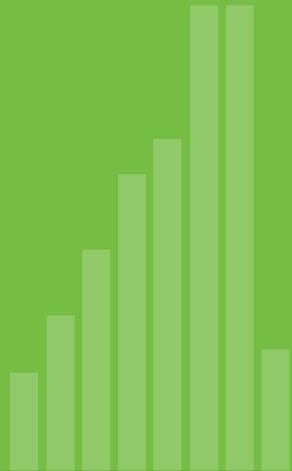


NEW HAMPSHIRE POLICY POINTS

A GUIDE TO KEY ISSUES
FACING GRANITE STATERS



NEW HAMPSHIRE
FISCAL
POLICY
INSTITUTE



The page contains a large, faint watermark of a globe centered in the middle. The globe shows the continents and is surrounded by a circular border. The watermark is semi-transparent and serves as a background for the page's content.



TABLE OF CONTENTS

INTRODUCTION..... 2

 POPULATION AND DEMOGRAPHICS..... 4

 INCOME AND ECONOMIC SECURITY 9

 ECONOMY AND JOBS.....14

 HOUSING19

 HEALTH 23

 FOOD INSECURITY29

 EARLY CARE AND EDUCATION 33

 K - 12 AND POST-SECONDARY EDUCATION 37

 TRANSPORTATION41

 BROADBAND INTERNET45

 STATE BUDGET.....48

 FUNDING PUBLIC SERVICES 57

CONCLUSION 74

ENDNOTES..... 76

While the content of *New Hampshire Policy Points* has been organized into distinct sections, many issues are not only cross-cutting but interact with one another. To aid readers in deepening knowledge and understanding of these connections, topic icons are inserted to bridge related content throughout the publication.

INTRODUCTION

This second edition of *New Hampshire Policy Points* provides an overview of New Hampshire and the people who call it home. It focuses on some of the key issues that are paramount to supporting the economic well-being of all Granite Staters. Moreover, the book addresses areas of important policy investments that will help ensure better financial outcomes for our residents and a New Hampshire economy where everyone has the opportunity to thrive.

Nearly five years have passed since the beginning of the COVID-19 pandemic, and many aspects of daily activities, the state's economy, and public policy have changed. The lives of everyday Granite Staters have been deeply impacted by a confluence of various global, national, statewide, and local factors. Although an influx of federal pandemic-related funding came into the state, our residents still face challenges that impacted the economy before the pandemic. These challenges include access to affordable child care and housing, which have worsened during the interim years. Moreover, the consequences of the pandemic were not felt equally across the Granite State. Families and communities who were already at a disadvantage, including those with lower incomes and people of color, were often more severely impacted by the pandemic and its residual adverse effects.

New Hampshire Policy Points is intended to provide an informative and accessible resource to policymakers and the general public explaining and highlighting areas of key interest and concern to public policy in New Hampshire. Touching on some important points but by no means comprehensive, each section within *New Hampshire Policy Points* includes the most up-to-date information available on each topic area at the time of publication. The facts and figures included within this book provide useful information and references for anyone interested in learning about New Hampshire and contributing to making the Granite State a better place for everyone to call home.

ABOUT NEW HAMPSHIRE FISCAL POLICY INSTITUTE

Founded in 2009, the New Hampshire Fiscal Policy Institute (NHFPI) is a nonpartisan, independent research nonprofit organization that examines issues related to the State Budget, the economy, policy decisions, and the financial security of Granite Staters, centering on topics relevant to people and families with low and moderate incomes. 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.

This publication and its conclusions are based on independent research and analysis conducted by NHFPI. Please contact info@nhfpi.org with any inquiries or when using or citing *New Hampshire Policy Points* in any forthcoming publications. Additional information and a comprehensive listing of sources can be found at www.nhfpi.org.

WITH GRATITUDE

As a nonprofit organization, NHFPI's work is only made possible by the generous support of foundations, organizations, and individuals who share its vision of opportunity and economic well-being for all New Hampshire residents. NHFPI does not receive funding from federal, state, or local governments.

The printing of the second edition of *New Hampshire Policy Points* was supported by Clove Hitch Advisors of Steward Partners. We are grateful for the philanthropic support their team has provided, in addition to their support of so many other important causes in our state. They believe in showing up, making a difference, and helping clients live lives of greater impact.



NHFPI is also profoundly grateful for the steadfast commitment of the Endowment for Health, Couch Family Foundation, New Hampshire Charitable Foundation, Annie E. Casey Foundation, and New Hampshire Children's Health Foundation.

As a *New Hampshire Policy Points* reader, we hope you find value in NHFPI's work. Please consider a financial contribution of support. Donations of any size from supporters allow NHFPI to produce independent analysis to inform policymakers, community leaders, and residents to make data-informed decisions. Your support helps us continue to publish high-quality research addressing the challenges facing New Hampshire residents. You can make a secure online donation at nhfpi.org/donate or mail your gift to NHFPI at 100 North Main Street, Suite 400, Concord, NH 03301.

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



POPULATION CHANGES

As of July 1, 2023, the U.S. Census Bureau estimated a total Granite State population of 1,402,054 individuals, an increase of about 6.5 percent from the estimated population of 1,316,762 on July 1, 2010.¹

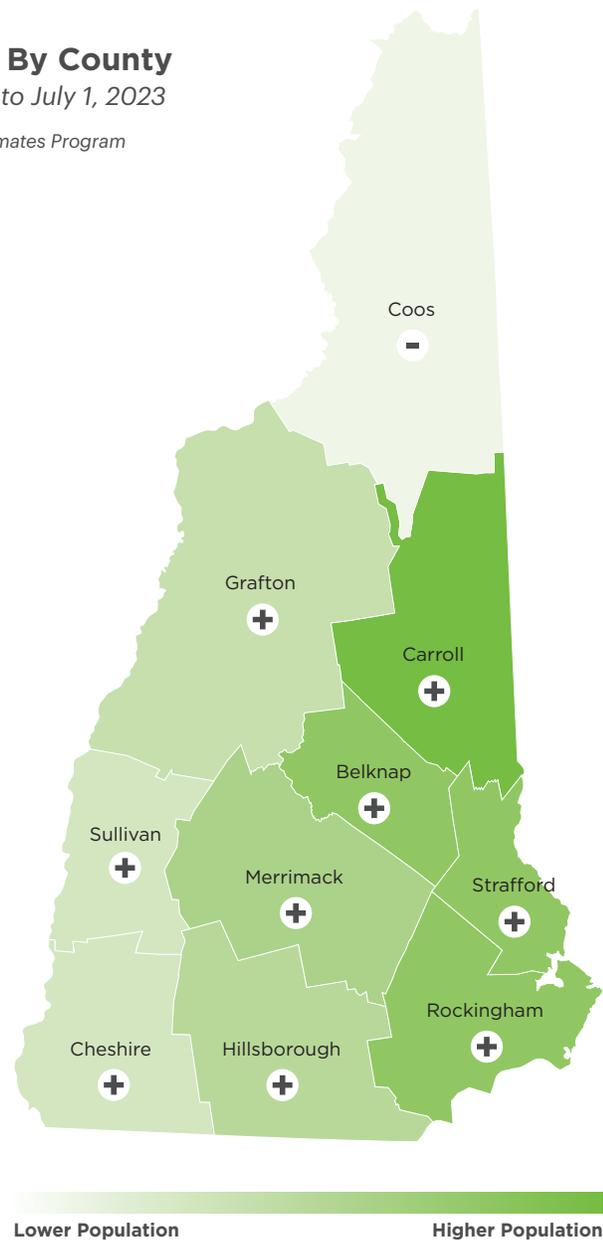
FIGURE 1

New Hampshire Population By County

Population Change from July 1, 2010 to July 1, 2023

Source: U.S. Census Bureau, Population Estimates Program

| County | Growth |
|--------------|--------|
| Belknap | +8.2% |
| Carroll | +9.7% |
| Cheshire | +0.8% |
| Coos | -4.8% |
| Grafton | +4.5% |
| Hillsborough | +6.6% |
| Merrimack | +7.3% |
| Rockingham | +8.6% |
| Strafford | +8.2% |
| Sullivan | +0.5% |



As of July 2023, the most populous counties were Hillsborough (427,354), Rockingham (320,689), and Merrimack (157,103), and the least populous counties were Coos (31,372), Sullivan (43,969), and Carroll (52,448). From July 1, 2010 to July 1, 2023, all counties, except Coos County, experienced an increase in their populations, ranging from Sullivan’s 0.5 percent to Carroll’s 9.7 percent.²

FIGURE 2

New Hampshire Population By Race and Ethnicity

From July 1, 2010 to July 1, 2023

Source: U.S. Census Bureau, Population Estimates Program, 2020-2023 Estimates

| Racial or Ethnic Group | Number of People in July 2023 | Percentage of 2023 Population | Percentage Growth Since 2010 |
|-------------------------------------|-------------------------------|-------------------------------|------------------------------|
| Black or African American | 22,833 | 1.63% | 62.95% |
| Asian | 43,245 | 3.08% | 50.05% |
| American Indian or Alaska Native | 2,961 | 0.21% | 8.58% |
| Native Hawaiian or Pacific Islander | 419 | 0.03% | 26.20% |
| Hispanic or Latino | 67,880 | 4.84% | 83.86% |
| White | 1,241,227 | 88.53% | 2.01% |
| Two or More Races | 23,489 | 1.68% | 37.07% |
| Total | 1,402,054 | 100.00% | 6.48% |

Note: The U.S. Census Bureau counts “Hispanic or Latino” as an ethnicity separate from race. This table shows anyone who identifies as Hispanic or Latino, regardless of race, as such and does not also count those individuals in a race category.

Based on population estimates from July 2023, the majority of the state’s population identified as both white and non-Hispanic, comprising about 88.5 percent of the total population. While those who identified with a racial or ethnic minority group made up smaller percentages of the population, the number of individuals identifying as such has increased rapidly since July 2010. Those who identified as Hispanic or Latino, regardless of racial identity, experienced the largest increase in terms of the percentage of the population from 2010, increasing about 83.9 percent from 2010 to 2023 while still representing a relatively small 4.8 percent of the population. Granite Staters identifying as Black or African American and non-Hispanic experienced the second largest increase, about 63.0 percent from 2010 to 2023 and increased to about 1.6 percent of the state’s population.³

NEW HAMPSHIRE’S AGE STRUCTURE

More New Hampshire residents will be reaching traditional retirement ages in the coming decade. As of July 2023, the median age in New Hampshire was 43.4 years old, making the state tied with Vermont as the second-oldest state in the United States, and behind only Maine (44.8 years), in median age. Based on population estimates from July 2023, approximately 20.8 percent (291,526 adults) of Granite Staters were over the age of 65, which was an increase from about 18.8 percent (259,015 adults) of the state’s population in July 2020. In contrast, those under the age of 18 made up about 18.0 percent (252,050 children) of the population in 2023. The total population of children has decreased since 2020, when children comprised about 18.8 percent (259,269 children) of the state’s population. In addition, a large number of Granite State residents will be reaching traditional retirement ages over the next decade, as

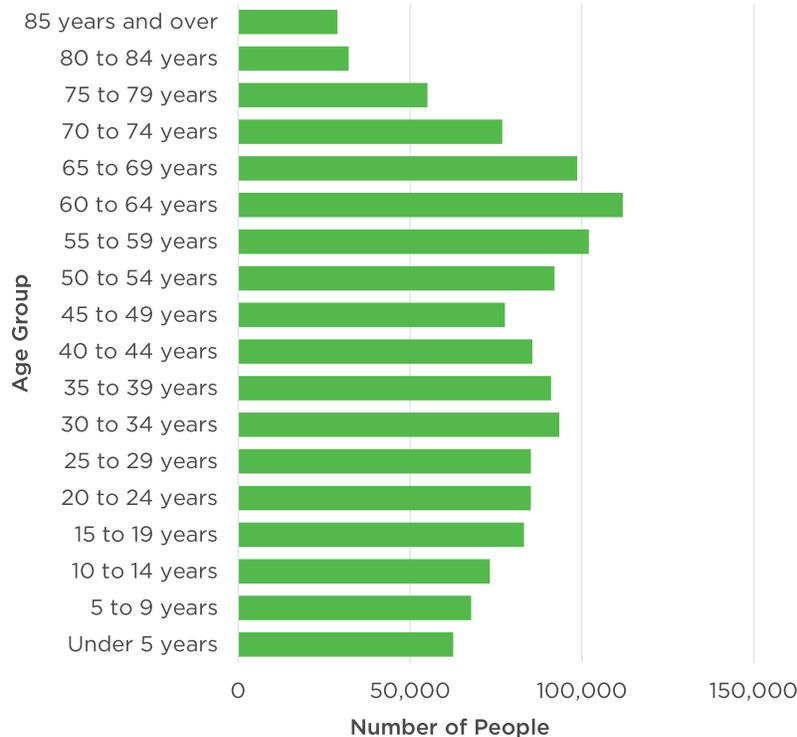




FIGURE 3

New Hampshire Population By Age Group

Source: U.S. Census Bureau, Population Estimates Program, July 1, 2023 Estimates



about 15.3 percent (213,876 adults) of the state’s population was between the ages of 55 to 64 in 2023.⁴

Although New Hampshire’s population is aging, a significant number of adults under age 65 have moved to the state in recent years. In the 2018 to 2022 timeframe, working age adults comprised about 76.8 percent of the combined total number of individuals who migrated into the state, including both movers from other states and from other countries. This percentage has remained similar to previous years prior to the pandemic. From 2013 to 2017, working age adults comprised about 76.9 percent of those migrating into the state.⁵

INTERNATIONAL AND DOMESTIC MIGRATION

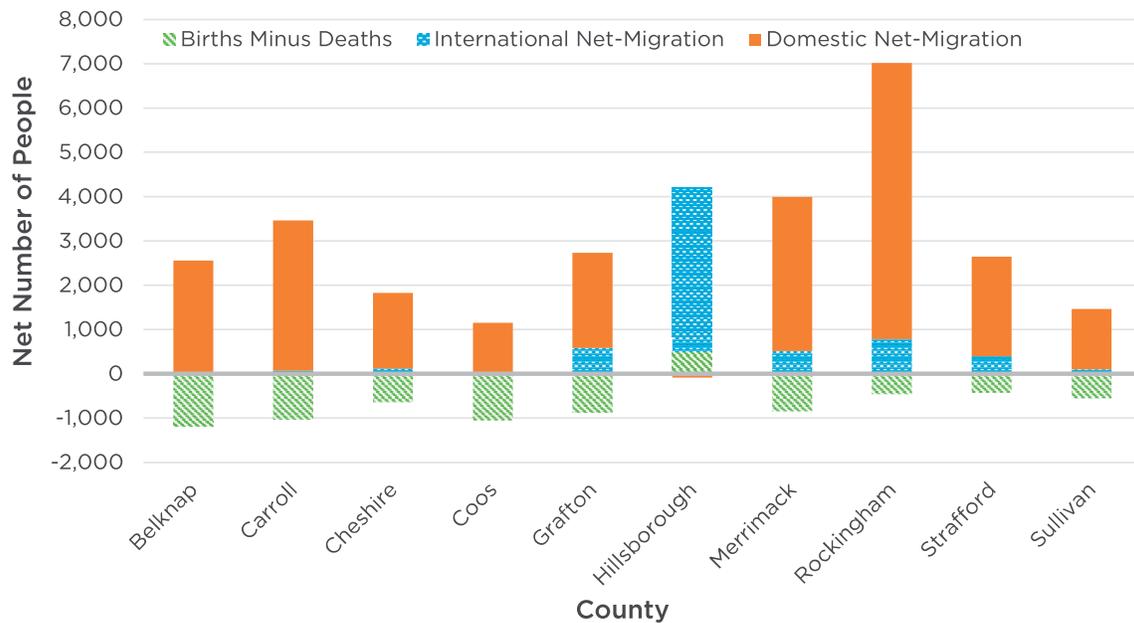
Net migration to New Hampshire was responsible for the entirety of estimated population growth between 2020 and 2023. From April 1, 2020 to July 1, 2023, the state experienced a population change of approximately 24,530 people. During this time period, there were around 39,525 births and 46,128 deaths across the state, contributing to a negative change of about 6,603 people. New Hampshire also experienced a net population gain of around 30,472 people due to migration into the state during the same time period. Around 79.2 percent of the net migration gain was due to migration from other states, while about 20.8 percent was due to international migration.⁶

While domestic and international migration has increased the statewide population, increases due to this migration differed by county. Hillsborough County was the only county to experience a domestic net migration loss from April 1, 2020 to July 1, 2023; however, the county also experienced the largest international net increase during this time, and it was the only county in the

FIGURE 4

New Hampshire Population Change by County
Births Minus Deaths, International, and Domestic Net-Migration, from April 1, 2020 to July 1, 2023

Source: U.S. Census Bureau, Population Estimates Program, 2020–2023 Estimates



state to have more births than deaths among its residents. Rockingham County and Merrimack County, two other populous counties that include southeastern parts of the state, experienced the largest net increases in the number of people migrating into the state during this time; Coos County and Sullivan County experienced the smallest net population increases from migration.⁷



IMPLICATIONS FOR THE FUTURE

New Hampshire's population is growing solely due to migration and is becoming more diverse. The population of those identifying as white and non-Hispanic increased by 2 percent between 2010 and 2023, while the number of people identifying as a member of a racial or ethnic minority group in New Hampshire grew by 61 percent. About 20.2 percent of New Hampshire's children identified as being from a race or ethnicity other than white and non-Hispanic in 2020.



New Hampshire's child population overall has been declining, which suggests potential challenges for the state's economic future. While the child population overall declined from 2010 to 2020, the number of children of color grew in the state, suggesting the state's workforce and economy will become more diverse. The median age of New Hampshire's overall population, however, continues to be among the highest of the 50 U.S. states.

According to age projections published by the New Hampshire Department of Business and Economic Affairs, the working-age population, or those aged 15 to 64, is expected to decrease by 2050. Further, the percentage of the population over the age of 65 is expected to continue to increase until 2050.⁸



These shifting demographic trends have important implications for the future of New Hampshire, as fewer working adults are available for the state's workforce, and care for older adults will likely require additional investments.



New Hampshire has a relatively high median household income compared to other states. In 2023, the Granite State’s median household income was about \$96,838 per year. Median household income, which tracks the middle level of income for all households, provides a valuable but incomplete picture of the economic circumstances facing New Hampshire families, particularly families experiencing financial hardship. In 2023, over one in four Granite State households had less than \$50,000 per year in income, and more than one in six had less than \$35,000.¹

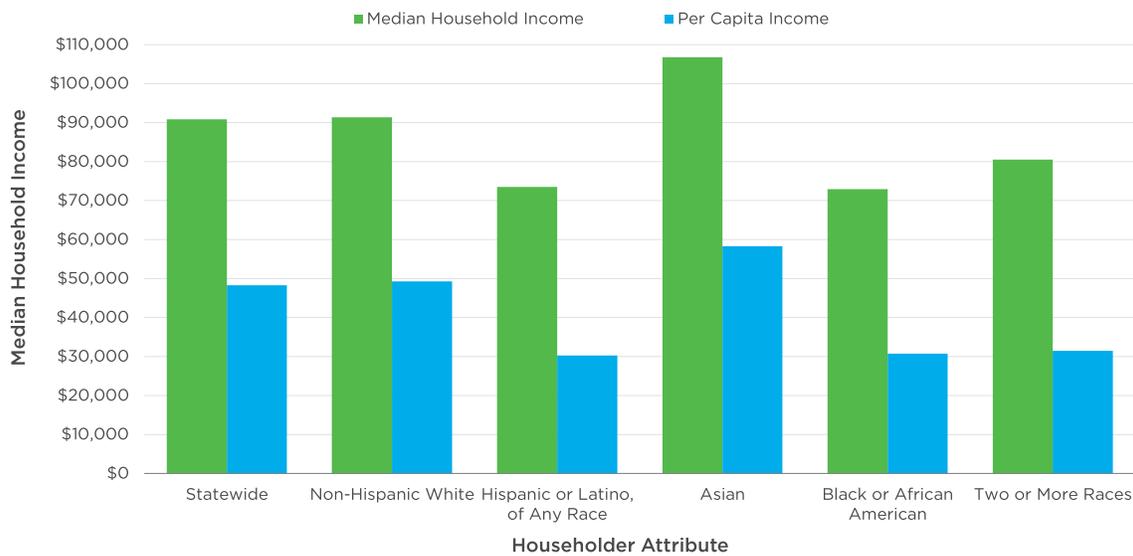
In 2023, the median income for New Hampshire families with at least one child under 18 was about \$122,319. However, certain Granite Staters populations had considerably lower median incomes, including families headed by single adults, individuals identifying as members of certain racial and ethnic minority groups, women, and people with lower levels of formal education. Households with at least one child under 18 and headed by a single female adult, for example, reported a median annual household income of about \$45,086.² According to estimates from the U.S. Census Bureau, income inequality grew at a faster



FIGURE 5

New Hampshire Median Household and Per Capita Income by Race and Ethnicity

Source: U.S. Census Bureau, American Community Survey, 2018-2022 Five-Year Estimates



rate in New Hampshire from 2010 to 2019, a period that includes the recovery from the Great Recession of 2007-2009, than in the nation overall. This growing inequality suggests Granite Staters with lower or moderate incomes experienced increasing relative hardships during the last economic recovery and beyond. These same Granite Staters will likely have faced continued challenges making ends meet into the following decade. While the economic recovery following the



COVID-19 pandemic has been quicker than the Great Recession recovery, it has not been steady among Granite Staters with low incomes.³

POVERTY

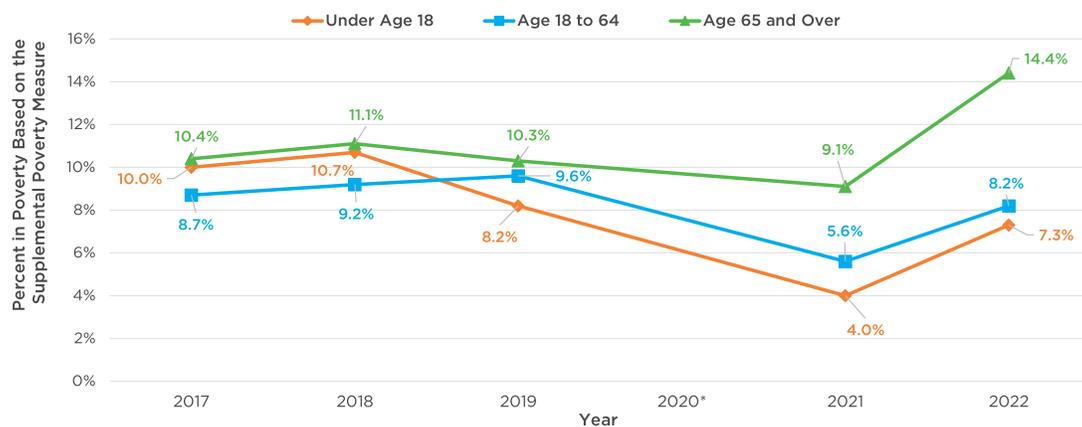
As a state, New Hampshire has a relatively low level of poverty. Based on the official poverty measure, the estimated poverty rate in New Hampshire was 7.2 percent in 2023 – the lowest in the nation.⁴ However, for those living in or near poverty, obtaining basic, everyday household needs, such as food, clothing, and medical care, can present a significant challenge. Living in poverty means living below the federal poverty threshold based on income and family size. For households with one adult and no children, the threshold in 2024 was \$15,060 per year; for households with two adults and two children, it was \$30,200 per year.⁵ In 2023, the most recently available data suggest about 98,000 Granite Staters lived below the poverty threshold.⁶

Other measures indicate a higher relative poverty level in New Hampshire. For example, the federal Supplemental Poverty Measure (SPM) factors in financial circumstances beyond those considered in the official poverty rate, including tax liability, tax credits, certain expenses related to employment, out-of-pocket medical costs, and regional adjustments for housing costs. This measure showed that, in 2022, New Hampshire’s SPM poverty rate was higher compared to the comparable official poverty rate, at 9.3 percent compared to 6.6 percent, respectively.⁷ This demonstrates the official poverty measure may not fully reflect the relative cost of living for people with very low incomes or with more limited means.

FIGURE 6

Supplemental Poverty Measure Poverty Rates by Age Group in New Hampshire

Source: U.S. Census Bureau, Strategies to Counter 2021-Specific Challenges in Producing the Supplemental Poverty Measure in the American Community Survey, State by Age SPM Rates Table



Note: These data were not available for 2020 due to disruptions associated with the pandemic. Supplemental Poverty Measure differs from the Official Poverty Measure by measuring after-tax income, adjusting for regional variations in housing costs, and using updated expenditure data. These estimates are derived from data collected through the American Community Survey.

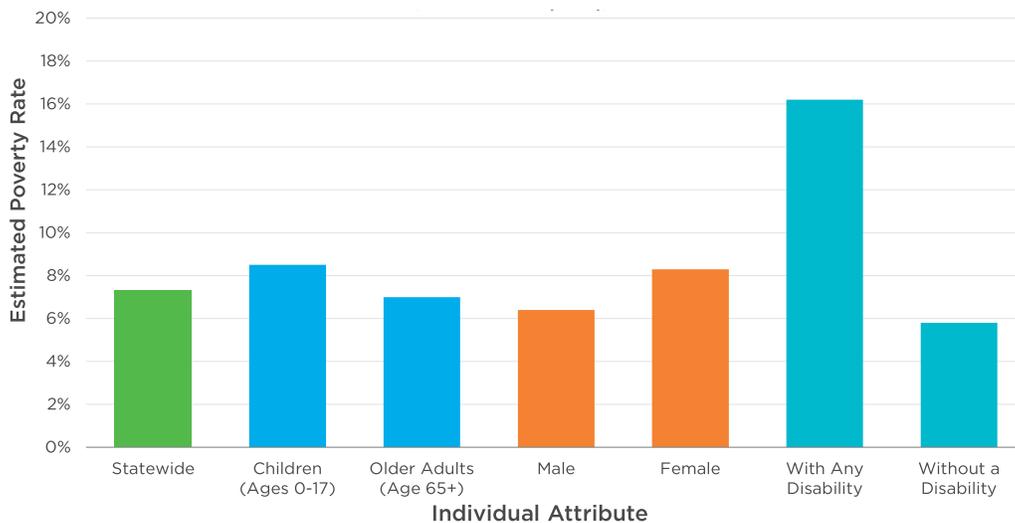
After declining to lower levels in 2021, SPM poverty among both older adults and children increased in 2022. Before that, child poverty in New Hampshire was cut in half between 2019 and 2021. National-level data show the COVID-19 assistance provided by the federal government through the tax code, and thus not captured in the official poverty measure, had a profound impact on SPM poverty, particularly among children, due to targeted policies designed to alleviate hardship for families during the pandemic. Foremost among these was the one-year expansion to the Child Tax Credit, which resulted in larger amounts of aid reaching more households with children.⁸ Other financial and policy supports to households, particularly the Economic Impact Payments, also helped temporarily reduce hardship. When these programs largely expired in 2022, SPM poverty rebounded, and rose to higher than pre-pandemic levels for older adults in New Hampshire.⁹

FIGURE 7

Individual Poverty Rates by Age, Gender and Disability

2018-2022 Estimates, New Hampshire

Source: U.S. Census Bureau, American Community Survey Five-Year Estimates, 2018-2022



Poverty, by the official poverty measure, is more prevalent among historically marginalized groups of Granite Staters than the population overall. Individuals identifying as certain racial and ethnic minority groups, as well as individuals born outside the United States, experience higher poverty rates. Additionally, single-female-headed households with children have much higher poverty rates. Moreover, in 2023, about 8.0 percent of individuals under the age of 18 lived in poverty, as did 7.6 percent of individuals over age 64. Poverty is also more prevalent among individuals with disabilities and individuals working part-time or not working.¹⁰



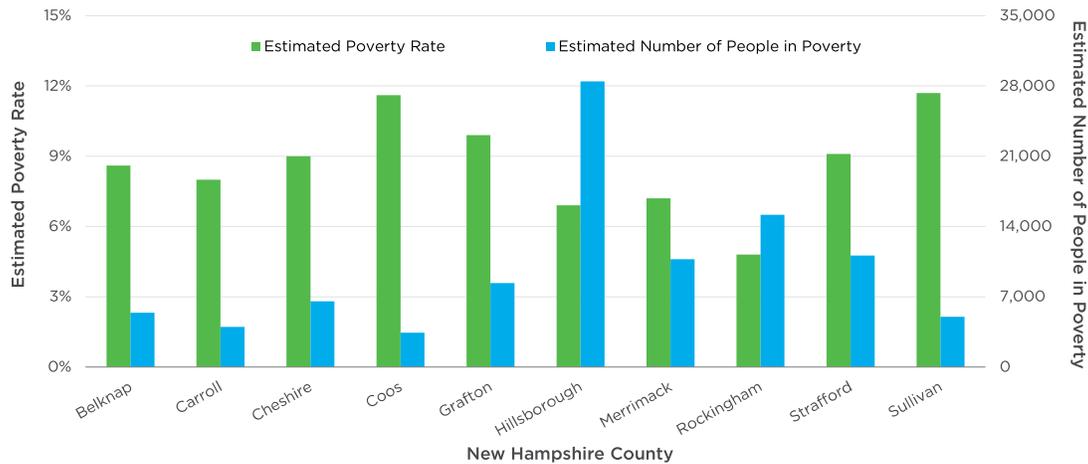


Across New Hampshire, poverty rates also vary by geography. From 2018-2022, the poverty rate in Rockingham County was estimated to be about 4.8 percent, compared to an 11.7 percent poverty rate in Sullivan County. Furthermore, poverty rates within counties and municipalities can vary considerably. Communities with low concentrations of poverty may still have many residents in

FIGURE 8

New Hampshire Poverty Rates by County

Source: U.S. Census Bureau, American Community Survey, 2018–2022 Five-Year Estimates



poverty due to the size of the population. For example, despite its relatively low poverty rate, Rockingham County had more residents in poverty than any New Hampshire county except Hillsborough.¹¹

COST OF LIVING

The cost of living in certain regions provides key context when considering household incomes and challenges faced by those living in or near poverty.

As prices for housing and other key costs vary across locations, the level of income families and individuals need to afford basic expenses varies across geographies. Living wage calculators address these differences by estimating the income a family or individual would need to meet basic living costs in a particular location.

