



EXAMINING THE STATE BUDGET: THE HOUSE FINANCE COMMITTEE'S PROPOSAL

APRIL 7, 2025



THANK YOU TO THIS WEBINAR'S SPONSORS!



WAYPOINT
Help Along the Way



Support also provided by the New Hampshire Hospital Association and OnPoint Wealth Partners



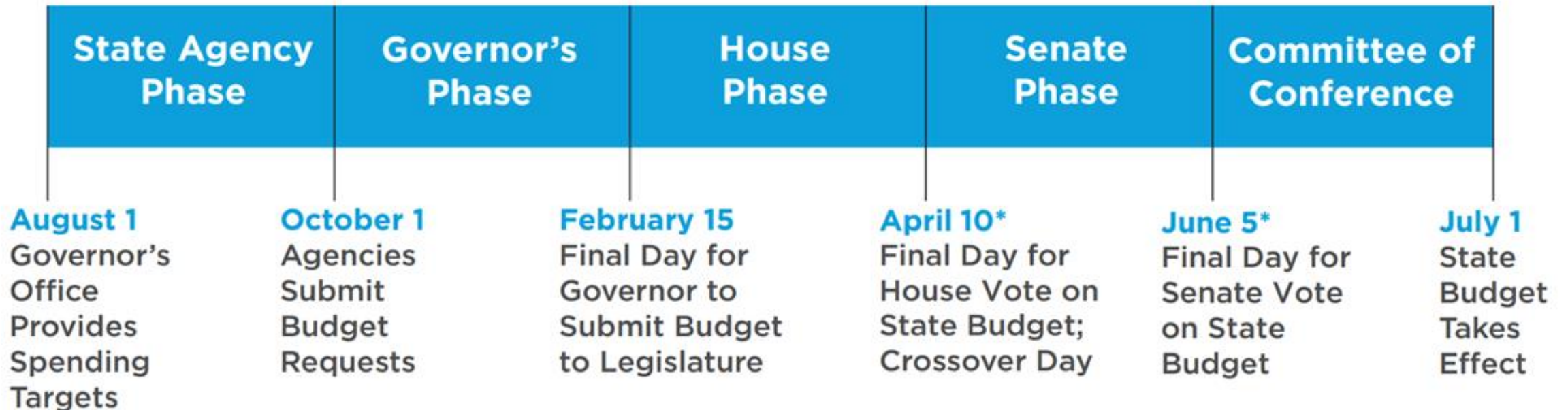
THE HOUSE FINANCE COMMITTEE'S STATE BUDGET PROPOSAL FOR STATE FISCAL YEARS 2026 AND 2027

NHFPI STATE BUDGET WEBINAR SERIES

APRIL 7, 2025

HOUSE DECISIONS THIS WEEK LIKELY TO LAUNCH LAST TWO PHASE OF BUDGET PROCESS

State Budget Process Timeline



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

THE HOUSE FINANCE COMMITTEE AMENDMENTS ARE CHANGES FROM GOVERNOR'S PROPOSAL

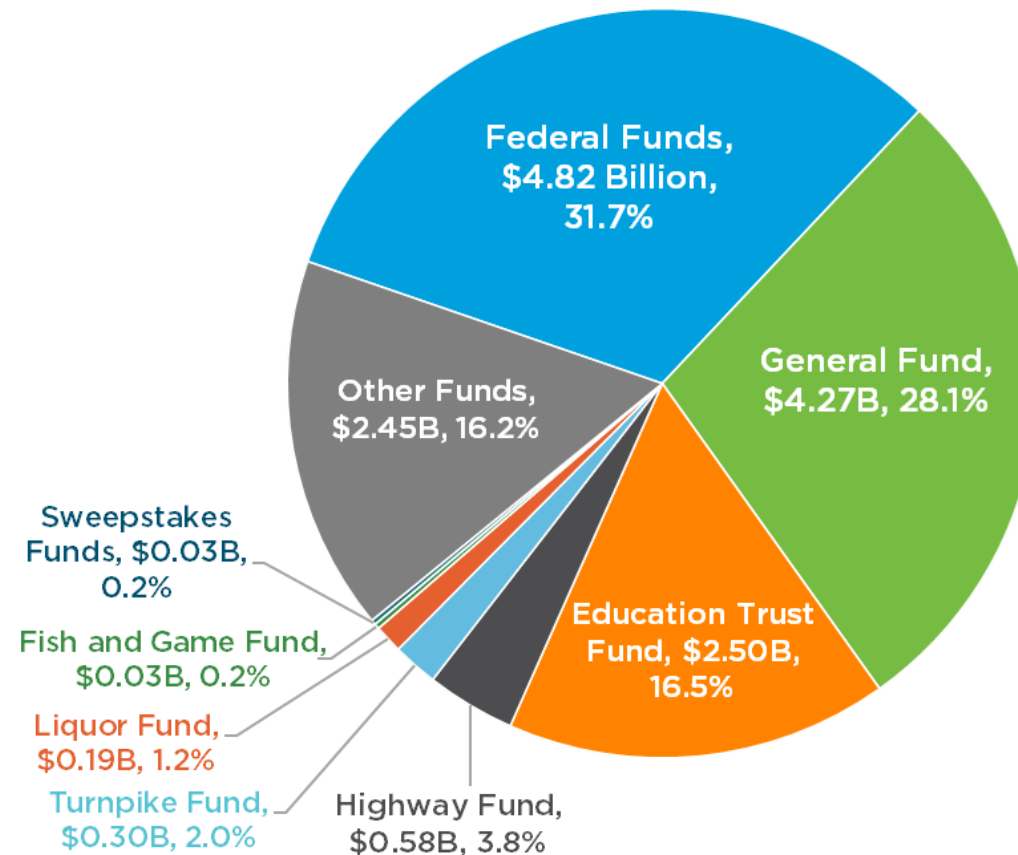
- In this webinar, the changes discussed will be primarily in terms of House Finance Committee recommendations compared to the Governor's proposal
- Other points of comparison used will be specified
 - Current State Budget as passed, State Fiscal Years (SFYs) 2024-2025
 - State Fiscal Year 2024 actual expenditures
 - State Fiscal Year 2025 Adjusted Authorized amounts currently budgeted
 - Changes in specific funds
- Changes over the biennium compare the Governor's two years (SFYs 2026-2027) to the House Finance Committee's biennial budget
- More comprehensive analysis will be in a future written report

TOPLINE CHANGES AND SUMMARY NUMBERS

STATE BUDGET ORGANIZED INTO FUNDS

THE STATE BUDGET FOR FISCAL YEARS 2024 AND 2025, BY FUND

Includes Operating Budget and Trailer Bill Appropriations

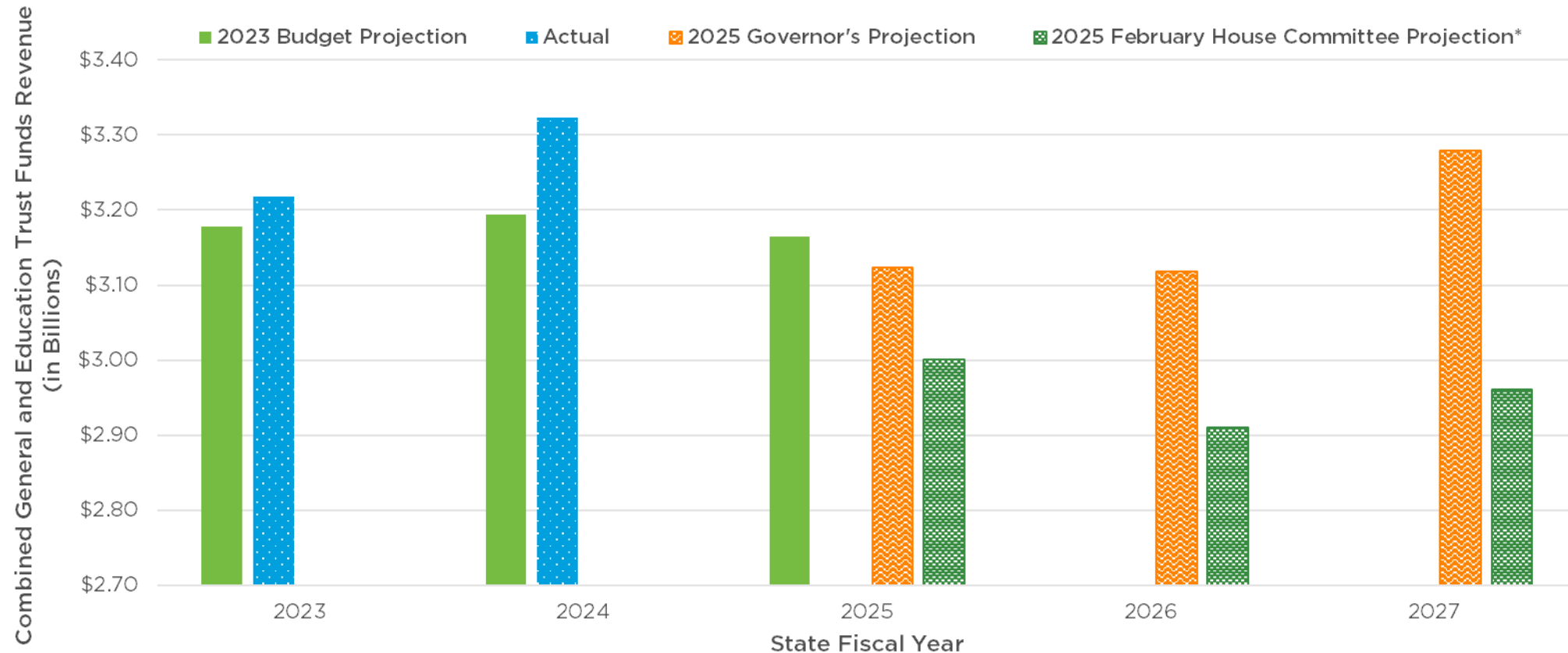


Sources: New Hampshire Office of Legislative Budget Assistant, Senate Finance Committee Surplus Statements, June 2023; 2023-2054s; 2023-2092s; 2023-2171s; 2023-2139s

