



BUDGET AND POLICY CONFERENCE



**Tackling Workforce Challenges and
Strengthening Economic Security**

CONFERENCE SPONSORS



NEW HAMPSHIRE
CHARITABLE FOUNDATION

GRAPPONE
CONFERENCE CENTER



Granite United Way



MERRIMACK
COUNTY SAVINGS BANK

nhpr



BUSINESSNH
MAGAZINE

NH BUSINESS
REVIEW

DELTA DENTAL®

InDepthNH.org
The New Hampshire Center for Public Interest Journalism

ABOUT NHFPI

MISSION

Founded in 2009, the New Hampshire Fiscal Policy Institute (NHFPI) is an independent nonprofit organization dedicated to exploring, developing, and promoting public policies that foster economic opportunity and prosperity for all New Hampshire residents, with an emphasis on low- and moderate-income families and individuals.

Based in Concord, NHFPI produces regular reports on the fiscal and economic challenges facing New Hampshire and strives to serve as a resource to anyone interested in meeting those challenges in a fair and sound fashion.

New Hampshire Bulletin

"Lawmakers have long looked to [the New Hampshire Fiscal Policy Institute] for nonpartisan financial analysis."

Policymakers, journalists, advocates, community and business leaders, and the general public all rely on NHFPI as a trusted, respected, nonpartisan source for information regarding key policy issues that impact Granite Staters the most.

IMPACT OVER THE PAST YEAR

Over **100** published resources

More than **200** news stories citing or quoting
NHFPI

Over **30** presentations

Nearly **1,500** attendees at NHFPI events

Regularly called on by legislative committees

CONFERENCE AGENDA

- 8:00am** Registration, Networking, & Breakfast
- 8:45am** Welcome & Opening Remarks
Gene Martin, NHFPI
Dick Ober, NHCF
- 9:00am** Keynote Speaker
Sara Chaganti, PhD, Boston Fed
- 10:00am** Break
- 10:15am** Policy Discussions Breakout
Child Care Panel – Pierce/Webster
Health Panel – Ballroom
- 11:30am** Lunch
- 12:00pm** NH Taxes & Revenue Lunch Presentation
Phil Sletten, NHFPI
- 12:45pm** Policy Discussions Breakout
Education Panel – Pierce/Webster
Housing Panel – Ballroom
- 2:00pm** Household Finances Discussion
Phil Sletten, NHFPI
Nicole Heller, PhD, NHFPI
- 3:00pm** Closing Remarks



