

Legislature Passes Bills to Fund Legal Settlements, Retirement System, and Transportation While Altering Housing and Child Care Laws

New Hampshire's 2024 legislative session resulted in key policy changes and investments proposed by the State Legislature. Although several have already been signed, many of these bills still await consideration by the Governor. While 2024 was not a State Budget year for the Legislature, available [surplus funds](#), flexible [American Rescue Plan Act dollars](#) and other federal resources, and borrowed money for capital projects resulted in initiatives that, if approved, would include significant investments.

In total, the Legislature allocated about \$105 million in General Fund revenue in this non-budget year, drawing on the revenue surplus to support new activities funded outside of the State Budget. The Legislature also approved \$40 million in new borrowing for a new State prison for men, and approved an approximately \$5 billion Ten Year Transportation Improvement Plan.

Legislators devoted more resources to expanding eligibility for child care subsidies to child care workers, as well as assistance for child care providers to care for children with special needs. The Legislature also appropriated resources to funding meals for children who are out of school during the summer, and to help improve access to food assistance for older adults. Finally, changes to laws governing local zoning sought to help reduce barriers to constructing more housing, which may increase housing affordability, in the state.

KEY APPROPRIATIONS IN NON-BUDGET YEAR

The single-largest appropriation of [General Funds](#) made by the Legislature this year was \$60 million to the [settlement fund](#) for compensation agreements related to abuse perpetrated by staff of the State's Youth Development Center (YDC), later renamed the Sununu Youth Services Center, and contracted entities for similar services. Alleged extreme cases of physical and sexual abuse of children at the YDC and in other State-contracted youth services programs has resulted in active criminal investigations and civil claims, prompting the State to [establish](#) a settlement fund and support it with \$100 million taken from the Rainy Day Fund in 2022. A legal framework was also established for reaching settlements. This year, the Legislature passed and the Governor signed [Senate Bill 591](#), which changes timelines and alters processes related to the operation of the settlement fund relative to claims and the timing of disbursements from the fund. Key changes made by the bill include extending the period to submit claims for six more months to the middle of 2025, defining egregious sexual abuse and setting a \$2.5 million settlement cap for those individual claims, and refining the definitions of other types of claims and their capped settlement amounts. The bill appropriates \$60 million in General Funds to the YDC settlement fund. Despite this addition, aggregate payouts by the State for both settlements and lawsuits resolved in court may result in substantially more financial liability for New Hampshire than the \$160 million currently allocated. As of April 24, 2024, the State [reported](#) 418 claims had been filed, and

134 had been resolved with a total of about \$66.4 million approved for payout; these figures do not include payments that would be made as part of judicial proceedings outside of this settlement fund process.

The Legislature approved [House Bill 1647](#) with a significant appropriation as well. This legislation adjusts the annuity payment for certain public employee retirees, primarily police and fire personnel, who either reach specific ages or tenures and who either were not vested in the retirement system prior to 2012 or were not an eligible employee prior to mid-2011. A maximum annuity multiplier of 2.5 percent is provided to retirees who have served for more than 15 years and are 60 years old, or who work up to full retirement age in their service. Expanded eligibility would be provided for qualifying individuals with disabilities. The bill, which the Governor had not yet acted upon as of June 27, appropriates \$26 million in General Funds to support these benefits. Changes to retirement benefits related to some of these employees and former employees were [considered](#) in last year's [State Budget](#) process.

The Legislature also made significant investments in physical infrastructure improvements. Another item considered in last year's State Budget process was an appropriation of General Funds for a new State prison for men, with the proposed [\\$50 million initial payment](#) reduced to [\\$10 million](#) in the final version of the State Budget to target resources toward preliminary design and site survey work. In [House Bill 2024](#), the Legislature passed approval for the State to borrow \$40 million to fund architectural, engineering, programming, and design and construction documents for the new State prison. The Governor estimated in 2023 that the eventual cost of the new State prison would be much higher, and proposed an initial payment of \$50 million in February 2023. This bill awaits the Governor's consideration.

Also included in House Bill 2024 was the [Ten Year Transportation Improvement Plan](#), which State legislators consider every two years and use as an opportunity to reprioritize road projects and other transportation projects within the next ten years. The Ten Year Plan provides estimated costs, including federal and borrowed funds, for each project as well as timelines for planning and construction work. Alterations were made by the Legislature on a project-by-project basis to the approximately \$5 billion plan proposed by the Governor, which includes significant federal funding, including from the [Infrastructure Investment and Jobs Act](#). Some of the largest dollar changes by the Legislature included shifting \$97.5 million more to the project to widen and upgrade I-93 and parts of I-89 in Concord and Bow; adding \$15.9 million to improve State Route 108 in Dover, Somersworth, and Rochester; and removing nine projects while adding nine others not originally listed.

