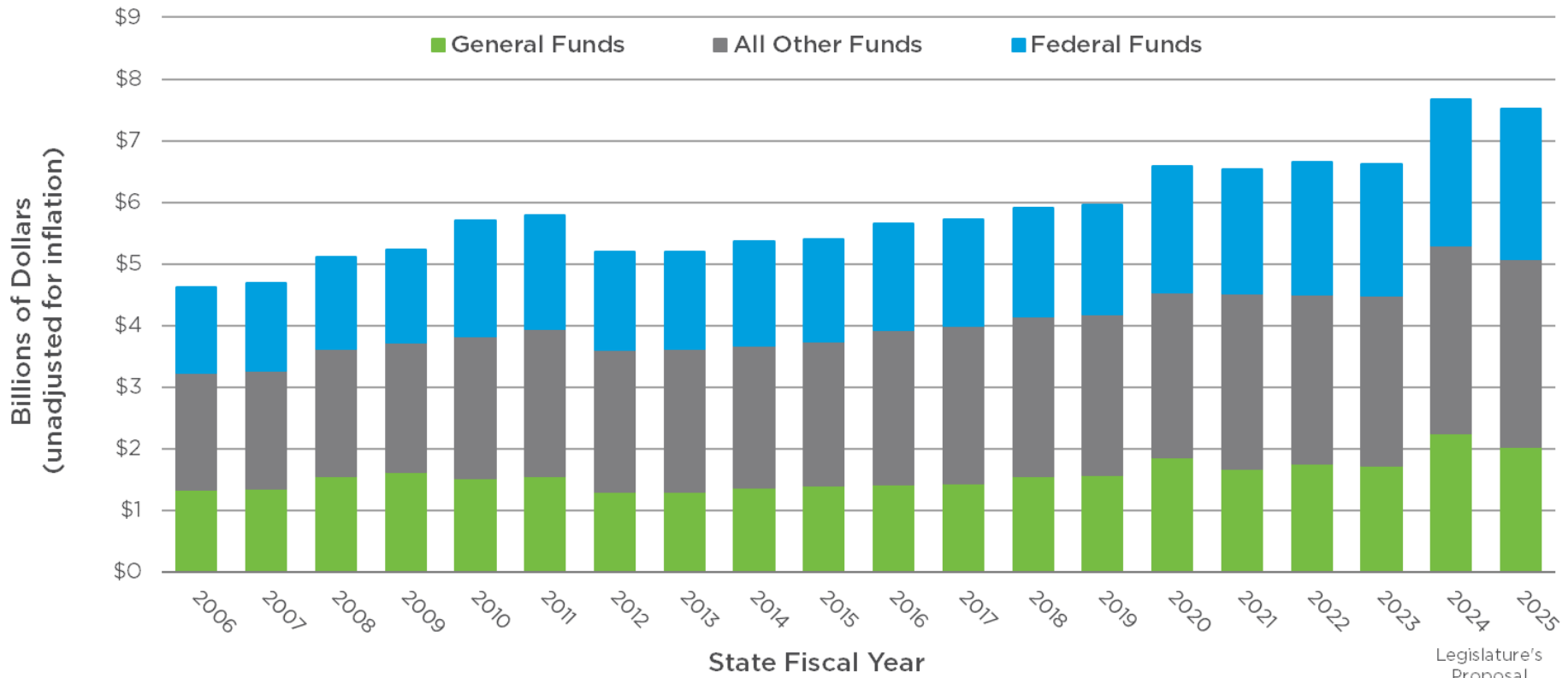
Omnibus Bill Text

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 2015; 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; 2023-1336h; 2023-1299h; 2023-2076s; 2023-2092s; 2023-2171s; 2023-2139s; 2023-2054s