The 2024 updates to the Massachusetts Institute of Technology (MIT) Living Wage Calculator estimate that a family with two working adults and one child would need \$97,876 annually to afford to live in New Hampshire. For a family with a single adult and two children, however, expenses would total about

\$111,700, in part due to increased child care costs.¹² Separate calculations from the Economic Policy Institute (EPI) Family Budget Calculator, updated for 2024 and only available by county, estimate that a family of two adults and one child

living in Hillsborough County, New Hampshire's most populous county, would face average yearly expenses of \$91,836, which is similar to the MIT estimate for the county. A family consisting of a single adult and two children living in Hillsborough County, based on the EPI Family Budget Calculator, would face average yearly expenses of \$105,372.¹³

During the first nine months of 2024, about 30 percent of New Hampshire adults reported paying for usual household expenses during the last seven days had been somewhat or very difficult. This was a smaller percentage than the about 33 percent, or one third, of Granite State adults who had trouble affording household expenses in 2022 and 2023.¹⁴

Following the start of the pandemic, costs have risen faster than usual for individuals and families. Policy supports helped many families meet these expenses, particularly in 2021, but many temporary policies designed to respond to COVID-19 expired after that year. These expirations left many Granite Staters to face rising costs without additional supports and led to elevated hardships in 2022 and 2023 that, while potentially slowly easing, remain elevated compared to lower poverty rates and levels of difficulty meeting expenses reported in 2021.



A thriving economy with well-paying jobs creates prosperity for residents, communities, and the state as a whole. Economies can be more resilient to economic downturns and the consequences of failure in a single industry if substantial employment thrives in a variety of employment sectors. New Hampshire's state economy is diverse, relying on an array of distinct industries.

 In 2023, the Granite State's largest employment sectors were Health Care and Social Assistance (14 percent of employees), followed by Retail Trade (13 percent), Manufacturing (10 percent), Accommodation and Food Services (8 percent), Local Government (8 percent), Professional, Scientific and Technical Services (7 percent), and Administrative and Waste Services (6 percent).¹

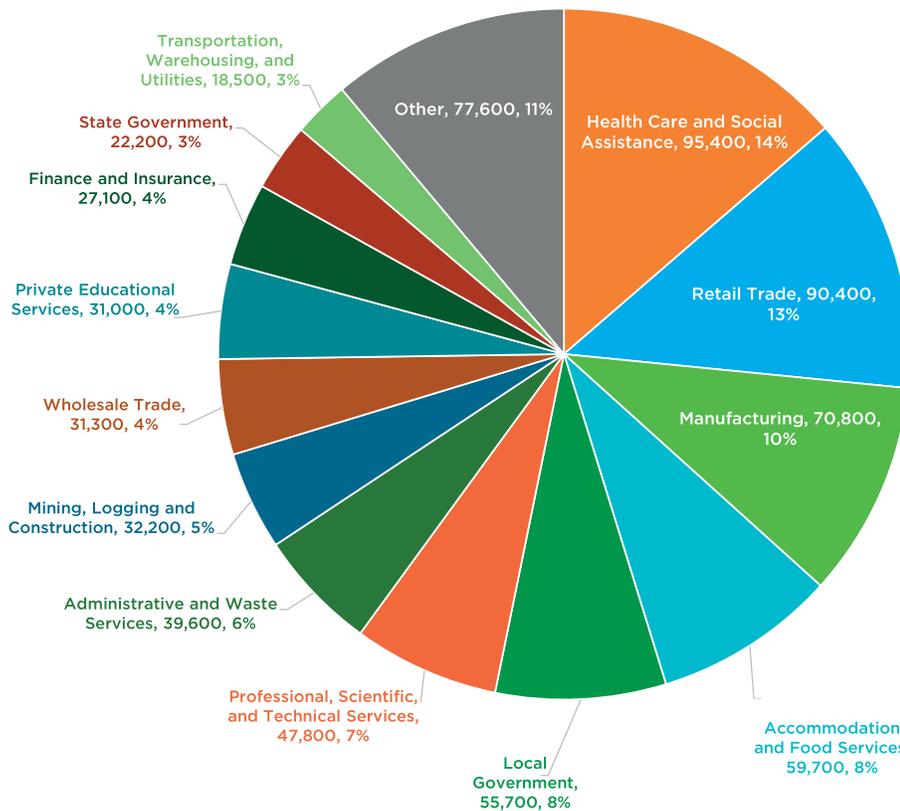
These figures do not include New Hampshire residents who commute to jobs out of state, such as to metropolitan Boston, for higher-paying or otherwise desirable job opportunities. In 2023, approximately 13.2 percent of employed

 Granite Staters age 16 and older commuted out of state for work compared to 3.3 percent of employed individuals nationally.²

FIGURE 9

New Hampshire Employment By Sector, 2023

Source: New Hampshire Employment Security, Current Employment Statistics, Seasonally Adjusted Preliminary Estimates



Access to job opportunities and economic activity in neighboring states, particularly in Massachusetts, has had a significant impact on New Hampshire's economy. The

relative proximity of communities in southeastern New Hampshire to metropolitan Boston contributes to higher incomes and more urbanization in those areas, spurring increased economic and employment growth. While rural areas further north and west in New Hampshire have not benefited as directly from proximity to Boston, relative ease of access to these areas for tourism and recreation for out-of-state travelers has impacted these local economies.



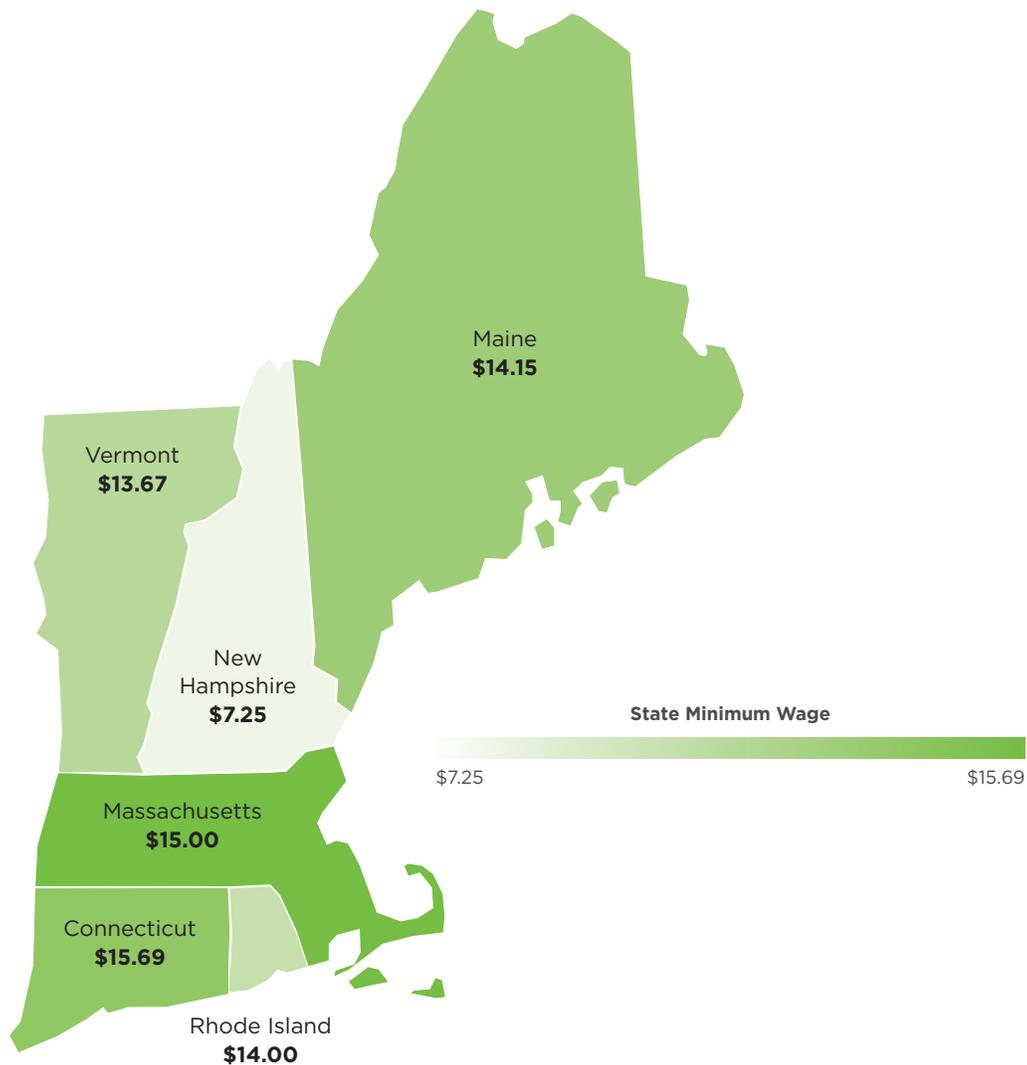
WAGES AND PANDEMIC IMPACTS

New Hampshire adheres to the federal minimum wage, which was last raised in 2009 and is currently \$7.25 per hour. By comparison, every other New England state had a minimum wage of at least \$13.67 per hour as of January 1, 2024.³ The

FIGURE 10

Minimum Hourly Wages in New England

Source: U.S. Department of Labor, Wage and Hour Division, accessed February 2024



Note: State Laws as of January 1, 2024



minimum wage is not adjusted for inflation in New Hampshire or federally. In July 2009, a full-time worker earning the federal minimum wage earned \$15,080 annually. When adjusted for inflation to prices in the United States during the first half of 2024, the equivalent purchasing power of the annual July 2009 minimum wage salary would have been \$10,364, as goods and services have become more expensive while the wage has remained the same dollar value.⁴ For context, the Federal Poverty Guideline for a family of four in 2009 was \$22,050 and \$31,200 in 2024.⁵

Of New Hampshire’s five industries that employed the most residents in 2023, three paid average wages lower than the statewide average weekly wage for private sector industries (\$1,463).⁶ While the average reported weekly wage for Professional, Scientific and Technical Services was \$2,493, and Manufacturing employers reported an average weekly wage of \$1,681, average weekly wages reported by Health Care and Social Assistance, Retail Trade, and Accommodation and Food Services employers was \$1,364, \$836, and \$571, respectively. These figures are calculated by dividing total wages by total employment, which includes both full- and part-time employment, as well as other categories such as students and voluntary employment. Additionally, average wages reported in New Hampshire do not include tips.⁷

During 2020, employment declined significantly in key industries, including Health Care and Social Assistance, Retail Trade, Education Services, and Accommodation and Food Services. These employment declines resulted in lower incomes for many people, including younger workers, workers from diverse racial and ethnic backgrounds, and workers with lower levels of education, all of whom were disproportionately impacted by the COVID-19 pandemic. Granite Staters with lower wages were also more significantly

FIGURE 11

Average Weekly Wages by New Hampshire Counties for Jobs Based in Each County in 2023

Source: New Hampshire Employment Security, Covered Employment and Wages

| | |
|----------------------|----------------|
| Belknap | \$1,049 |
| Carroll | \$958 |
| Cheshire | \$1,103 |
| Coos | \$998 |
| Grafton | \$1,389 |
| Hillsborough | \$1,482 |
| Merrimack | \$1,266 |
| Rockingham | \$1,363 |
| Strafford | \$1,256 |
| Sullivan | \$1,070 |
| New Hampshire | \$1,432 |

affected by the employment and income losses caused by the pandemic. During the long, slow recovery from the Great Recession of 2007-2009, wages for those earning lower and median incomes in New Hampshire took longer to recover than for those earning higher incomes, suggesting that these workers were not benefiting equitably from the economy even before the pandemic.⁸

During 2023, the average public and private sector weekly wage in the state was \$1,432.⁹ The average wage of workers differs by county, with Hillsborough reporting the highest at \$1,482, and Carroll the lowest at \$958. Some of these differences in county-level average wages are due to higher concentrations of industries that pay workers more, and are more likely to employ workers full-time, in some regions than in others.¹⁰



UNEMPLOYMENT AND WORKFORCE CHALLENGES

The COVID-19 pandemic resulted in large overall employment declines in 2020. The number of Granite Staters employed in 2019 averaged over 758,400. In 2020, an average of just over 710,500 residents were employed.¹¹ By May 2024, the State's estimated number of employed residents had nearly returned to 2019 levels, with 750,720 Granite State workers employed. However, the employment recovery to pre-pandemic levels was incomplete and employment remained lower than it might have been if the economy had continued growing, rather than being impacted by the pandemic.¹² Workforce participation and the size of the labor force also declined during the pandemic. The size of the labor force, which includes the number of people employed and looking for work, averaged about 778,500 for New Hampshire in 2019. In 2020, it averaged just over 761,400. Labor force estimates showed signs of post-pandemic recovery as of August 2024, with an estimated 770,748 workers.¹³

Prior to the COVID-19 pandemic reaching New Hampshire, the statewide unemployment rate had averaged below 3.0 percent since 2016. In April 2020, unemployment peaked at 15.8 percent statewide, and declined throughout the remainder of 2020 and into 2021.¹⁴ In August 2024, the estimated seasonally adjusted unemployment rate was at 2.6 percent statewide, lower than the national unemployment rate of 4.2 percent.¹⁵ A different measure of unemployment that includes discouraged (e.g., not in the labor force but looked for a job in the past year and want and are available for employment), underemployed, and unemployed workers showed higher levels of unemployment and higher labor underutilization compared to the standard measure, with average rates of 5.2 percent in 2019 and 4.5 percent for 2023 in New Hampshire.¹⁶



A combination of factors, including New Hampshire's aging population, the health risks exacerbated by the pandemic, temporary changes to household finances associated with the pandemic, and challenges to accessing affordable housing and child care, have resulted in significant declines in labor force



participation.¹⁷ The largest persistent declines in participation rates have been among younger adult workers, including those who are of ages that are more likely to have young children. The initial employment losses of the pandemic impacted women more dramatically than men, as women were more likely to work in key industries directly disrupted by the pandemic; women were also more likely to step back from the labor force to fill gaps in child care and family caregiving needs.¹⁸

The economic health of households is critical to the economy. In 2022, New Hampshire household financial security eroded and poverty rebounded after being reduced by federal policies to combat the impacts of the pandemic.¹⁹ Key national metrics suggest savings accumulated during the pandemic are being, or have been, depleted.²⁰ The average wage in the state appears to have fallen



behind inflation relative to 2021 in annualized data reported in 2023. With nearly



a third of Granite State adults surveyed reporting that paying for usual household



expenses is somewhat or very difficult, economic growth may be more likely to remain slow despite relatively favorable economic conditions.²¹ Providing targeted supports and making investments to expand opportunities for households to access key needs, including child care and housing, has the potential to substantially help New Hampshire's residents and economy thrive.²²



The high cost of housing in New Hampshire impacts all residents and is a key cause of the workforce constraint affecting the state economy. While the lack of housing has been a significant concern in the state for some time, the challenges have become more acute in recent years, particularly since the start of the COVID-19 pandemic.



MARKET FOR PURCHASING HOMES

The median sale prices of a single-family house increased about 76 percent statewide between the first halves of 2019 and 2024, with a considerable acceleration following the start of the COVID-19 pandemic. The median single-family house sale price in 2014 was \$227,500. By 2019, the median cost of a house in the state had risen to \$300,000. In 2021, the median price increased to \$395,000. As of the first nine months of 2024, the median single-family house price was \$515,900.¹ While housing constraints vary across different regions of the state, finding affordable housing is a struggle for residents statewide.

FIGURE 12

New Hampshire Median Single-Family House Sale Prices

Source: New Hampshire Association of Realtors, Monthly Indicators



The lack of housing contributes substantially to the increase in housing costs. In 2023, the New Hampshire Housing Finance Authority estimated the state had a shortage of 23,500 housing units relative to the number needed to stabilize the housing supply.² Factors such as zoning or land use laws that restrict the building of housing units, as well as increased labor and construction costs, may all contribute to the shortage of housing in the state.



RENTAL HOUSING

New Hampshire’s rental vacancy rate is substantially below comparable national figures. The New Hampshire Housing Finance Authority identifies that a vacancy rate of about 5 percent reflects a balanced apartment rental market, which allows for a smoother transition of people into, out of, and between rental units. This vacancy rate also helps ensure there is a sufficient supply of affordable rental units. However, New Hampshire’s vacancy rate has been very low, indicating a severe shortage of rentable dwellings across the state. In 2019, the statewide vacancy rate for two-bedroom apartments was 0.8 percent, and it dropped to 0.6 percent by mid-2023.³ By comparison, the overall national vacancy rate was approximately 6.6 percent for the second quarter of 2024, suggesting New Hampshire’s rental housing market was experiencing a more severe shortage than the shortage being experienced nationwide.⁴

Due to limited available rental units, the cost of rent has been rising. In 2019, the median rental rate for a two-bedroom apartment in the state, including utilities, was estimated at \$1,347 per month. Data collected during 2024 showed the median rental price for two-bedroom apartments statewide had risen to an estimated \$1,833 per month.⁵ During most of the past decade, rental rates in the state have been rising faster than inflation and average wages.

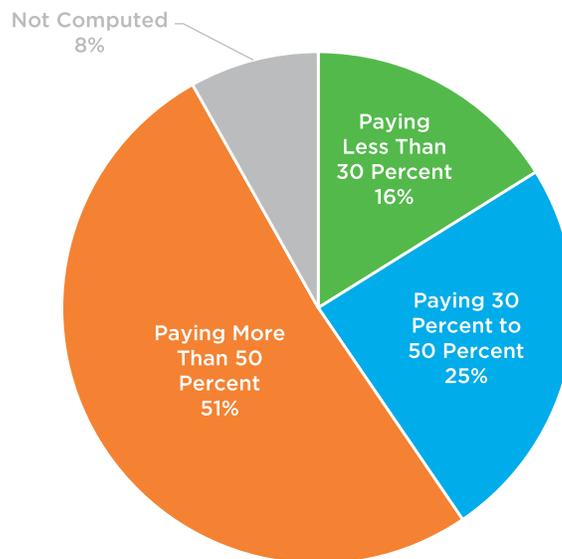
In 2023, the median household income of renter households in New Hampshire was about \$53,816, while the median household income of homeowners was about \$114,853.⁶

FIGURE 13

Rent and Utilities Payments as a Percentage of Household Income for New Hampshire Renters with Low Incomes

Percentage of Income Paid by Renter Households with Less Than \$35,000 Annual Income (33 Percent of All Renters), From 2018 to 2022

Source: U.S. Census Bureau, American Community Survey, 2018-2022 5-Year Estimates



Renters who spend more than 30 percent of their income on total rental costs may be cost-burdened and have trouble affording other expenses. In 2023, an estimated 51 percent of renters in New Hampshire were paying more than 30 percent of their income on rental costs.⁷ During the 2018 to 2022 period, about three-quarters of renter households with incomes below \$35,000 per year paid more than 30 percent of their incomes on rental costs.⁸



UNHOUSED GRANITE STATERS

Granite Staters facing increased housing costs, accelerated by the pandemic, are also at greater risk of becoming unhoused. The U.S. Government Accountability Office estimated that a \$100 increase in median rent was associated with a 9 percent increase in the unhoused rate.⁹ Point in time estimates of the unhoused population are taken once per year nationwide, typically in January, through the Continuum of Care Program.¹⁰ These estimates are an official count of the number of people experiencing homelessness, and include those who are both sheltered and unsheltered. According to the most recent point-in-time count, the number of people experiencing homelessness in New Hampshire increased by about 52 percent between 2022 and 2023, a much faster rise than the about 8 percent increase from 2021 to 2022.¹¹

Due to increased rental costs, families may have to relocate to afford their homes. Frequent moving may have long-term effects for children including increased likelihood of poor mental health, educational, and behavioral outcomes, which may have adverse, life-long impacts on both the health and financial well-being of families as well as the state economy.¹² Higher rental costs may have also contributed to the increase in the number of evictions since the COVID-19 pandemic. The total number of landlord-tenant eviction writ filings in New Hampshire increased by about 66 percent from 2020 to 2023, encompassing a temporary eviction moratorium in New Hampshire followed by federally-funded rental assistance. The number of eviction writ filings in 2023 was similar to 2019 pre-pandemic numbers.¹³ According to Princeton University's Eviction Lab, the number of evictions in New Hampshire per 100 renters was double that of neighboring Vermont in 2018, and a higher rate than any New England state except for Rhode Island.¹⁴



A lack of stable, affordable housing puts families at risk for both temporary and chronic homelessness. This risk is especially pronounced among certain populations in New Hampshire. The New Hampshire Coalition to End Homelessness reported in 2023 that people identifying as Hispanic were more than twice as likely to experience homelessness, and Black or African American Granite Staters were four times as likely to experience homelessness, as white residents.¹⁵ Additionally, a survey conducted by ABLE NH suggested an elevated risk of housing insecurity for people with developmental or intellectual disabilities.¹⁶





HOUSING AND THE ECONOMY

- Granite Staters at all income levels are affected by rising housing costs, but those with lower incomes are disproportionately impacted, as they are more likely to be cost-burdened by housing expenses and rising prices. The disproportionate impacts on people with lower incomes means the lack of affordable housing is more likely to be a severe constraint for young individuals and families, households headed by a single parent, and those identifying as a member of certain racial or ethnic minority groups. The high costs of rental units and their associated cost burdens for lower-income households make achieving economic stability more challenging for many of these Granite Staters.
- The lack of affordable housing has significant demographic and workforce impacts. The housing shortage limits New Hampshire's ability to attract and retain a younger and more diverse population. As older Granite Staters leave the workforce, the housing shortage will leave businesses struggling to hire a skilled, talented, and diverse workforce, if new potential workers cannot find affordable housing.

Finding solutions to help ensure a sufficient supply of available, affordable housing is key to supporting a vibrant and prosperous economy that serves all Granite Staters.



A healthy population contributes to more vibrant economies, lower health care costs, and increased lifespans. Health includes both individual and population-level factors that go far beyond formalized health care. Health is influenced by the social determinants of health, which include one's neighborhood, social status, educational access, health care quality, safety, financial resources, and more.¹ The New Hampshire Department of Health and Human Services defines these social determinants of health as "the conditions in which people are born, grow, live, work and age that affect a wide range of health risks, health outcomes, and quality of life."²



For example, income is a key indicator of resources available to individuals and families, which can impact health substantially.³ Income allows people to address their basic needs, such as food and housing, which in turn influences the health status of individuals and families. Households with lower incomes, particularly below or near poverty levels, are more likely to be food insecure and lack access to nutritious foods.⁴ People with low incomes are also more likely to have difficulty keeping up with the costs of prescription drugs and medical care.⁵ Additionally, people with low incomes experience difficulty in securing safe and affordable housing, and have an increased risk of being exposed to environmental pollution and hazardous material.⁶ Social determinants of health impact the lives of all individuals, and are affected by the systems designed to provide health care to Granite Staters.



ACCESS TO HEALTH COVERAGE AND SERVICES

Many New Hampshire residents have relatively good access to health care services, but other residents, particularly those in rural areas, may face additional barriers.⁷ Access to primary care varies considerably within the state. While there were only 530 people per every one primary care physician in Grafton County in 2021, there were 2,080 people for each one in Belknap County, with the ratio of patients to providers in the state's other eight counties falling between those two benchmarks.⁸ Limited primary care availability may mean that Granite Staters must wait longer to obtain appointments with their doctor or travel farther to access health care services. In 2019, New Hampshire residents living in rural areas, outside of southeastern New Hampshire, were almost two times more likely than those living in non-rural areas to travel more than thirty minutes one-way for a primary care visit.⁹ But these concerns are not limited to primary care, as Granite Staters may have to travel farther for specialty care services as well. For example, the availability of maternity care in New Hampshire's rural regions is a significant concern. Between 2000 and 2021, nine out of New Hampshire's sixteen rural hospitals closed their labor and delivery units. An analysis from the Urban Institute indicated that, as a result of these closures, the median driving time to the nearest labor and delivery unit in the Granite State doubled from 2000 to 2018.¹⁰





The level of health care availability and quality can affect how often one can visit their provider and use health care services. Delaying needed health care also has implications for the state’s labor force and economy. According to national data from the Urban Institute, about 15 percent of working age adults who delayed care during the COVID-19 pandemic experienced limitations in their ability to work.¹¹

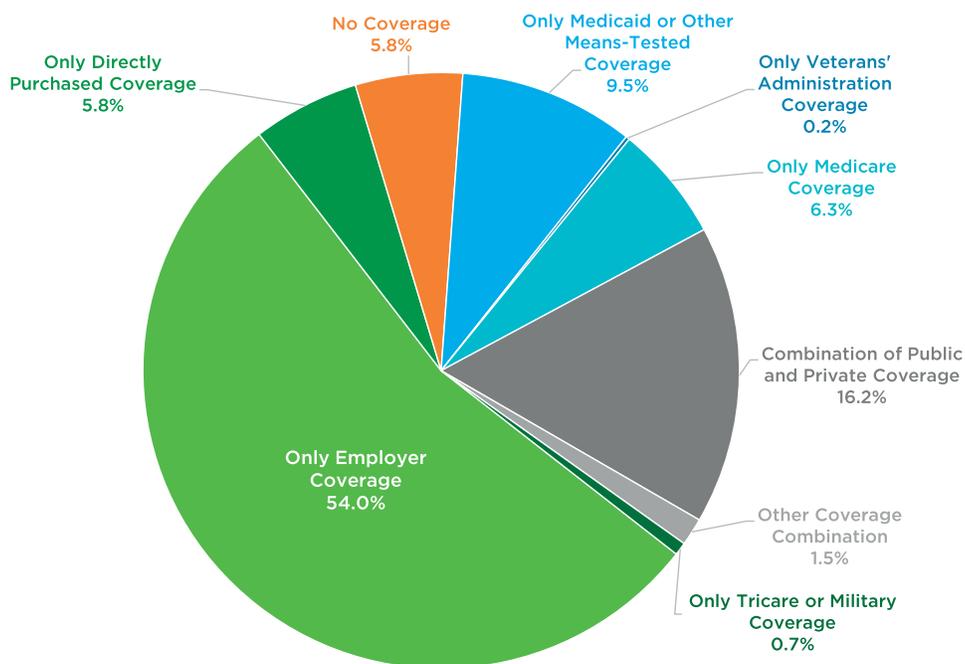
The frequency of obtaining care in New Hampshire varies. In 2022, just over three in four Granite State adults had visited a doctor for a routine appointment in the previous twelve months, however, about one in 22 reported last seeing a doctor five or more years prior.¹² Additionally, about one in ten reported not having a personal care provider in 2022.¹³ Granite Staters who are not able to access preventive care on a regular basis may have their life expectancy impacted due to an increased risk of chronic health conditions and mortality. Although the life expectancy of a Granite Stater was relatively high in 2020, at about 79.5 years old, life expectancy varied by county, with residents in three out of ten counties, Belknap, Coos, and Strafford, experiencing significantly lower life expectancies at 77.6, 77.2, and 78 years, respectively.¹⁴ In 2021, Belknap County and Strafford County had the largest population to primary care provider ratios, indicating that limited access to care might be related to lower life expectancies.¹⁵

Even when health care providers are available nearby, many Granite Staters may not have the financial resources to access these services. About 60.5 percent

FIGURE 14

New Hampshire Resident Health Coverage By Type

Source: U.S. Census Bureau, American Community Survey Five-Year Estimates, 2018–2022



of New Hampshire's population relied solely on private health insurance during 2018 to 2022. These individuals included approximately 54.0 percent of all Granite Staters who had coverage solely through their employer, and about 5.8 percent who relied only on insurance purchased directly, including through the individual insurance marketplace.¹⁶ About 78,768 Granite Staters, or about 5.8 percent of all residents, did not have health coverage of any form. That figure rose to about 11.2 percent for Granite Staters with incomes below the federal poverty threshold.¹⁷

The remainder of Granite Staters accessed health services through public insurance or a combination of public and private coverage. Data from 2018 to 2022 suggest about one in five New Hampshire residents (20.3 percent) were enrolled in Medicare, with about 6.3 percent of all residents relying on Medicare as their only health coverage.¹⁸ Generally, adults aged 65 years and older are eligible for health coverage under the federal Medicare program.

MEDICAID

Medicaid, a program distinct from Medicare, is a federal-state partnership designed to provide health insurance coverage to certain populations who may not otherwise have an avenue for accessing health care, including people with low incomes, those who have a disability, who are children, and who are pregnant. At the end of June 2024, 183,774 New Hampshire residents were enrolled in Medicaid, or about 13 percent of the estimated 2023 state population. This total included 9,308 adults over 64 years old and 88,914 children, including children with severe disabilities or in foster care.¹⁹



Although one in eight state residents are covered through Medicaid, the total number of beneficiaries in June 2024 was smaller compared to the same month in every year since 2019. Access to Medicaid was temporarily but substantially expanded during the COVID-19 pandemic through a continuous enrollment provision, which permitted beneficiaries to be continuously enrolled in Medicaid after their initial qualification and enrollment date, regardless of any change in their eligibility status during that time.²⁰ Upon expiration of continuous enrollment on April 1, 2023, New Hampshire began disenrolling people from Medicaid through a process known as the “unwind.”²¹

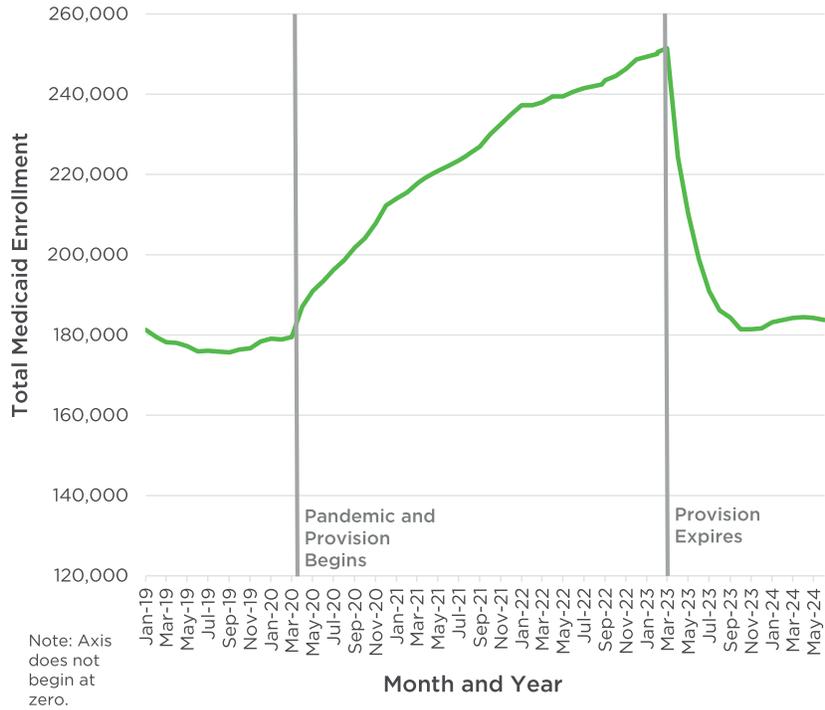
The total number of Granite Staters enrolled in Medicaid reached its peak at the end of March 2023, with 251,491 total enrollees. Medicaid enrollment dropped by about 26.7 percent in the year following the beginning of the unwind, dropping to 184,255 total enrollees by the end of March 2024. Medicaid's Granite Advantage Health Care eligibility group, which provides coverage to adults with incomes up to 138 percent of the Federal Poverty Guidelines, faced the sharpest declines since the beginning of the unwind, with more than one in three (38.5 percent) losing coverage between March 2023 and March 2024.²² Enrollees impacted by the unwind also included some residents who were receiving behavioral health care coverage through Medicaid.²³



FIGURE 15

New Hampshire Medicaid Beneficiaries Before, During, and After the Continuous Enrollment Provision

Source: NH Department of Health and Human Services, Monthly Caseload Reports, January 2019 to June 2024



Note: Enrollment numbers represent end-of-month totals.