***Visit nhfpi.org/conference for more info
and conference resources***

FEATURED SPEAKERS

KEYNOTE



Sara Chaganti, PhD
Federal Reserve Bank of Boston

MODERATOR



Christina D'Allesandro
NH Charitable Foundation



Jess Carson, PhD
UNH Carsey School of Public Policy



Cora-Lynn Hoppe
Rochester Child Care Center



Rebecca Woitkowski, JD
New Futures

CHILD CARE PANEL

MODERATOR



Kate Luczko
HealthForce NH

HEALTH PANEL



Deb Fournier, JD
UNH Institute for Health and Public Policy



Sally Kraft, MD
Dartmouth-Hitchcock

MODERATOR



Michael Whaland, Ed.D
SAU 13

EDUCATION PANEL



Nicole Heimarck
Reaching Higher NH



Chuck Lloyd, Ed.D
Community College System of NH

MODERATOR



Ben Frost
NH Housing Finance Authority

HOUSING PANEL



Elissa Margolin, JD
Housing Action NH

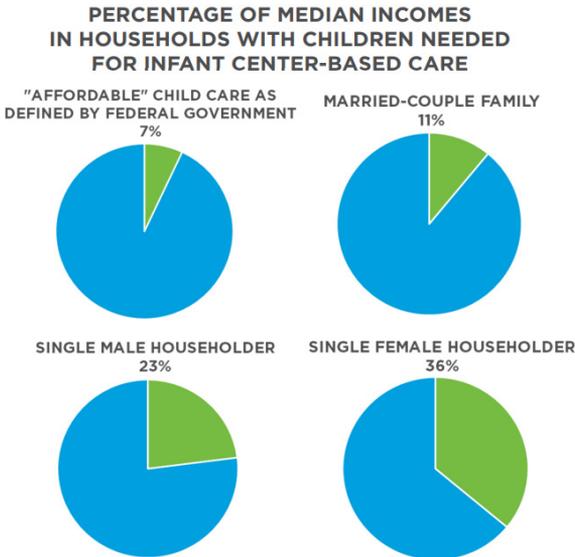


Kara Rodenhizer, PhD
Granite United Way

CHILD CARE IN NH

CHILD CARE IS UNAFFORDABLE FOR MOST GRANITE STATE FAMILIES

- In 2022, the average annual price for an infant in center-based child care in New Hampshire was \$15,340, and \$10,140 annually for family child care. The average annual price for both an infant and a four-year old in center-based care was \$28,340.
- For the 2017-2021 period, median income single male householders would have needed to spend 23 percent of their household incomes for an infant in center-based care, while median income single female householders would have needed to spend 36 percent.



DEMAND FOR CHILD CARE EXCEEDS AVAILABLE SPOTS

- On average between 2017 and 2021, an estimated 54,000 New Hampshire children

under 6 years old (73 percent) lived in families that may have required child care, as both parents, or the sole parent of the household, were in the labor force.

- There were 756 licensed child care providers in New Hampshire in 2021, with a total capacity of 45,660 child care spots, suggesting a shortage of approximately 8,300 child care spots statewide.
- In 2022, there were 717 licensed child care providers in New Hampshire, with a capacity to serve 44,515 children. However, fewer child care spots may have been available in practice due to a reported staffing vacancy rate of 26 percent.

WORKFORCE, ECONOMIC, AND SOCIETAL IMPACTS

- Between October 5, 2022 and October 2, 2023, an average of 16,500 Granite Staters each month were not working because they were caring for children who were not in school or daycare.
- One national 2021 analysis estimated that New Hampshire households collectively lost between \$400 million and \$600 million in wages due to unavailable child care. Incorporating business and tax revenues, an estimated \$44,110 and \$66,816 per unavailable child care slot was lost annually over a ten-year time horizon from the time of the initial single-year child care shortage.
- Key research suggests a return of \$4.20 for every \$1 invested in state and district pre-Kindergarten programs for families with low incomes. Children who participate in these programs are more likely to finish high school, as well as have higher wages and lower health care costs later in life. These children are also

less likely to need public assistance or engage in criminal activity in their lifetimes.

- The median hourly wage for a New Hampshire child care worker was \$12.99. The median hourly wage for child care workers nationally was \$13.17, while the median hourly wage for all New Hampshire workers was \$23.04.



STATE BUDGET INVESTMENTS AND POLICIES ADDRESSING CHILD CARE SHORTAGE

- The family income eligibility cap for child care assistance scholarships was raised to 85 percent of the State Median Income, increasing the income eligibility from \$50,666 for a family of three in 2022 to \$86,226. The prior eligibility threshold was 220 percent of the federal poverty guidelines.
- Cost sharing was eliminated for families below 100 percent of the federal poverty guidelines and limited to \$5 per week for families under 138 percent of the federal poverty guidelines.
- Provider reimbursement for scholarship recipients was raised to 75th percentile of the market rate.
- \$15 million was allocated for recruitment and retention of the child care workforce.