HOUSING LAW CHANGES

In an effort to address ongoing challenges related to housing infrastructure and the state's [very limited housing supply](#), the Legislature approved [House Bill 1400](#), an omnibus housing bill that has not yet been acted upon by the Governor as of June 27. A provision of this bill would allow municipalities to vote on and adopt additions to the existing [Community Revitalization Tax Incentive](#) by establishing tax relief for owners and developers who convert office space into residential space, including mixed-use buildings. Eligible properties applying and qualifying before 2035 could be granted relief for up to a [five-year](#) period.

This bill also would provide municipal governing bodies with more authority to amend local zoning ordinances, bylaws, and maps. Amendments may, under the passed language, be adopted by a majority vote by the governing body following a public hearing without waiting for the next usual meeting of the local legislative body or a vote of the jurisdiction's citizens.

House Bill 1400 also includes provisions relevant to landlords and tenants, including prohibitions on unauthorized individuals from occupying residential units without permission by the owner, and describes the rights of landlords and tenants in eviction court proceedings in cases of violations.

Finally, this bill would limit the number of parking spaces that can be required by municipalities for certain residential buildings. Municipalities are prohibited from requiring more than 1.5 parking spaces per unit for both studio and one-bedroom units that are under 1,000 square feet, as well as for multi-family buildings that hold more than ten units. Provisions of the bill relating to landlord-tenant law and required parking spaces would take effect on January 1, 2025.

In addition to the omnibus bill, the Legislature passed two additional housing bills. [House Bill 1065](#), if it is approved by the Governor, allows for an exemption to the State's fire code for fire suppression or sprinkler system requirements, including for new and existing residential buildings with four or fewer units. Additionally, this bill prohibits municipalities from implementing more stringent ordinances and regulations that would require the installation of fire suppression systems in such residential buildings.

A component of [House Bill 1202](#), if approved by the Governor, includes language that would require the New Hampshire Department of Transportation to review and issue a driveway construction permit intended for residential development purposes within 60 days of receiving a completed application.

SUPPORTS FOR THE CHILD CARE AND HEALTH CARE WORKFORCES

Several bills were approved by the Legislature this session to address on-going [child care affordability and availability](#) challenges. If approved by the Governor, [Senate Bill 404](#) would designate \$1.1 million toward a child care workforce recruitment and retention pilot initiative entitled the Child Care Workforce Assistance Project. This program would permit child care professionals to enroll in the [New Hampshire Child Care Scholarship Program](#) if they work a minimum of 25 hours a week in a licensed child care setting and their household earns no more than the median income for their geographic area. The State would likely determine specific income eligibility levels, [potentially](#) for different household sizes. Median household income in New Hampshire during 2022, the [most recent data](#), was about \$90,000; [median family income](#) for a family of three was \$125,236, and \$147,670 for a family of four. The initiative, which would be in effect from January 1, 2025 to June 30, 2025, is designed to help ensure that eligible child care professionals will pay no more than seven percent of their household income toward their child care cost share. By November 1, 2025, the New Hampshire Department of Health and Human Services (DHHS) would be required to provide a report summarizing enrollment in and costs associated with the program to key House and Senate committees.

Also included in [House Bill 1202](#) are changes to the definitions of disability or special needs under the [New Hampshire Child Care Scholarship Program](#) (NHCCSP). If approved by the Governor, these definitions would be expanded to include delays, or risk of delays, in all developmental domains "including but not limited to a child's physical, cognitive, communication, social, emotional, and/or behavioral skills." Analysis from the DHHS anticipated that, under this bill, providers caring for children enrolled in the NHCCSP would be eligible for differential reimbursements of up to \$100 per week for each child in their care who meets the definition of having a disability or special need and is receiving the child care scholarship. The differential payments may help offset costs associated with providing classroom accommodation. This bill designates \$375,000 in State-allocated federal dollars for State Fiscal Year 2025, including any available [American Rescue Plan Act funds](#), to support funding and administration associated with the expanded definition. If federal funds are not available, the bill permits the DHHS to suspend implementation of the program.