BEHAVIORAL HEALTH

Mental health can have a profound impact on overall health. Survey data suggest that about three in ten New Hampshire adults experienced symptoms of either an anxiety or depressive disorder in 2020.²⁴ Comparatively, national data suggested about one in ten adults had anxiety or depressive disorders in 2019, prior to the COVID-19 pandemic.²⁵ While the percentage of Granite State adults reporting symptoms decreased in the first half of 2024 compared to 2020, a higher number were experiencing symptoms than prior to the pandemic.²⁶

The percentage of high school students reporting symptoms of anxiety or depression was similar to the percentage of adults reporting such symptoms during the pandemic. In 2021, about 36 percent of high schoolers in the Granite State experienced symptoms, with this percentage decreasing to about 32 percent in 2023.²⁷

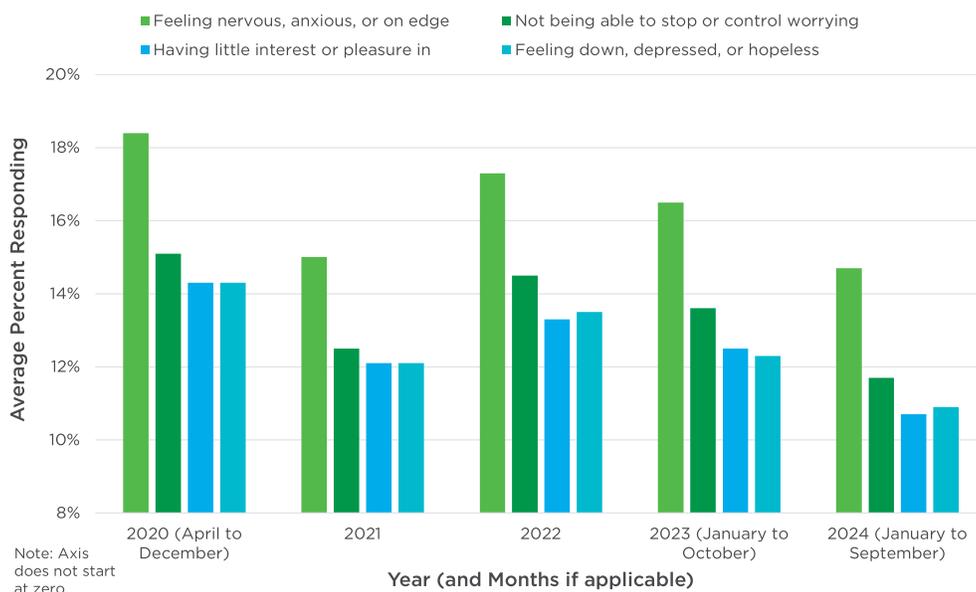
New Hampshire faces challenges providing needed mental health care. Hospital patients in the state may face a considerable waiting period for mental health services to become available as need has outpaced capacity.²⁸ In recent years, New Hampshire has made significant investments, including the establishment

FIGURE 16

New Hampshire Adults Reporting Symptoms of Anxiety or Depression

Average Percentage Reporting Symptoms Several Days, More than Half the Days, or Nearly Every Day

Source: U.S. Census Bureau, Household Pulse Survey, accessed October 2024



of statewide mobile crisis response units for children, to help address these growing needs. Despite investments, access to mental health providers varies throughout the state. While there were 170 people per every one mental health provider in Grafton County in 2021, there were 470 people for each one in Coos County based on total population counts, with the ratios of patients to provider in the state’s other eight counties falling between those benchmarks.²⁹



Substance misuse has also had a deep impact on the Granite State. The number of people in New Hampshire who died in a drug-related death was almost four times that of the number of people who died in a highway motor vehicle accident in each year between 2016 and 2022. During this time, drug overdose deaths peaked in 2017 with 490, and remained elevated at 486 confirmed deaths in 2022.³⁰ Unfinalized data for 2023 and 2024 suggest the number of people dying from drug overdoses may have declined from 2022, but still remains similar to annual deadly overdoses in the 2019-2021 period.³¹ The number of people receiving substance use disorder services through Medicaid each month slightly decreased between early 2020 and late 2023, after more than doubling between late 2016 and early 2020.³² That number has continued to remain steady since the pandemic began, as both health and economic strains exacerbated stress on individuals and families.



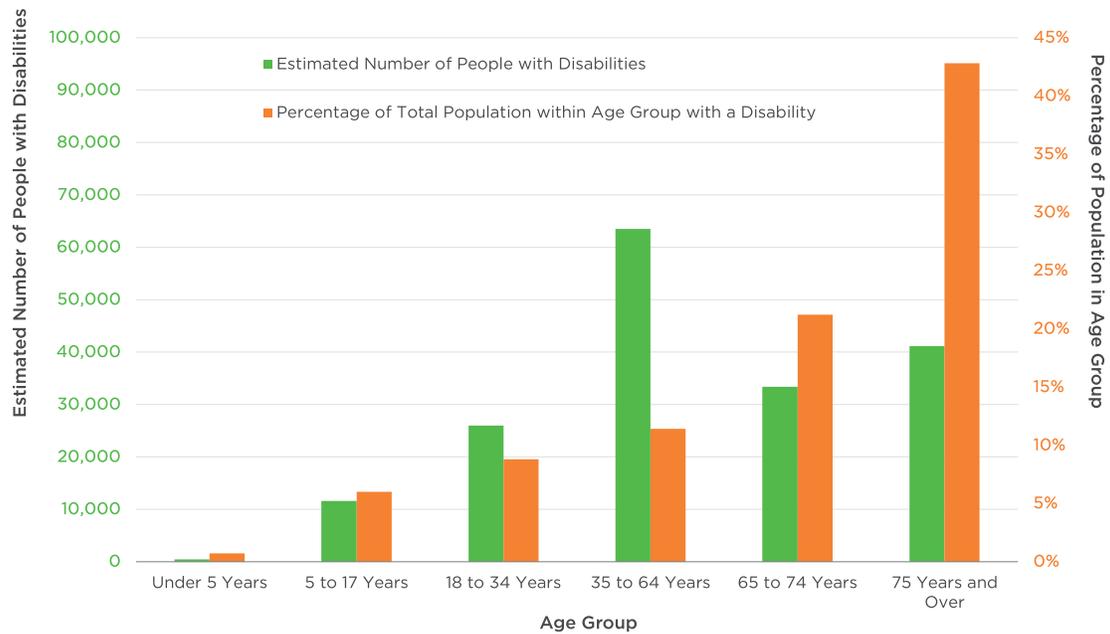
GRANITE STATERS WITH DISABILITIES

Based on data collected from 2018 to 2022, about one in eight, or 12.9 percent, of Granite Staters experienced a disability. Among those with a disability, including Granite Staters with multiple disabilities, about 43.3 percent experienced difficulty with mobility, about 40.3 percent with cognition, about 32.6 percent with independent living, about 30.5 percent with hearing, about 15.4 percent with self-care, and about 15.1 percent with vision.³³

FIGURE 17

New Hampshire Individuals with Disabilities by Age Group

Source: U.S. Census Bureau, American Community Survey Five-Year Estimates, 2018–2022



Older adults are more likely to have some form of disability. In New Hampshire, more than one in five adults aged 65 to 74 years had some form of disability during the 2018 to 2022 period, as did about 43 percent of adults aged 75 years and older.³⁴ For older adults with low incomes and limited assets, Medicaid funds long-term services and supports, both in nursing facilities and in homes or communities.³⁵ As New Hampshire’s adults age over the next two decades, the need for health care, transportation, and housing services will likely increase.



Food security, which is consistent access to enough food for an active and healthy lifestyle for all members of a household, is associated with better health outcomes for those who have it than for people who are food insecure. Data indicate food insecurity has increased since 2021. While anyone can experience temporary or long-standing food insecurity, households with low incomes are more likely to be food insecure, indicating a strong association between lack of access to food and poverty.¹ Key assistance programs can help improve access to nutritious and healthy food for families across the state.



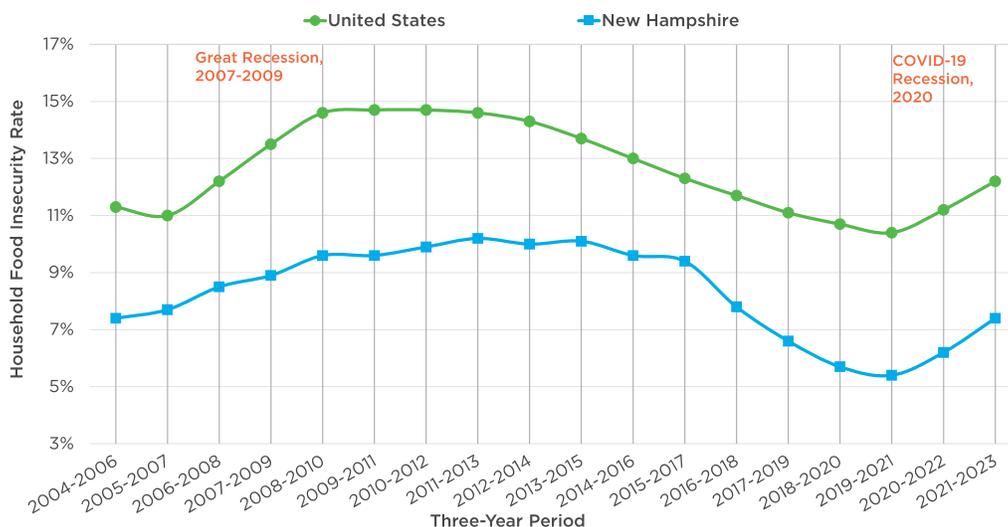
PREVALENCE IN NEW HAMPSHIRE

In New Hampshire, an estimated 42,300 households were food insecure during the 2021 to 2023 period. These data show an increase from the 2019 to 2021 period, when about 30,000 households were food insecure, the lowest estimated amount in the past two decades. The decrease in food insecurity during the first years of the COVID-19 pandemic followed a national trend, which may have been caused, in part, by COVID-19-related federal aid intended to assist with the economic impacts of the pandemic. Since the expiration of this temporary aid, food insecurity has rebounded to pre-pandemic levels.² Throughout these changes, the percentage of Granite State households experiencing food insecurity has remained lower than the national percentage.

FIGURE 18

Food Insecurity in New Hampshire and the United States

Source: U.S. Department of Agriculture Economic Research Service. Household Food Insecurity in the United States reports



Note: Each period of data represents an average of three years of data.

Food insecurity rates differ among communities across the Granite State. According to 2022 data from Feeding America’s Map the Meal gap model, the estimated county-level food insecurity rate in New Hampshire ranged from 13.3

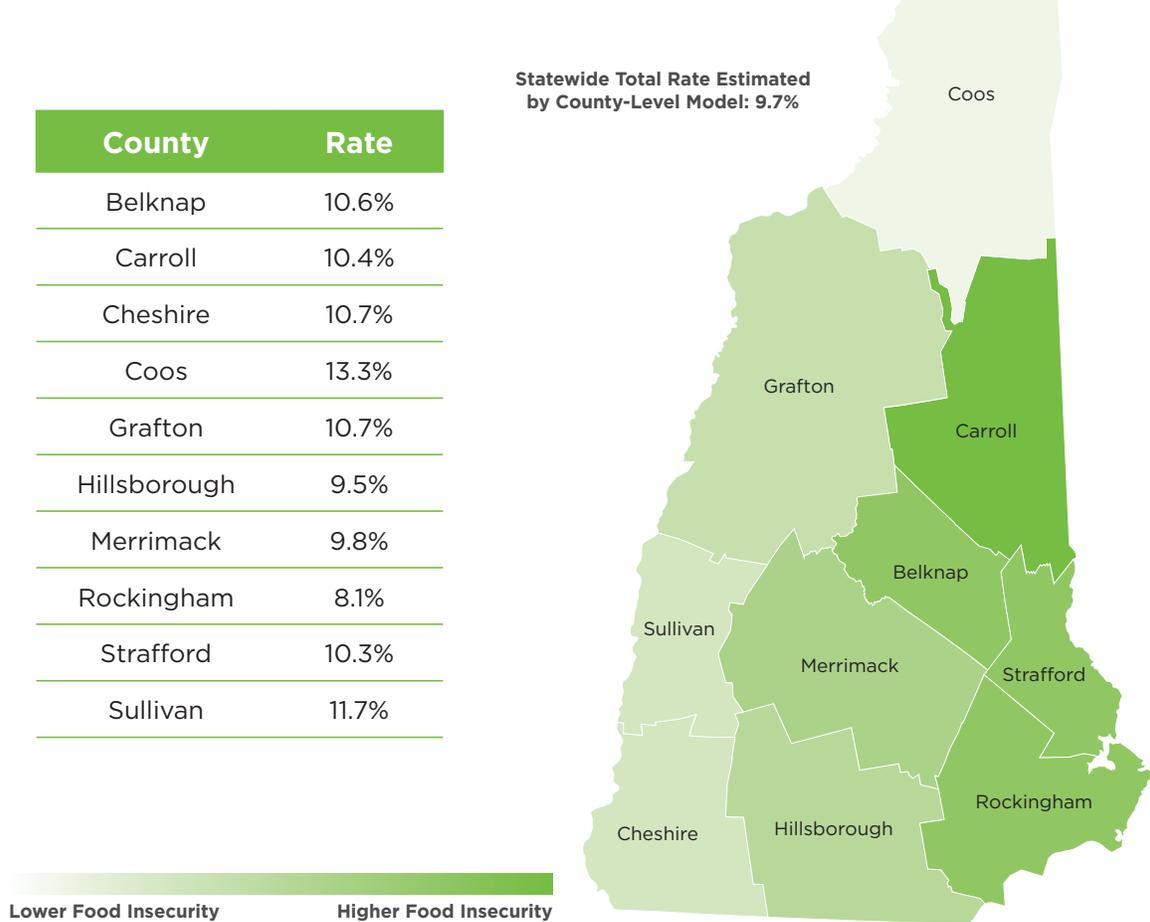


percent in Coos County to 8.1 percent in Rockingham County, both of which increased from their 2021 estimated rates of 10.2 percent and 5.4 percent, respectively. Rockingham, Hillsborough, and Merrimack counties were the only counties with estimated rates lower than 10 percent in 2022. However, these counties with the lowest rates also had the largest numbers of people experiencing food insecurity due to their larger population sizes.³

FIGURE 19

Estimated Food Insecurity by New Hampshire County

Source: Feeding America, Map the Meal Gap, 2024



HEALTH IMPACTS

- Adults who are food insecure are more likely to develop chronic health conditions and experience worsened mental health.⁴ Because adequate nutrition is critical to healthy development, food insecurity has a disproportionate effect on children’s health. Children from food insecure households are more likely than their food secure peers to experience developmental challenges, perform poorly in school, and face other adverse

health outcomes that could negatively impact life as adults.⁵ Food insecurity is more prevalent among adults and children identifying as Black or Hispanic, which could also have implications for health disparities among these groups.⁶



Residents of areas with few supermarkets and limited access to transportation are at a greater risk of being food insecure.⁷ Proximity to a grocery store may impact how often families can obtain fresh food, which could be a challenge in rural parts of the state, especially for Granite Staters without reliable access to transportation. Using 2019 data, the federal government's Food Access Research Atlas identified several rural communities in Carroll, Cheshire, Coos, and Grafton counties that had a majority of households with low incomes and in which a majority were more than ten miles from the closest grocery store.⁸ A separate 2019 analysis from the University of New Hampshire found significant geographies within Coos County and central Grafton County relied on convenience stores, rather than grocery stores, for local access to food.⁹ Nationally, convenience stores and supercenters, with higher prices and less variety of fresh food, are also becoming more common in rural communities compared to other full-service supermarkets in populated areas.¹⁰



PROGRAMS PROVIDING FOOD ASSISTANCE

Key federal and state aid programs are designed to help improve access to healthy food and reduce the risks facing individuals in times of economic hardship. The Supplemental Nutrition Assistance Program (SNAP), previously known as "Food Stamps" nationally, provides resources specifically for purchasing food.¹¹ National data show food insecurity is typically more prevalent among households with children, particularly those with young children, and among households headed by an individual identifying as Black or Hispanic.¹² SNAP disproportionately serves children in New Hampshire; at the end of July 2023, 36.3 percent of the 76,713 Granite Staters enrolled in SNAP were children, while children comprised only about 18 percent of New Hampshire's residents in July 2023. Separately, the Special Supplemental Nutrition Program for Women, Infants, and Children, also known as WIC, served over 13,000 individuals in 2023, most of whom were children and infants.¹³ While these programs assist families across the state, 2023 SNAP enrollment was highest in Stratford, Berlin, and Claremont, with 19.1, 15.9, and 15.9 percent of the municipalities' populations enrolled, respectively.¹⁴



While SNAP can help improve access to nutritious food, data suggests that the program has been underutilized. According to the U.S. Department of Agriculture, the Granite State ranked 32nd in the nation for SNAP enrollment in 2020, relative to the potentially eligible population, which was below the national average.¹⁵ Further, according to New Hampshire Hunger Solutions, program utilization is low among those age 60 or older, with only about 40 percent of eligible older adults enrolled in SNAP.¹⁶ In addition to being underutilized, SNAP's impact on families with low incomes may be limited. SNAP benefits equated to a maximum of about \$2.83 per meal based on data from October through December 2023, which was not enough to cover a meal in any county across the state.¹⁷

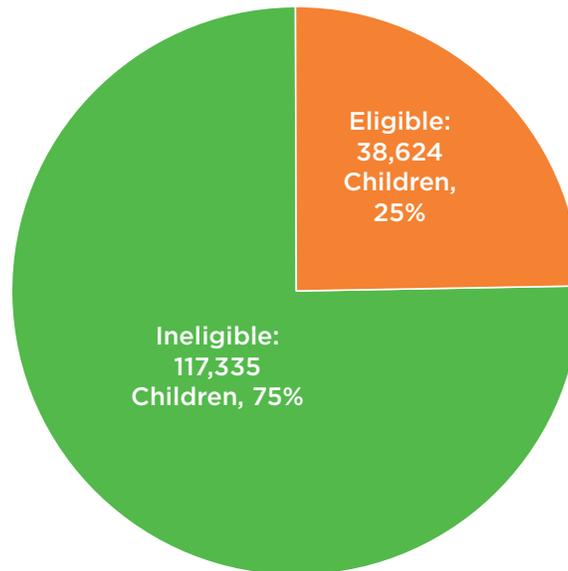


FIGURE 20

Free and Reduced-Price Meal Eligibility Among New Hampshire Students

As of October 2023, Grades K-12

Source: New Hampshire Department of Education, October 2023 Data, Grades K-12



Food assistance is also provided to children from households with low incomes who are attending school. In October 2023, nearly one in four New Hampshire students were eligible for free and reduced-price school meals. Similar to other food assistance programs, enrollment varied by community in the state.



Relatively high percentages of students were eligible for free or reduced-price school meals in Stewartstown (73.6 percent of students), Stratford (60.7 percent), Newport (56.5 percent), Warren (54.9 percent), and Franklin (54.0 percent).¹⁸ Students of color, who account for a growing percentage of all children, are more likely to be eligible for free and reduced-price meals, indicating fewer financial resources in their homes.¹⁹ Key research suggests food assistance programs help enhance food security, boosting the resources available for food and other needs among families with low incomes. This food



assistance likely helps improve the health and well-being of individuals and families both immediately and in the future.²⁰



The child care industry offers economic and child development benefits to families and New Hampshire as a whole, providing a critical support to the Granite State workforce.¹ In New Hampshire and elsewhere, however, there is currently a high need for child care services, but a lack of availability. Between 2018 and 2022, the state may have been short approximately 8,000 child care slots for children under six years old.² This mismatch would, in a typical market, create higher tuition prices and encourage the number of child care providers to increase. In reality, however, most programs cannot increase tuition enough to cover the true cost of high-quality care while still remaining affordable to families. These fragile economics result in parents paying relatively high and increasing tuition prices. At the same time, child care programs typically generate little or no profit, and early childhood educators receive low wages with few benefits.³



COSTS AND ASSISTANCE PROGRAMS

The average annual price for an infant and four-year-old child in center-based care in New Hampshire was \$31,868 in 2023, a 12.5 percent increase from \$28,340 in 2022.⁴ Meanwhile, in 2018-2022, a New Hampshire married couple with children with median-income earnings (\$145,289) would have spent nearly 20 percent of their household income on child care for an infant and four-year-old child at the 2022 price point. Median income earning single male (\$69,830) and female (\$46,283) householders with children spent 41 and 61 percent, respectively.⁵ These percentages do not account for subsidized tuition through government or private programs, such as the New Hampshire Child Care Scholarship.

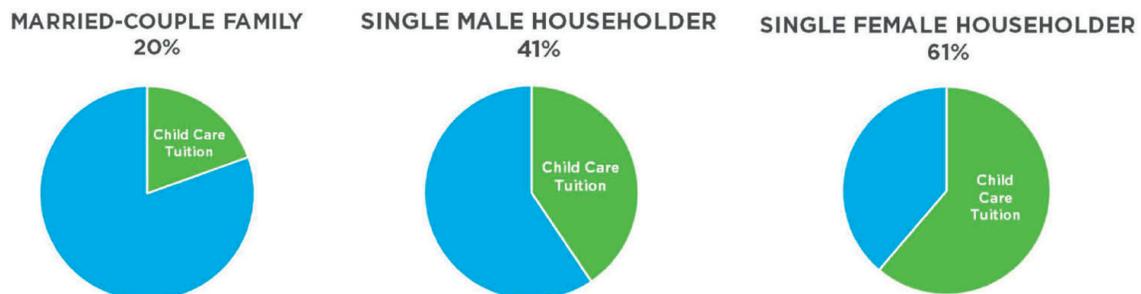
New Hampshire’s Child Care Scholarship is a state and federal partnership subsidy program that makes child care more accessible to eligible families with low and moderate incomes, helping enable parents or caregivers to look for employment, attend school, participate in a mental health or substance misuse treatment program, or participate in the workforce.⁶ In the State Fiscal Year (SFY)



FIGURE 21

Percentage of Median Household Income Needed for an Infant and Four-Year-Old Child in New Hampshire Center-Based Care

Source: Child Care Aware of America, American Community Survey 2018-2022 5-Year Estimates



Note: Figures use unsubsidized tuitions prices.



2024-2025 State Budget, the Child Care Scholarship family income eligibility cap was raised to 85 percent of the State Median Income.⁷ This means in 2024, a family of two is eligible for a scholarship if it earns less than \$77,134, and a family of three less than \$95,283, provided they meet all other eligibility requirements.⁸ Family cost share rates, or the portion families are required to contribute toward the child care scholarship subsidy, were also lowered for scholarship recipients as part of the SFYs 2024-2025 budget so that families pay no more than 7 percent of their household income toward child care cost sharing.⁹

Since the eligibility expansion in January 2024, enrollment in this program, which served over 3,400 children as of July 2024, has increased nearly 29 percent.

FIGURE 22

2024 New Hampshire Child Care Scholarship Income Eligibility

Source: New Hampshire Department of Health and Human Services, U.S. Department of Health and Human Services

| Family Size | Scholarship | No Cost Share | \$5 Cost Share |
|-------------|--------------------------------------|--|--|
| | Less than 85% of State Median Income | Less than or equal to 100% of Federal Poverty Guidelines | Between 100% to 138% of Federal Poverty Guidelines |
| 1 | \$58,985 | \$15,060 | \$20,783 |
| 2 | \$77,134 | \$20,440 | \$28,208 |
| 3 | \$95,283 | \$25,820 | \$35,632 |
| 4 | \$113,432 | \$31,200 | \$43,056 |
| 5 | \$131,581 | \$36,580 | \$50,481 |
| 6 | \$149,731 | \$41,960 | \$57,905 |
| 7 | \$153,133 | \$47,340 | \$65,330 |
| 8 | \$156,536 | \$52,720 | \$72,754 |

EMPLOYMENT AND WORKFORCE

When parents cannot work due to unmet child care needs, the size of the potential workforce declines, and local and state economies suffer. U.S. Census Bureau survey data collected between August 2023 to August 2024 suggest that, on average, nearly 16,500 New Hampshire residents were not employed each month because they were caring for a child not in school or a child care setting.¹⁰ In 2021, an analysis from the Bipartisan Policy Center estimated that New Hampshire households collectively lost between \$400 million and \$600 million in wages, or approximately \$452 million and \$678 million when adjusted for inflation to the first-half of 2024, respectively. When potential business losses and government tax revenues were added to the model, losses reached an estimated \$44,100 to \$66,816 per unavailable child care slot (or \$49,858 to \$75,522 in inflation-adjusted dollars for the first half of 2024).¹¹

Beyond allowing parents to work, high-quality early care and education provide long-term benefits to children’s development and strong returns on investment, especially among children in families with low incomes. Key research suggests three- and four-year-olds who attend high-quality early care

and education have better short- and long-term developmental outcomes, including enhanced language, literacy, mathematics, and socioemotional skills.¹² Moreover, longitudinal research suggests this type of education contributes to higher educational attainment, higher wages, lower health care costs, reduced need for public assistance, and lower likelihood of engagement in criminal activity later in life.¹³



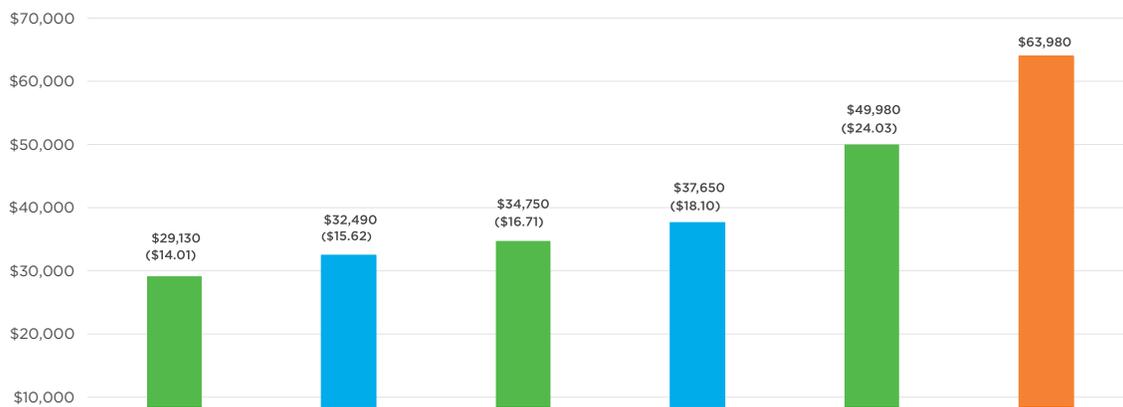
LIMITED SUPPLY

The early childhood educator shortage may be driven, in part, by low wages. In 2023, the median hourly wage for a New Hampshire child care worker was \$15.62 an hour. This equates to \$32,490 annually, only \$2,490 more than the 2023 federal poverty guideline for a family of four (\$30,000), and approximately half of the 2023 median salary for New Hampshire’s kindergarten teachers (\$63,980).¹⁴ New Hampshire’s preschool teachers earned a median annual salary of \$37,650 in 2023, which is \$2,900 more than retail salespersons (\$34,750), but approximately \$12,000 less than the median annual salary and wage income of all New Hampshire occupations (\$49,980).¹⁵

FIGURE 23

2023 Median Annual Salaries for Selected New Hampshire Occupations

Source: U.S. Bureau of Labor Statistics, May 2023 State Occupational Employment and Wage Estimates



Notes: Hourly wages are in parentheses. Kindergarten teacher income is only reported as an annual salary.