HOUSE REVENUE FORECASTS WERE LESS OPTIMISTIC THAN GOVERNOR'S PROJECTIONS

STATE REVENUE PROJECTIONS AND ACTUAL REVENUES

New Hampshire Combined General and Education Trust Funds

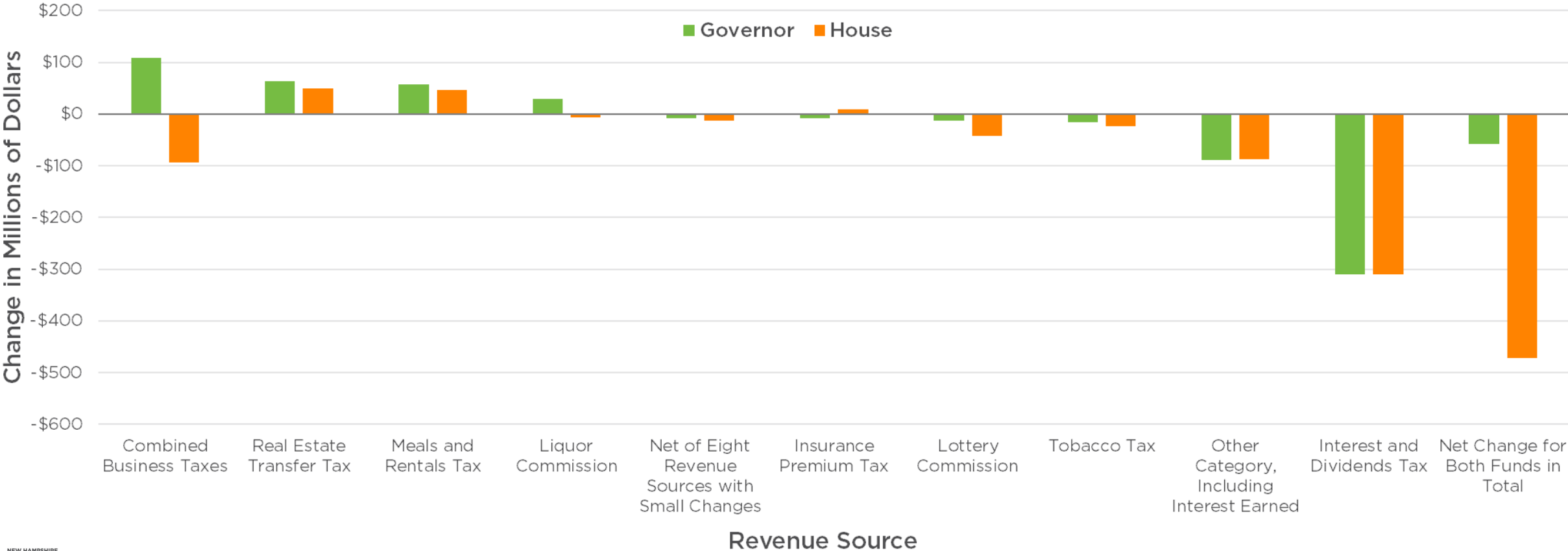


*Projection from the New Hampshire House Ways and Means Committee on February 12, 2025.

Sources: New Hampshire Department of Administrative Services, Annual Comprehensive Financial Report, SFY 2023 and June SFY 2024 Preliminary Accrual; Governor's Budget Executive Summary, February 2025; New Hampshire Office of Legislative Budget Assistant, House Ways & Means Revenue Estimate Worksheets, February 12, 2025

GOVERNOR PROJECTED BUSINESS TAX GROWTH, HOUSE FORECAST A DECLINE

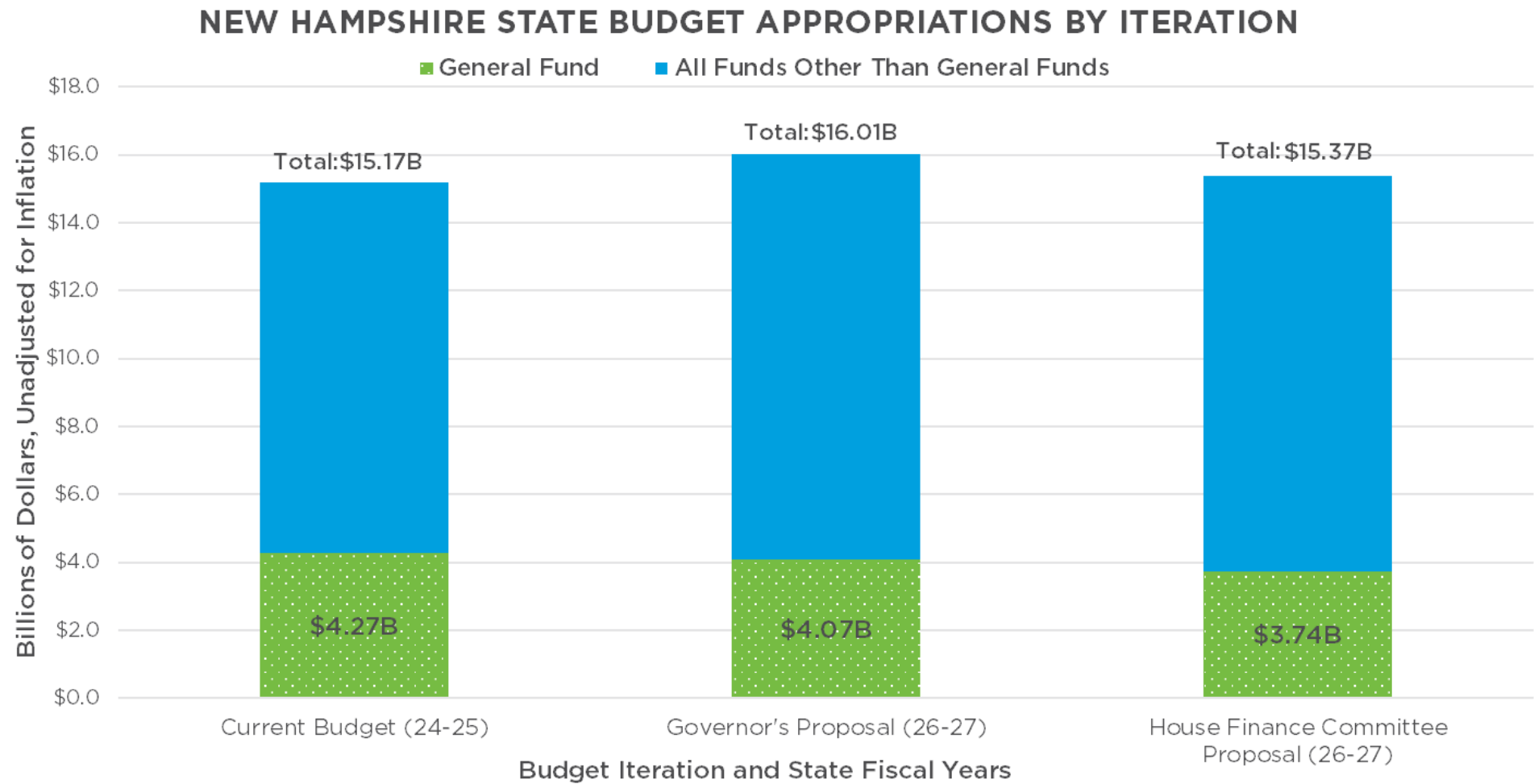
GENERAL AND EDUCATION TRUST FUNDS COMBINED REVENUE GAINS AND
LOSSES BY SOURCE IN GOVERNOR'S AND HOUSE FEBRUARY 2025 PROJECTIONS
Change by Revenue Source, State Fiscal Years 2024-2025 vs. 2026-2027



HOUSE FINANCE COMMITTEE ADDED REVENUE SOURCES, ADJUSTED PROJECTIONS

- Finance Committee lottery changes (\$211.1M revenue increase above House forecast):
 - Adopted revenue projections from Lottery Commission, higher than House Ways and Means Committee
 - Removed option for municipalities to not allow Keno within their borders
 - Increased maximum ticket prices, allowed certain no-maximum wagers, established legal framework high-stakes tournaments with minimum \$2,500 entry
 - Changed the division of Video Lottery Terminals revenue relative to the Governor's proposal
- Increased motor vehicle registration and other fees (\$45M for Highway Fund)
- Recognized revenue from separate House bill that would collect “excess” Statewide Education Property Tax revenues (\$27M for Education Trust Fund)
- Adjusted Medicaid Enhancement Tax revenue projections upward from Governor's estimates (added \$22.6M to offset General Fund needs)
- Increased transfer from Renewable Energy Fund to General Fund (\$10M)
- Many other fee increases, including at the Departments of Environmental Services, Fish and Game, and Agriculture, Markets, and Food