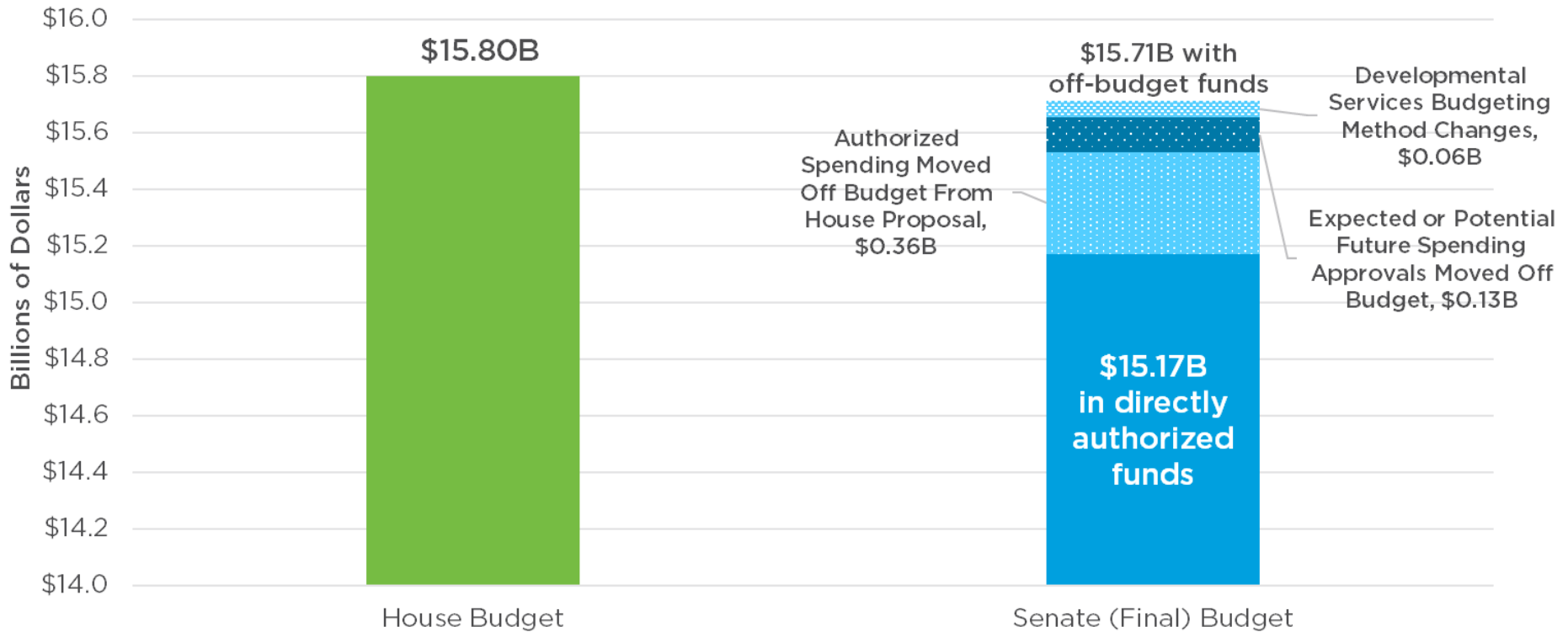
SENATE REMOVED KEY FUNDS FROM HOUSE BUDGET, DECREASING SIZE

- 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



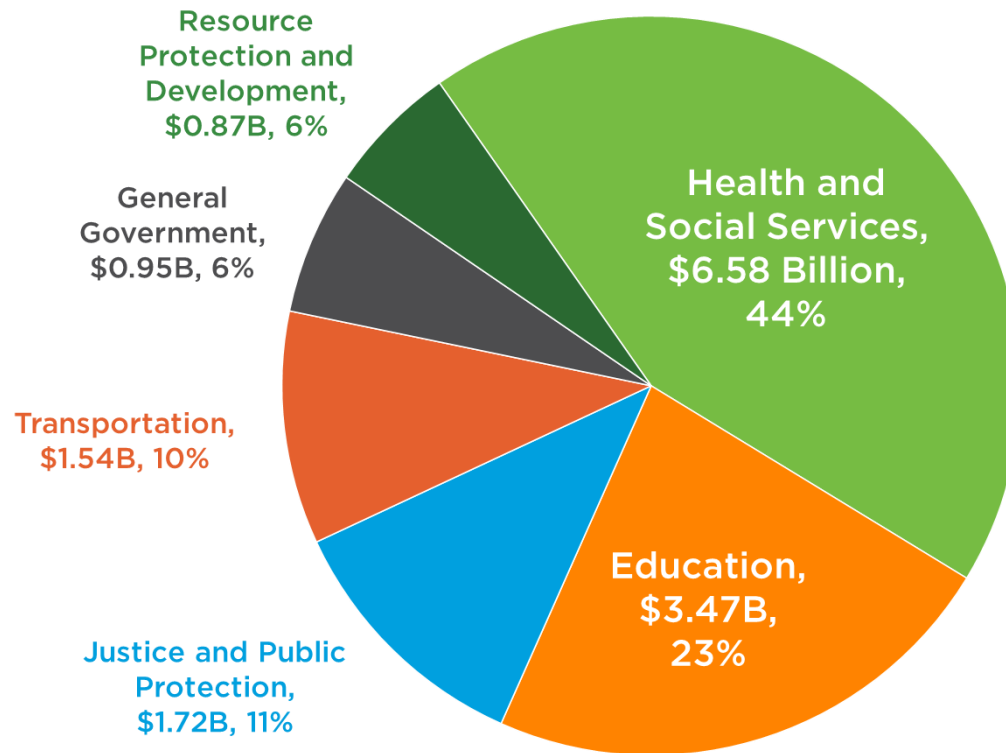
Biennial Budget Total (Including Surplus Appropriations)