FEDERAL AND STATE INVESTMENTS

Since SFY 2016, over \$555 million in federal and State funding has been deployed by the State to support the child care sector.¹⁶ However, \$145.9 million of those funds (26 percent) were one-time federal relief dollars associated with the COVID-19 pandemic.¹⁷ An additional \$15 million (3 percent) of the \$555 million were one-time State funds for the child care workforce that were distributed during early SFY 2025.¹⁸ As of the first quarter of SFY 2025, all one-time pandemic-related federal aid for early childhood education was required



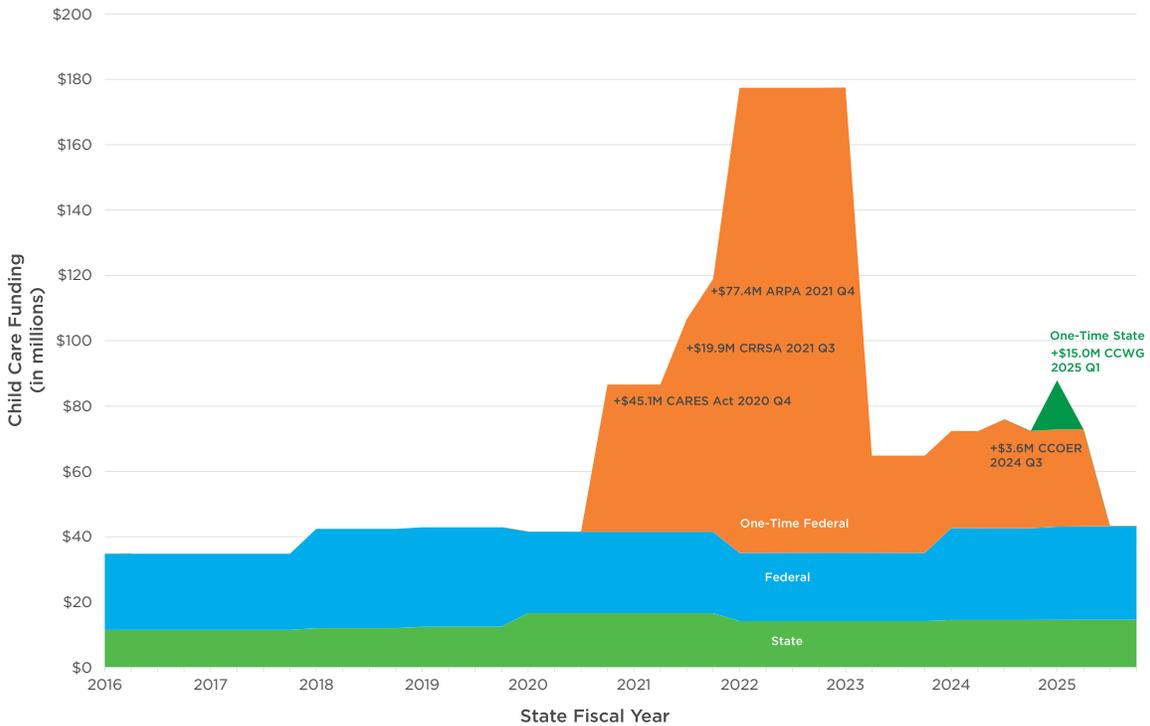


to be spent, leaving approximately \$43.1 million dollars remaining for the sector until the next budget cycle. This equates to about 0.6 percent of the entire SFY 2025 budget of approximately \$7.5 billion.¹⁹

FIGURE 24

New Hampshire Child Care Funding

Source: New Hampshire Department of Health and Human Services Division of Economic Stability report: New Hampshire Child Care COVID Funding. August 21, 2023. NH Connections CCWG Overview and Timeline document. Accessed December 21, 2023. NH Connections Child Care Operating Expense Reduction Grant Program Application Overview as of October 24, 2023. Accessed January 2, 2024.



Notes: *Anticipated dissemination of New Hampshire's Child Care Workforce Grant (CCWG). Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and American Rescue Plan Act (ARPA)-Stabilization funds expired September 30, 2024.

Increased, consistent funding allocations toward New Hampshire's early childhood education infrastructure may help ensure more long-term stability. The challenges faced by the early childhood education sector existed well before the pandemic, and on-going support could help ensure high-quality early childhood education is available and affordable to bolster the state's workforce, equip New Hampshire's children with pre-academic and socioemotional skills, and grow the Granite State economy.





Education is a core public service and key to a well-informed citizenry. Education supports social mobility, opening doors to greater access to job opportunities and helping build financial stability.¹ Higher levels of educational attainment are associated with higher levels of health and well-being later in life, including longer lifespans.² Educational attainment is also correlated with lower levels of unemployment and poverty.³ Investing in education and training opportunities for a skilled and well-educated workforce is vital to supporting both the individual lives of Granite Staters and the state economy overall.



EDUCATIONAL ATTAINMENT

New Hampshire's population has a relatively high level of formal education. About 94.4 percent of Granite State residents over 25 years old held at least a high school diploma or equivalent in 2023, and approximately 40.7 percent had a bachelor's degree or above.⁴ These percentages are higher than the national figures of 89.9 percent and 36.2 percent, respectively.⁵ While New Hampshire's high school graduation rate is similar to neighboring Maine and higher than all other New England states except Vermont (95.5 percent), the percentage of New Hampshire's population holding a bachelor's degree or above falls below that of several other New England states including Massachusetts (47.8 percent), Vermont (43.7 percent), and Connecticut (42.9 percent).⁶ The median earnings of individuals aged 25 and over increase with the level of formal education attained, making investment in the Granite State's public education system vital to the long-term economic stability of New Hampshire's residents.⁷

K-12 PUBLIC EDUCATION

Local public education in New Hampshire is primarily administered by school districts covering individual cities and towns or encompassing collaborative efforts among multiple municipalities. During the 2022-2023 school year, about 61 percent of school district funding for local public education was collected through local property taxes. Approximately 26 percent came through Adequate Education Aid from the State, including State property taxes raised and retained locally. Most Adequate Education Aid is allocated through grants on a per-pupil basis. These grants depend on several factors, including the number of students who are English language learners, who have special education needs, and who live in households with low incomes. Federal grants provided about 9 percent of local school district revenue, which was relatively high due to one-time funding related to the COVID-19 pandemic, while other State aid and other locally generated revenue comprised the remainder of revenues.⁸



Significant inequities in education funding exist across New Hampshire due to the heavy reliance on local property taxes to raise revenue. Since property valuations vary substantially between school districts, as does the number of students served, there are significant disparities in the resources available for and invested in each student across town and city borders.⁹ Greater support for education from the State



could help alleviate these disparities. While New Hampshire had the 10th highest estimated total revenue per pupil from all sources among the 50 states in fiscal year

- 2022, it ranked 34th in state revenue per pupil and had the smallest percentage of local public education revenue coming from the state government (29 percent).¹⁰ By directing more resources to districts with lower property values and students with lower incomes, the State could help address issues of education inequity and strengthen New Hampshire’s future workforce.

FIGURE 25

State Funding for Elementary and Secondary Public School Education as a Percentage of All Revenue to These Schools, Fiscal Year 2022

Source: U.S. Census Bureau, 2022 Annual Survey of School Systems Finances

| State or Nation | Percentage Funding for Local Public Education from State Sources | Estimated Rank Among 50 States |
|----------------------|--|--------------------------------|
| Vermont | 87.4% | 1 |
| Hawaii | 84.7% | 2 |
| Nevada | 69.3% | 3 |
| Arkansas | 67.0% | 4 |
| Kansas | 65.2% | 5 |
| United States | 44.0% | -- |
| Florida | 32.3% | 46 |
| Texas | 31.0% | 47 |
| South Dakota | 30.6% | 48 |
| Nebraska | 30.0% | 49 |
| New Hampshire | 29.4% | 50 |

HIGHER EDUCATION

The Granite State is home to both public and private universities and colleges, as well as public community colleges, which provide a range of opportunities for higher education within the state. The state has both a public university system and a community college system. The University System of New Hampshire is comprised of Keene State College, Plymouth State University, University of New Hampshire – Durham, University of New Hampshire – Manchester, and the University of New Hampshire School of Law; while the Community College System of New Hampshire includes seven colleges with eleven campuses located in Berlin, Claremont, Concord, Keene, Laconia, Littleton, Manchester, Nashua, Portsmouth, and Rochester.¹¹

Both prior to and during the pandemic, New Hampshire increased investments into public higher education, but still fell below every other state.¹² In fiscal year 2024, New Hampshire budgeted \$125 dollars for public higher education for every person in the State.¹³ The next-lowest funder of public higher education that year was Pennsylvania at \$158 per capita while the national average was \$378. Similarly,

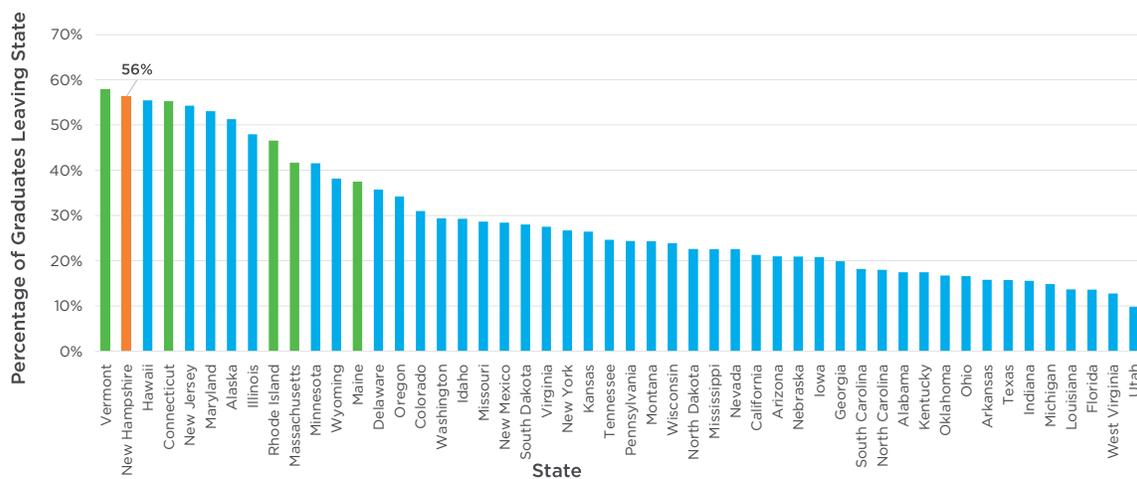
New Hampshire spent \$3,990 per full time equivalent student in 2023. The next-lowest funder was Vermont at \$5,649, while the national average was \$11,040.¹⁴

Relative to other states, these low funding levels may contribute to higher education costs for students. New Hampshire students face some of the nation’s highest in-state tuition rates of public four-year universities and colleges with 2024-2025 in-state tuition and fees ranging from more than \$14,500 at Keene State College and Plymouth State University to over \$19,000 at the University of New Hampshire-Durham.¹⁵ These high costs may contribute to more high school graduates leaving the state for more affordable opportunities. In 2020, the most recently available data, New Hampshire had the nation’s second-highest percentage of recent high school graduates going out of state to attend a four-year college or university at 56 percent, second only to Vermont’s 58 percent.¹⁶

FIGURE 26

Percentage of Recent High School Graduates Seeking Four-Year Degrees That Leave Home States to Attend College or University

Source: U.S. Department of Education



Notes: Includes Graduates from Prior 12 Months, Based on Fall 2020 Higher Education Enrollment

Low state funding for public higher education may also result in increased student loan debt. Data for 2020, which are the most recent available, found graduates from New Hampshire’s colleges and universities who have higher education loan debt carry the highest average debt, at \$39,950, compared to all other graduates in the country.¹⁷ Additionally, New Hampshire ranks second for the highest percentage of graduates (70 percent) with student debt.¹⁸ Student debt burden is not equally distributed across racial and ethnic groups. A 2022 national report from the Institute of Education Sciences revealed that Black bachelor’s degree graduates who completed their degrees in 2015 or 2016 and had federal loans owed, on average in 2020, 105 percent of the original amount borrowed through federal loans, with interest costs increasing the total debt





amount beyond the original value. In contrast, graduates who were white and not Hispanic or Latino owed approximately 73 percent of the original loan value during the same period. American Indian or Alaska Native graduates owed approximately 87 percent, Asian graduates owed 63 percent, Hispanic or Latino (of any race) graduates owed 84 percent, Native Hawaiian or Other Pacific Islander graduates owed 82 percent, and graduates identifying as two or more races owed 84 percent.¹⁹

-  In addition to the individual financial ramifications, academic research
-  suggests that higher student debt is related to a variety of factors that directly
-  and indirectly influence state and local economies. These factors include lower rates of homeownership, more demand on the rental market resulting in increased prices for rent, and poorer health-related decisions that contribute to later health problems.²⁰

POST-SECONDARY EDUCATION, JOB TRAINING, AND BUILDING A STRONG WORKFORCE

The Granite State is experiencing a long-predicted workforce shortage that is, in part, related to an aging New Hampshire population and has been further

-  exacerbated by fewer residents who are employed or looking for employment
-  than were prior to the pandemic.²¹ Future workforce constraints in key industries could be disproportionately severe due to a lack of qualified job candidates. State projections suggest some of these shortfalls will occur in industries that typically require college degrees.

Four of the ten occupations with the largest projected ten-year growth, and three of the top five, are in fields that require college degrees. These include registered nurses, general and operations managers, accountants and auditors, and software developers. Of the other professions in the top ten, two require some postsecondary credential or training (carpenters and truck drivers), and the remaining positions are in sales and supervisor positions that do not typically require postsecondary training.²²

As New Hampshire seeks to bolster its economy and expand its workforce pipeline, greater investments in education will be key to helping ensure broad access to opportunity and to building a vibrant and resilient economy. High quality schools can serve as anchor institutions for communities and help attract new families and residents into the state. As New Hampshire's population grows older, the state's future economic success will be impacted by its ability to both attract and retain young people and to invest in the individuals and families already in New Hampshire. Expansions of educational opportunities, especially for Granite Staters who currently face difficulty accessing them, can help to build a more enriched and vibrant New Hampshire for everyone.



New Hampshire's transportation infrastructure includes the roads, bridges, railroads, bus routes, pedestrian and bicycling trails, airports, ports, and waterways used to move people and goods to destinations that support national and international commerce. These transportation systems are essential for residents, visitors, and goods moving in, out, and across the state.



ROADS AND BRIDGES

With Granite Staters heavily reliant on motor vehicles to travel, well-maintained roads and bridges are of critical importance. The maintenance of roads is a shared responsibility between State and local governments in New Hampshire, with significant federal funding supporting key road projects. According to information published in 2024, the New Hampshire Department of Transportation (NHDOT) managed 4,598 (27.5 percent) of the 16,725 miles of public roads in the state, with the remainder managed by local governments.¹ Of NHDOT's road miles, about 75 percent were reported eligible for federal funding to support improvements and repairs in 2023, while the remaining 25 percent were only eligible for State funding.² In addition, the State managed 2,159 State-owned bridges.³

The State reported well-maintained major roads in July 2024, with nearly 100 percent of divided highways and 94 percent of statewide corridors in good or fair condition. However, only 88 percent of regional corridors, and 63 percent of local connectors, were in good or fair condition, with the rest in poor or very poor condition.⁴

Local governments were responsible for about 12,127 miles of roadway in New Hampshire in 2024.⁵ An additional 1,690 bridges were under the jurisdiction of New Hampshire's municipalities.⁶ Rural communities with lower population densities often have more miles of road per resident to maintain. They may depend on more State funding for maintenance compared to localities with a larger property tax base. Rural communities with lower incomes and smaller tax bases may also find it particularly challenging to afford the high costs for road and bridge repairs with locally generated funds.

As state and local governments budget for planned repairs or replacement of roads and bridges, policymakers may have to amend plans for an increased deterioration rate as construction methods and materials have a shorter life span because of a changing climate. Engineers have noted that increased temperatures and more frequent extreme heat events can significantly affect transportation infrastructure.⁷



PLANES, TRAINS, AND TRAILS

New Hampshire had 133 registered airports in 2021. As of 2024, 25 airports were open to the public, including three served by commercial passenger airlines.⁸ Manchester-Boston Regional Airport is the largest commercial airport located in the Granite State.



As of August 2024, the NHDOT reported approximately 443 miles of operating rail lines, of which over 200 miles were maintained by the State government. Two privately-owned Amtrak rail lines serve New Hampshire, including the Downeaster, which stops in Dover, Durham, and Exeter on its path from Maine to Massachusetts, and the Vermonter, which runs along the Connecticut River and stops in Claremont. Tourists are also carried short distances on the Conway Scenic Railroad, the Mount Washington Cog Railway, and the rail lines operated by Granite State Scenic Railways, while other active rail lines in New Hampshire are dedicated to freight.⁹

As of 2022, New Hampshire was also home to 27 state-owned rail trails that totaled 338 miles. The longest trail, the Northern Rail Trail, is approximately 58 miles and stretches from Boscawen to Lebanon, while the shortest trail, Profile Rail Trail, is a 1.5-mile trail in Bethlehem. Rail trails may have considerable economic impact through the recreation, tourism, and commuting opportunities they offer. A 2022 economic impact analysis of nine New Hampshire rail trails revealed the trails generated over \$2.7 million dollars in tax revenue and supported over 160 jobs.¹⁰

PUBLIC TRANSPORTATION

New Hampshire has limited public transit options for residents across the state. Many communities have made efforts to establish local public transit, often benefiting from federal and private grants. Based on NHDOT-reported information in 2024, there are 12 local bus systems in the Granite State, primarily based in cities in the state but also serving more rural areas, such as Carroll County and towns in the White Mountains. Several intercity bus routes also provide access to interstate travel, primarily to metropolitan Boston.¹¹ In State Fiscal Year 2024, the NHDOT reported approximately 2.5 million combined public transit rides across the state, an 18.2 percent increase from 2023. Though this is only about 76 percent of ridership compared to 2019 pre-pandemic rates, there has been a consistent increase in the number of rides taken on public transit since 2022.¹²

Despite these efforts, only 34 of New Hampshire's communities have a regular fixed bus route, according to the New Hampshire Transit Association. Additionally, the Association, in collaboration with Transport New Hampshire, determined that 2019 funding levels for public transportation in New Hampshire, including state and federal funding, ranked 49th in the nation. While some communities that lack fixed routes have volunteer or non-profit efforts to support transportation services, particularly for older adults, an overall lack of public transportation infrastructure limits Granite Staters' access to reliable transportation.¹³

-  New Hampshire's lack of public transit may disproportionately impact certain populations. Data collected in New Hampshire between 2018 and 2022 show people with lower incomes made greater use of public transit; while about 32 percent of people who drove to work alone made less than \$35,000 per year, about half of public transit commuters (46.8 percent) had similarly low incomes. About 5.3 percent of people who drove to work alone were within 150

percent of the poverty threshold, compared to 15.4 percent of public transit riders.¹⁴ Furthermore, about 1.5 percent of New Hampshire households had no vehicles available.¹⁵

GETTING TO WORK

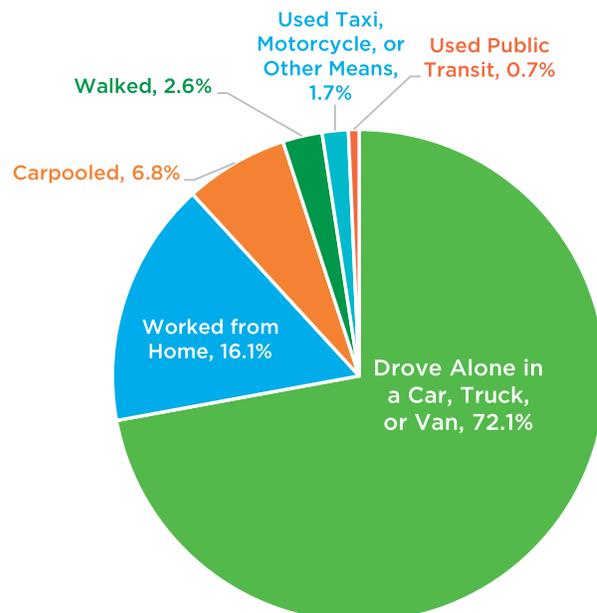
Most New Hampshire residents primarily relied on cars, trucks, and vans to get to work during 2023. Approximately 79 percent of workers age 16 and over traveled by motor vehicle to their jobs; about 7 percent of all workers carpoled, while just over 72 percent drove alone. About 3 percent walked and approximately 2 percent took a taxicab, motorcycle, or some other means. Only an estimated 0.7 percent of commuters took public transit to work. Although this number may be low, marginalized communities and those with low incomes are more likely to rely on public transit to get to work. These communities include people who speak languages other than English at home, who identify as Hispanic or Latino, who were born outside of the U.S., and who work in service occupations. The current public transit infrastructure in New Hampshire is not a time-efficient means to get to work; while the average commute time for people driving alone or carpooling was slightly more than 27 minutes, the average commute time by public transit was about 62 minutes, requiring more time out of the day even for those who have access to public transit.¹⁶

About 16 percent of working Granite Staters connected remotely from home in 2023, an increase from about seven percent in 2019, but a decrease from approximately 19 percent in 2021.¹⁷

FIGURE 27

New Hampshire Resident Transportation to Work

Source: U.S. Census Bureau, American Community Survey One-Year Estimates, 2021



Notes: Data include workers age 16 years and older.



FEDERAL INVESTMENTS AND ONGOING MAINTENANCE

- § The federal government has enhanced funding for transportation systems through the Infrastructure Investment and Jobs Act, which boosted funding for existing federal grants and provided funding for new transportation initiatives. The NHDOT projects federal funding over a five-year period from 2022 to 2026 for New Hampshire's highway programs will increase by about \$244.1 million (24.5 percent) compared to the prior five years, and public transportation funding will increase by an estimated \$33.6 million (34.4 percent). New funding dedicated to bridges (\$225.0 million), airports (\$45.6 million), and electric vehicle charging stations (\$17.3 million) is also expected to flow to the State from the Infrastructure Investment and Jobs Act during this time frame.¹⁸ The DOT projects that, with these added investments, the number of structurally-deficient State bridges would drop from 119 in 2023 to 90 in 2026, but will return to 118 in 2034 as more bridges age and become structurally-deficient.¹⁹ The DOT still expects to pave fewer miles of roads in the coming decades, even with the funding increase, and road conditions are expected to decline.²⁰
- 📍 While federal funding for transportation in New Hampshire is increasing, the Granite State has some of the lowest per capita transportation funding in the country, ranking 44th among US states at just \$0.33 per resident in 2021.²¹ The median per capita spending for all US states during that year was \$5.70. Continuous maintenance and repair can help lengthen the lifespan of transportation infrastructure. Keeping roads and bridges in good condition, rather than delaying repairs until they deteriorate, is generally more cost effective; in 2016, the NHDOT reported that preserving bridges can have a benefit-cost ratio as high as ten to one.²²

Additional upgrades and maintenance will likely be needed. The American Society of Civil Engineers, in their most recent state-specific assessment from 2017, gave New Hampshire's roads, bridges, and rail lines each a grade of C-, while aviation earned a C+, and ports received a D+ as a grade.²³

Reliable transportation and the infrastructure that supports it are critical to people's lives and livelihoods. Ongoing public investments in the roadways and bridges that people rely upon, as well as public transit options and the efficient movement of goods throughout the state, can both enhance access to transportation and employment options and help reduce long-term costs for the State, local governments, and all Granite Staters.



The internet is vital for accessing education, health care, informational resources, goods and services, and job opportunities in the modern economy. Expanding access to broadband infrastructure, especially in rural areas where access to high-speed internet is more limited, is linked to increases in population growth, the availability of jobs, more new businesses, higher property values, and lower unemployment rates.¹



INTERNET COVERAGE IN NEW HAMPSHIRE

According to U.S. Census Bureau data collected from 2018 to 2022, an estimated 95 percent of Granite Staters were in a household with a computer, smartphone, tablet, or other computing device, while 85 percent had a desktop or laptop. About 91 percent resided in households with some form of broadband internet subscription, including a cellular data plan or a satellite connection; 82 percent had a cable, fiber optic, or DSL broadband subscription, excluding cellular and satellite plans. An estimated nine percent did not have any type of internet coverage; however, there was considerable regional variability with rates ranging as high as 13 or 14 percent in Coos, Sullivan, and Grafton counties to as low as 5.6 percent in Rockingham County. Five percent of Granite Staters did not own any type of computing device, including a smartphone or tablet, and approximately five percent owned only a smartphone and no other form of computing device.²

An assessment from BroadbandNow, a national research organization that uses both public and private-sector data to estimate internet access, ranked New Hampshire second among the 50 states and the District of Columbia in its 2024 report based on wired or at-home wireless internet coverage, speed, and price. BroadbandNow estimated that about 96.8 percent of New Hampshire residents could locally access internet with connection speeds at 25 megabits per second download and 3 megabits per second upload, which are speeds the U.S. Federal Communications Commission define as “broadband.” BroadbandNow notes, however, 25 megabits may be inadequate to adequate internet speed for many activities and that 100 megabits would be a more appropriate definition of high-speed. When the availability of 100+ megabits connection speed was applied to New Hampshire, access dropped to an average of 92.7 percent, ranging from 70 percent availability in Coos County to 99.8 percent in Rockingham County.³

COST OF INTERNET ACCESS

While broadband internet coverage carried by wired infrastructure reaches most Granite Staters, the cost of internet service may be prohibitive for many people. BroadbandNow, which defines low-priced wired internet plans as costing \$60 per month or less, calculated that 71.4 percent of have access to a low-priced plan. As of 2024, New Hampshire and Maine had the largest percentage of residents (71.4 percent) with access to low-priced broadband plans among New England states, with 54.5 percent of Rhode Island and Connecticut residents





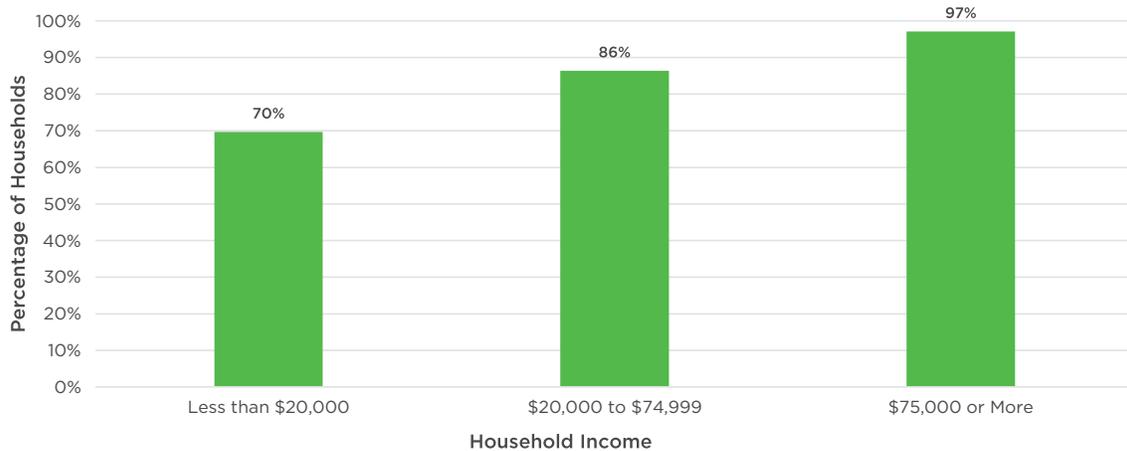
and only 33.3 percent of Massachusetts and Vermont residents having this low-priced access.⁴

Most communities in New Hampshire had at least ten potential internet providers, including wireless providers, according to BroadbandNow; however, only two hardline connection providers reached more than a third of the state with cable or fiber internet. The State government's New Hampshire Broadband Mapping Initiative estimated that 95.4 percent of addresses were served by broadband providers statewide, but key parts of the state, particularly north of the White Mountains and rural communities in northwestern New Hampshire, had much lower service coverage rates.⁵

FIGURE 28

Internet Coverage by Household Incomes in New Hampshire

Source: U.S. Census Bureau, American Community Survey, 2018-2022



- Higher prices limit broadband access, particularly for households with lower incomes. While only three percent of Granite State households with incomes greater than \$75,000 annually, equivalent to about 9,000 households, did not have an internet coverage in the 2018 to 2022 period, the same was true for an estimated 30 percent of households with annual incomes under \$20,000, or approximately 14,000 households.⁶

INVESTMENTS IN BROADBAND ACCESS

State and federal investments have sought to expand access to broadband internet services in New Hampshire. In 2020, the State devoted flexible federal funds associated with COVID-19 relief efforts to improving broadband infrastructure. Two federal laws passed in 2021, the American Rescue Plan Act and the Infrastructure Investments and Jobs Act, devoted significant funding to broadband infrastructure. The federal government also established a program, following a temporary pandemic-era assistance program, to provide discounts of up to \$30 per month on internet subscription bills to people with low incomes, but funding for this program was not renewed and the program ended in June 2024.⁷



Increased investments may have contributed to better access and affordability to broadband internet services in New Hampshire. BroadbandNow's estimate of the percentage of residents with local access to broadband internet has increased approximately 7 percentage points since the 2022 data was reported, with a 35 percentage point increase in residents who have access to a low-cost wired internet plan, which was likely aided by the now expired federal subsidies. The most recent data for households earning less than \$20,000 per year also suggest an increase in internet subscription access relative to before the COVID-19 pandemic.⁸



Access to affordable broadband can help Granite Staters find employment and connect to education and health services in an efficient and cost-effective manner. Continued efforts to increase affordable broadband access for households with fewer resources and those living in rural areas may help promote better health and economic outcomes and boost upward mobility among these Granite State populations.





Public services are funded at multiple levels of government in New Hampshire. These levels of government, including the federal, state, county, city or town, school district, village, or other local governing body, typically have legal and fiscal relationships with one another. These levels of government also collect and expend revenue, typically through budget processes.¹ The New Hampshire State Budget is the largest of these appropriation processes within the State, and impacts the services provided statewide as well as the considerations of local government policymakers.

STATE, COUNTY, AND LOCAL GOVERNMENTS

 Some services, such as the U.S. Small Business Administration or Medicare, are funded directly by the federal government.² Others are funded mostly or entirely by the State.³ Other key services are funded by local governments, such as local police and fire departments, although grants or assistance programs from the State or the federal government may help cover expenditures.⁴

 Cities and towns provide and support key services for their residents, including but not limited to public safety, waste management, and infrastructure.⁵ Local school districts, which can be integrated within municipalities or be governed separately, provide public education.⁶ Local governments may also cooperate with one another across borders, and may have other jurisdictions or governing bodies within their borders, such as village districts.⁷

County governments oversee the register of deeds, county attorneys, county sheriffs, correctional facilities, and county nursing facilities. Counties are also responsible for funding most of the non-federal portion of Medicaid for long-term services and supports provided to eligible older adults and adults with physical disabilities who are county residents. County revenues rely on property taxes, Medicaid and limited Medicare payments, fees, and other locally-generated revenues to fund services.⁸

 The State government provides the widest variety of services in New Hampshire. Responsibilities of the State government include public health, human services, education, public utilities, economic development, environmental protection, public safety, transportation, and other key areas of public service provision. Like the federal government, the State government is divided into the executive, legislative, and judicial branches. The Governor and Legislature are responsible for crafting and adopting a State Budget every two years, which is the primary method of directing public investments to support residents, businesses, and the economy.⁹

THE PROCESS FOR BUILDING THE STATE BUDGET

The New Hampshire State Budget, which funds most State services for a two-year period, is constructed in five phases over the course of a year leading up to enactment.

FIGURE 29

State Budget Process Timeline

| State Agency Phase | Governor's Phase | House Phase | Senate Phase | Committee of Conference | |
|--|---|--|--|---|--|
| August 1 Governor's Office Provides Spending Targets | October 1 Agencies Submit Budget Requests | February 15 Final Day for Governor to Submit Budget to Legislature | Early April* Final Day for House Vote on State Budget; Crossover Day | Early June* Final Day for Senate Vote on State Budget | July 1 State Budget Takes Effect |

*Dates set by legislative each session; all other dates specified in statute.