INCLUDING FEDERAL MATCHES, HOUSE FINANCE COMMITTEE REDUCED FUNDING BY \$643M



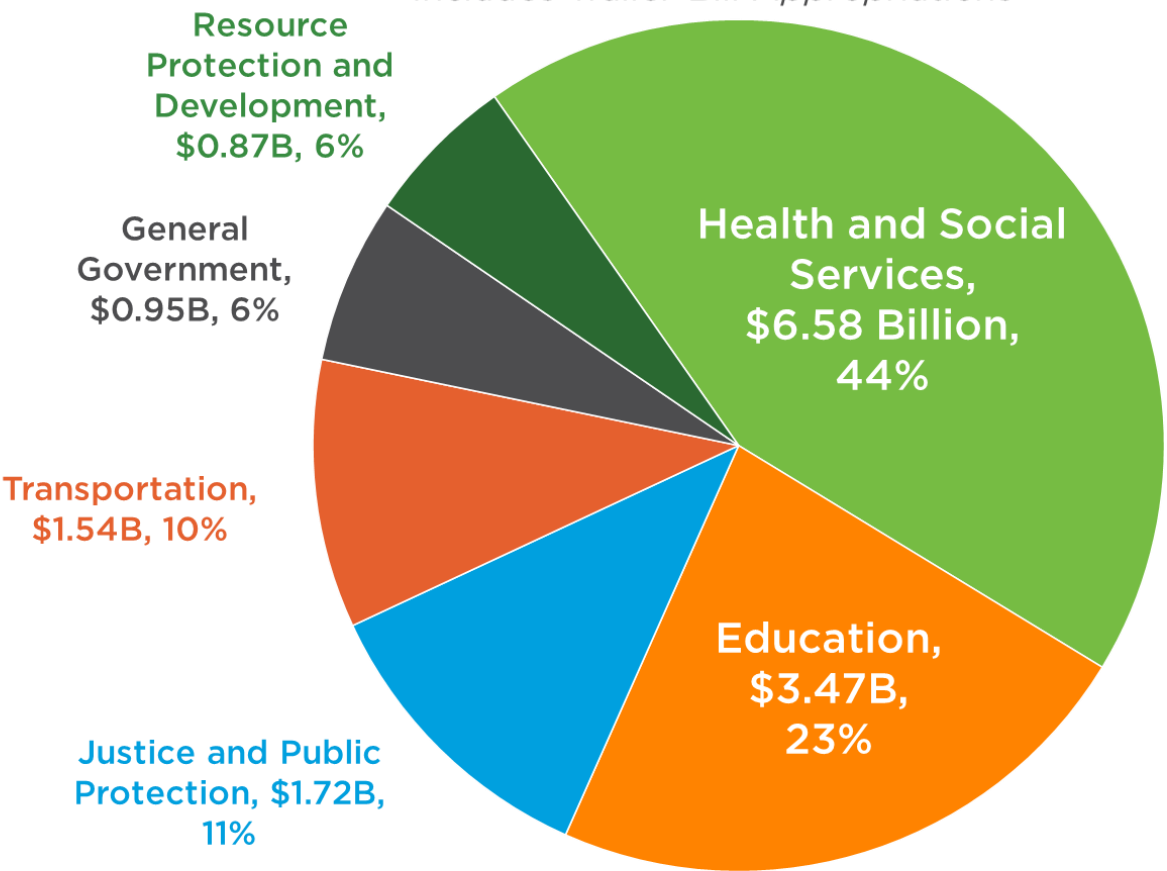
TOPLINE FUNDING CHANGES IN HOUSE FINANCE COMMITTEE BUDGET

- \$643 million (4%) less appropriated during biennium across all funds, including federal Medicaid matching funds for key reductions, than the Governor's proposal
- \$326 million (8%) less in General Funds than the Governor's proposal
- Relative to current State Budget (SFYs 2024-2025), total funds increased by \$198 million (1.3%), while General Fund appropriations are \$526 million (12.3%) lower
 - Due in part to recognizing more non-General Funds in the accounting of the proposed State Budget relative to the current one
- \$95.5 million in back-of-the-budget reductions (including all funds, \$76.8 million in General Funds, with federal match impacts unknown)
- 326 positions eliminated, including vacant and currently filled

BUDGET APPROPRIATIONS IN SIX CATEGORIES

STATE BUDGET APPROPRIATIONS BY CATEGORY

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



Note: General Government includes HB 2 appropriations for the Affordable Housing Fund, InvestNH, and all State employee pay raises defined by and funded through appropriations made in House Bill 2, as amended by the House.

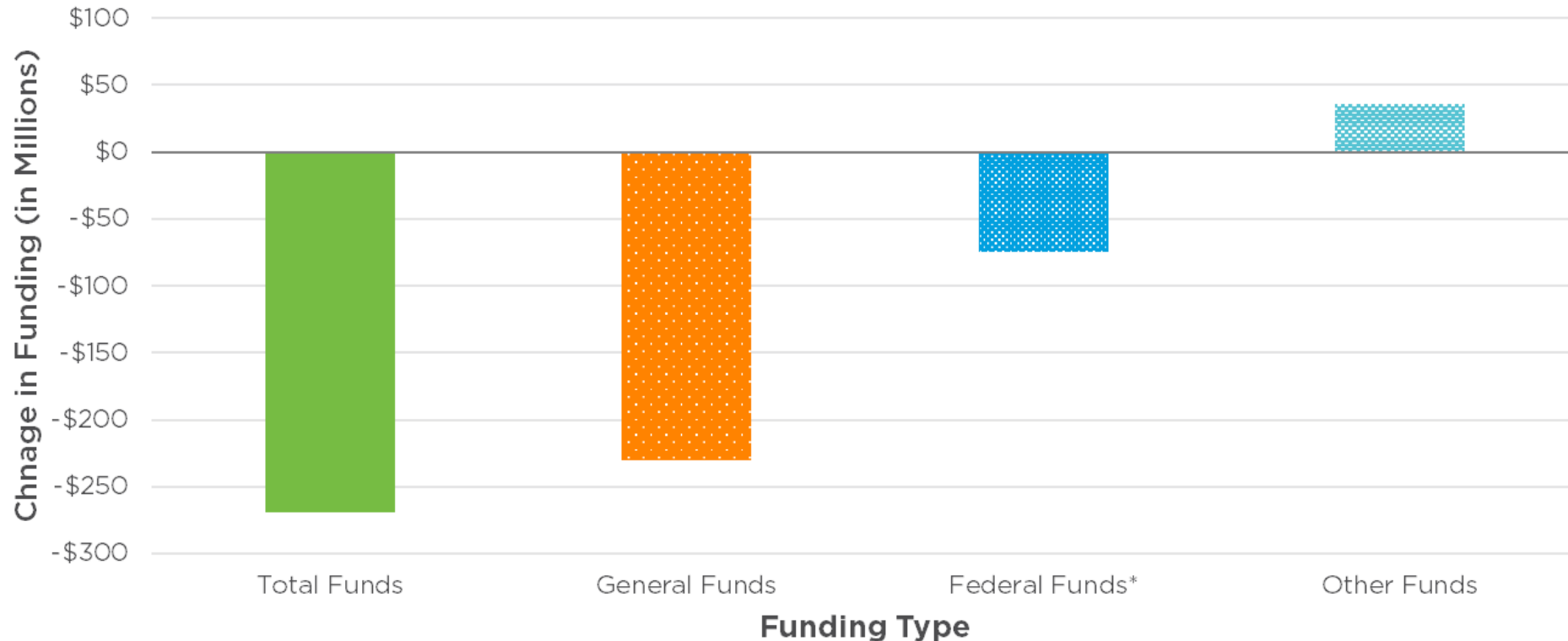
Sources: New Hampshire Office of Legislative Budget Assistant, Compare House Finance to Governor, March 28, 2023, Surplus Statements, April 6 and 7, 2023, Briefing on Senate Finance Changes to House Passed Budget, June 6, 2023; 2023-2092s; 2023-2171s; 2023-2139s

HEALTH AND SOCIAL SERVICES

3.8 PERCENT DECLINE FOR DHHS, INCLUDING \$46 MILLION BACK OF BUDGET REDUCTION

STATE BUDGETED FUNDING FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

*Change by Funding Type Between Governor's Proposal and House Finance
Committee's Proposal, NH State Fiscal Years 2026 and 2027*



*Note: Amounts include the minimum reduction for Medicaid rate decreases and delayed managed care organization payments. These calculations assume the 50-50 federal Medicaid match.
Sources: Governor's Operating Budget for SFYs 2026-2027; 2025-1474h; 2025-1488h

3 PERCENT MEDICAID RATE REDUCTION, DELAYED PAYMENTS FOR PROVIDERS

- 3 percent rate decrease for all Medicaid service providers
 - Required General Fund reductions of \$17.5M in SFY 2026 and \$35M in SFY 2027; likely at least equal amounts in federal dollars
 - Follows 3 percent rate increase in current SFYs 2024-2025 biennium for all providers except hospitals, with targeted higher rates by service area
- Delayed MCO payments for June 2027 until the start of SFY 2028
 - General Fund savings of \$25M in SFY 2027; delayed federal fund allocations as needed
- Funding changes for the Granite Advantage Health Care Program
 - Repeal of automatic transfer from Liquor Fund to Granite Advantage Healthcare Trust Fund; allows for the use of General Funds for the program
 - Allocations of \$12.6M in SFY 2026 and \$1M in SFY 2027; assumption of \$12M in Granite Advantage premium revenue in SFY 2027

OTHER FUNDING AND POLICY CHANGES AMONG MEDICAID SERVICES

- Establishment of incentive program for Medicaid recipients to seek lowest cost outpatient procedure care when appropriate
- Establishment of research study on Adult Dental Program; DHHS report to be submitted by January 1, 2027
- Termination of Medicaid to Schools Program if current parental consent policies are changed at the federal or state level
- Accelerated implementation of Medicaid at-home dialysis program; General Fund savings of \$50K in SFY 2027
- 3 added positions for Medicaid Recoveries; net General Fund savings of \$271K in SFY 2026 and \$534K in SFY 2027
- Elimination of Project Walk contract; \$480K General Fund savings across biennium

37.5 PERCENT DECLINE FOR MENTAL HEALTH, SALE OF STATE-OWNED PROPERTY

- Community mental health funded at \$31.0M each fiscal year; total reduction of \$37.8M (37.5 percent) from Governor across biennium
- Repeal of automatic five percent transfer from Liquor Fund to Alcohol Abuse Prevention and Treatment Fund; supplied with transfer from Opioid Abatement Trust Fund for biennium only
- Elimination of funding for Friends of Aine and Choose Love; General Fund savings of about \$700K across biennium
- Funded positions at Glencliff not allocated for in Governor's proposal
- Required sale of Philbrook Center currently used as transitional housing; to be sold at estimated \$5M in SFY 2027
- Required sale of Tirrell House currently used as shelter; to be sold at estimated \$300K in SFY 2026