Access the child care fact sheet and sources

HEALTH IN NH

HEALTH CARE COSTS REMAIN SIGNIFICANT FOR GRANITE STATE FAMILIES

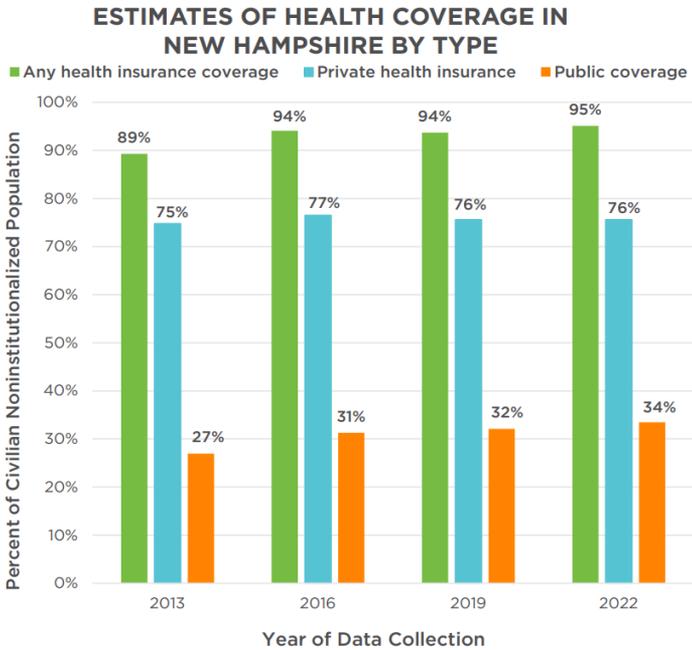
- The Massachusetts Institute of Technology estimated a family of two adults and one child in New Hampshire would pay about \$9,022 annually for medical costs, or about 7.2 percent of median household income for three-person families in 2022. The Commonwealth Fund estimated average employee premiums and deductibles combined in New Hampshire were \$8,579 in 2020.
- Medical care spending per person on personal health care, including public and private insurance expenditures, totaled \$11,793 during 2020 in New Hampshire. That amount was the 11th highest expenditure amount among the 50 states, but was the second-lowest among New England states. Annual per capita personal health care expenditures grew faster in New Hampshire than in New England overall, and nationally, from 1991 to 2020; growth was behind only Vermont in the region.

HEALTH COVERAGE DURING 2022: MEDICAID BOOSTED PUBLIC COVERAGE

- The uninsured rate in New Hampshire declined by about half between 2013 and 2022, reflecting the Patient Protection and Affordable Care Act, the State's 2014 Medicaid Expansion, Medicaid

coverage expansions during the COVID-19 pandemic, and more state residents aging into Medicare eligibility. Private insurance has covered a relatively consistent percentage of the population.

- Medicare eligibility typically begins at age 65 years. Medicare coverage will likely continue to increase in importance during the next decade, as an estimated 216,000 Granite Staters, 15.5 percent of the population, were between the ages of 55 and 64 in July 2022.



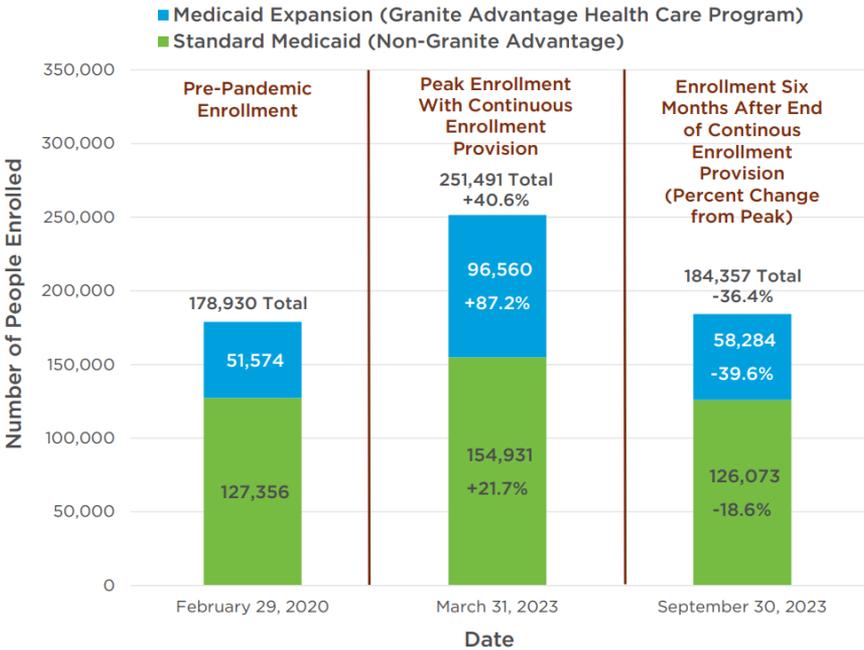
MEDICAID DISENROLLMENT BEGAN FOLLOWING PANDEMIC EXPANSION

- In response to the COVID-19 pandemic, the federal government provided additional resources to states that kept individuals insured by Medicaid enrolled in the program, even if their situation, such as income, changed in a

manner that would have led to disenrollment previously.