Agency Phase: In the summer of each even-numbered year, State agencies craft their agency budget requests. The agencies will estimate the funding levels needed to continue operating at existing capacity, and identify funding changes to either enhance their services or better fulfill their legal requirements or objectives. By August 1 of each year, the Governor is required to produce revenue estimates and provide expenditure targets for each State agency. The State agencies must subsequently build their “efficiency budget” up to those targets, prioritizing their most important operations for funding. Funding proposed above the “efficiency budget” levels are identified as “additional prioritized needs.” State agencies must submit their budget requests to the Department of Administrative Services by October 1.¹⁰

Governor's Phase: Law requires the Governor to hold public hearings on the agency budget requests by December. The Governor is also required to invite the Governor-elect, the Chairs of the House Finance Committee and the Senate Finance Committee, and the Commissioner of Administrative Services. The Governor, or Governor-elect who takes office the following January, is required to submit a State Budget proposal to the Legislature by February 15. The Governor's budget proposal is typically introduced into the Legislature as two separate bills, House Bill 1 and House Bill 2, and is accompanied with a budget address. The Governor's budget proposal must also include revenue projections for the next two years.¹¹

House Phase: Once the Governor's proposal has been submitted to the Legislature, the House of Representatives first considers the State Budget proposal. Both House Bill 1 and House Bill 2 are referred to the House Finance Committee. The Committee then splits into three subcommittees, typically called Divisions, to consider, revise, reconstruct, and vote separately on different portions of the State Budget.¹² The Divisions spend weeks making their proposed changes and report back to each other when the full House Finance Committee reconvenes. In the interim, the House Ways and Means Committee will produce revenue estimates for the General, Education Trust, Highway, and Fish and Game Funds for the House to consider and, if it chooses, adopt as its revenue





estimates for the budget process. The full House Finance Committee reconvenes to vote on the Division-level changes and any other changes made as a full Committee before voting to recommend the proposed State Budget to the entire House of Representatives. The entire House then considers the State Budget, including amendments to the Governor’s proposal from the Committee and any other amendments brought forward by members. If the State Budget passes the House, consideration of the two State Budget bills moves to the Senate. The House vote on the State Budget is typically held in early April.¹³

S Senate Phase: After the House phase, the Senate takes up the State Budget proposal and sends it to the Senate Finance Committee for consideration. The Senate Finance Committee has significantly fewer members than the House Finance Committee, and as a result does not separate the work into Divisions.¹⁴ The Senate Ways and Means Committee produces revenue estimates, typically after April tax returns are measured and can be considered in its projections, which typically leads to higher revenue projections than the House’s estimates.¹⁵ The Senate Finance Committee makes its changes to the State Budget before approving a recommendation to the entire Senate, and then the Senate as a whole amends and votes on the bills that become the Senate version of the State Budget, typically near the beginning of June.¹⁶

Committee of Conference: If the House does not agree with the Senate’s changes to the two State Budget bills, then the two chambers will form a Committee of Conference to resolve the differences between the House’s versions and the Senate’s versions. That Committee will often produce its own set of revenue estimates and make modifications to the State Budget bills based on the differences between the versions from each legislative chamber, as well as other changes made to reach agreement between the two chambers. Once the Committee of Conference agrees on a single version for each of the State Budget bills, they are considered by the full House and the full Senate, without opportunities for further amendments from members of either chamber. If both chambers vote for the State Budget bills with majorities in each chamber, then the bills are sent to the Governor for a signature, veto, or approval without signature.¹⁷

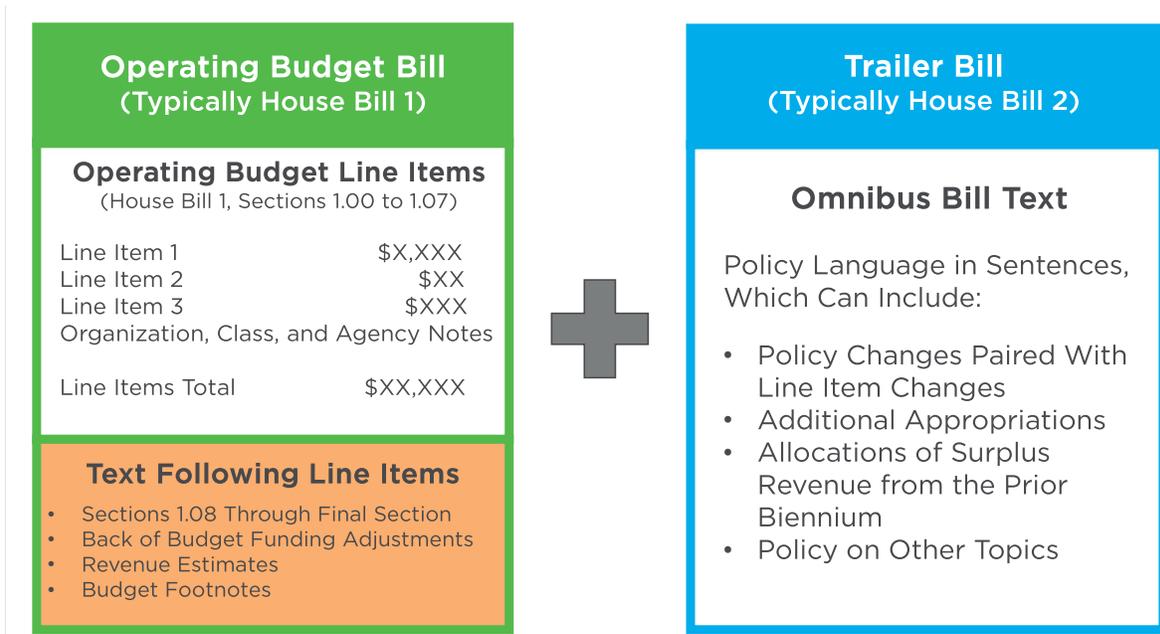
INSIDE THE STATE BUDGET

The New Hampshire State Budget consists of two documents that are enacted as separate pieces of legislation. Together, these documents appropriate funding for most, but not all, State programs, operations, and services over a period of two fiscal years.¹⁸ The State Budget for State Fiscal Years (SFYs) 2024 and 2025, which includes July 1, 2023 through June 30, 2025, appropriated \$15.17 billion in total funds.¹⁹

The Operating Budget Bill, typically House Bill 1, appropriates most of the money allocated through the State Budget. This bill includes line-item appropriations associated with each agency, as well as a limited amount of text directing or modifying funds outside of the line items.

The Trailer Bill, typically House Bill 2, is an omnibus text bill that can support changes and set up legal frameworks for appropriations made in the Operating Budget Bill. However, it can also include appropriations made independently in House Bill 2, as well as changes to State law that do not impact appropriations. During some legislative sessions, bills on a wide variety of topics that are considered separately from the State Budget are attached to the State Budget through incorporating them into the Trailer Bill.²⁰

FIGURE 30
State Budget



All funding in the State Budget can be divided into six categories of expenditures, which are broad service areas to which the State devotes resources. Health and Social Services, which constitutes nearly all of the New Hampshire Department of Health and Human Services budget, has received the largest amount of appropriations through the State Budget process in both the current State Budget and in historic appropriations since at least 2005. This category includes Medicaid, which provides health coverage to more than 180,000 New Hampshire residents and is funded through a combination of State and federal revenues.²¹

Education, the second-largest category, includes funding for the University System, the Community College System, the Lottery Commission, the Police Standards and Training Council, and the Department of Education. About 60 percent of the appropriations in the Education category are funds for local public education distributed by the Department of Education through the State's education funding formula.²²

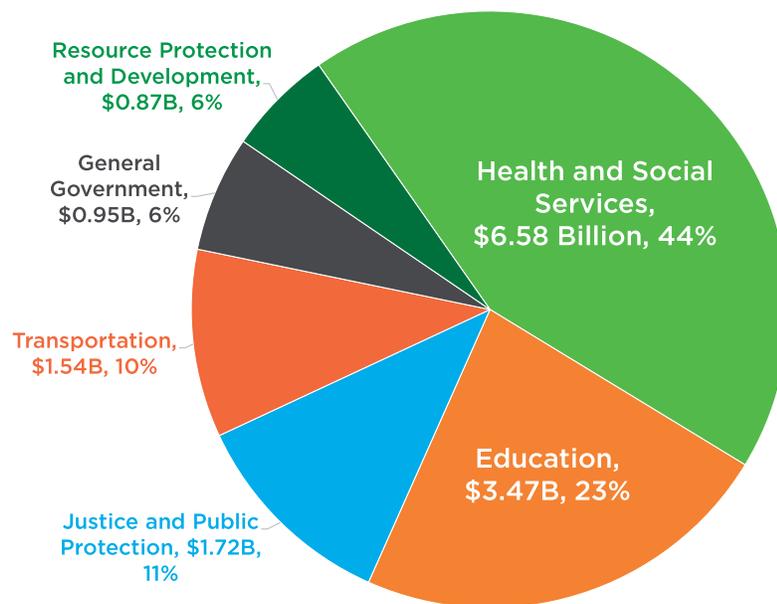


Together, the two categories of Education and Health and Social Services accounted for two out of every three dollars appropriated by the Legislature in the State Budget for SFYs 2024 and 2025. However, the remaining four

FIGURE 31

State Budget Appropriations By Category
*State Fiscal Years 2024-25 and Surplus Appropriations,
Includes Trailer Bill Appropriations*

Source: 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; 2023-2139s



Notes: General Government includes House Bill 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.

categories still accounted for a significant portion of State operations and key public services.

The Administration of Justice and Public Protection includes a wide variety of law enforcement and regulatory agencies, ranging from the entire judicial branch of State government to the Departments of Safety, Energy, Insurance, Labor, Banking, Corrections, Justice, Employment Security, Military Affairs and Veterans Services, and Agriculture, Markets, and Food, as well as other agencies. Justice and Public Protection received about 11 percent of all appropriations made by the Legislature in the SFYs 2024-2025 State Budget.²³

The Transportation category, which reflects the Department of Transportation budget, accounted for ten percent of appropriations. General Government, which includes the operations of the legislative branch as well as the Departments of Revenue Administration, Treasury, Administrative Services,

Information Technology, and other agencies, totaled about six percent of appropriations, with less than a billion in total funds. Resource Protection and Development includes the Pease Development Authority and the Departments of Environmental Services, Fish and Game, Business and Economic Affairs, and Natural and Cultural Resources; total funding for this category was slightly lower than funding for General Government.²⁴

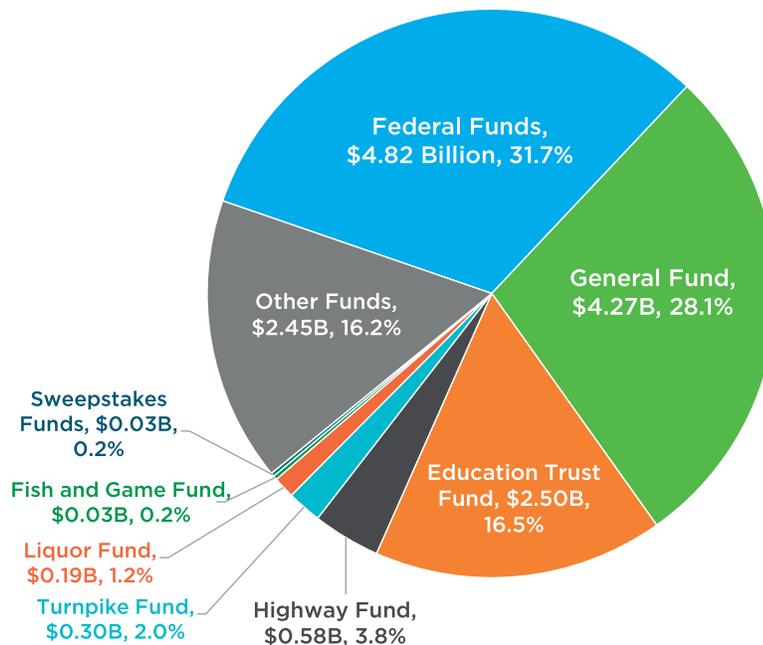
Policymakers have also organized the State Budget into funds. These funds serve different purposes and behave similarly to accounts; money flows in from various sources and out to support services. Funds are typically, but not always, for dedicated purposes.²⁵

Nearly one in three dollars supporting State Budget-funded operations come from the federal government, including funding for key programs such as transportation, clean drinking water infrastructure and management, and aid to individuals and families through Medicaid and food assistance programs. The federal funding for these programs that flows through the State Budget appear



FIGURE 32
The New Hampshire State Budget for Fiscal Years 2024 and 2025, by Fund
Includes Operating Budget and Trailer Bill Appropriations

Source: New Hampshire Office of Legislative Budget Assistant, Senate Finance Committee Surplus Statements, June 2023; 2023-2054s; 2023-2092s; 2023-2171s; 2023-2139s



as federal funds in the State’s accounting, and while there is a wide diversity of funding streams through federal programs and grants, federal funds are the largest single set of funds in the State Budget.



The State Budget's General Fund is the State's primary operating fund. Most debates surrounding funding priorities for the State Budget focus on General

 Fund money, as legislators have the fewest barriers to allocating these dollars to finance their priorities. Most funding for the General Fund is from State taxation, with non-tax revenue support from Liquor Commission profits and certain other non-tax revenue sources.²⁶

 The Education Trust Fund is dedicated to supporting the grants to local public school districts, which are calculated using the State's education funding formula. In recent years, the purposes of the Education Trust Fund have been expanded to include State school building matching funds for local governments, special education aid, public charter school funding, and the Education Freedom Accounts that provide grants to eligible households with children who are not in public school. The Education Trust Fund carries any unspent surplus dollars forward from year to year, but in the case of a shortfall, the General Fund contributes to the Education Trust Fund to ensure obligations are met. The two funds also share many key revenue sources and are often analyzed together.²⁷

 Other key State funds include the Highway Fund, which collects motor fuel tax and vehicle fees for the construction and maintenance of public roads; the Turnpike Fund, which holds revenue collected from tolling turnpikes and deploys those dollars for the upkeep and maintenance of the 89 miles of highways owned by the State Bureau of Turnpikes; the Liquor Fund, which temporarily holds funds associated with operating the Liquor Commission before they are transferred elsewhere or spent; the Fish and Game Fund, where funds from hunting and fishing licenses are collected to help run the Fish and Game Department; and the Sweepstakes Fund, which holds dollars used in the administration of the Lottery Commission.²⁸

AID TO LOCAL GOVERNMENTS

While the State receives significant funding from the federal government, State funding is a substantial component of local government budgets in New Hampshire. The State contributes some dollars to paying the non-federal share

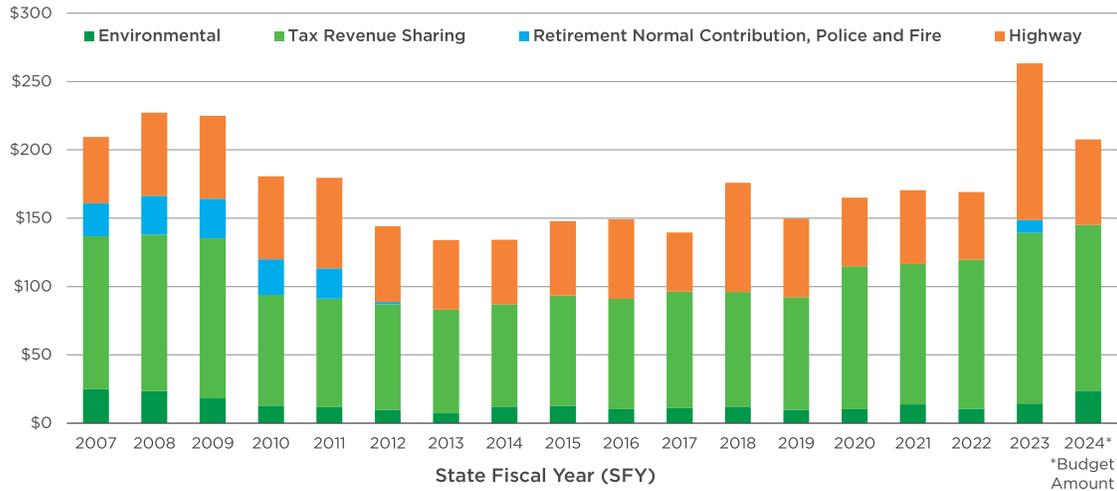
 of county Medicaid long-term services and supports costs for older adults and adults with physical disabilities.²⁹ The State contributes substantially more money to municipal governments for a wide array of services, including general revenue sharing, funds for road and bridge maintenance, and environmental infrastructure projects such as wastewater treatment plants.³⁰

 State aid to municipal governments has varied considerably over time, both in volume and composition. Adjusting for inflation suggests that aid to municipalities dropped substantially following the Great Recession of 2007 to 2009, and did not return to pre-Great Recession levels of spending power until SFYs 2023 and 2024. One-time highway-related State appropriations boosted funding in SFYs 2018 and 2023 substantially, and the most recent three State

FIGURE 33

New Hampshire State Aid to Local Governments, Inflation-Adjusted and Excluding Education Aid

Source: New Hampshire Office of Legislative Budget Assistant, State Aid to Cities, Towns, and School Districts, October 1, 2023; U.S. Bureau of Labor Statistics, Consumer Price Index-Northeast, State Fiscal Year Adjustment from NHFPI Calculations

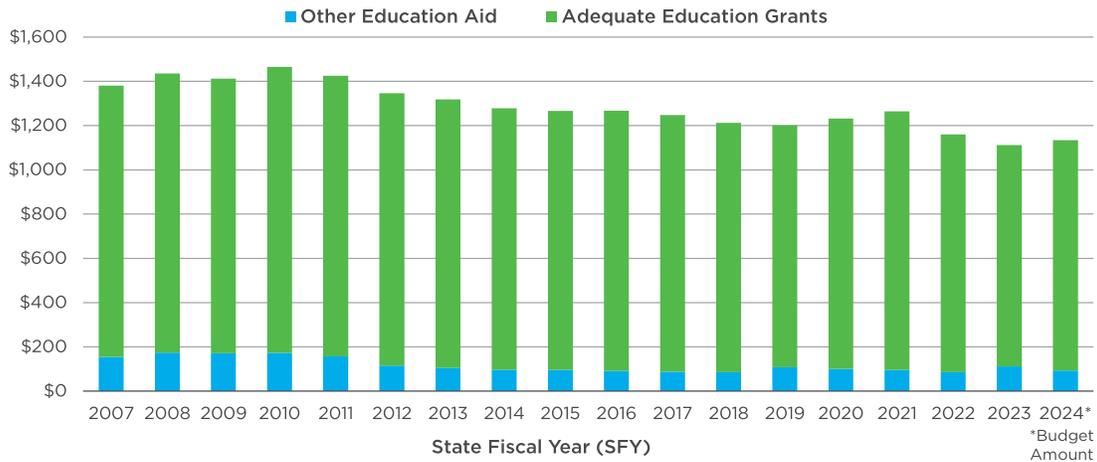


Budgets have included substantial increases in general revenue sharing. While increasing in aggregate in the two most recent State Budgets, more of total revenue sharing appropriations have been shifted to being based on population and funded through revenue raised by the Meals and Rentals Tax. Previous revenue sharing strategies included more targeting of aid toward communities with higher levels of need.³¹ The State previously paid for 35 percent of local public police, fire, and teacher employee retirement costs; since SFY 2012, the State has contributed to these retirement costs solely through a smaller, one-time contribution in SFY 2023.³²

FIGURE 34

Education Aid to Local Governments New Hampshire State Budget, Inflation-Adjusted Dollars

Source: New Hampshire Office of Legislative Budget Assistant, State Aid to Cities, Towns, and School Districts, October 1, 2023; U.S. Bureau of Labor Statistics, Consumer Price Index-Northeast, State Fiscal Year Adjustment from NHFPI Calculations





The majority of State funding that flows to local governments is delivered through education-related aid to school districts. The State's education funding formula, which determines the amount of Adequate Education Aid a community or school district receives, directed more than \$1.0 billion of State Budget spending in SFY 2024.



Adjusting for inflation, education aid for local public schools has declined since 2010. This decline is in part due to policy decisions, but is primarily driven by lower enrollment in New Hampshire public schools. Statewide student enrollment peaked in the 2002-2003 school year, and the education funding formula's appropriations are driven by student enrollment.³³ Decisions in the current State Budget boosted the average amount per pupil in State aid delivered, although State supports are still well below average per pupil costs reported by school districts.³⁴ While New Hampshire had the 10th highest estimated total revenue per pupil from all sources among the 50 states in fiscal year 2022, it had the smallest percentage of local public education revenue coming from the State government, resulting in greater reliance on local property taxes to fund education.³⁵





Public services would not exist without resources to support them. Federal, state, and local governments all raise revenue to fund their core functions, including the infrastructure, transportation, education, and public health efforts from which all residents benefit. In New Hampshire, the methods of raising these revenues vary considerably depending on the level of government.¹

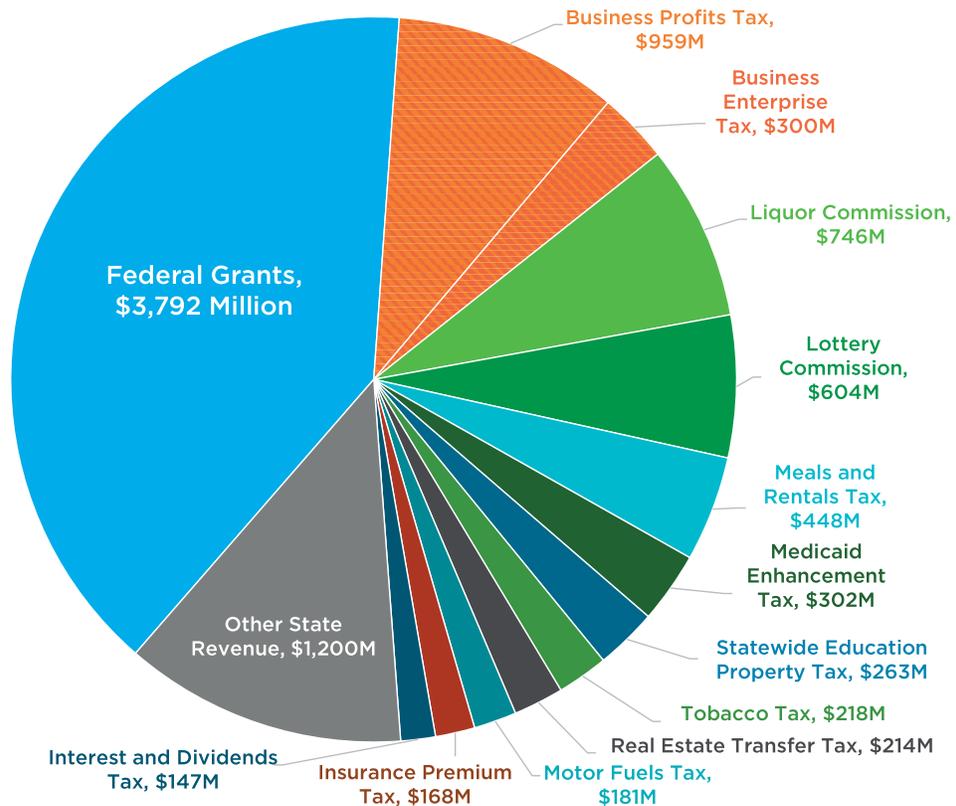
COMPOSITIONS OF STATE AND LOCAL REVENUES

Revenue for governments includes income sources beyond tax revenues, particularly for state and local governments. In State Fiscal Year (SFY) 2023, nearly seven out of every ten dollars collected by the State Government came from program revenues, rather than tax revenues, including federal funds and enterprise revenues such as liquor and lottery sales. Only about 31 percent of State funding came from general revenues, which were mostly tax receipts.² Of the approximately \$9.5 billion in State governmental and enterprise funds revenues recorded in SFY 2023, about \$3.8 billion (39.7 percent) came from federal grants to the State.³ This total includes federal funds both within and outside of the State Budget. New Hampshire’s percentage of federal funds used

FIGURE 35

State Revenue Sources, Governmental and Enterprise Funds, State Fiscal Year 2023

Source: New Hampshire Annual Comprehensive Financial Report, SFY 2023; New Hampshire Department of Revenue Administration, 2023 Annual Report





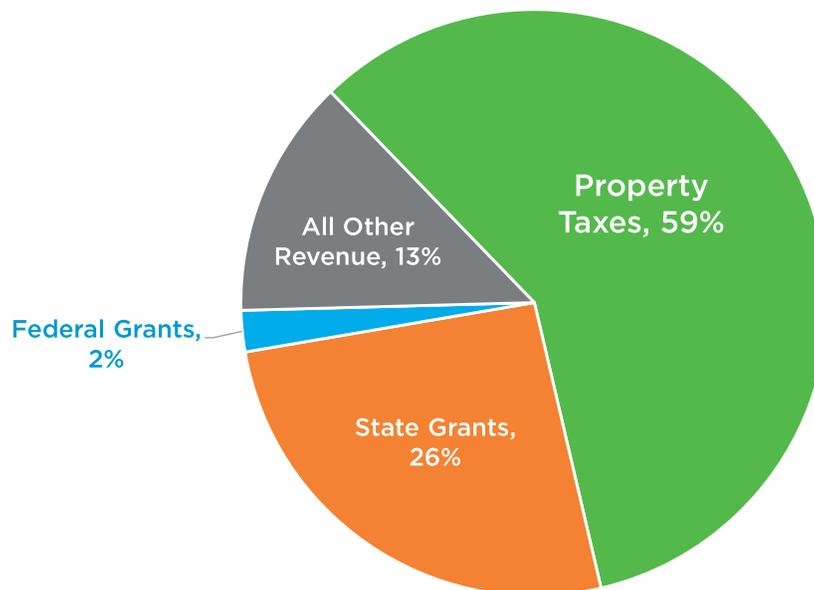
for State operations is similar to the median federal portion of general revenues among all U.S. states.⁴

The next largest revenue sources were the combined revenues from the Business Profits Tax and the Business Enterprise Tax, followed by gross revenues generated by the Liquor Commission and the Lottery Commission. These gross non-tax revenues represent the total revenues from these enterprise sources before operating expenses are paid.⁵ The next largest revenue sources for the State include the Meals and Rentals Tax, the Medicaid Enhancement Tax, and the Statewide Education Property Tax, the last of which typically raises \$363 million per year, but was set to only raise \$263 million temporarily for SFY 2023. Smaller revenue sources composed the remaining 22 percent of State revenues collected in SFY 2023.

FIGURE 36

Local Government Revenue Sources In New Hampshire, Fiscal Year 2021

Source: U.S. Census Bureau, Survey of State and Local Government Finances



Local governments in New Hampshire, including counties, cities, towns, and school districts, have less diverse compositions of revenue, particularly relative to taxes. Aggregated data for Fiscal Year 2021, compiled by the U.S. Census Bureau, show that the majority of revenue raised by local governments comes from local property taxes. Grants from the State Government accounted for slightly more than a quarter of all local revenue, while federal grants were only about 2 percent of all revenue. Other revenue, including charges for utilities, parking, property sales, school lunches, parks, and other sources, accounted for 13 percent of all local revenue.⁶

STATE AND LOCAL TAXES

Both the New Hampshire State Government and local governments in New Hampshire rely on property taxes to fund services. However, revenue from the State Government’s Statewide Education Property Tax, the largest property tax the State Government charges, is small compared to the total amount of revenue collected through local property taxes.