DECLINE FOR DEVELOPMENTAL SERVICES, INCREASED COUNTY CONTRIBUTIONS

STATE BUDGETED FUNDING FOR DEVELOPMENTAL SERVICES



- Year-over-year growth in County contribution increased from 2 percent to 3 percent for biennium only
- Contribution increase offset by reimbursement payments to Counties for overpayments towards their share of the cost of Medicaid during the pandemic

ELIMINATIONS AND REDUCTIONS ACROSS SEVERAL OTHER SERVICE AREAS

- **Eliminations**

- Family Planning Program; total reduction of \$3.6M for biennium
- All General Funds for Tobacco Prevention and Cessation Program; \$1.2M in savings across biennium
- MLADC contract; \$3.8M General Fund savings across biennium
- Suspension of WIC Farmers' Market Program for biennium
- Removal of all funds for Prescription Drug Affordability Board

- **Reductions**

- State Loan Repayment Program (SLRP) to not accept new applicants; continued funding for current recipients
- 10 percent reduction for residential placements; \$10.8M General Fund savings across biennium
- Parental education programs within Department of Corrections; General Fund reduction of \$200K across biennium

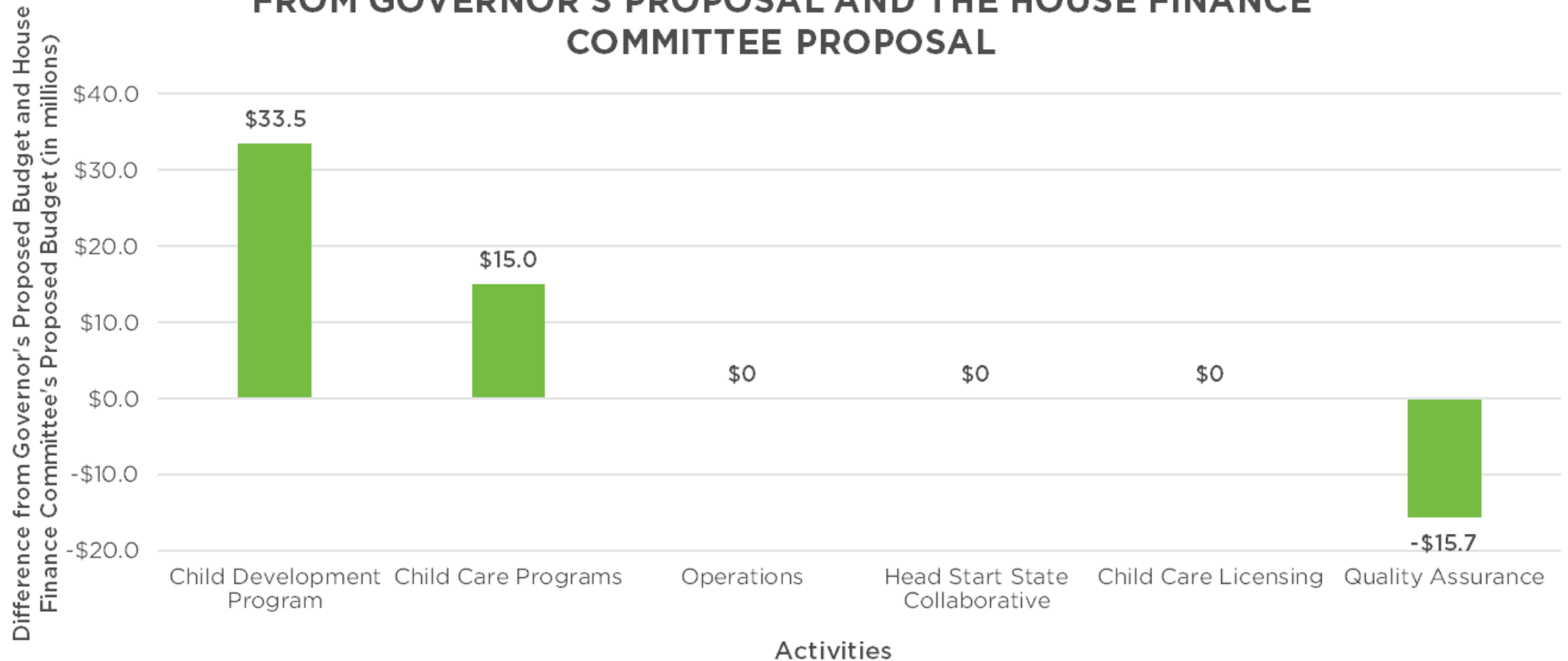
INCORPORATION OF SEVERAL BILLS

- HB 73: defines harm reduction and establishes substance use disorder (SUD) access point program
- HB 94: prohibition of Medicaid funds for elective circumcision procedures
 - Estimated General Fund savings: \$25,000 in SFY 2026, \$50,000 in SFY 2027
- HB 117: substitution of biological products
- HB 223: licensing of health care facilities

EARLY CARE AND EDUCATION

EARLY CHILDHOOD CARE & EDUCATION FUNDING CHANGES

CHANGES IN BUDGETED EARLY CARE AND EDUCATION FUNDING FROM GOVERNOR'S PROPOSAL AND THE HOUSE FINANCE COMMITTEE PROPOSAL



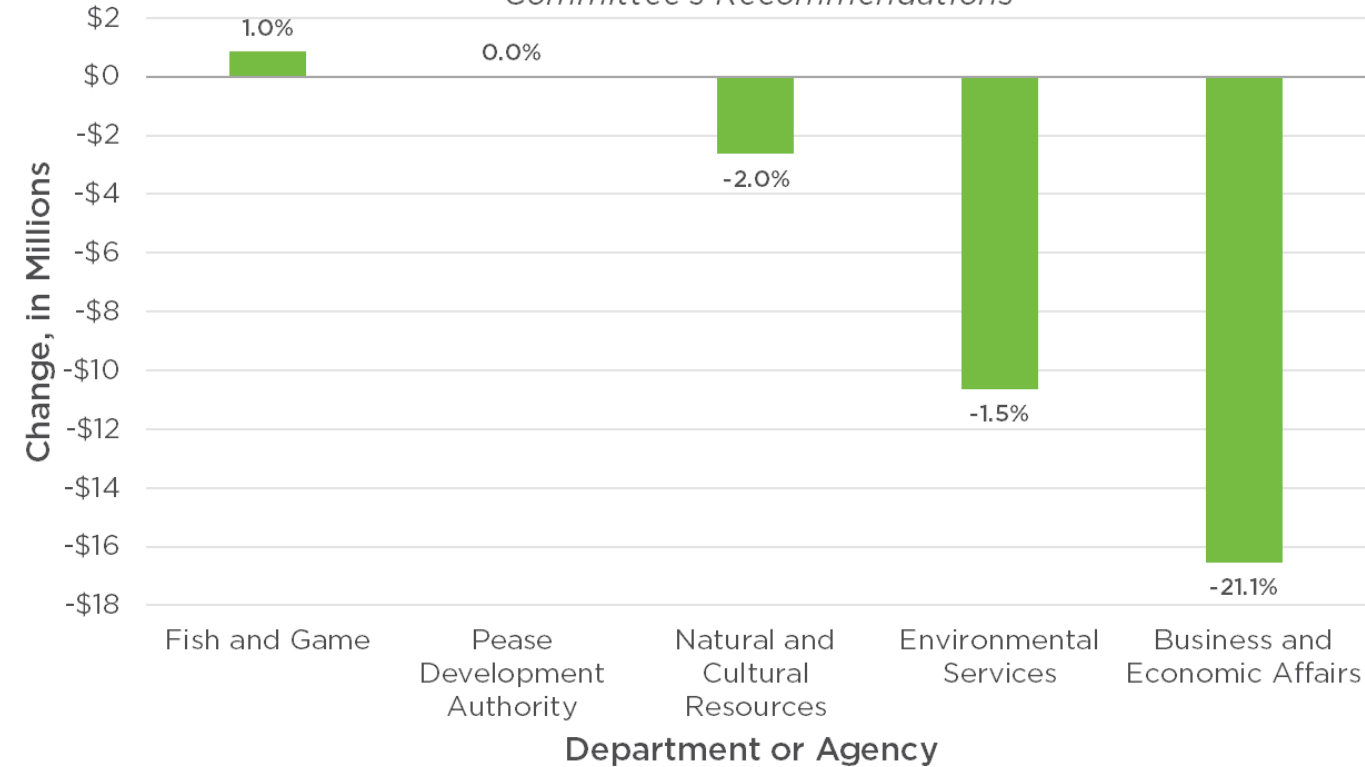
Sources: Governor's Operating Budget for SFYs 2026-2027; 2025-1474h; 2025-1488h

RESOURCE PROTECTION AND DEVELOPMENT

LESS TRAVEL AND TOURISM MARKETING, ENVIRONMENTAL SERVICES BUDGET REDUCTION

CHANGES BY DEPARTMENT WITHIN THE RESOURCE PROTECTION AND DEVELOPMENT CATEGORY, SFYs 2026-2027

*Changes from Governor's Proposal to the House Finance
Committee's Recommendations*



- Fish and Game Department supported by fee increases, diverted fee revenue
- Back-of-budget reductions lower General Funds for Departments of:
 - Natural and Cultural Resources (\$600,000, 3% of General Funds proposed by the Governor)
 - Environmental Services (\$6.0M, 10.9% of General Funds relative to Governor)
- Division of Travel and Tourism Development funding for marketing reduced by \$14.6M, Meals and Rentals Tax 3.15% contribution suspended for biennium
- Defunds rest areas SFY27 (-\$2.3M)