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*



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

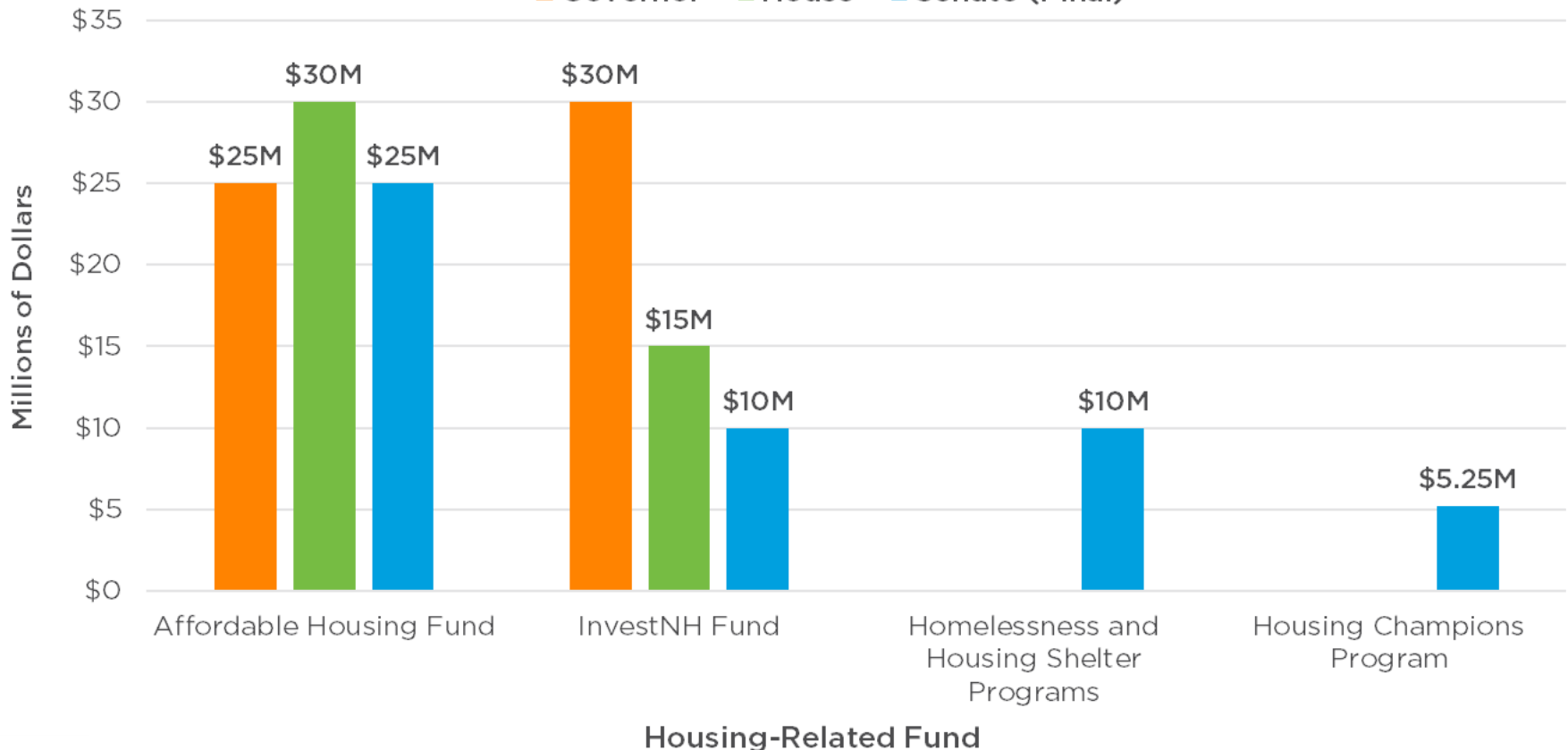
HOUSING-RELATED FUNDING IN BUDGET

- **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)



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

Family Size	220% FPG	250% FPG	85% State Median Income
1	\$29,898	\$33,975	\$53,403
2	\$40,282	\$45,775	\$69,835
3	\$50,666	\$57,575	\$86,266
4	\$61,050	\$69,375	\$102,698
5	\$71,434	\$81,175	\$119,130
6	\$81,818	\$92,975	\$135,561
7	\$92,202	\$104,775	\$138,642
8	\$102,586	\$116,575	\$141,723

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/>
- Blog: Senate Modifies State Budget Proposal, House Concurs with Senate Changes and Sends Budget to Governor – June 9, 2023: <https://nhfpi.org/blog/senate-modifies-state-budget-proposal-house-concurs-with-senate-changes-and-sends-budget-to-governor/>
- Issue Brief: The House of Representatives Budget Proposal for State Fiscal Years 2024 and 2025 – May 9, 2023:
<https://nhfpi.org/resource/the-house-of-representatives-budget-proposal-for-state-fiscal-years-2024-and-2025/>
- Resource Pages: Budget, Health
<https://nhfpi.org/topic/budget/>
<https://nhfpi.org/topic/health/>



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