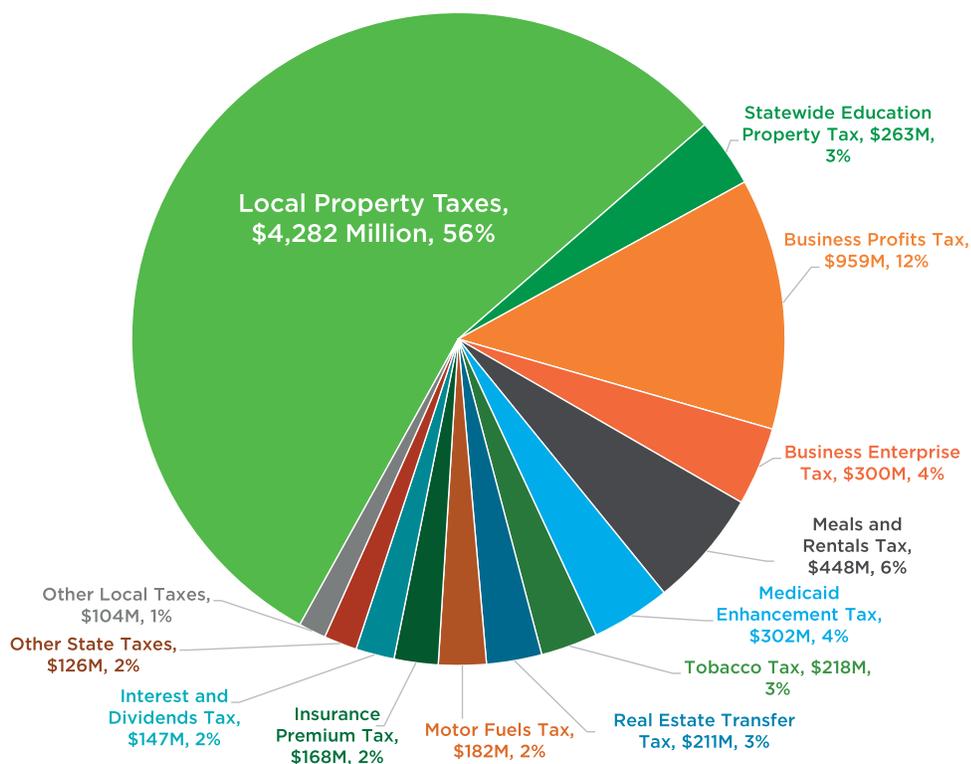
Using the most recent comprehensive audited data available, local property taxes accounted for about 56 percent of the total amount of State and local taxes collected in New Hampshire. The Statewide Education Property Tax, which is raised and retained locally, is a property tax administered by municipalities that behaves like part of local property taxation but is required by the State. This tax accounted for another three percent of all State and local tax revenue, bringing property taxes to nearly three out of every five dollars of State and local taxes collected in New Hampshire.⁷ Local governments have very limited options for tax revenue available to them due to the limited number of taxes they are allowed to levy under State statute.⁸ While New Hampshire’s local governments collect more tax revenue than the State Government does, data from all fifty

FIGURE 37

State and Local Taxes in New Hampshire

State Fiscal Year of Tax Year 2023

Source: New Hampshire Annual Comprehensive Financial Report, State Fiscal Year 2023; New Hampshire Department of Revenue Administration, 2023 Annual report and Completed Public Tax Rates 2023; U.S. Census Bureau, Survey of State and Local Government Finances, 2021; Joint Legislative Fiscal Committee, FIS 23-311



states indicate state governments collect more tax revenue, on average, than local governments do nationwide.⁹

The State has several key non-tax revenue sources. The Liquor Commission is the sole source of wine and spirits, sold either by 68 State-run stores or, in the case of wine, through licensed retailers, and generates a profit for State operations.¹⁰ The Lottery Commission sells lottery tickets and oversees racing, charitable gaming, and sports betting activities while generating profits, after paying for winnings and operations, for State aid to local school districts.¹¹

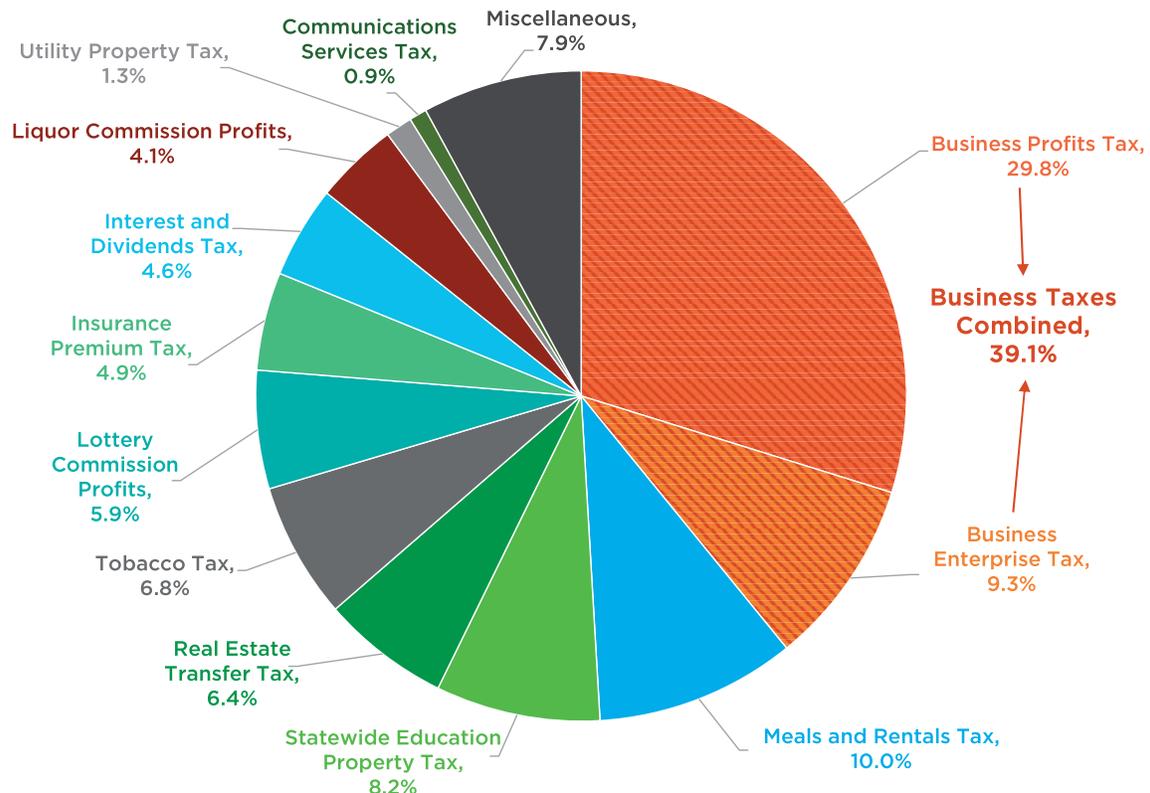
 Tolling on New Hampshire’s 89 miles of turnpike highways also collects revenue for the construction, reconstruction, maintenance, and patrolling of those highways.¹²

However, tax revenues provide the largest consistent sources of the most flexible funds policymakers can access and alter within the State Budget process. While federal funds are significant, those revenues are typically attached to major federal programs that impose limitations on fund uses and require State-level matching funds, such as Medicaid or funding for transportation projects.¹³ In contrast, State tax revenues are under the direct control of State policymakers.

FIGURE 38

General and Education Trust Funds Combined Revenue in State Fiscal Year 2023

Source: New Hampshire Annual Comprehensive Financial Report, State Fiscal Year 2023



Most State Budget debates center around the deployment of General Fund dollars, which are primarily funded with tax dollars. Most of the key tax revenue sources supporting the General Fund also support the Education Trust Fund, and the General Fund fills any shortfall in the Education Trust Fund. As a result, these two funds, and their revenue sources, are often analyzed together.¹⁴ The General Fund is also the primary recipient of Liquor Commission profits, while Lottery Commission profits are transferred to the Education Trust Fund to fund public school districts, as is required by the New Hampshire State Constitution.¹⁵

Combined General and Education Trust Funds revenue, which totaled nearly \$3.22 billion in SFY 2023, stems from a relatively diverse array of revenue sources. However, the State's two primary business taxes, the Business Profits Tax and the Business Enterprise Tax, have become increasingly dominant revenue sources relative to others, particularly the Business Profits Tax. While the two business taxes are distinct and separate taxes, businesses typically pay them together, and the revenues are not always distinguished definitively until final filings are completed, so revenues from both are often analyzed together.¹⁶ The Meals and Rentals Tax and the Statewide Education Property Tax are the only other revenue sources either approaching or surpassing 10 percent of combined General and Education Trust Funds revenues in most recent years.



BUSINESS PROFITS TAX

Established in 1970, the Business Profits Tax (BPT) is the State’s largest tax revenue source. In SFY 2023, estimates suggest the BPT collected more than twice the revenue of the next largest tax revenue source. The BPT is structured similarly to a typical state corporate income tax, and New Hampshire is the only state for which the largest tax revenue source is corporate income taxes.¹⁷ State corporate taxes are generally among the most volatile of the common types of state tax revenue.¹⁸

The BPT taxes a business’s net profits after certain adjustments, credits, and apportionment, which is the process for determining the portion of profits that are attributable to economic activity in New Hampshire, rather than those generated by activity in another state or country. A business’s payments of Business Enterprise Tax (BET) or Insurance Premium Tax can be used as credits against BPT liability.¹⁹

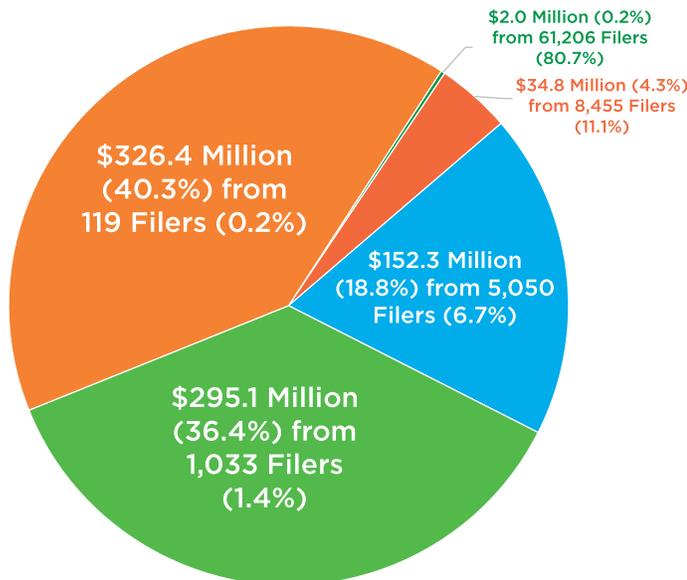
Large entities with significant profits provide most BPT revenues. In Tax Year 2022, about 1,152 filers, or 1.5 percent of all filers, paid 76.7 percent of all BPT revenues, and 119 (0.2 percent) paid 40.3 percent of all revenues collected. About 7.1 percent of filers were complex, multi-component businesses, many of which were likely operating in multiple states or countries; this 7.1 percent of filers paid 58.4 percent of all revenue collected.²⁰

The BPT tax rate has been lowered incrementally since 2015, dropping from 8.5 percent that year to 7.5 percent in 2023. These changes have substantially

FIGURE 39

New Hampshire Business Profits Tax Paid and Number of Filers, Tax Year 2022

Source: New Hampshire Department of Revenue Administration, 2023 Annual Report



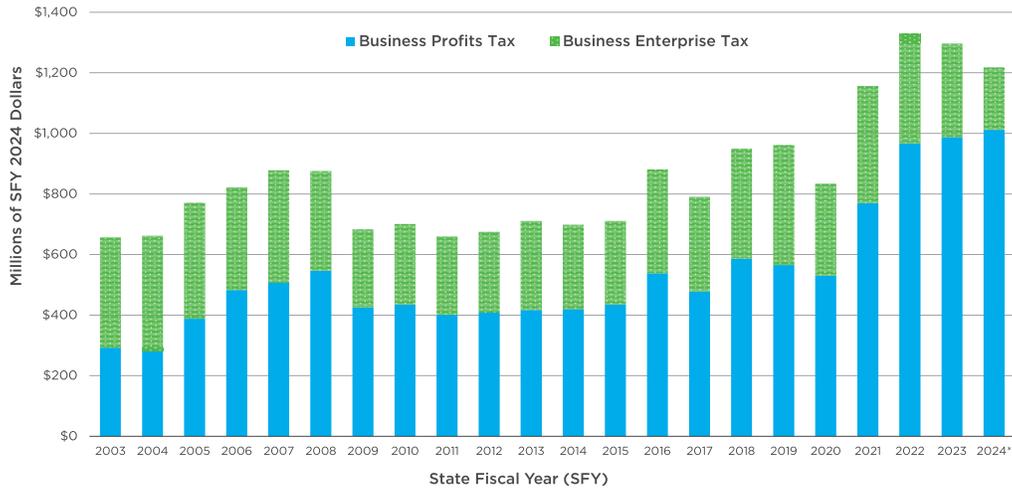
Note: Draft data as of August 12, 2024

reduced State revenue. While combined BPT and BET revenues have grown substantially since 2015, revenue growth in state corporate tax revenues has been faster nationally and in the other New England states combined than in New Hampshire.²¹

FIGURE 40

New Hampshire Business Profits Tax and Business Enterprise Tax General and Education Trust Funds Inflation-Adjusted Revenue

Source: *New Hampshire Annual Comprehensive Financial Reports; Department of Administrative Services Monthly Revenue Focus, June SFY 2024; U.S. Bureau of Labor Statistics, CPI-U, Northeast*



Note: Preliminary data based on unaudited cash receipts. Final sorting between these two taxes not reported fully in the Annual Comprehensive Financial Reports.



BUSINESS ENTERPRISE TAX

 Unique among state tax revenue sources, the Business Enterprise Tax (BET) is a tax on compensation paid or accrued, interest paid or accrued, or dividends paid by a business or other organization, excluding certain nonprofits and other organizations, operating in New Hampshire. Compensation, which includes all wages, salaries, fees, bonuses, and commissions, is the largest component of the tax base. BET revenue trends typically match those of total salaries and wages paid by employers in the state.²²

The BET tax base is much broader, with revenue collections far less concentrated among the largest filers than in the Business Profits Tax (BPT) receipts. As BET paid is a credit against BPT, many businesses, particularly smaller ones with lower profits, likely pay BET and then owe no BPT due to the dollar-for-dollar credit generated by BET payments.²³

BET rate reductions have been more significant, as a percentage of the original rate, than for the BPT. While the BET rate was 0.75 percent in 2015, it was lowered to 0.55 percent by 2022, a 26.7 percent reduction. BET revenues were lower in 2019 than they were in 2015, unadjusted for inflation, and were about the same in 2021 as they were in 2018, despite much higher salaries and wages paid by businesses in the state.²⁴ BET revenues were lower in 2022 than in 2021, likely reflecting a lower tax rate that took effect in 2022.²⁵

The BPT and BET rate changes reduced combined revenue to the State by between \$496 million and \$729 million between 2016 and 2022.²⁶

For combined BPT and BET revenues in Tax Year 2022, 79.1 percent of total revenue came from 5.2 percent of filers that paid any BPT or BET, which were 3.4 percent of all BPT and BET filers whether they had a tax liability or not.²⁷

While both the BPT and BET are significant, estimates from the Council on State Taxation suggest businesses in New Hampshire paid more state and local tax dollars in property taxes than in the BPT and BET combined in fiscal year 2022.²⁸

MEALS AND RENTALS TAX

Often referred to as the “rooms and meals tax,” the Meals and Rentals Tax collects revenue by charging for a percentage of the sales price of restaurant and certain other prepared meals, the renting of hotel rooms, and car rentals in the state. Hotels are broadly defined to include a wide variety of rental properties, although certain sales have exceptions from the 8.5 percent tax. Revenues are typically considered a metric for tourism in the state. The tax is paid by consumers at the point of sale, and then the revenue is provided to the State Government in the month after the transaction is completed.²⁹

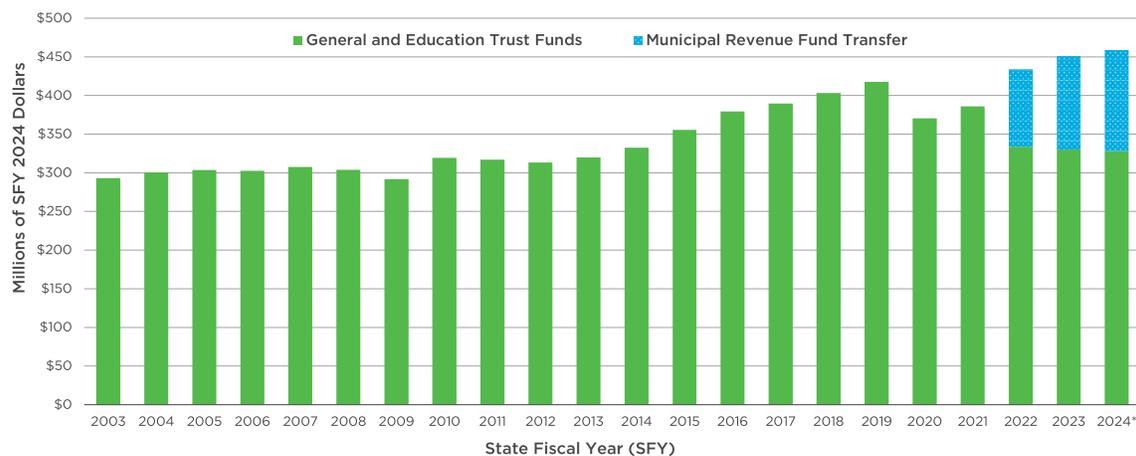


Meals and Rentals Tax revenue growth has outpaced inflation since about 2014, with the exception of a decline during the initial impacts of the COVID-19 pandemic. Tax revenue, which totaled \$448.5 million in SFY 2023, has likely been lowered by a 2021 reduction in the tax rate to 8.5 percent, after the previous 9 percent tax rate had been in effect since SFY 2010. About 80 percent of revenues are typically collected from restaurant meals. Revenue from this tax flows to the General Fund, the Education Trust Fund, State aid distributed to municipalities on a per capita basis, and school building aid debt service.³⁰

FIGURE 41

New Hampshire Meals and Rentals Tax Inflation-Adjusted Revenue

Source: NH Annual Comprehensive Financial Reports; Department of Administrative Services Monthly Revenue Focus, June SFY 2024 Preliminary Accrual; U.S. Bureau of Labor Statistics, CPI-U, Northeast



Note: Data based on unaudited preliminary accrual receipts.



STATEWIDE EDUCATION PROPERTY TAX

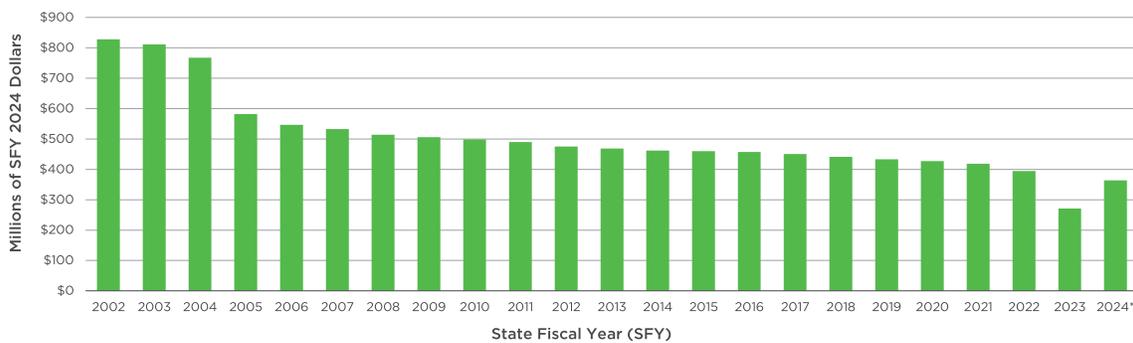
While a State tax, the Statewide Education Property Tax (SWEPT) does not result in the State directly collecting money. Established in 1999 to help fund public education, the SWEPT was reformed in 2005 to collect \$363 million by taxing all property statewide at a rate sufficient to raise that amount. Property otherwise taxed as railroad or utility property, or exempt from taxation due to ownership by a nonprofit, government, or certain other types of entities, is not taxed by SWEPT. The \$363 million target amount is not adjusted for inflation, and was temporarily adjusted down to \$263 million in SFY 2023.³¹

The State tells municipalities, based on taxable property values within their borders, the amount of SWEPT revenue that should be raised each year.³² Those amounts are then credited toward the amount the State owes each community for educating children in their jurisdiction based on the State’s education funding formula for local public schools. If the State owes a community more than the SWEPT amount, which is the case for most municipalities, then the State will send additional resources from the Education Trust Fund to that community for public schools. For communities that raise more in SWEPT than the State owes them according to the education funding formula, these communities retain the revenue and use it for education. Prior to 2011, these communities, which typically have a combination of relatively high property values and relatively low numbers of students, would send any excess SWEPT revenue back to the State for redistribution to fund local public education elsewhere. However, a law change in 2011 stopped this practice, and all revenue raised by SWEPT is retained locally.³³

FIGURE 42

Statewide Education Property Tax New Hampshire Education Trust Fund Inflation-Adjusted Revenue

Source: New Hampshire Annual Comprehensive Financial Reports; Department of Administrative Services Monthly Revenue Focus, June SFY 2024; U.S. Bureau of Labor Statistics, CPI-U, Northeast



Note: Preliminary data based on unaudited cash receipts.

MEDICAID ENHANCEMENT TAX

First established in 1991, the Medicaid Enhancement Tax (MET) is a 5.4 percent tax on charges hospitals make for inpatient and outpatient services minus bad debts, charity care, and certain other discounts. MET revenues are deposited in the Uncompensated Care and Medicaid Fund and used to pay hospitals for uncompensated care, or care provided to residents without health coverage and those covered under the Medicaid program, through Disproportionate Share Payments. MET revenues are collected from hospitals and used to leverage federal matching dollars. Hospitals are reimbursed, at varying rates depending on the hospital type, for uncompensated care.³⁴



MET revenues formerly contributed to the General Fund, but a series of lawsuits and negotiated agreements between the hospitals and the State resulted in reforms to MET payments. Since those reforms, MET revenues not paid directly to hospitals are used to support the non-federal share of Medicaid.³⁵

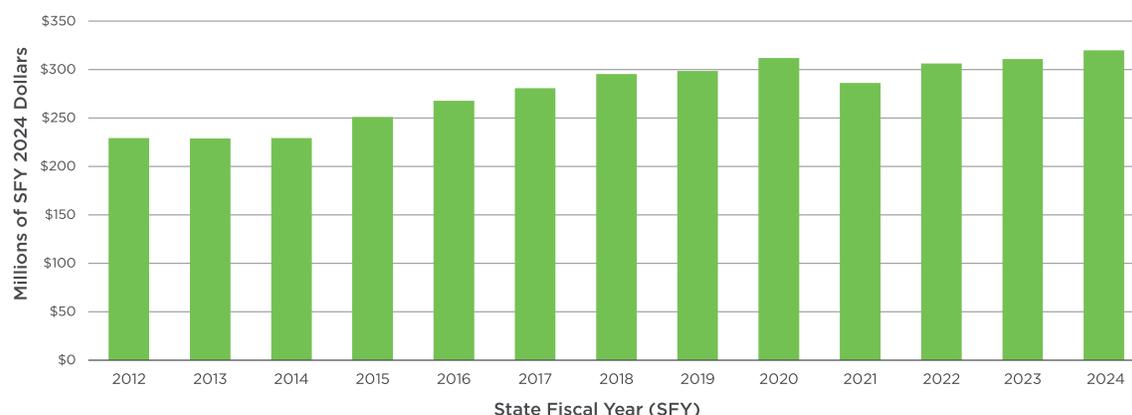


MET revenues are significant. The MET generated approximately \$301.9 million in SFY 2023 before federal matching dollars were secured, and was the third-largest State tax revenue source that year.³⁶

FIGURE 43

New Hampshire Medicaid Enhancement Tax Inflation-Adjusted Revenue

Source: New Hampshire Department of Revenue Administration, New Hampshire State Treasury; U.S. Bureau of Labor Statistics, CPI-U, Northeast





TOBACCO TAX

The Tobacco Tax is primarily a tax on cigarettes sold in New Hampshire, with about 86 percent of Tobacco Tax revenue coming from sales of cigarettes in SFY 2023. However, cigarette sales are in long-term decline and have dropped in three of the last five years. As a result, other taxed products that are not cigarettes are becoming a larger share of total tax revenue.³⁷ The Tobacco Tax also taxes other tobacco products, excluding premium cigars, and was expanded to tax electronic cigarettes in 2020.³⁸

The tax rate is \$1.78 per pack of 20 cigarettes and is adjusted for pack size, but is not adjusted for inflation over time. The closest states to New Hampshire geographically with lower cigarette tax rates are Virginia, West Virginia, and Ohio. Other tobacco products are taxed at 65.03 percent of the wholesale sales price. Electronic cigarettes are taxed at \$0.30 per milliliter for cartridges and 8 percent of the wholesale price for liquids or other substances containing nicotine in openable containers.³⁹

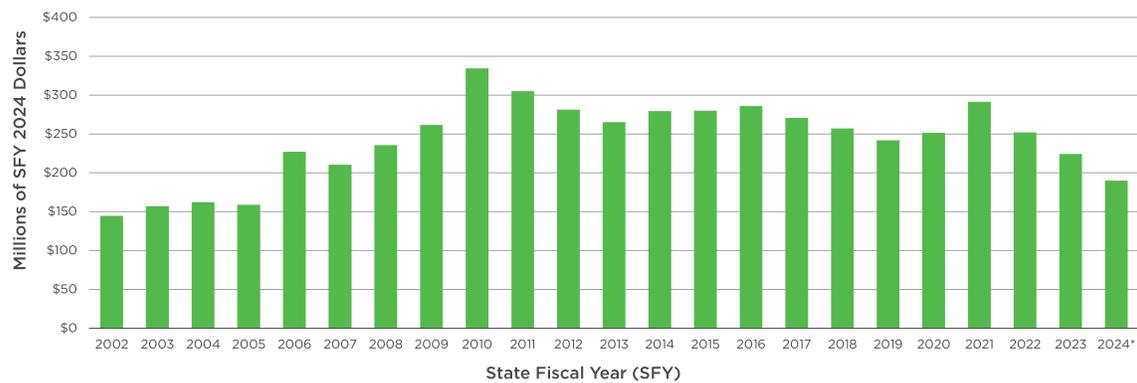
Tobacco Tax revenue increased in SFY 2021, likely due to stringent limits imposed on the availability of menthol and flavored tobacco products in Massachusetts that year, leading to more cross-border sales. However, the

 Tobacco Tax is likely a revenue source in long-term decline due to tobacco use cessation efforts.⁴⁰

FIGURE 44

New Hampshire Tobacco Tax General and Education Trust Funds Inflation-Adjusted Revenue

Source: New Hampshire Annual Comprehensive Financial Reports; Department of Administrative Services Monthly Revenue Focus, June SFY 2024 Preliminary Accrual; U.S. Bureau of Labor Statistics, CPI-U, Northeast



Note: Data based on unaudited preliminary accrual receipts.

REAL ESTATE TRANSFER TAX

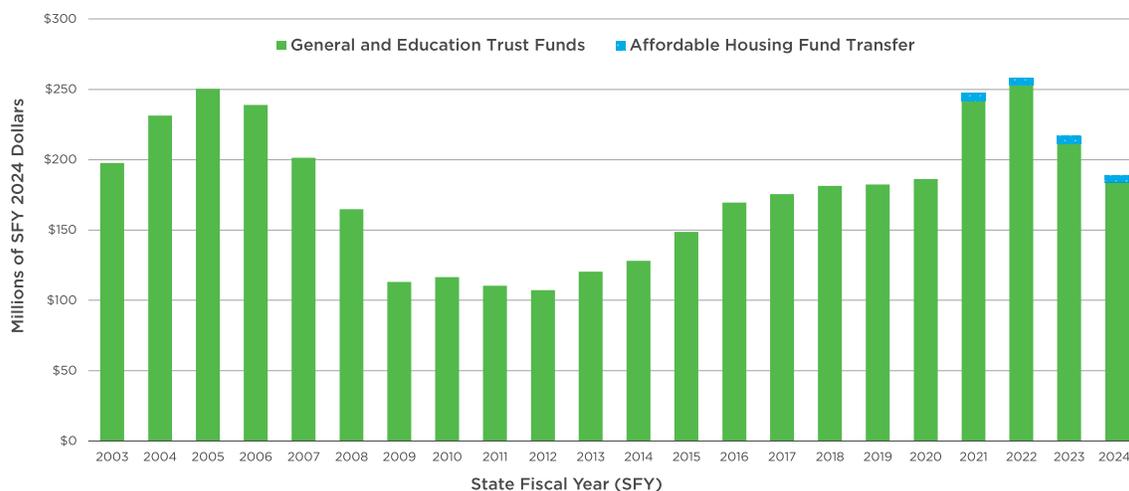
New Hampshire collects revenue from the sale of any real estate, or any interest in real estate, through the Real Estate Transfer Tax (RETT). The RETT requires both the purchaser and seller to pay \$0.75 per every \$100 in property being transferred, for a total tax rate of \$1.50 per \$100. Certain properties and transfers are exempt, and most of the variation in RETT revenue is based on single-family house and condominium sales.⁴¹

Increases in housing market prices both prior to and following the start of the COVID-19 pandemic boosted RETT revenues as housing sale prices climbed. The RETT was the second-largest driver of State revenue growth between 2019 and 2022, following revenue from the combined business taxes. However, revenues have fallen substantially as the State's housing shortage, high prices, and relatively high interest rates have reduced the number of sales.⁴² RETT revenue totaled \$210.5 million in SFY 2023, including \$5 million transferred to the Affordable Housing Fund.⁴³

FIGURE 45

New Hampshire Real Estate Transfer Tax Inflation-Adjusted Revenue

Source: New Hampshire Annual Comprehensive Financial Reports; Department of Administrative Services Monthly Revenue Focus, June SFY 2024 Preliminary Accrual; U.S. Bureau of Labor Statistics, CPI-U, Northeast



Note: Data based on unaudited preliminary accrual receipts.



INTEREST AND DIVIDENDS TAX

The Interest and Dividends Tax is a 3 percent tax on the income of individuals, joint filers, and specific types of business entities that is generated from wealth. Specifically, income from interest, dividends, and distribution income derived from the ownership of certain assets, such as stocks or shares in a company, are taxable, while key forms of retirement income are not taxable.⁴⁴

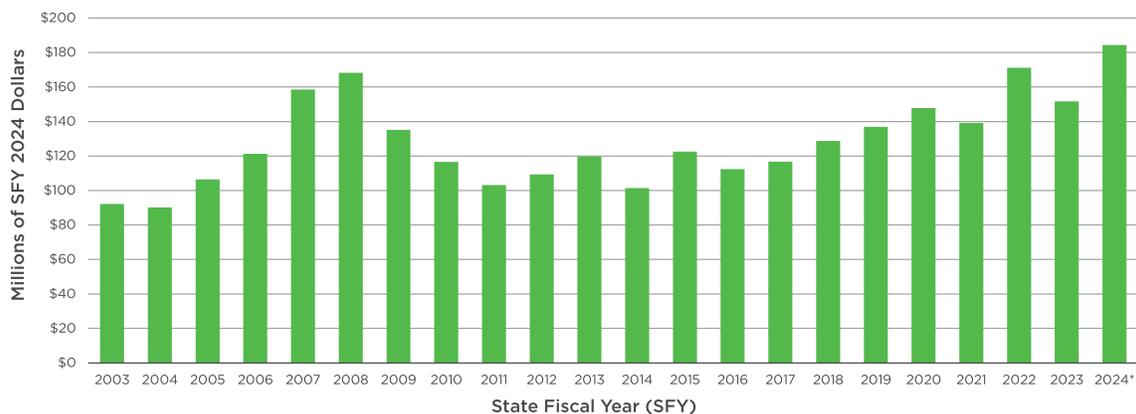
Tax revenues have increased with higher interest rates and positive stock market performance since the start of the COVID-19 pandemic. Revenues totaled \$147.3 million for the General Fund in SFY 2023, and will likely be substantially higher in SFY 2024.⁴⁵

Established in 1923, the Interest and Dividends Tax had a rate of 5 percent from 1977 to 2022, dropping to 4 percent in 2023 and 3 percent in 2024, and will be repealed entirely in 2025. Economic modeling suggests high-income households will disproportionately benefit from the repeal. Tax filers with more than \$200,000 in income taxable under this tax, which does not include income such as salaries and wages, accounted for about 3.1 percent of filers and paid 58 percent of the tax revenue collected in Tax Year 2022. Filers generating this amount of tax liability likely held substantially more than \$1 million in income-generating assets.⁴⁶

FIGURE 46

New Hampshire Interest and Dividends Tax General Fund Inflation-Adjusted Revenue

Source: New Hampshire Annual Comprehensive Financial Reports; Department of Administrative Services Monthly Revenue Focus, June SFY 2024 Preliminary Accrual; U.S. Bureau of Labor Statistics, CPI-U, Northeast



Note: Data based on unaudited preliminary accrual receipts.

OTHER STATE TAXES

New Hampshire has several other key State tax revenue sources. While these taxes typically provide less revenue than the taxes previously reviewed, they help support key services and add to the diversity of New Hampshire's tax base.