ENVIRONMENTAL POLICY CHANGES

- Deletes automatic inflation adjustments to Dept. of Environmental Services fees, and changes terrain alteration fees proposed by the Governor, increases other fees
- Keeps public water systems permit fees Governor proposed eliminating
- Changes the Governor's proposed Solid Waste Site Evaluation Committee to expand the Committee's scope of considerations and requirement more information from applicants, as well as extending the moratorium on new sites until July 2028 and removing the potential for a General Fund cost from the Committee; also added landfill citing rules adding citing requirements enumerated in House Bill 707
- Eliminates solar minimum for energy supply from Renewable Portfolio Standard
- Adds Solid Waste Management Fund, uses surcharge on solid waste to support municipal waste reduction and recycling efforts
- Removing the requirement that OHRV trails in the Connecticut Lakes headwaters remain open through the second Monday in October
- Adds renewable energy industry representative to Air Resources Council

HOUSING

Funding for Housing appears within the Health and Social Services, Resource Protection and Development, and General Government Categories

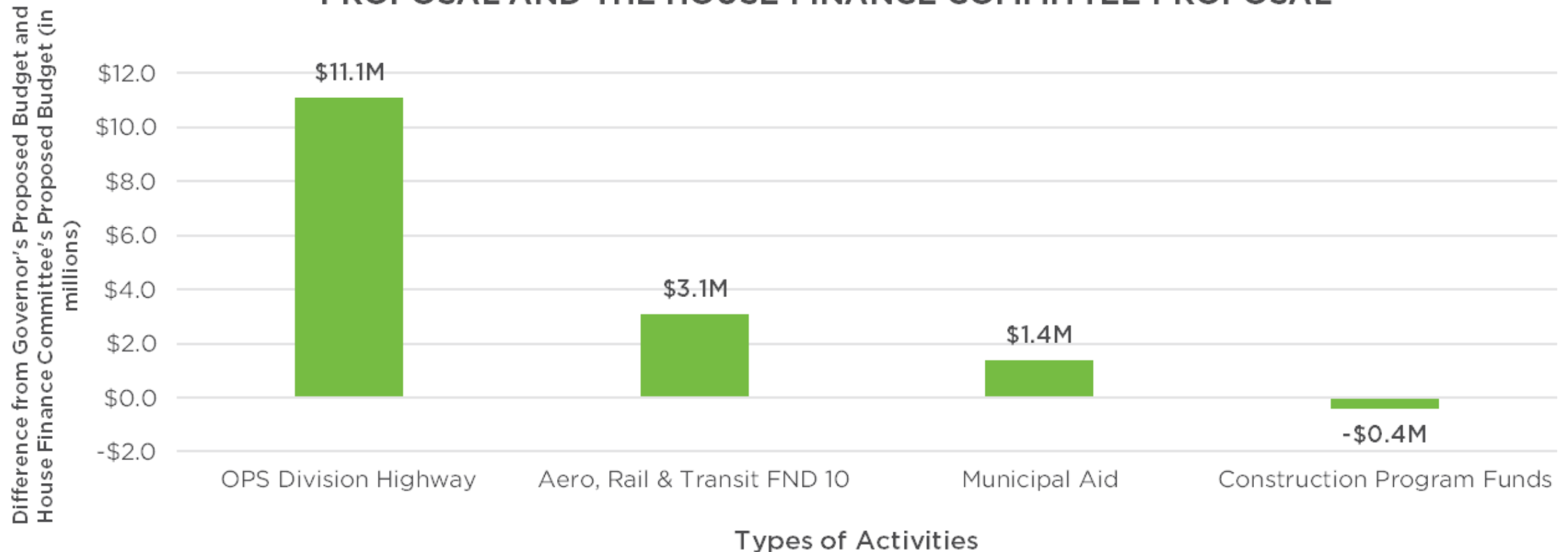
CHANGES TO HOUSING-RELATED PROGRAMS

- Funding for homelessness and housing shelter support remained the same as in the Governor's proposal
- Removed the proposed extension of funding for the Housing Champion Designation and Grant Program
 - Created the Partners in Housing Program to work with municipalities to promote construction of affordable and workforce housing; no funds allocated
- Incorporation of House Bill 60 which allows for “no cause” eviction; end of lease period is sufficient grounds for eviction
- Elimination of Housing Appeals Board, which provides alternative to Superior Court for cases related to zoning, planning, and housing-related matters; \$1.1M in savings across the biennium

TRANSPORTATION

PROPOSED CHANGES TO DEPARTMENT OF TRANSPORTATION BUDGET

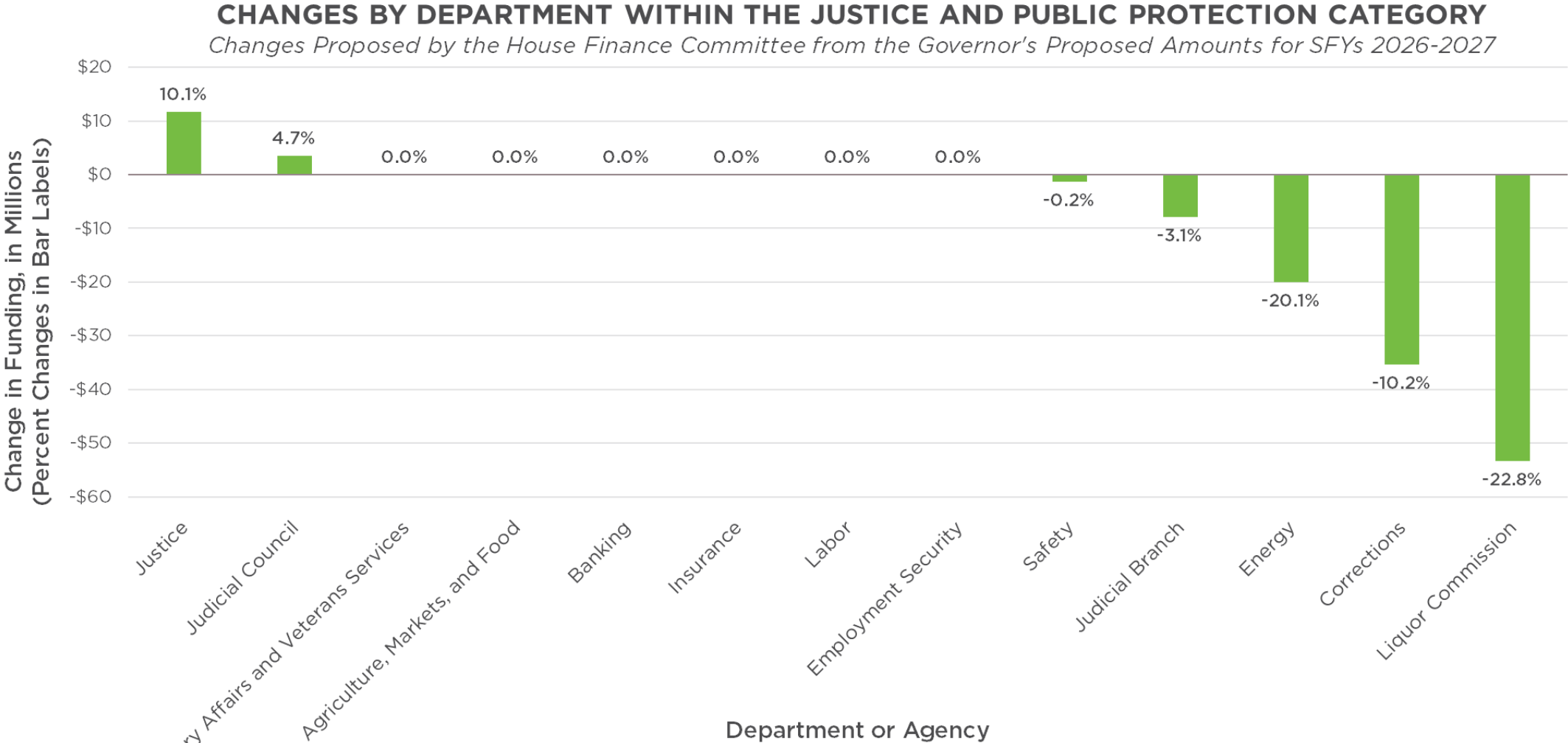
CHANGES IN BUDGETED TRANSPORTATION FUNDING FROM GOVERNOR'S PROPOSAL AND THE HOUSE FINANCE COMMITTEE PROPOSAL



Sources: Governor's Operating Budget for SFYs 2026-2027; 2025-1474h; 2025-1488h

JUSTICE AND PUBLIC PROTECTION

LIQUOR, ENERGY HAVE FUNDS TRANSFERRED AWAY, CORRECTIONS POSITIONS ELIMINATED



CORRECTIONS POSITIONS ELIMINATED, JUSTICE BACK-OF-BUDGET AND YDC FUNDS

- Eliminates 190 positions at the Department of Corrections, including 149 positions that were not identified as vacant
 - 36 at State Prison for Men, 14 more at the Northern New Hampshire Correctional Facility in Berlin
 - 7 at New Hampshire Correctional Facility for Women, 5 at Secure Psychiatric Unit
 - 12 for medical and dental services, 10 for human resources, 9 for mental health services
- Funding set aside for a settlement agreement in a single court case related to past abuse at the Youth Development Center (\$10.0M)
- Contribution to the Youth Development Center Claims Administration and Settlement Fund (\$20.0M), requirement for victim and attorney payments on same schedules
- Back-of-budget reduction for Department of Justice of \$14.7M, equivalent of 25.9% of Governor's proposed General Fund appropriation for Department next biennium