- The policy expired, and disenrollments in New Hampshire began April 2023.
- Between March and September 2023, Medicaid enrollment dropped by 67,134 people (36.4 percent).

NEW HAMPSHIRE MEDICAID ENROLLMENT



HEALTH CARE WORKFORCE REMAINS CONSTRAINED

- Employment in health care and social assistance, which is the state’s largest employment sector, remained about 325 positions (0.3 percent) lower on average during the first eight months of 2023 than it was in 2019.
- However, between April 2020 and July 2022, New Hampshire’s population grew by

approximately 17,700 people (1.3 percent), suggesting growth in the population needing care outpaced the number of filled health care positions.

- Overall and across all industries, New Hampshire's resident average monthly labor force size remains 15,600 workers (2.0 percent) lower thus far in 2023 than it was in pre-pandemic 2019.

STATE BUDGET INVESTMENTS IN BOTH HEALTH CARE SERVICES AND WORKFORCE

The State Fiscal Years 2024-2025 State Budget makes several key health and workforce investments:

- Medicaid Expansion reauthorized through 2030
- Medicaid coverage extended to a full year postpartum and to certain immigrant women and children, expanded birth and infant services
- Targeted Medicaid reimbursement rate increases with \$134.2 million in State funds
- Increased developmental services funding
- Investments in system of care for children's behavioral health, and a new system of care for healthy aging and long-term care investments
- Added funding for 10-Year Mental Health Plan, Family Resource Centers, maternal home visiting programs, and food assistance for women and children

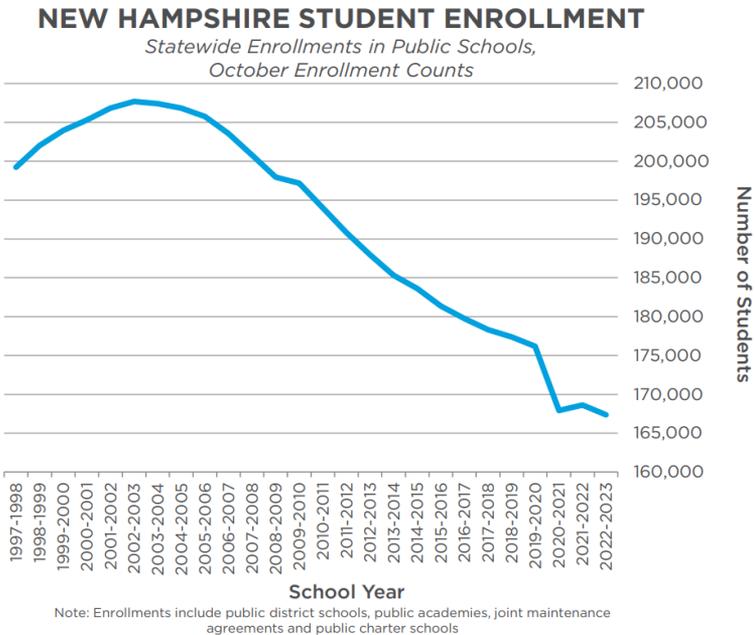


Access the health fact sheet and sources

EDUCATION IN NH

NUMBER OF STUDENTS IN NEW HAMPSHIRE SCHOOLS CONTINUES TO DECLINE

- About 40,300 fewer students were in New Hampshire public schools the last academic year than during 2002-2003.
- This reduction is driven by long-term demographic changes, as New Hampshire had the largest percentage decline in its child population of any state between 2010 and 2020.