The **Motor Fuels Tax**, formally called the Road Toll, is a \$0.222 per gallon tax on gasoline and diesel fuel sold in the state. Aviation fuels are taxed at different rates, and certain uses, such as governmental and off-highway uses, are exempt. Revenues are used to support the Highway Fund, including road maintenance operations, bond payments for construction projects, and distributions of highway and bridge aid to municipalities. Motor Fuels Tax revenues totaled \$180.6 million in SFY 2023.⁴⁷ The State also charges vehicle registration fees, including additional fees for electric vehicles and plug-in hybrids.⁴⁸

The **Insurance Premium Tax**, administered by the New Hampshire Insurance Department, is based on net premiums charged by insurance companies. Most types of insurance have a 1.25 percent tax rate, but health, accident, and certain other insurers must pay at a 2 percent rate. When other states tax New Hampshire-based insurers in excess of the New Hampshire Insurance Premium Tax rate for operating in their state, New Hampshire requires insurers from those states who are operating locally to pay that same higher rate. Revenues collected go to the General Fund and the non-federal share of the Granite Advantage Medicaid program, and totaled about \$168.1 million in SFY 2023.⁴⁹

The **Utility Property Tax** charges a tax of \$6.60 per \$1,000 on the property value owned by utilities based on the State assessments. This tax compliments the SWEPT, which does not apply to utility property that may be in local property tax bases. This tax generated \$42.9 million for the Education Trust Fund in SFY 2023.⁵⁰

The **Nursing Facility Quality Assessment** is a 5.5 percent tax on net revenues related to patient services at nursing facilities in the state. Using a similar mechanism as the Medicaid Enhancement Tax, the funds collected are used to match federal dollars through Medicaid, and the total funds raised are distributed back to nursing facilities through the Medicaid Quality Incentive Payment. This tax raised about \$41.8 million in SFY 2023.⁵¹

The **Communications Services Tax** is a 7 percent tax on two-way electromagnetic communications, and generates most of its revenue from taxing telephone, paging, and specialized radio services. Communication services for health, safety, and welfare, as well as one-way broadcast services, are exempt. Revenue from this tax, which goes to the General Fund, declined following the State Legislature's decision to stop collecting taxes on internet services in 2012. Revenue peaked at \$81.0 million in SFY 2010 but totaled only \$28.1 million in SFY 2023.⁵²

The **Beer Tax**, administered by the Liquor Commission, taxes beer sold to the public at \$0.30 per gallon. This tax generated \$12.9 million in SFY 2023, and typically raises about \$13 million each year.⁵³





ECONOMIC EFFECTS OF TAXES AND SERVICES

Taxes can and do impact economic activity, particularly in extreme or very specific cases. Depending on the economic effects of the services funded by tax revenue, taxes can slow overall economic growth by discouraging work or investments,

particularly in response to very high tax rates. Taxes on specific items or situations can also impact behavior, such as influencing decisions when specific goods are taxed at different rates, increasing charitable giving in response to incentives, or construction of houses in one jurisdiction rather than another. However, while individuals and companies may respond differently to changes in taxes, research on the aggregate effects suggests small changes in taxes have a relatively limited overall impact on the economy, including at the state level. Reviews of available research on state-level tax policy indicate no clear consensus exists within the research on the relationship between studied tax changes and economic growth.⁵⁴

While marginal or incremental changes in taxes may not have conclusive effects on state economies overall, not all residents within a state are equally impacted by taxes. Analysis from the Institute on Taxation and Economic Policy indicates

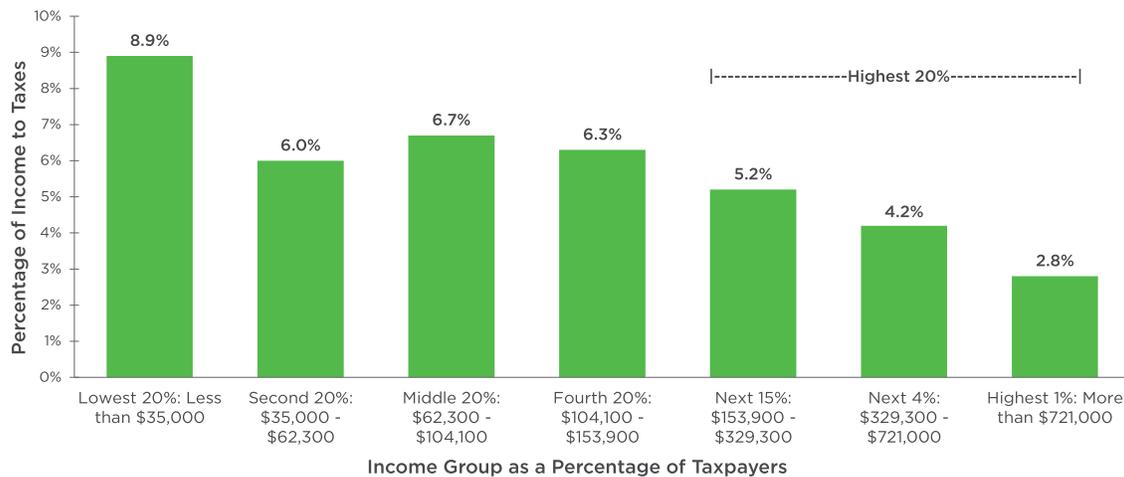
that families with lower incomes in New Hampshire are more likely to pay a greater share of their incomes in state and local taxes than those with higher incomes. The effective state and local tax rate for taxpayers in the bottom 20 percent, with under \$35,000 per year in income, was about three times the rate of those in the top 1 percent of the income scale, with incomes of \$721,000 or more.⁵⁵

FIGURE 47

State and Local Taxes as a Share of New Hampshire Family Income

Effective Tax rate as a Share of Income by Income Group, 2024 Tax Laws Based on 2023 Income Levels*

Source: Institute on Taxation and Economic Policy. Who Pays? Seventh Edition, January 2024



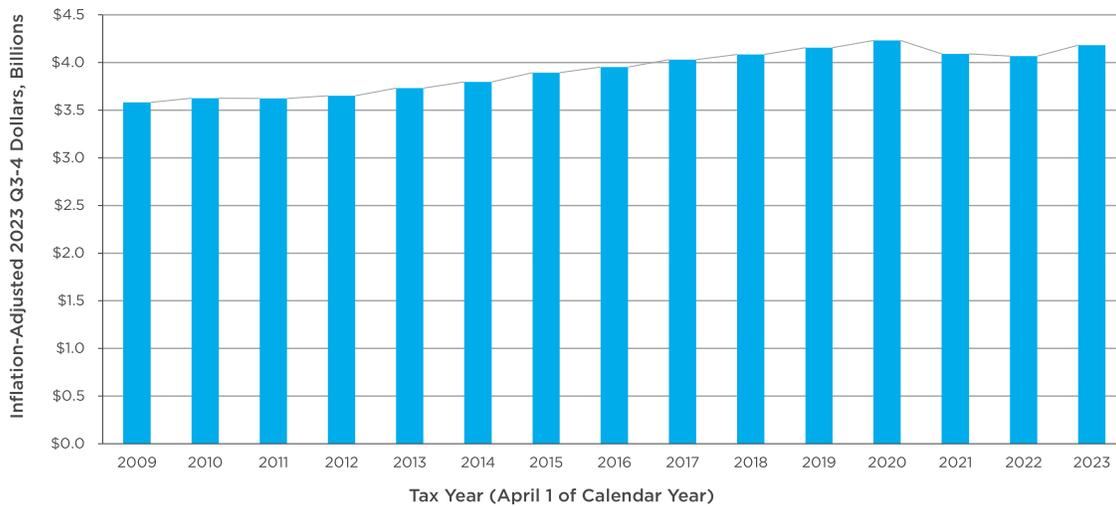
*Note: Does not include taxpayers who are age 65 and older or tax units with negative incomes. Dependent filers are included with claiming filer.

Property taxes, including costs passed on to renters, are the primary reason for higher effective tax rates for households and families with lower incomes in New Hampshire. Effective property tax rates are highest on the lowest income taxpayers as a percentage of income, and result in substantially higher effective tax rates for middle-income families than for the highest income households.⁵⁶ Aggregate increases in local property taxes have outpaced inflation in all but three years since 2009. Two of those years, 2021 and 2022, followed both increases in State aid to local governments and substantial, one-time investments by the federal government in municipal and county governments and school districts, which may have enabled lower property tax collections.⁵⁷

FIGURE 48

New Hampshire Total Local Property Tax Commitment By Tax Year, Inflation-Adjusted Dollars

Source: New Hampshire Department of Revenue Administration; U.S. Bureau of Labor Statistics Consumer Price Index-Urban, Northeast



Note: Inflation-adjustment based on the second half of same-numbered calendar year

Available research suggests higher effective tax rates on households with lower incomes may be particularly detrimental to the economy. Separate analyses from the U.S. Congressional Budget Office, Moody's Analytics, and the U.S. Congressional Research Service suggest that the most economically stimulative tax reductions or public expenditures are those targeted at getting more resources to individuals with lower incomes and fewer resources, while tax reductions for higher income households have had very small impacts on economic growth.⁵⁸

These analyses suggest state and local taxes in New Hampshire may be slowing economic growth more than necessary because of the incidence of taxes on households. Higher effective tax rates on individuals and families with lower incomes may slow economic growth substantially more than a higher tax rate on households with more financial capacity.

BUILDING A THRIVING NEW HAMPSHIRE ECONOMY

Building a New Hampshire economy where everyone has the opportunity to thrive can improve the lives of New Hampshire residents across the state. As was the case before and after the COVID-19 pandemic, economic well-being and opportunity are not evenly distributed among Granite Staters. These barriers to economic success and financial stability hinder not only the people affected but also limit the growth of the state's economy.

While expanded investments in public assistance programs and economic impact payments helped reduce the negative financial impacts of the pandemic for many families, the end of these programs has resulted in the  return to financial instability for some Granite Staters. Data released by the U.S. Census Bureau indicated that targeted relief directed toward lower-income households in response to the COVID-19 pandemic cut New Hampshire's child poverty rate, as measured after taxes and adjusting for certain costs, from 8.2 percent in 2019 to 4.0 percent in 2021. By 2022, however, the child poverty rate rebounded to 7.3 percent. Additionally, the rate among adults aged 65 and older increased by more than five percentage points from the previous year to over 14 percent in 2022.¹

Median household income growth did not exceed inflation faced by Granite Staters in between 2021 and 2022. This drop in real purchasing power for the median household contrasts considerably with growth figures from 2021, in which the median household income was significantly higher than pre-pandemic 2019 incomes, even after adjusting for inflation.² This boost in household incomes seen in 2021, at a time when consumer spending was fueling economic growth, suggests that the families receiving assistance spent money in the local economy that they would not have been able to without the pandemic-related aid. As of 2023, New Hampshire's median household income recovered to 2021 levels after adjusting for inflation, but did not exceed 2021's purchasing power.³

Research released by the Tax Policy Center in 2023 suggests that some policy investments directed toward children can have long-term returns on investment of up to \$10 for every one dollar invested.⁴ Additionally, Moody's Analytics most recent findings underscored the importance of investments aimed at providing  support to families and individuals with lower incomes. For every federal dollar invested in food assistance benefits, the economy was estimated to experience an estimated return of \$1.61 by the end of the year, as well as \$1.49 for supplemental unemployment insurance payments, \$1.27 for each Earned Income Tax Credit dollar, and \$1.25 per dollar invested in the Child Tax Credit. Meanwhile, tax reductions for corporations and their operating losses, as well as tax reductions for income from capital gains, showed little impact on economic growth.⁵

 New Hampshire still faces many challenges to building an equitable economy,  foremost among them the high cost of housing, limited access to affordable  child care, and increased costs for everyday living expenses. Directing available

FIGURE 49

Economic Impacts of Policy Investments

Source: Moody's Analytics, *The Biden Fiscal Rescue Package: Light on the Horizon*, January 15, 2021

| Policy Change Analyzed | Economic Growth Per \$1 Invested |
|---|----------------------------------|
| Supplemental Nutrition Assistance Program (SNAP) Benefits | \$1.61 |
| Supplemental Unemployment Insurance | \$1.49 |
| Work-Share Unemployment Insurance | \$1.37 |
| Aid to State and Local Governments | \$1.34 |
| Low Income Home Energy Assistance Program (LIHEAP) | \$1.31 |
| Transportation Infrastructure Spending | \$1.29 |
| Earned Income Tax Credit | \$1.27 |
| Child Tax Credit | \$1.25 |
| Defense Spending | \$1.24 |
| Child Care (Universal Child Care Act) | \$1.19 |
| Universal Pre-Kindergarten | \$1.17 |
| Care for Older Adults | \$1.15 |
| Economic Impact Payments | \$1.09 |
| Payroll Tax Holiday for Employees | \$1.07 |
| Payroll Tax Holiday for Employers | \$0.95 |
| Nonrefundable Lump Sum Tax Rebate | \$0.93 |
| Personal Income Tax Rate | \$0.88 |
| Housing Tax Credit | \$0.80 |
| Student Loan Debt Forgiveness | \$0.65 |
| Dividend and Capital Gain Tax Rate Reduction | \$0.38 |
| Corporate Tax Rate Reduction | \$0.32 |
| Accelerated Depreciation for Business Taxes | \$0.27 |
| Business Net Operating Losses Tax Offset | \$0.24 |

Note: Estimates of change in the size of the national economy, as measured by Gross Domestic Product, in the fourth quarter of 2021 for each \$1.00 change in selected federal expenditure or tax change in the first quarter of 2021. Policies evaluated relative to the parameters of the federal 2021 American Rescue Plan Act, as proposed in January 2021.

resources to provide long-term support for struggling residents will be key to not only New Hampshire's recovery, but its ongoing prosperity and success. Public policy can play an essential role in providing solutions to the challenges faced by Granite Staters, improving the well-being of all residents, and helping to ensure a thriving and prosperous state for all who call New Hampshire home today and the future generations to come.

POPULATION AND DEMOGRAPHICS

1. See the U.S. Census Bureau's Population Estimates Tables, State Population Totals: 2010-2019 and State Population Totals: 2020-2023. Note: The Decennial Census count taken in 2020 created a new April 1, 2020 population baseline for U.S. Census Bureau annual estimates, which may explain part of the faster population increase between the 2019 and 2020 estimates.
2. See the U.S. Census Bureau's Population Estimates Tables, County Population Totals: 2020-2023.
3. See the U.S. Census Bureau's Population Estimates Tables, State Population by Characteristics: 2020-2023, Sex, Race, and Hispanic Origin. Note: The U.S. Census Bureau defines race and ethnicity separately, using 1997 standards from the U.S. Office of Management and Budget. For ethnicity, "Hispanic or Latino" is defined as "a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race."
4. See the U.S. Census Bureau's Population Estimates Tables, State Population by Characteristics: 2020-2023, Median Age and Age by Sex.
5. See the U.S. Census Bureau's Microdata Access Tool, 5-year Estimates for 2022 and 2017. Data was assessed using multiple variables: mobility status, migration, and age recode by group.
6. See the U.S. Census Bureau's Population Estimates Tables, State Population Components of Change: 2020-2023.
7. See the U.S. Census Bureau's Population Estimates Tables, County Population Components of Change: 2020-2023.
8. See the New Hampshire Department of Business and Economic Affairs' September 2022 report, State, County, and Municipal Population Projections: 2020-2050, page 52.

INCOME AND ECONOMIC SECURITY

1. See the U.S. Census Bureau, American Community Survey, Income in the Past 12 Months, S1901.
2. See the U.S. Census Bureau, American Community Survey, Median Income in the Past 12 Months, S1903.
3. See NHFPI's 2021 issue brief, Uneven Employment Impacts and Recovery from the COVID-19 Crisis; 2022 issue brief, Key Challenges Facing Granite Staters Amid the COVID-19 Economic Recovery; and 2023 issue brief, Granite State Workers and Employers Face Rising Costs and Significant Economic Constraints.
4. See the U.S. Census Bureau, American Community Survey, Poverty Status in the Past 12 Months, S1701.
5. See the U.S. Department of Health and Human Services, 2024 Poverty Guidelines.
6. See the U.S. Census Bureau, American Community Survey, Income in the Past 12 Months, S1901.
7. See the U.S. Census Bureau's June 2023 publication Strategies to Counter 2021-Specific Challenges in Producing the Supplemental Poverty Measure in the American Community Survey and accompanying American Community Survey-derived SPM data tables.
8. See NHFPI's March 4, 2022 issue brief, Expansions of the Earned Income Tax Credit and Child Tax Credit in New Hampshire.
9. See NHFPI's June 10, 2024 blog, Poverty Among Older Adults Rose Significantly, and Rebounded for Children, in 2022, as well as NHFPI's September 2023 blog Latest Census Bureau Data Show Median Household Income Fell Behind Inflation, Tax Credit Expirations Increased Poverty and NHFPI's March 2022 issue brief Expansions of the Earned Income Tax Credit and Child Tax Credit in New Hampshire.
10. See the U.S. Census Bureau, American Community Survey, Poverty Status in the Past 12 Months, S1701.
11. See the U.S. Census Bureau, American Community Survey, Poverty Status in the Past 12 Months, S1701.
12. See the Massachusetts Institute of Technology, Living Wage Calculator, accessed August 2024.
13. See the Economic Policy Institute, Family Budget Calculator, accessed August 2024.
14. See the U.S. Census Bureau, Household Pulse Survey. Note: 2023 data includes survey data collected from January through October of that year.

ECONOMY AND JOBS

1. See New Hampshire Employment Security's Nonfarm Employment, Seasonally Adjusted, All Employees 2023 preliminary estimates.
2. See U.S. Census Bureau's American Community Survey, Commuting Characteristics by Sex, S0801.
3. See U.S. Department of Labor Wage and Hour Division's State Minimum Wage Laws.
4. Annual minimum wage calculation derived assuming 40 hours of work per week for 52 weeks at \$7.25 an hour. CPI for All Urban Consumers 1982-84=100 (Unadjusted) for the first half of 2024 used for inflation calculations.
5. See U.S. Department of Health and Human Services 2009 and 2024 Federal Poverty Guidelines.
6. Annual 2023 figures in this paragraph are an average of the four individual quarters from 2023.
7. Information provided by New Hampshire Employment Security. See the U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages for more details.

8. See NHFPI's August 2022 issue brief, Key Challenges Facing Granite State Workers Amid the COVID-19 Economic Recovery and NHFPI's March 4, 2022 presentation The New Hampshire Economy in 2021 and 2022.
9. Annual 2023 figures in this paragraph are an average of the four individual quarters from 2023.
10. See New Hampshire Employment Security's Covered Employment and Statewide and County Quarterly Data: Third Quarter 2023.
11. See New Hampshire Employment Security's Granite Stats – Unemployment Rate and Labor Force.
12. See New Hampshire Employment Security's New Hampshire Economic Conditions – July 2024.
13. See Granite Stats – Unemployment Rate and Labor Force,.
14. See New Hampshire Employment Security's Granite Stats – Unemployment Rate and Labor Force.
15. See New Hampshire Employment Security's Granite Stats – Unemployment Rate and Labor Force and U.S. Bureau of Labor Statistics Civilian Unemployment Rate.
16. See New Hampshire Employment Security's Alternative Measures of Labor Underutilization Annual Averages 2023, U-6 metric, and U.S. Bureau of Labor Statistics "Local Area Unemployment Statistics" for more information on the U-L measure.
17. See NHFPI's August 2022 issue brief, Key Challenges Facing Granite State Workers Amid the COVID-19 Economic Recovery and NHFPI's August 2023 issue brief, Granite State Workers and Employers Face Rising Costs and Significant Economic Constraints. Inflation adjustment calculated using Consumer Price Index for All Urban Consumers-New England.
18. See NHFPI's September 2021 issue brief, Uneven Employment Impacts and Recovery from the COVID-19 Crisis.
19. See NHFPI's June 10, 2024 blog, Poverty Among Older Adults Rose Significantly, and Rebounded for Children, in 2022.
20. See the Federal Reserve Bank of San Francisco, Pandemic Savings Are Gone: What's Next for U.S. Consumers?, May 3, 2024, and the Federal Reserve Bank of Boston, Have U.S. Households Depleted All the Excess Savings They Accumulated during the Pandemic?, November 7, 2023.
21. See NHFPI's May 22, 2024 presentation New Hampshire's Labor Force and Policies to Support Granite State Workers and the U.S. Census Bureau's Household Pulse Survey, accessed July 2024.
22. See NHFPI's August 2023 issue brief, Granite State Workers and Employers Face Rising Costs and Significant Economic Constraints.

HOUSING

1. Price data collected and published by the New Hampshire Association of Realtors.
2. See the New Hampshire Housing's March 2023 report, New Hampshire Statewide Housing Needs Assessment.
3. See the New Hampshire Housing's August 2023 report, New Hampshire 2023 Residential Rental Cost Survey Report.
4. See the U.S. Census Bureau's July 30, 2024 press release, Quarterly Residential Vacancies and Homeownership, Second Quarter 2024.
5. See the New Hampshire Housing's August 2024 report, New Hampshire 2024 Residential Rental Cost Survey Report.
6. See the U.S. Census Bureau, American Community Survey, 1-Year Estimates for 2023, B25119.
7. See the U.S. Census Bureau, American Community Survey, 1-Year Estimates for 2023, B25074.
8. See the U.S. Census Bureau, American Community Survey, 5-Year Estimates for 2018-2022, B25074.
9. See the U.S. Government Accountability Office's July 2020 report, Better HUD Oversight of Data Collection Could Improve Estimates of Homeless Population.
10. For more information on the point-in-time counts, see the United States Interagency Council on Homelessness January 2024 publication USICH Leaders and Staff Participate in 2024 Homelessness Count, the U.S. Department of Housing and Urban Development's December 2023 HUD No. 23-278 information release HUD Releases January 2023 Point-in-Time Count Report, and the New Hampshire Department of Health and Human Services webpage Balance of State Continuum of Care, accessed August 2024.
11. See the U.S. Department of Housing and Urban Development, Point in Time Counts.
12. For more information on the health impacts of varying housing quality and multiple or frequent moves, see the Urban Institute, How Housing Affects Children's Outcomes, January 2, 2019; the Urban Institute, The Negative Effects of Instability on Child Development: A Research Synthesis, September 2013; the American Journal of Pediatrics, Unstable Housing and Caregiver and Child Health in Renter Families, February 2018; the American Journal of Pediatrics, Eviction and Household Health and Hardships in Families With Very Young Children, October 2022; and the American Journal of Public Health, U.S. Housing Insecurity and the Health of Very Young Children, August 2011.
13. See the NH Judicial Branch, Data and Reports, Landlord Tenant Writ Filings by month and court, 2019-2023. See NHFPI's June 18, 2020 blog, Eviction Moratorium to End July 1 as the State Establishes New Housing Assistance Program.
14. See Princeton University, Eviction Lab, accessed August 2024.
15. See the NH Coalition to End Homelessness's 2023 report, The State of Homelessness in New Hampshire.
16. See the Advocates Building Lasting Equality in New Hampshire's survey of caregivers, 2021 Disability Housing Survey Report: A Severe Crisis is Upon Us.

HEALTH

1. See the U.S. Department of Health and Human Services, Healthy People 2030, Social Determinants of Health.
2. See the NH Department of Health and Human Services, Access to Opportunity.
3. See the U.S. Bureau of Labor Statistics' February 2017 summary, Income and Health Outcomes.
4. See the NHFPI's February 29, 2024 issue brief, Poverty and Food Insecurity in New Hampshire During and Following the COVID-19 Crisis.
5. See the Kaiser Family Foundation's March 1, 2024 issue brief, Americans' Challenges with Health Care Costs.
6. See the U.S. Department of Health and Human Services, Healthy People 2030, Housing Instability and the U.S. Environmental Protection Agency, Environmental Justice and Air Pollution.
7. See the Commonwealth Fund's 2023 Scorecard on State Health System Performance and the U.S. Government Accountability Office's May 16, 2023 article, Why Health Care is Harder to Access in Rural America.
8. See the University of Wisconsin Population Health Institute's data tool, County Health Rankings and Roadmaps, Primary Care Physicians.
9. See the NH Department of Health and Human Services' December 27, 2022 report, Annual Report on the Health Status of Rural Residents and Health Workforce Data Collection.
10. See the Urban Institute's October 27, 2021 brief, Following Labor and Delivery Unit Closures in Rural New Hampshire, Driving Time to the Nearest Unit Doubled.
11. See the Urban Institute's February 2021 report, Delayed and Forgone Health Care for Nonelderly Adults during the COVID-19 Pandemic.
12. See the U.S. Centers for Disease Control and Prevention, BRFSS Prevalence and Trends Data, Health Care Access and Coverage.
13. See the U.S. Centers for Disease Control and Prevention, BRFSS Prevalence and Trends Data, Health Care Access and Coverage.
14. See the NH Department of Health and Human Services' data portal, Life Expectancy and Mortality.
15. See the University of Wisconsin Population Health Institute's data tool, County Health Rankings and Roadmaps, Primary Care Physicians.
16. See the U.S. Census Bureau's American Community Survey, Private Health Insurance Coverage, S2703.
17. See the U.S. Census Bureau's American Community Survey, Selected Characteristics of Health Insurance Coverage, S2701.
18. See the U.S. Census Bureau's American Community Survey, Public Health Insurance Coverage, S2704.
19. See the NH Department of Health and Human Services' July 3, 2024 report, New Hampshire Medicaid Enrollment Demographic Trends and Geography.
20. See the NHFPI's April 30, 2024 blog, Granite Staters Continue to be Impacted by End of Continuous Medicaid Enrollment One Year Later.
21. See the U.S. Centers for Medicare and Medicaid Service, Unwinding and Returning to Regular Operations after COVID-19.
22. See the NH Department of Health and Human Services' July 3, 2024 report, New Hampshire Medicaid Enrollment Demographic Trends and Geography.
23. For example, see the Community Behavioral Health Association's analysis of disenrollment presented to the February 12, 2024 meeting of the NH Medical Care Advisory Committee.
24. See the U.S. Census Bureau's Household Pulse Survey. Note: 2020 data only includes survey data collected from April through December of that year.
25. See the U.S. Centers for Disease Control and Prevention, Anxiety and Depression: Household Pulse Survey.
26. See the U.S. Census Bureau's Household Pulse Survey.
27. See the NH Department of Health and Human Services' data portal, Youth Risk Behavior Survey Results.
28. For example, the NH Department of Health and Human Services reported that, as of August 30, 2024, 19 adults were in emergency departments waiting for acute psychiatric beds to become available.
29. See the University of Wisconsin Population Health Institute's data tool, County Health Rankings and Roadmaps, Mental Health Providers.
30. See the NH Office of Chief Medical Examiner's 2022 report, Summary of 2022 New Hampshire Drug Overdose Deaths and the U.S. Department of Transportation's 2022 report, State Highway Safety Report: New Hampshire.
31. See the NH Office of Chief Medical Examiner's 2022 report, Summary of 2022 New Hampshire Drug Overdose Deaths, and the NH Department of Health and Human Services New Hampshire Drug Monitoring Initiative June 2024 Report published August 1, 2024.
32. See the NH Department of Health and Human Services' June 20, 2024 Operating Statistics Dashboard.

33. See the U.S. Census Bureau, American Community Survey, Disability Characteristics, S1810.
34. See the U.S. Census Bureau, American Community Survey, Disability Characteristics, S1810.
35. See the NHFPI's July 18, 2022 publication, Long-Term Services and Supports in New Hampshire: A Review of the State's Medicaid Funding for Older Adults and Adults with Physical Disabilities.

FOOD INSECURITY

1. See NHFPI's February 29, 2024 issue brief Poverty and Food Insecurity in New Hampshire During and Following the COVID-19 Crisis.
2. See the U.S. Department of Agriculture Economic Research Service, Household Food Insecurity in the United States in 2023.
3. See Feeding America, Map the Meal Gap.
4. See the U.S. Department of Agriculture Economic Research Service's October 2, 2017 article, Adults in Households with More Severe Food Insecurity Are More Likely to Have a Chronic Disease and the American Journal of Health Promotion's 2022 article, Food Insecurity and Mental Well-Being Among Low-Income Families During COVID-19 Pandemic.
5. See the U.S. Department of Health and Human Services, Healthy People 2030: Food Insecurity and NHFPI's February 29, 2024 issue brief Poverty and Food Insecurity in New Hampshire During and Following the COVID-19 Crisis.
6. See the U.S. Department of Health and Human Services, Healthy People 2030: Food Insecurity.
7. See the U.S. Department of Agriculture Economic Research Service's June 2009 report, Access to Affordable and Nutritious Food-Measuring and Understanding Food Deserts and their Consequences.
8. See the U.S. Department of Agriculture Economic Research Service, Food Access Research Atlas.
9. See the University of New Hampshire Carsey School of Public Policy's June 2019 issue brief Mapping the Food Landscape in New Hampshire.
10. See the U.S. Department of Agriculture Economic Research Service's December 7, 2021 article, Rural Counties Losing Share of Grocery Stores, Gaining Other Types of Food Retailers.
11. See the NH Department of Health and Human Services, Supplemental Nutrition Assistance Program.
12. See the U.S. Department of Agriculture Economic Research Service, Household Food Insecurity in the United States in 2023.
13. See the U.S. Department of Agriculture's WIC Data Tables.
14. Data provided through data request from the NH Department of Health and Human Services.
15. See the U.S. Department of Agriculture's interactive, SNAP Participation Rates by State.
16. See the New Hampshire Hunger Solutions website.
17. See the Urban Institute's data tool, Does SNAP Cover the Cost of a Meal in Your County?
18. See the NH Department of Education, Free Reduced School Lunch Eligibility Rates by District.
19. See the U.S. Centers for Disease Control and Prevention, QuickStats and NHFPI's June 2022 issue brief Advancing Equity Through Changes to State Public Education Aid.
20. See the Frontiers in Nutrition's 2022 article Food Insecurity and the Role of Food Assistance Programs in Supporting Diet Quality During the COVID-19 Pandemic in Massachusetts; the Center on Budget and Policy Priorities' January 2018 report SNAP Is Linked with Improved Nutritional Outcomes and Lower Health Care Costs; and the Journal of Nutritional Science's 2023 article Food Security Among SNAP Participants 2019 to 2021: A Cross-Sectional Analysis of Current Population Survey Food Security Supplement Data.