ENERGY, LIQUOR COMMISSION CHANGES PRIMARILY TRANSFERS WITH LASTING EFFECTS

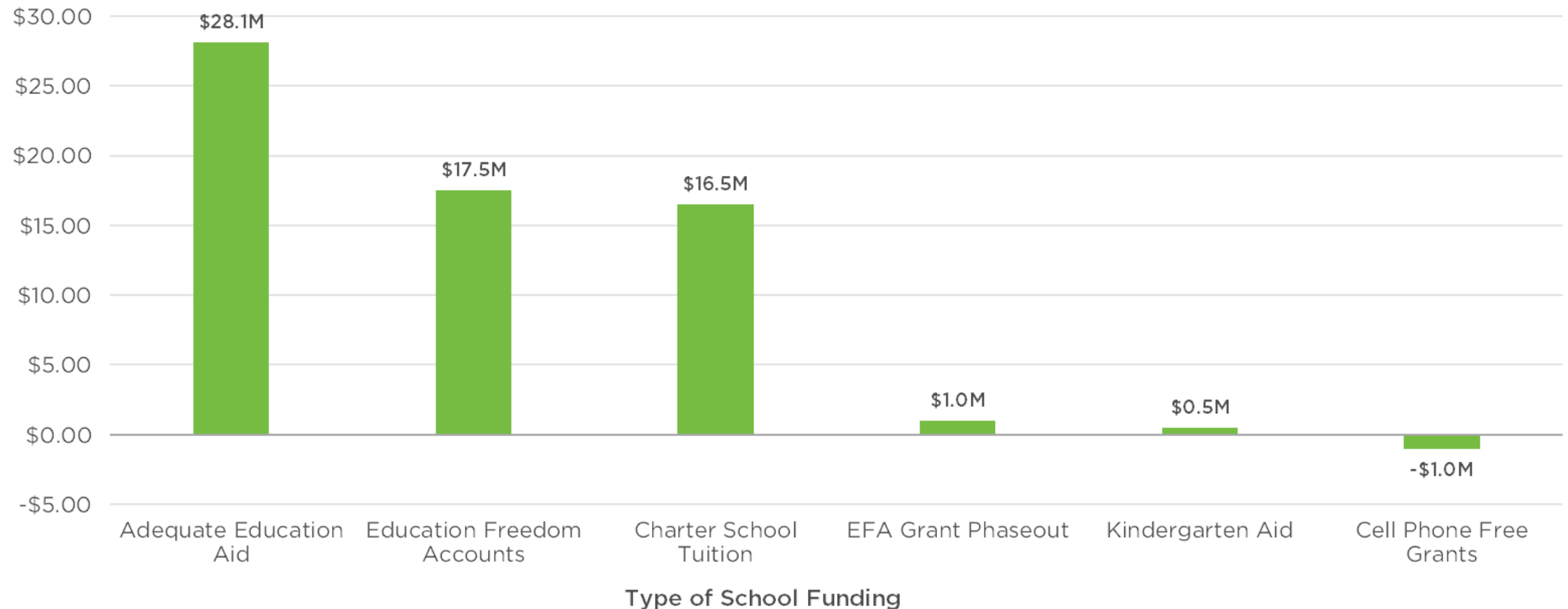
- **Liquor Commission changes:**
 - Enforcement authority removed beyond oversight of licensing for sales
 - Primary funding changes due to removal of interagency transfers for Alcohol Abuse Prevention and Treatment Fund and Granite Advantage Health Care Trust Fund
- **Renewable Energy Fund changes:**
 - Changes the amount drawn from for the General Fund this biennium from \$10M, as Governor proposed, to any uncommitted dollars (forecast to be \$20M)
 - Requires transfers of future dollars beyond certain operating expenses, including State offshore wind office, to the General Fund for the biennium, to electricity ratepayers afterward
- Creates the “Office of State and Public Sector Relations” from the Public Employee Labor Relations Board, Personnel Appeals Board, the Right-to-Know Ombudsman
- Funds added to Judicial Council to support public defenders, create savings later
- Removes Governor’s proposed bail overhaul, passed into law as a separate bill

K-12 EDUCATION

CHANGES IN K-12 EDUCATION FUNDING

CHANGES IN BUDGETED EDUCATION FUNDING FROM GOVERNOR'S PROPOSAL AND THE HOUSE FINANCE COMMITTEE PROPOSAL

Includes Proposed Trailer Bill Appropriations



Sources: Governor's Operating Budget for SFYs 2026-2027; 2025-1474h; 2025-1488h

CHANGES TO ADEQUATE EDUCATION GRANTS

The based per student grant would be \$4,351 with the following increases for each qualifying for differential aid:

- \$2,441 for students eligible for free and reduced-price meals
- \$849 for students who are English language learners
- \$3,140 for students receiving special education services, a boost of about \$911 per student relative to current policy

Fiscal Capacity Disparity Aid

- Aid for municipalities with relatively low taxable property values/student
- Up to \$1,250/student with a sliding scale reduction that disappears for municipalities with more than \$1.6 million in taxable property value/student
- Added to existing Extraordinary Needs Grants that are based on both relative property values and the number of students receiving free or reduced-price meals
- Aid capped at \$3,750/student for combined Fiscal Capacity Disparity Aid and Extraordinary Needs Grants for municipalities with more than 5,000 resident students (only Nashua and Manchester currently)

EDUCATION FREEDOM ACCOUNT CHANGES

SFY 2026 (Academic Year 2025-2026):

- 400 percent of federal poverty guideline (2025)
 - \$106,600 for a family of three
 - \$128,600 for a family of four

SFY 2027 (Academic Year 2026-2027):

- Universal Eligibility
 - Does not include Governor's proposed limitation to only include students switching from public schools

OTHER PROPOSED EDUCATION FUNDING CHANGES

Appropriation growth cap on local school districts

- Prior to June 30, 2027: Limit school budget increases to no higher than a set amount determined by the Northeast Region Consumer Price Index
- After June 30, 2027, appropriations limited to the greater of the following:
 - Five-year average percent change in number of students
 - Five-year average of past appropriations
- Costs do not include purchasing new facilities and construction
- Districts can vote to exceed caps if they have 2/3rd majority vote of their legislative body

OTHER PROPOSED EDUCATION FUNDING CHANGES (cont.)

Recognition of revenue from House-passed elimination of local retention of Statewide Education Property Tax funds

- Communities raising more than they need to fund the State Adequate Education Aid through this tax will need to provide payment of the “excess” funds to the State
- Estimated increase of \$27 million in increased revenue for SFY 2027

Open public school enrollment – removing geographic limits

Removal of 37 unneeded, vacant, or temporary positions in the Department of Education

- Included early childhood coordinator, early childhood content expert, school nurse coordinator, and computer science administrator
- Savings of \$7.3 million over biennium

CHANGES TO THE EDUCATION TRUST FUND

Several appropriations currently funded through the Education Trust Fund are recommended to be moved to the General Fund including:

- Special Education Aid
- Tuition and Transportation
- School Building Aid
- Court Order Placements
- DHHS Division of Children, Youth, and Families Court Placements
- State Testing
- Building Lease Aid
- Public School Infrastructure Fund

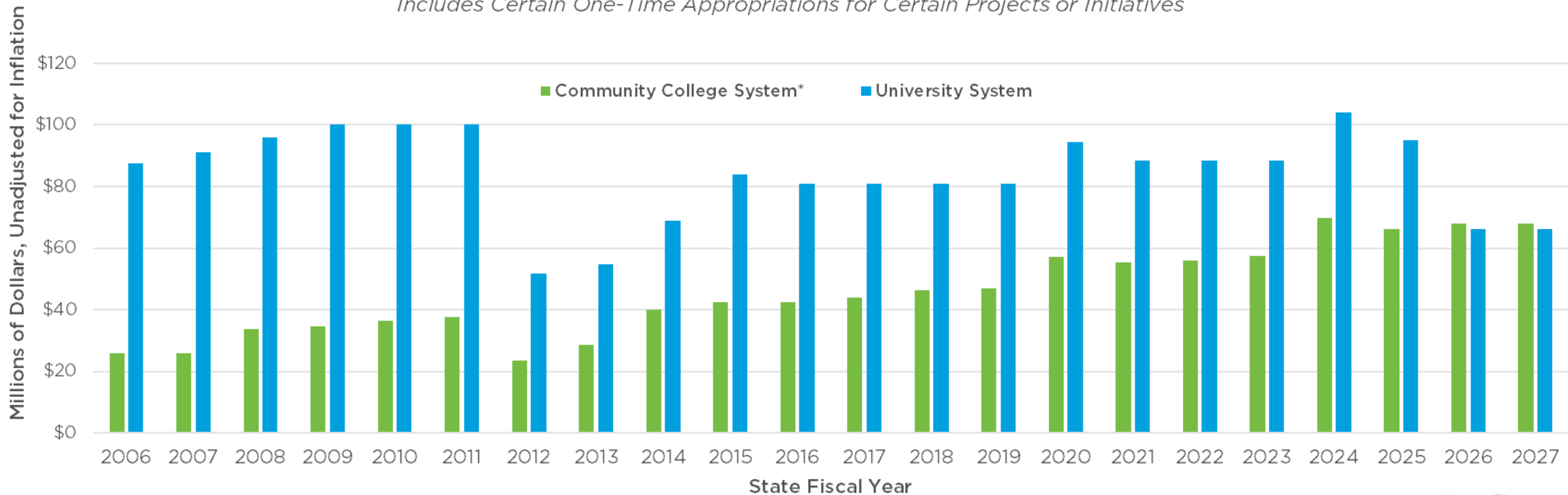
Changing split of revenues collected by Business Profits Tax, Business Enterprise Tax, Real Estate Transfer Tax and Tobacco Tax to 30 percent to the Education Trust Fund and 70 percent to the General Fund

PUBLIC HIGHER EDUCATION

DECREASED FUNDING FOR BOTH SYSTEMS FROM GOVERNOR'S BUDGET AND CURRENT BUDGET

NEW HAMPSHIRE PUBLIC HIGHER EDUCATION FUNDING IN THE STATE BUDGET

Includes Certain One-Time Appropriations for Certain Projects or Initiatives



*Note: Prior to SFY 2012, the Community College System was organized differently, and its entire structure was included in the State Budget. In this graph, only General Fund line item and one-time Trailer Bill appropriations are included in the historical data.