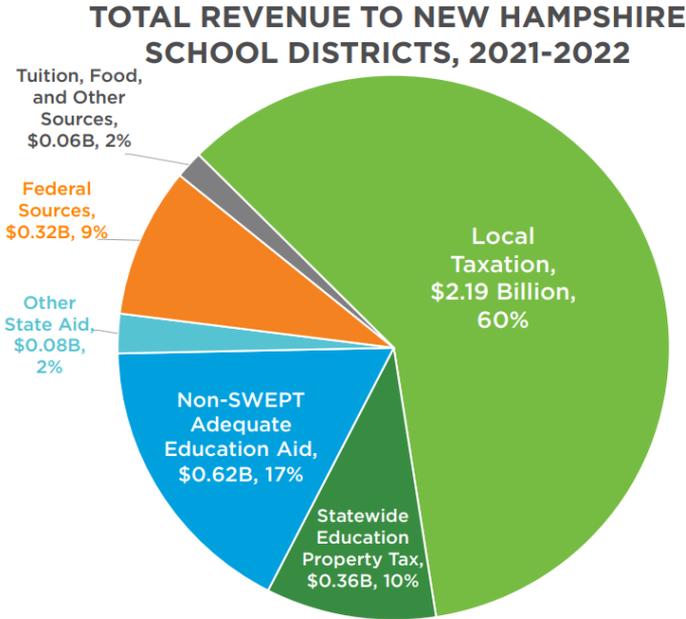


LOCAL PUBLIC EDUCATION LARGELY FUNDED BY LOCAL TAXES

- Property taxes raised locally accounted for 70 percent of public school district revenue in the 2021-2022 school year.
- Federal aid, usually about 5 percent of school district revenue in New Hampshire, was higher

due to one-time American Rescue Plan Act aid.

- About \$350.6 million of these temporary American Rescue Plan Act funds for school districts will expire September 30, 2024.



- New Hampshire ranked 7th highest among the 50 states for school revenue from all sources (federal, state, and local government) per pupil in fiscal year 2021. Relative to personal income earned in the state, New Hampshire ranked 39th.
- New Hampshire ranked 3rd in revenue per pupil from local sources (\$13,770), and 33rd in revenue per pupil from state sources (\$6,846) in the nation.
- New Hampshire had the smallest percentage of total public school district revenue sourced from the State government of any state.

STATE FUNDING FOR ELEMENTARY AND SECONDARY LOCAL PUBLIC EDUCATION AS A PERCENTAGE OF ALL REVENUE TO THESE SCHOOLS, FISCAL YEAR 2021

State or Nation	Percentage Funding for Local Public Education from State Sources	Estimated Rank Among 50 States
Vermont	88%	1
Hawaii	88%	2
Arkansas	71%	3
New Mexico	70%	4
Washington	68%	5
United States	45%	--
Connecticut	36%	46
Texas	34%	47
Nebraska	32%	48
South Dakota	32%	49
New Hampshire	31%	50

HIGHER EDUCATION FUNDING LOWEST AMONG STATES

- New Hampshire appropriated the lowest amount of public funds per full time equivalent student, at \$3,699 each, among all fifty states in fiscal year 2022. The national average among state funding levels was \$10,237.
- While funding for the Community College System has grown faster than inflation since 2006, funding for the University System would have needed to be over \$39 million higher than it was in State Fiscal Year 2023 to match the inflation-adjusted 2006 level.

STATE BUDGET INVESTMENTS AND POLICY CHANGES IN EDUCATION

The State Fiscal Years 2024-2025 State Budget includes several significant changes to State

funding for local public and higher education:

- Boosted base State funding amounts per public school pupil from \$3,866 to \$4,100
- Enhanced free and reduced-price meal program per pupil aid from \$1,933 to \$2,300 per student, and eliminated aid based on percentage eligible
- Slightly increased aid for special education and English language learner students
- Eliminated additional aid for students scoring below proficient on 3rd grade reading tests
- Substantially increased Extraordinary Needs Grants, based on combination of free and reduced-price meal eligibility and taxable property values per student, to up to \$11,500 per student by State Fiscal Year 2025
- Instituted Hold Harmless Grants to ensure no districts lose funds initially, phased out biennially through 2034
- Added \$10 million to Public School Infrastructure Fund
- Appropriated \$39.7 million to fund Education Freedom Accounts used by student families for permitted purposes
- Changed the division of business tax revenue flows between the General and Education Trust Funds
- Increased general operating aid to both the University System and the Community College System, and added funds targeted at specific initiatives