To help increase the number of child care slots, [House Bill 1597](#), if approved by the Governor, would ensure that home-based family and group family child care providers who live in a residential zone can operate in their primary residences without a local site plan review.

As with child care, significant constraints in the [health care workforce](#) likely restrict access to services. [Senate Bill 403](#), which awaits consideration by the Governor, would establish optional certification for community health workers (CHWs). CHWs provide direct services to help with education, health screenings, and access to health care and social services, among other duties. The bill also seeks to fund CHW efforts, and requires the DHHS to seek permission from the federal government to include eligible CHW activities through the Medicaid program.

INCREASING FOOD SECURITY AND ACCESS TO HEALTH CARE

To help ensure children who receive free and reduced price lunch during the school year have access to food during the summer months, [Senate Bill 499](#), if approved by the Governor, would allocate \$1,065,500 to the DHHS for costs associated with administering and advertising the [Summer EBT](#) program during 2024 and 2025. The approximately \$1 million in State funding support included in this bill would assist the New Hampshire DHHS in accepting and administering the federal funding for the Summer EBT program. This bill would also make a one-time \$37,500 appropriation to the DHHS for technology costs associated with the development of a simplified Supplemental Nutrition Assistance Program application for older adults. Senate Bill 499 also included an amendment to provide State relief for natural disasters to municipalities through a new, and potentially faster, process.

To help maintain continuity of access to health care for residents with lower incomes, a provision of [House Bill 1236](#), which has been signed by the Governor, allocates \$671,298 in SFY 2025 to the DHHS for raising the income eligibility thresholds for the State's [In and Out Medical Assistance](#) program by 3.2 percent on January 1, 2025, subject to approval by the federal government. This program provides assistance to individuals who have incomes that are too low to pay for their medical bills, but are also too high to qualify for Medicaid. Starting on July 1, 2025, the income eligibility threshold will be adjusted annually to reflect the federal Social Security Administration's annual cost of living adjustments.

Also potentially expanding access to key medical services, [Senate Bill 455](#), if the Governor approves, would appropriate \$620,000 to the DHHS to create a Medicaid reimbursement rate for prosthetic and orthotic devices that equals at least 90 percent of the Medicare reimbursement rate for such devices. The bill would also require an annual review of the adequacy of those reimbursement rates.

OTHER BILLS PASSED BY THE LEGISLATURE

The Legislature approved other significant expenditures and changes during the 2024 session, including these bills:

- [Senate Bill 352](#) would appropriate \$5 million to the New Hampshire Department of Safety to create and fund a pilot program for early detection cancer screenings for both active and retired full-time firefighters.
- [House Bill 318](#) would establish the role and authority of magistrates, clarify fees and payment processes for bail commissioners, create a judicial training coordinator role, and assign trainings for certain Judicial Branch employees. Approximately \$1.0 million would be appropriated for SFY 2025 to the Judicial Branch, and \$750,000 to the Division of State Police, to create an electronic bail condition status platform for law enforcement to share an individual's status

across agencies, with both appropriations potentially being drawn from federal American Rescue Plan Act dollars or General Funds.

- [House Bill 1236](#), which has been signed by the Governor, includes the establishment of a workforce recruitment and retention pilot program in youth services and acute care. While the bill does not make a direct appropriation, the DHHS anticipates using between \$860,000 to \$910,000 of the agency's current operating budget to fund the program.
- [House Bill 1573](#) would allocate \$1 million to the DHHS for SFY 2025 to support travel and quality assurance oversight of residential facilities that house, or will house, New Hampshire children, and require additional approvals before any placements occur outside of New England. Programs and facilities would need to be certified by the DHHS before receiving funds from New Hampshire, and monitoring visits by the DHHS would be required twice annually.
- [Senate Bill 417](#) would allocate approximately \$1.2 million in SFY 2025 to the DHHS for the addition of twelve new positions within the Division for Children, Youth, and Families, including child protective service workers, probation and parole officers, and attorneys, as well as for costs associated with travel to youth visits required by other language in the bill. Any money unused by the DHHS will be reallocated to the [System of Care for Children's Mental Health](#), and other community-based services. This bill also appropriates \$376,145 to support increased court oversight for youth residential programs by the Judicial Branch.

While the Legislature made some key appropriations this session, new spending was constrained by the available revenue surplus, as no new revenue sources were added and current State revenues were [over State Budget projections](#) by a limited amount. Policymakers might face additional challenges funding services in the next State Budget cycle, as [key revenue sources](#) are likely to disappear, and costs for service needs may increase.

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