House Finance
Committee's
Proposal

Sources: New Hampshire State Operating Budgets and Trailer Bills as Enacted; 2025-1474h; 2025-1488h

PUBLIC HIGHER EDUCATION REDUCTIONS

Community College System of New Hampshire

- \$4.1 million reduction over the biennium compared to Governor's proposal
- \$5.0 million earmarked for dual and concurrent enrollment program
- \$400,000 earmarked for math learning communities

University System of New Hampshire

- \$50 million reduction over the biennium compared to Governor's proposal
 - 33 percent decrease in State Budget appropriations from the current funding levels
- General Fund decrease totals \$80 million but is offset by \$30 million in UNIQUE funds associated with 529 savings plans

DIVERSITY, EQUITY, AND INCLUSION PROHIBITION

Amendment to Trailer Bill that prohibits DEI in public schools, including K-12, academic institutions, and institutes of higher education

- Public schools required to review all existing contracts for “DEI-related provisions”
- Summary report to Department of Education with provisions along with “contract descriptions, the specific DEI-related provisions, and the total financial obligation associated with each contract”
- Schools could lose funding if they do not comply
- Fiscal impacts of the contract reviews are unclear

GENERAL GOVERNMENT AND OTHER CHANGES

ELIMINATION OF AGENCIES AND ACTIVITIES

- Human Rights Commission (\$3.2M in General Funds, \$366,554 in federal)
- Board of Tax and Land Appeals (\$2.1M General Funds, \$237,982 other funds)
- Office of the Child Advocate (\$2.2M in General Funds)
- Housing Appeals Board (\$580,595 in General Funds)
- State Commission on Aging (\$560,864 in General Funds)
- Division of the Arts within the Department of Natural and Cultural Resources (\$1.7M in General Funds, \$2.0M in federal funds)
- State welcome centers, which would be defunded in SFY 2027 (\$2.3 million in General Funds) and must be sold or leased for commercial use by July 2026 for those centers not on State Turnpike highways
- Granite State Paid Family Leave Plan marketing requirements (\$1.4M in General Funds), with costs for advertising and administration of the program shifted to the private contractor

BOOSTS AND REDUCTIONS FOR RETIREMENT SYSTEM, NEW CLASS OF EMPLOYEES

- Committee retained Governor's proposal to change benefits for certain police and firefighting personnel who had benefits changed in 2011 to 2013 time period, but expanded funding for effort from \$32.9M to \$55.0M by funding entire biennium at \$27.5M per year
- Back-of-budget reduction for Retirement System of \$8.7M in Other Funds, 22.5% of total Other Funds proposed for System by Governor
- Attached language to create Group III employees in State retirement system, who are State employees not including current Group II or teachers and who enter service starting in 2026, shift to defined contribution plan rather than defined benefit plan; existing Group I employees could switch to Group III, new employees to Group III

DEI PROHIBITION, THERAPEUTIC CANNABIS, VEHICLE INSPECTIONS, MUNICIPAL AID

- DEI defined as “any program, policy, training, or initiative that classifies individuals based on race, sex, ethnicity, or other group characteristics for the purpose of achieving demographic outcomes, rather than treating individuals equally under the law,” forbids State agencies, cities, towns, and counties from implementing DEI-related initiatives or activities, including trainings, policies, hiring or contracting preferences
- Therapeutic cannabis “alternative treatment centers” could be operated as for-profit entities, currently limited to non-profit organizations
- Removes annual motor vehicle safety and emissions inspection requirements, reduces State Highway Fund revenue by nearly \$5M
- Freezes municipal aid through Meals and Rentals Tax distribution at \$137M per year, rather than percent of revenue, \$11.2M less than Governor planned during biennium

BACK-OF-BUDGET REDUCTIONS: \$95.5M IN TOTAL, \$76.8M IN GENERAL FUNDS

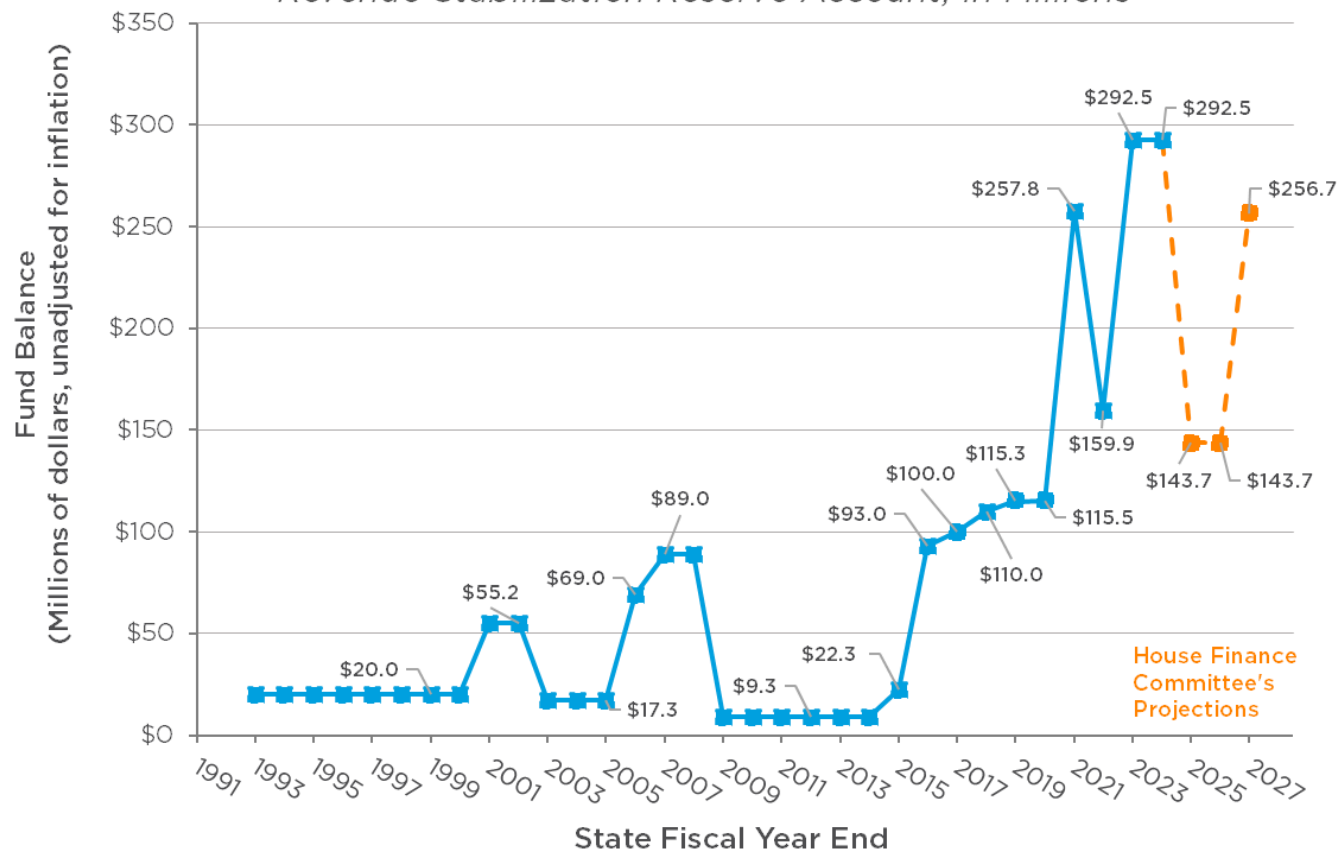
- Department of Health and Human Services (\$46.0M, 2.0% of General Funds budgeted by the Governor for the next biennium)
- Department of Justice (\$14.7M, 25.9% of General Funds)
- Department of Information Technology (\$10.0M, 3.6% of Other Funds)
- New Hampshire Retirement System (\$8.7M, 22.5% of Other Funds)
- Judicial Branch (\$7.9M, 3.3% of General Funds)
- Department of Environmental Services (\$6.0M, 10.9% of General Funds)
- Legislative Branch (\$1.0M, 2.3% of General Funds)
- Department of Natural and Cultural Resources (\$0.6M, 3.0% of General Funds)
- Secretary of State (\$0.5M, 6.6% of General Funds)
- Governor's Office (\$0.1M, 1.7% of General Funds)

THE RAINY DAY FUND

DRAWING FROM, AND THEN CONTRIBUTING BACK TO, RAINY DAY FUND

RAINY DAY FUND BALANCE

Revenue Stabilization Reserve Account, In Millions



Sources: New Hampshire Annual Comprehensive Financial Reports, SFYs 2023-1997; Governor's Executive Budget Summary, February 2025; Office of Legislative Budget Assistant, Comparative Statement of Undesignated Surplus, 4.3.2025