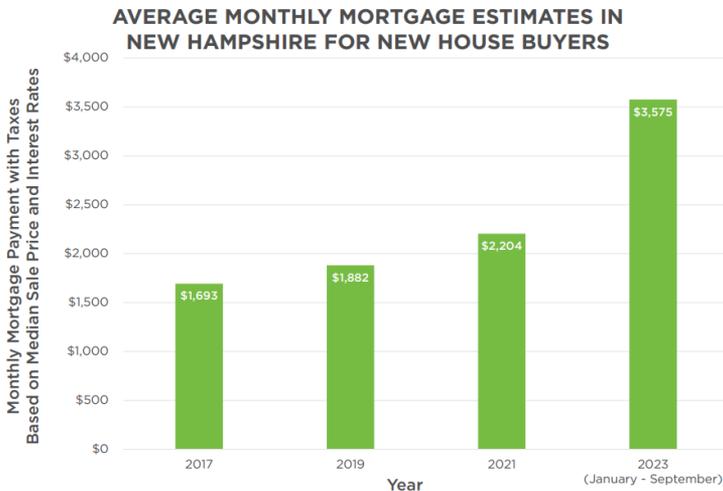


Access the education fact sheet and sources

HOUSING IN NH

MEDIAN SINGLE-FAMILY HOUSE SALE PRICES AND INTEREST RATES ARE RISING

- The median sale price for a single-family house in the Granite State reached \$499,000 in June 2023, a 51.2 percent increase from June 2020 and the highest monthly median sale price recorded.
- Using a 6.64 percent 30-year fixed-rate mortgage, the average for 2023 thus far, with a 5 percent downpayment of \$23,500 and the 2022 average monthly New Hampshire property taxes per household of \$712, a homebuyer would need to pay a monthly mortgage of \$3,575, a 111 percent increase from the 2017 median monthly mortgage and tax estimate for new house buyers.
- The 2022 median income New Hampshire household would need to spend nearly 48 percent of its monthly income to afford a median-priced house in 2023 thus far.



Notes: Monthly property taxes estimated using house sale value. Estimates assume 5 percent down payments and do not include homeowners insurance or private mortgage insurance.

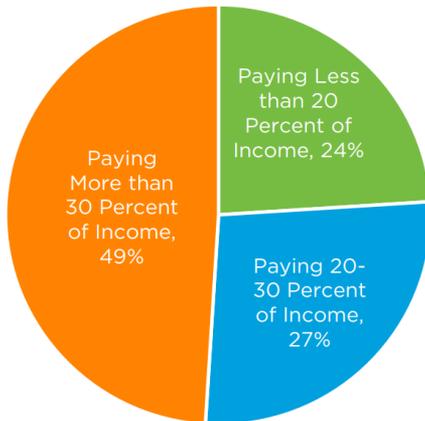
LOW HOUSING INVENTORY

- New Hampshire needs 23,500 more housing units to meet current demand, and 90,000 more housing units by 2040.
- The Real Estate Center at Texas A&M University estimates a balanced housing market has about 6.5 months of inventory. New Hampshire only had an average of 1.5 months of housing market inventory from October 2022 to September 2023.
- According to the New Hampshire Housing Finance Authority, a balanced rental market vacancy rate is approximately 5 percent. The vacancy rate for two-bedroom apartments in New Hampshire was 0.6 percent in data collected during early 2023.

GRANITE STATE RENTERS FACE RISING COSTS

- About 49 percent of New Hampshire renters paid more than 30 percent of their income for housing in 2022.

PERCENT OF INCOME PAID TOWARD HOUSING COST FOR RENTERS



Note: Includes utility costs.