EARLY CARE AND EDUCATION

1. See NHFPI's February and May 2024 issue briefs, The State of Child Care in New Hampshire: End of One-Time Federal Investments May Reduce Industry Stability and The Fragile Economics of the Child Care Sector.
2. Estimates calculated using U.S. Census Bureau's American Community Survey 2018-2022 five-year estimates, Age of Own Children Under 18 Years in Families and Subfamilies by Living Arrangements By Employment Status of Parents, B23008. The figure provided is the estimated number of children under 6 years old in New Hampshire with both parents, or their sole parent, in the labor force.
3. See NHFPI's May 2024 issue brief, The Fragile Economics of the Child Care Sector.
4. See 2022 Child Care Affordability in New Hampshire and 2023 Child Care Affordability in New Hampshire from Child Care Aware of America. For more information, see NHFPI's May 2024 issue brief, The Fragile Economics of the Child Care Sector.
5. Original NHFPI analyses using U.S. Census Bureau's American Community Survey: Median Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars), S1903.
6. See New Hampshire's Department of Health and Human Services' NH Connections' Child Care Scholarship information webpage and Eligibility for NH Scholarship slides.
7. See NHFPI's June 2023 blog, Senate Modifies State Budget Proposal, House Concurs with Senate Changes and Sends Budget

ENDNOTES

- to Governor and NH DHHS's July 2023 Inter-Departmental Communication.
8. See NH DHHS's July 2024 Child Care Scholarship Income Eligibility Levels.
 9. See NH DHHS's July 2024 Child Care Scholarship Income Eligibility Levels, p. 2.
 10. See the U.S. Census Bureau's Household Pulse Survey data collections from Week 57 to Phase 4.0 Cycle 07.
 11. Note: These figures include the financial loss from the first year of the unavailable child care slot as well as residual, cumulative effects related to those initial financial losses over a ten-year time horizon. See the Bipartisan Policy Center's 2021 report, *The Economic Impact of America's Child Care Gap*, in particular, p. 11 for an explanation of cumulative impacts. Figures adjusted for inflation using CPI-U New England.
 12. See Society for Research in Child Development and Foundation for Child Development's October 2013 summary *Investing in Our Future: The Evidence Base on Preschool Education*, Child Development Perspectives' 2022 peer-reviewed article *The Promise and Purpose of Early Care and Education*, National Bureau of Economic Research's 2021 working paper *The Long-Term Effects of Universal Preschool in Boston* later published in 2022 under the same title in the peer-reviewed journal *The Quarterly Journal of Economics*, and the *Journal of Political Economy's* 2020 peer-reviewed article *Quantifying the Life-Cycle Benefits of an Influential Early-Childhood Program*.
 13. See the Tax Policy Center's September 2023 publication *The Return on Investing in Children: Helping Children Thrive*.
 14. See U.S. Bureau of Labor Statistics's May 2023 State Occupational Employment and Wage Estimates for New Hampshire and U.S. Department of Health and Human Services' Office of the Assistant Secretary for Planning and Evaluation 2023 Poverty Guidelines: 48 Contiguous States (except Alaska and Hawaii).
 15. See U.S. Bureau of Labor Statistics' May 2023 State Occupational Employment and Wage Estimates for New Hampshire.
 16. NHFPI analysis of HB1 for SFYs 2016-2017, 2018-2019, 2020-2021, 2022-2023, 2024-2025, New Hampshire Department of Health and Human Services Division of Economic Stability's August 21, 2023 report, *New Hampshire Child Care COVID Funding*, NH Connections' *Child Care Operating Expense Reduction (CCOER) Grant Program Application Overview* as of October 24, 2023, and SFYs 2024-2025 HB 2, p. 147.
 17. Figure derived using New Hampshire Department of Health and Human Services Division of Economic Stability's August 21, 2023 report, *New Hampshire Child Care COVID Funding*, and NH Connections' *Child Care Operating Expense Reduction (CCOER) Grant Program Application Overview* as of October 24, 2023.
 18. See Department of Health and Human Services' document, *Child Care Workforce Grant State Fiscal Years 2024 and 2025* as of January 2, 2024.
 19. NHFPI analysis of Chapter 106 HB 1-A – Final Version. For more details, see NHFPI's February 2024 issue brief, *The State of Child Care in New Hampshire: End of One-Time Federal Investments May Reduce Industry Stability*.

K - 12 AND POST-SECONDARY EDUCATION

1. See the Economic Development Quarterly 2018 article *Human Capital and Intergenerational Mobility in U.S. Counties*.
2. See the Proceedings of the National Academy of Sciences 2021 peer-reviewed article, *Life expectancy in adulthood is falling for those without a BA degree, but as educational gaps have widened, racial gaps have narrowed*. See also the Annual Review of Public Health 2018 article *The Relationship Between Education and Health: Reducing Disparities through a Contextual Approach*.
3. See the National Academy of Sciences February 2024 issue brief, *Reducing Intergenerational Poverty: Education's Critical Role in Reducing Intergenerational Poverty* and NHFPI's February 2024 issue brief, *Poverty and Food Insecurity in New Hampshire During and Following the COVID-19 Crisis*. See also the U.S. Bureau of Labor Statistics published analysis *Unemployment Rates for Persons 25 Years and Older by Educational Attainment*.
4. See U.S. Census Bureau, *American Community Survey, Educational Attainment, S1501*.
5. See U.S. Census Bureau's 2022 American Community Survey Table S1501 for New Hampshire.
6. See the National Center for Education Statistics *High School Graduation Rates* and U.S. Census Bureau's 2022 American Community Survey Table S1501 for New Hampshire.
7. See NHFPI's November 2023 issue brief, *Limited State Funding for Public Higher Education Adds to Workforce Constraints*.
8. See New Hampshire Department of Education's *State Summary Revenue and Expenditures of School Districts 2022-2023* and *Valuations, Property Tax Assessments and Tax Rates of School Districts 2022-2023*.
9. See NHFPI's October 2023 fact sheet, *Education in New Hampshire: Fiscal Policies in 2023*. See also data showing 2023 taxable property values per capita, published by the New Hampshire Community Development Finance Authority.
10. See U.S. Census Bureau's 2022 *Public Elementary-Secondary Education Finance Data*.
11. See the University System of New Hampshire's "Our Institutions" and the Community College System of New Hampshire's "Locations" pages.
12. See NHFPI's November 2023 issue brief, *Limited State Funding for Public Higher Education Adds to Workforce Constraints*.

13. See the State Higher Education Executive Officers Association's State Higher Education Finance report Grapevine 2024 National Table 3.
14. See State Higher Education Finance Report Figure 3.2.
15. See Keene State College, Plymouth State University, and University of New Hampshire's admissions and financial aid and services webpages.
16. See National Center for Educational Statistics Table 309.30 (Fall 2020).
17. See The Institute for College Access and Success' Student Debt and the Class of 2020 (November 2021) Table 3: Percentage of Graduates with Debt and Average Debt of Those with Loans, By State.
18. See The Institute for College Access and Success' Student Debt and the Class of 2020 (November 2021) Table 3: Percentage of Graduates with Debt and Average Debt of Those with Loans, By State.
19. See the Institute of Education Sciences' 2022 report, Baccalaureate and Beyond (B&B:16/20), p. 19.
20. See the 2021 peer-reviewed article, Does Student Loan Debt Hinder Community Well-Being? In the International Journal of Community Wellbeing.
21. See New Hampshire Fiscal Policy Institute's August 2023 issue brief Granite State Workers and Employers Face Rising Costs and Significant Economic Constraints, under the heading "New Hampshire's Recovery Slowed by Workforce Constraints." See the Carsey Institute's 2012 publication, New Hampshire Demographic Trends in the Twenty-First Century, and the NH Center for Public Policy Studies 2017 archived post, NH Economic Outlook 2018, more information about on-going demographic trends in New Hampshire.
22. See the New Hampshire Department of Business and Economic Affairs' State of New Hampshire Workforce Assessment from August 2022, Updated April 2023 (used to determine number of projected job openings), and New Hampshire Employment Security's New Hampshire Employment Projections by Industry and Occupation: Base Year 2020 to Projected Year 2030 report from January 2022 (used to confirm necessary educational attainment and training for occupations).

TRANSPORTATION

1. See New Hampshire Department of Transportation's 2024 Roads and Highways Facts & Figures.
2. See New Hampshire Department of Transportation's 2023 Fact Book.
3. See New Hampshire Department of Transportation's 2023 Fact Book.
4. See New Hampshire Department of Transportation's July 2024 Pavement Condition document.
5. See New Hampshire Department of Transportation's 2024 Roads and Highways Facts & Figures.
6. See New Hampshire Department of Transportation's NHDOT Facts webpage.
7. See U.S. Environmental Protection Agency's, Climate Change Impacts on Transportation, and U.S. Department of Transportation's, Climate Action.
8. See New Hampshire's State Airport System Plan: System of Public-Use Airports in New Hampshire and New Hampshire Department of Transportation's NHDOT Facts.
9. See New Hampshire Department of Transportation's Rail Transportation webpage.
10. See New Hampshire Department of Transportation's New Hampshire Rail Trails Plan.
11. See New Hampshire Department of Transportation's Local Transit Services webpage.
12. Email communication with NHDOT.
13. See the New Hampshire Transit Association's 2022 report Public Transportation in New Hampshire.
14. See U.S. Census Bureau, American Community Survey, Means of Transportation to Work by Selected Characteristics, S0802.
15. See U.S. Census Bureau, American Community Survey, Means of Transportation to Work by Selected Characteristics, S0802.
16. See U.S. Census Bureau, American Community Survey, Means of Transportation to Work by Selected Characteristics, S0802.
17. See U.S. Census Bureau, American Community Survey, Selected Economic Characteristics, DP03.
18. See New Hampshire Department of Transportation's 2023-2032 Draft Ten Year Plan presentation prepared for the Senate Transportation Committee.
19. See New Hampshire's House Public Works and Highways Committee HB 2024 2025-2034 Draft Ten Year Plan Work Session, slide 11.
20. See New Hampshire's House Public Works and Highways Committee HB 2024 2025-2034 Draft Ten Year Plan Work Session, slide 9.
21. AASHTO 2023 Survey of State Funding for Public Transportation.
22. See State of New Hampshire's September 2016 Performance Audit Report for the Department of Transportation Bridge Maintenance.
23. See American Society of Civil Engineers' 2017 Report Card for New Hampshire's Infrastructure.

BROADBAND INTERNET

1. See the Federal Reserve Bank of Richmond's 2020 publication, *Bringing Broadband to Rural America*.
2. See U.S. Census Bureau, *American Community Survey, Types of Computers and Internet Subscriptions*, S2801.
3. For more information about figures in this paragraph, see BroadbandNow's webpage, *New Hampshire Internet Coverage & Availability in 2024*.
4. For more information about figures in this paragraph, see BroadbandNow's *2024 Internet Availability by State*.
5. For more information about figures in this paragraph, see BroadbandNow's webpage, *New Hampshire Internet Coverage & Availability in 2024* and the New Hampshire Department of Business and Economic Affairs *NH Broadband Mapping Initiative data*, last updated December 2023.
6. See U.S. Census Bureau, *American Community Survey, Types of Computers and Internet Subscriptions*, S2801.
7. See the U.S. Federal Communications Commission *Affordable Connectivity Program* website, accessed July 2024, as well as the U.S. Treasury Department's *Capital Projects Fund* website, accessed July 2024, and the U.S. Department of Commerce November 2021 fact sheet *Department of Commerce's Use of Bipartisan Infrastructure Deal Funding to Help Close the Digital Divide*.
8. See U.S. Census Bureau, *American Community Survey, Types of Computers and Internet Subscriptions*, S2801.

STATE BUDGET

1. See the New Hampshire Department of Revenue Administration's *Technical Assistance for Towns, Village, Districts, School Districts, Budget Committees*, as well as the New Hampshire Municipal Association's *Federal Funding and Resources and NHFPI's July 2024 presentation Funding Public Services in New Hampshire at the State and Local Levels*.
2. To learn more about these examples, see the Congressional Research Service's reports from June 2018, *Small Business Administration: A Primer on Programs and Funding*, July 2022's *Small Business Administration (SBA) Funding: Overview and Recent Trends*, and July 2024's *Medicare Overview*.
3. Based on General Fund appropriations as a percentage of the total allocated by the New Hampshire State Budget in Chapter 106, *Laws of 2023*.
4. For examples of these grants, see the New Hampshire Department of Safety *Grants* webpage and the New Hampshire Department of Environmental Services *Loans and Grants* webpage.
5. See an example of both infrastructure and waste management on the New Hampshire Department of Environmental Services *Wastewater State Aid Grants* webpage.
6. See the New Hampshire Department of Education *Local District Schools* webpage.
7. See RSA 52 for more information on village districts and Chapter 198, *Laws of 2021* for an example of permitted, formalized cooperation between municipalities.
8. See the New Hampshire Association of Counties *The History of NH County Government* and NHFPI's August 2024 presentation *Funding for Long-Term Services and Supports in New Hampshire*.
9. See the New Hampshire State Constitution and NHFPI's February 2017 publication *Building the Budget*.
10. See RSA 9:4 and the Transparent NH government webpage *How Government Finances Work*.
11. See the New Hampshire Office of Legislative Budget Assistant's January 2023 fiscal issue brief *The Operating Budget Process*, RSA 9:2, and RSA 9:3.
12. See the New Hampshire Office of Legislative Budget Assistant's January 2023 *Budget Orientation* and the January 2017 document *House Finance Committee Division Briefing, New Hampshire State Operating Budget*.
13. For more examples and discussion of the process, see NHFPI's February 2017 publication *Building the Budget*, pages 9 and 10.
14. In 2024, the Senate Finance Committee had seven members, while the House Finance Committee had 25 members, or more Committee members than there were members of the New Hampshire State Senate.
15. See NHFPI's May 2023 analysis *Senate Ways and Means Committee Estimated Revenues \$184.3 Million Higher Than House-Projected Revenues* and May 22, 2017 blog post *Senate Ways and Means Committee Increases Revenue Estimates for examples*.
16. See the New Hampshire Office of Legislative Budget Assistant's January 2023 fiscal issue brief *The Operating Budget Process*.
17. See the New Hampshire Office of Legislative Budget Assistant's January 2023 fiscal issue brief *The Operating Budget Process*, the New Hampshire State Constitution Part Second, Article 44, NHFPI's June 25, 2021 blog post *Legislature Sends State Budget to Governor*, NHFPI's July 1, 2019 blog *Services Funded at Lower Levels than Proposed After Governor Vetoes Budget*, and NHFPI's June 24, 2019 blog *Committee of Conference Keeps Medicaid Reimbursement Rate Increases, Boosts Fiscal Disparity Aid in Final Budget Agreement*.
18. For examples, see the New Hampshire Office of Legislative Budget Assistant's *FY 2024-2025 Operating and Capital Budget* webpage and the January 2023 *Budget Orientation*.
19. See NHFPI's June 2023 blog *Senate Modifies State Budget Proposal, House Concurs with Senate Changes and Sends Budget to Governor*.

20. For more information and examples, see NHFPI's February 2017 publication *Building the Budget*, NHFPI's June 2023 presentation *Examining the State Budget: Reviewing the Senate's Proposal*, NHFPI's May 2023 issue brief *The House of Representatives Budget Proposal for State Fiscal Years 2024 and 2025*, and NHFPI's August 2021 issue brief *The State Budget for Fiscal Years 2022 and 2023*.
21. See NHFPI's February 2019 presentation *New Hampshire's State Budget and Families in the Post-Recession Economy*, slide 2, as well as NHFPI's August 2024 presentation *Funding for Long-Term Services and Supports in New Hampshire and the New Hampshire Department of Health and Human Services Medicaid Enrollment Data*, accessed September 2024.
22. See Chapter 106, Laws of 2023, page 722, NHFPI's July 2024 presentation *Funding Public Services in New Hampshire at the State and Local Levels*, and NHFPI's February 2017 publication *Building the Budget*, pages 13 and 14.
23. For the division of State agencies by category, see the Governor's Executive Budget Summary for Fiscal Years Ending June 30, 2024-2025, pages 18 and 19.
24. See the Governor's Executive Budget Summary for Fiscal Years Ending June 30, 2024-2025, pages 18 and 19, and NHFPI's July 2024 presentation *Funding Public Services in New Hampshire at the State and Local Levels*.
25. For more information about the most significant New Hampshire State Budget funds, see NHFPI's February 2017 publication *Building the Budget*, pages 12 and 13 and the Office of Legislative Budget Assistant's January 2023 *Budget Orientation*, page 2.
26. For more information about the most significant New Hampshire State Budget funds, see NHFPI's February 2017 publication *Building the Budget*, pages 12 and 13 and the Office of Legislative Budget Assistant's January 2023 *Budget Orientation*, page 2.
27. See Chapter 106, Laws of 2023, page 722, the Office of Legislative Budget Assistant's January 2023 *Budget Orientation*, page 2, and RSA 198:42.
28. See NHFPI's February 2017 publication *Building the Budget*, pages 12 and 13.
29. See NHFPI's August 2019 fact sheet *County Medicaid Funding Obligations for Long-Term Care* and NHFPI's August 2024 presentation *Funding for Long-Term Services and Supports in New Hampshire*.
30. For more information on this section, see the New Hampshire Office of Legislative Budget Assistant's October 2023 publication *State Aid to Cities, Towns and School Districts*.
31. See NHFPI's July 2023 presentation *How New Hampshire Funds Public Services at the State and Local Levels*, slides 72 to 75.
32. To learn more, see the New Hampshire Municipal Association's October 2022 publication *Municipal State Aid and Revenue Sharing History and Trends*.
33. See NHFPI's October 2023 fact sheet *Education in New Hampshire: Fiscal Policies in 2023* and the New Hampshire Office of Legislative Budget Assistant's January 2021 fiscal issue brief *Calculating Education Grants Fiscal Year 2022 – District Public Schools*.
34. See NHFPI's June 2023 presentation *Examining the State Budget: Reviewing the Senate's Proposal and the New Hampshire Department of Education's Estimated Expenditures of School Districts 2022-2023*.
35. See U.S. Census Bureau's 2022 *Public Elementary-Secondary Education Finance Data*.

FUNDING PUBLIC SERVICES

1. For more information regarding all the material reviewed in this section, see NHFPI's July 14, 2024 presentation *Funding Public Services in New Hampshire at the State and Local Levels* and NHFPI's May 2017 publication *Revenue in Review: An Overview of New Hampshire's Tax System and Major Revenue Sources*.
2. See the State of New Hampshire's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023, page 22.
3. See the State of New Hampshire's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023, pages 37 and 42.
4. For more information, see the Pew Charitable Trust's August 2023 analysis *Pandemic Aid Lifts Federal Share of State Budgets to New Highs*.
5. For more information on Liquor Commission and Lottery Commission revenues, see the Annual Comprehensive Financial Reports for SFY 2023 for the New Hampshire Liquor Commission and the New Hampshire Lottery Commission.
6. Data collected through the U.S. Census Bureau's Annual Survey of State and Local Government Finances.
7. Information used in this analysis of State and local tax revenue sources derived from the New Hampshire Annual Comprehensive Financial Report for SFY 2023, the New Hampshire Department of Revenue Administration's 2023 Annual Report and 2023 Municipal Tax Rates, the New Hampshire Department of Health and Human Services Fiscal Item FIS 23-311 presented to the Joint Legislative Fiscal Committee, and the U.S. Census Bureau's Annual Survey of State and Local Government Finances for Fiscal Year 2021, the most recent available at the time of publication.
8. See the New Hampshire Municipal Association's *Municipal State Aid and Revenue Sharing: History and Trends*, October 2022, pages 3 and 4.
9. See the U.S. Census Bureau's Annual Survey of State and Local Government Finances for Fiscal Year 2021.
10. See the New Hampshire Liquor Commission's Annual Comprehensive Financial Report for SFY 2023, page 4.

ENDNOTES

11. See the New Hampshire State Constitution, Part Second, Article 6-b, and the State Treasurer's State of New Hampshire Information Statement, pages 14, 26, and 27.
12. See RSA 237 and the New Hampshire Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023, page 39.
13. See NHFPI's February 2017 publication Building the Budget, page 12, and the State Treasurer's State of New Hampshire Information Statement, pages 28 and 47-63.
14. Examples include the revenue estimates produced by the House and Senate Ways and Means Committees and regular reporting on State revenues produced by the New Hampshire Department of Administrative Services.
15. See the New Hampshire State Constitution, Part Second, Article 6-b.
16. For more information on the Business Profits Tax and the Business Enterprise Tax, see NHFPI's August 2023 issue brief State Business Tax Rate Reductions Led to Between \$496 Million and \$729 Million Less for Public Services.
17. See the Pew Charitable Trusts, How States Raise Their Tax Dollars, FY 2023.
18. See the Tax Policy Center's November 2017 report Revenue Volatility: How States Manage Uncertainty and the Pew Charitable Trusts May 2024 analysis Tax Revenue Volatility Is Increasing in Most States.
19. See RSA 77-A and the New Hampshire Department of Revenue Administration's Business Taxes webpage for more details.
20. See the New Hampshire Department of Revenue Administration's 2024 annual report, page 48.
21. See NHFPI's August 2023 issue brief State Business Tax Rate Reductions Led to Between \$496 Million and \$729 Million Less for Public Services and NHFPI's February 2024 Data Byte New Hampshire Corporate Tax Revenue Increases Lag Behind Other States.
22. For more information on the BET, see RSA 77-E, NHFPI's April 2024 presentation New Hampshire's Business Enterprise Tax, and NHFPI's August 2023 issue brief State Business Tax Rate Reductions Led to Between \$496 Million and \$729 Million Less for Public Services.
23. See the New Hampshire Department of Revenue Administration's December 2023 report Tax Expenditure and Potential Liability Report, Fiscal Year 2023, page 15.
24. See NHFPI's April 2024 presentation New Hampshire's Business Enterprise Tax, slide 10, and NHFPI's August 2023 issue brief State Business Tax Rate Reductions Led to Between \$496 Million and \$729 Million Less for Public Services.
25. See NHFPI's August 2023 issue brief State Business Tax Rate Reductions Led to Between \$496 Million and \$729 Million Less for Public Services.
26. See the New Hampshire Department of Revenue Administration's 2024 annual report, pages 46 and 48.
27. See the New Hampshire Department of Revenue Administration's 2024 annual report, page 47.
28. See the Council on State Taxation's December 2023 report Total State and Local Business Taxes.
29. For more information on the Meals and Rentals Tax, see RSA 78-A and the New Hampshire Department of Revenue Administration's Meals and Rooms (Rentals) Tax webpage.
30. See NHFPI's January 2024 blog Proposed Tax Reductions Would Deeply Diminish Revenues for Public Services and NHFPI's May 2022 blog Significant Revenue Surplus Largely Generated by Business Taxes in Federally-Boosted Economy.
31. See RSA 76:3 and NHFPI's May 2021 blog Statewide Education Property Tax Change Provides Less Targeted Relief to learn more about the mechanics of the SWEPT.
32. See RSA 76:8.
33. For additional references, see NHFPI's May 2021 blog Statewide Education Property Tax Change Provides Less Targeted Relief to learn more about the mechanics of the SWEPT.
34. See RSA 84-A and the State Treasurer's April 2023 State of New Hampshire Information Statement, pages 22-24.
35. Learn more in the State Treasurer's April 2023 State of New Hampshire Information Statement, page 24.
36. See the New Hampshire Department of Revenue Administration's 2023 Annual Report, pages 42 and 43, and the New Hampshire Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023, page 7.
37. For more detailed data, see the New Hampshire Department of Revenue Administration's 2023 Annual Report, page 38.
38. See RSA 78 and the New Hampshire Department of Revenue Administration's 2023 Annual Report, page 11.
39. See the New Hampshire Department of Revenue Administration's 2023 Annual Report, page 39.
40. See the New Hampshire Department of Revenue Administration's January 11, 2023 presentation to the House and Senate Ways and Means Committees and the Department's May 3, 2023 presentation to the Senate Ways and Means Committee.
41. See RSA 78-B, NHFPI's March 4, 2022 presentation to the House and Senate Ways and Means Committees, NHFPI's January 17, 2023 presentation to the House Ways and Means Committee, and the New Hampshire Department of Revenue Administration's January 11, 2023 presentation to the House and Senate Ways and Means Committees.
42. See NHFPI's May 2024 blog State Revenues Add to Surplus, But Suggest Potential Trouble Ahead: Seven Takeaways from April Revenue Figures, NHFPI's June 2024 blog May State Revenues Show Continued Decline in Key Tax Revenue Sources, and NHFPI's May 2022 blog Significant Revenue Surplus Largely Generated by Business Taxes in Federally-Boosted Economy.

43. See the New Hampshire Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023, page 7 and the New Hampshire Department of Revenue Administration's 2023 Annual Report, page 43.
44. See RSA 77, the New Hampshire Department of Revenue Administration's January 11, 2023 presentation to the House and Senate Ways and Means Committees, and the Department's July 2024 I&D Quick Checklist.
45. See the New Hampshire Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023, page 7, the New Hampshire Department of Administrative Services' Monthly Revenue Focus, FY June 2024 Preliminary Accrual and Monthly Revenue Focus April FY 2024, and the New Hampshire Department of Revenue Administration's January 11, 2023 presentation to the House and Senate Ways and Means Committees.
46. See NHFPI's written presentation to the House Ways and Means Committee on January 16, 2024, NHFPI's March 2024 blog Households with High Incomes Disproportionately Benefit from Interest and Dividends Tax Repeal, and the Institute on Taxation and Economic Policy's Who Pays? 7th Edition analysis for New Hampshire. See also the New Hampshire Department of Revenue Administration's 2024 Annual Report, page 49.
47. See RSA 260, the New Hampshire Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023, pages 34 and 119, .
48. See RSA 261:141 and RSA 261:141-c.
49. See RSA 400-A, the New Hampshire Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023, page 7, and the State Treasurer's April 2023 State of New Hampshire Information Statement, page 24.
50. See RSA 83-F for more details, and the New Hampshire Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023, page 7 for revenue figures.
51. See RSA 84-C, NHFPI's July 2022 publication Long-Term Services and Support in New Hampshire: A Review of the State's Medicaid Funding for Older Adults and Adults with Physical Disabilities, page 18, and the New Hampshire Department of Revenue Administration's 2023 Annual Report, page 42.
52. See RSA 82-A, the New Hampshire State Treasurer's State of New Hampshire Information Statement, page 22, NHFPI's January 2024 blog Proposed Tax Reductions Would Deeply Diminish Revenues for Public Services, and NHFPI's August 2018 blog Year-End and July Revenues Show Surplus, Raise Questions About Business Taxes.
53. See RSA 178:26 and the New Hampshire Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023, page 148.
54. See the Tax Policy Center's Briefing Book, updated January 2024, How Do Taxes Affect the Economy in the Long Run?, the December 2015 National Tax Journal article The Relationship Between Taxes and Growth at the State Level: New Evidence, and research collected in NHFPI's August 2023 issue brief State Business Tax Rate Reductions Led to Between \$496 Million and \$729 Million Less for Public Services.
55. See NHFPI's January 2024 blog post Granite Staters with Lowest Incomes Have Highest Effective State and Local Tax Rate and the Institute on Taxation and Economic Policy's Who Pays? 7th Edition analysis for New Hampshire.
56. See NHFPI's January 2024 blog Granite Staters with Lowest Incomes Have Highest Effective State and Local Tax Rate and the Institute on Taxation and Economic Policy's Who Pays? 7th Edition analysis for New Hampshire.
57. For State Budget investments, see NHFPI's September 2021 presentation The State Budget for Fiscal Years 2022-2023: State Aid to Local Governments, NHFPI's December 2019 issue brief The State Budget for Fiscal Years 2020 and 2021, and NHFPI's August 2021 issue brief The State Budget for Fiscal Years 2022 and 2023. For federal investments, see NHFPI's March 2021 blog Federal American Rescue Plan Act Directs Aid to Lower-Income Children, Unemployed Workers, and Public Services, NHFPI's July 2024 blog Local Governments Nearing Deadline to Obligate Federal Funds with Millions of Dollars at Risk, and NHFPI's April 2020 issue brief The COVID-19 Crisis in New Hampshire: Initial Economic Impacts and Policy Responses.
58. See the U.S. Congressional Research Service's December 2012 report Taxes and the Economy: An Economic Analysis of the Top Tax Rates Since 1945 (Updated), the U.S. Congressional Budget Office's February 2015 report Estimated Impact of the American Recovery and Reinvestment Act on Employment and Economic Output in 2014, the November 2011 testimony from the Director of the U.S. Congressional Budget Office Policies for Increasing Economic Growth and Employment in 2012 and 2013, the U.S. Congressional Budget Office's September 2020 report The Effects of Pandemic-Related Legislation on Output, the Center on Budget and Policy Priorities' October 2015 report The Financial Crisis: Lessons for the Next One, the U.S. Congressional Budget Office's February 2023 report The Budget and Economic Outlook: 2023 to 2033, Box 2-1, Moody's Analytics January 2021 report (archived) The Biden Fiscal Rescue Package: Light on the Horizon, NHFPI's February 2021 issue brief Designing a State Budget to Meet New Hampshire's Needs During and After the COVID-19 Crisis, NHFPI's August 2023 issue brief State Business Tax Rate Reductions Led to Between \$496 Million and \$729 Million Less for Public Services, and NHFPI's March 2023 blog Households with High Incomes Disproportionately Benefit from Interest and Dividends Tax Repeal.

CONCLUSION

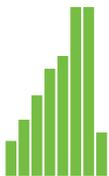
1. Learn more in NHFPI's June 2024 blog Poverty Among Older Adults Rose Significantly, and Rebounded for Children, in 2022.
2. For more details, see NHFPI's September 2023 blog Latest Census Bureau Data Show Median Household Income Fell Behind Inflation, Tax Credit Expirations Increased Poverty.

ENDNOTES

3. See NHFPI's September 2024 blog [New Hampshire's Median Household Income Increased in 2023, Poverty Remained Steady](#).
4. See the Tax Policy Center's September 2023 report [The Return on Investing in Children: Helping Children Thrive](#).
5. See Moody's Analytics January 2021 analysis [The Biden Fiscal Rescue Package: Light on the Horizon](#). See also NHFPI's February 2021 issue brief [Designing a State Budget to Meet New Hampshire's Needs During and After the COVID-19 Crisis](#), NHFPI's March 2023 blog [Households with High Incomes Disproportionately Benefit from Interest and Dividends Tax Repeal](#), and the Center on Budget and Policy Priorities 2015 research report [The Financial Crisis: Lessons for the Next One](#).

Access these endnotes with hyperlinks directly to their sources where available on NHFPI's website at www.nhfpi.org/nhppresources, or using the QR code below with your phone or mobile device's camera:





NEW HAMPSHIRE
**FISCAL
POLICY
INSTITUTE**

www.nhmpi.org

100 North Main Street, 4th Floor
Concord, NH 03301

603.856.8337 (phone)
603.415.9543 (fax)