LOW HOUSING INVENTORY

- Monthly rent for a two-bedroom apartment was \$1,764 in early 2023, an annual increase of 11.4 percent. The increase was driven in part by utility costs, which increased 59.9 percent between 2022 and 2023.

COSTS INCREASED THROUGHOUT THE STATE

- Between July and September 2023, median single-family house sale prices ranged from \$241,633 in Coos County to \$618,833 in Rockingham County.
- Median single-family house sale prices increased in all counties between September 2022 and September 2023, ranging from a 3.8 percent increase in Hillsborough to 14.2 percent in Sullivan.
- In 2023, median two-bedroom rental costs ranged from \$1,103 in Coos County to \$2,081 in Grafton County.

HOUSE AND RENTAL PRICES BY COUNTY

Three-Month Average of Median Single-Family House Sale Prices (July-September 2023) and 2023 Median Rental Costs for Two-Bedroom Units By County

County	Median Sales Price	Rental Costs
Belknap	\$480,175	\$1,556
Carroll	\$477,833	\$1,425
Cheshire	\$354,000	\$1,233
Coos	\$241,633	\$1,103
Grafton	\$436,667	\$2,081
Hillsborough	\$507,000	\$2,008
Merrimack	\$456,667	\$1,500
Rockingham	\$618,833	\$1,944
Strafford	\$460,167	\$1,613
Sullivan	\$358,300	\$1,316

NEW STATE BUDGET HOUSING INVESTMENTS

- The Affordable Housing Fund received \$25 million to provide grants and low-interest loans to people with low-to-moderate incomes for building or acquiring housing.
- \$10 million was allocated to the InvestNH Fund to support multifamily rental housing development and incentivize municipalities to add units and reform zoning.
- The Housing Champions Program was allocated \$5.25 million to incentivize municipalities to make infrastructure upgrades to support workforce housing.
- Homelessness and Housing Shelter Programs received \$10 million, which will increase rates paid to shelter programs and help pay for housing individuals during cold weather.



Access the housing fact sheet and sources

COST OF LIVING IN NH

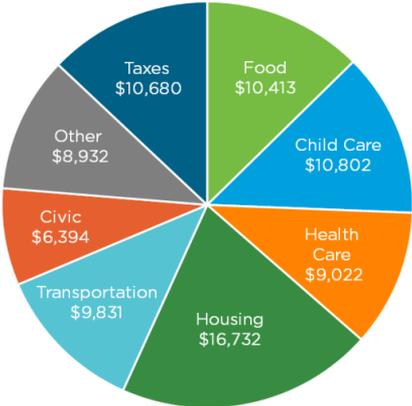
MEDIAN HOUSEHOLD INCOMES BY FAMILY TYPE

- The estimated 2022 median household income in New Hampshire was \$89,992.
- Between 2017 and 2021, the median income for a married-couple family with at least one child in New Hampshire was \$133,000, while median incomes for single male householders with children and single female householders with children were \$62,000 and \$40,000, respectively.

LIVING COSTS VARY BY REGION AND FAMILY COMPOSITION

- On average, a Granite State family with one parent and one child needed \$74,711 annually to have enough income for living expenses in 2022. A family with two parents and one child needed \$82,806.

**NEW HAMPSHIRE COST OF LIVING
TWO PARENTS AND ONE CHILD
\$82,806 ANNUALLY**

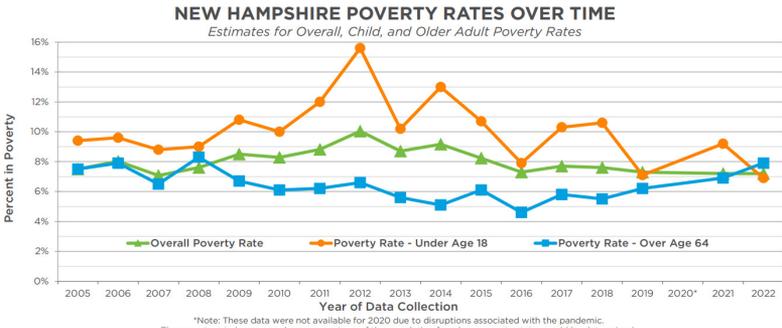


Notes: "Civic" refers to civic engagement and encompasses "...regionally-adjusted cost of education, reading, entertainment, fees, admissions, pets, toys, hobbies, playground equipment, and other items necessary to participating and engaging in civic activities." "Other" refers to "clothing, personal care products, and housekeeping supplies." Figures do not include broadband and cell phone service costs in order to be consistent with expenses listed in the Typical Expenses table in the Living Wage Calculator.

- Living costs vary by county: A family with two parents and one child in Coos County needed \$70,514 annually to afford living expenses in 2022, while the same family in Rockingham County needed \$88,306.
- Combined housing, health care, and child care prices make up a significant portion of Granite Staters' household expenses. A family with two parents and one child would need to spend 44 percent of their household income on these three expenses combined.

HOUSEHOLD INCOME, INFLATION, AND POVERTY

- About one in four Granite State households reported income of less than \$50,000 per year in 2022. About one in six had incomes below \$35,000 per year, and more than half of all households had incomes below \$100,000 per year.
- When adjusted for inflation, New Hampshire household income declined between 2021 and 2022.
- Approximately one in every 14 New Hampshire children was living below the poverty level in 2022. The poverty rate for the population overall was 7.2 percent, or about 98,000 Granite Staters.

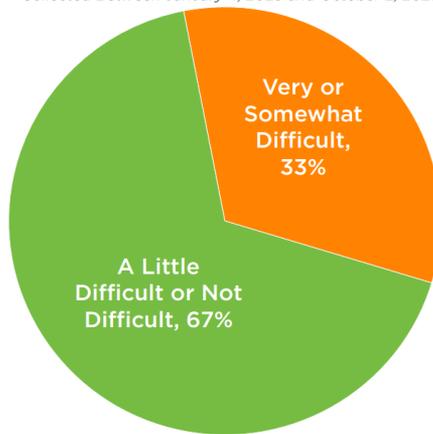


FINANCIAL VULNERABILITY AND BENEFITS OF PANDEMIC DIRECT ASSISTANCE

- On average, one in three New Hampshire residents reported paying their usual household expenses was somewhat or very difficult thus far in 2023.

NEW HAMPSHIRE RESIDENTS REPORTING DIFFICULTY PAYING FOR USUAL EXPENSES

Percent of Granite State Adults Indicating Difficulty Affording Usual Household Expenses in Prior Seven Days, Based on Data Collected Between January 4, 2023 and October 2, 2023



- A lower percentage of New Hampshire adults reported difficulty paying usual household expenses during 2020 and 2021, when direct federal pandemic assistance bolstered household finances.
- An estimated 27 percent of New Hampshire households did not have at least \$2,000 in emergency savings in 2019, before the COVID-19 pandemic.
- Pandemic-era assistance substantially reduced poverty and provided temporary aid to individuals and families.
- National estimates of household savings suggest most or all of the additional financial assets generated by the pandemic's impacts on spending habits and assistance policies have been eroded away



Access the cost of living fact sheet and sources

INVEST IN NH

Do you value NHFPI's work and find it a resource?

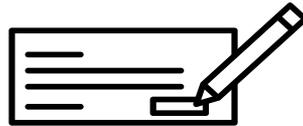
Donations of any size from supporters like you make it possible for NHFPI to produce independent analysis to inform policymakers, community leaders, and residents to make data-informed decisions. With your charitable support, we can continue to publish high-quality research and provide added analytical capacity to the challenges facing New Hampshire residents.

DONATE AND MAKE AN IMPACT



You can securely donate at:

nhfpi.org/donate



You can also mail a check to NHFPI:

*100 N. Main Street, Ste. 400
Concord, NH 03301*

Thank you for your support!



**NEW HAMPSHIRE
FISCAL
POLICY
INSTITUTE**

NHFPI is a nonpartisan, nonprofit 501(c)(3) organization and your gift is tax-deductible to the full extent allowed by law.