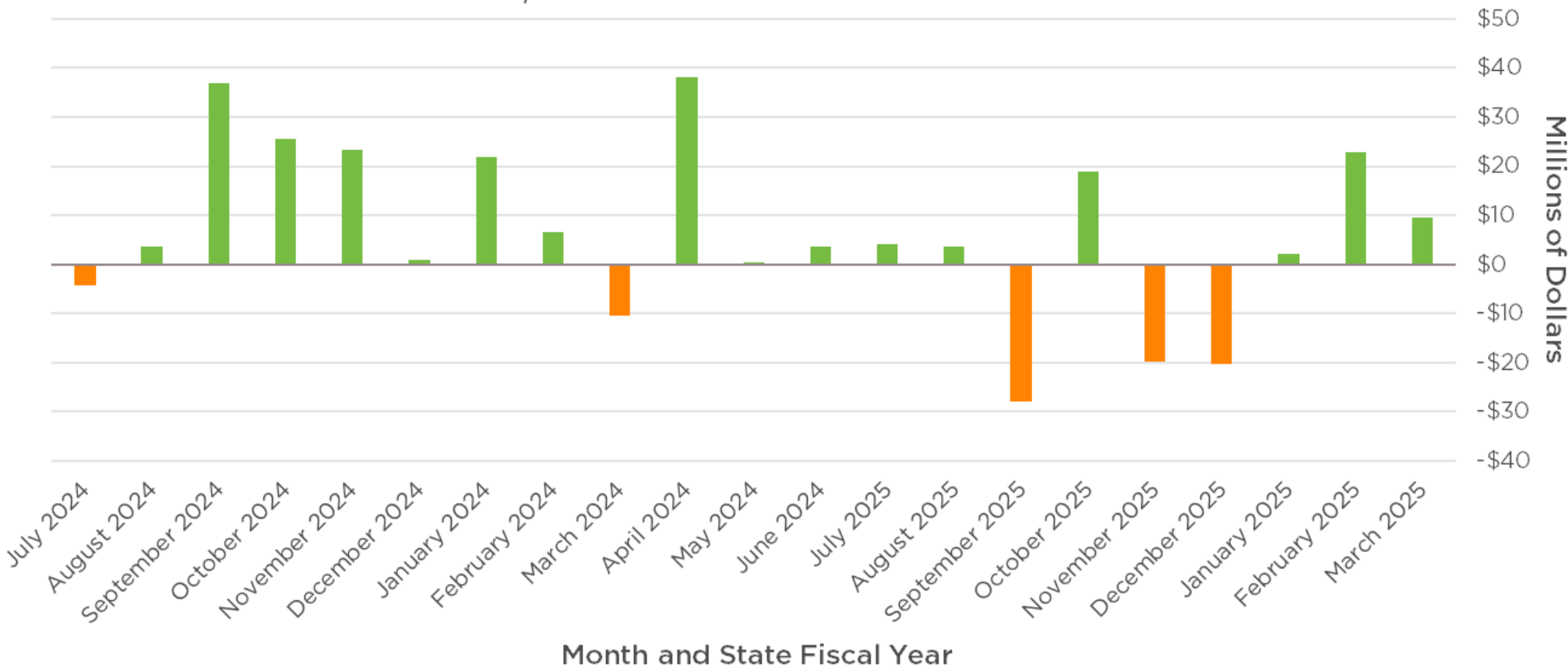
- Governor projected drawing \$81M from “Rainy Day Fund” to balance budget on June 30, 2025
- House Finance Committee’s lower revenue projections boost that expected drawdown to \$148.8M, bringing Rainy Day Fund from \$292.5M to \$143.7M
- Governor projected to put \$10.5M back into Rainy Day Fund at the end of the biennium in June 2027, total would be \$222.0M
- Committee would leave \$113M in General Funds unappropriated, transfer it to Rainy Day Fund, bring total balance to projected \$256.7M, which would be fourth-highest year-end balance for fund

REVENUE UPDATE, NEXT STEPS, AND KEY TAKEAWAYS

FEBRUARY, MARCH REVENUES ABOVE TARGET, PRIMARILY DUE TO INSURANCE PREMIUM TAX

GENERAL AND EDUCATION TRUST FUND CASH REVENUES RELATIVE TO PLANNED AMOUNTS BY MONTH

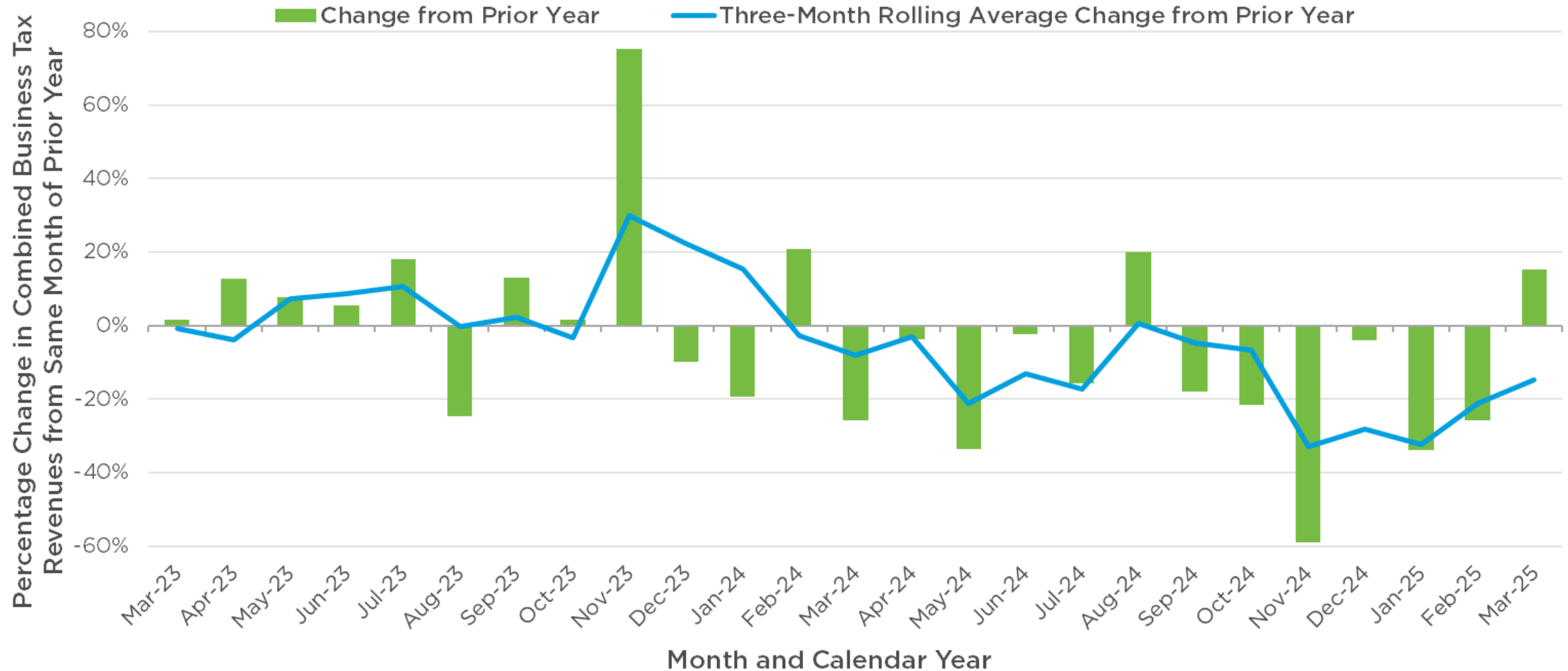
New Hampshire General and Education Trust Funds



APRIL BUSINESS TAX REVENUES KEY

CHANGES IN COMBINED BUSINESS TAX REVENUES FROM PRIOR YEAR

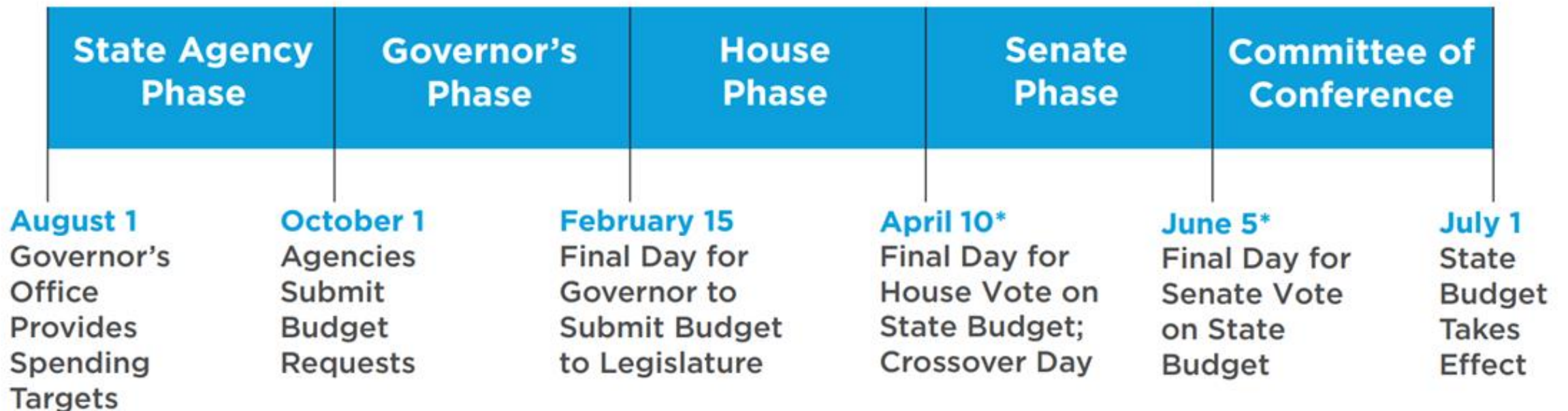
Cash Basis, Combined New Hampshire Business Profits and Business Enterprise Taxes



Sources: New Hampshire Department of Administrative Services Monthly Revenue Focus Reports

SENATE: WAYS AND MEANS WILL FORECAST REVENUE, FINANCE WILL CRAFT BUDGET

State Budget Process Timeline



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

KEY TAKEAWAYS

- The House Finance Committee recommended to reduce planned expenditures by \$643 million (8.0%) relative to the Governor's proposal for the next State Budget
- The largest relative decreases in proposed funding are related to health services, including for Medicaid reimbursement rates, developmental services, community mental health services, and back-of-budget reductions at the Department of Health and Human Services
- Reductions in funding for the University System, positions at the Department of Corrections, and the Department of Justice's operations outside of funding for Youth Development Center-related settlements are among largest decreases in appropriations
- Eliminates Human Rights Commission, Child Advocate, Housing Appeals Board, Arts Division
- Increases aid to school districts while imposing budget caps, funding expansions for Education Freedom Accounts and more for public charter schools, boosts to Retirement System funding for certain police and firefighting personnel
- Significant policy initiatives attached, including energy policies, changes to landlord-tenant laws, DEI prohibitions, open enrollment for school districts, and eliminating car inspections
- In total, 326 positions eliminated, and \$95.5 million in back-of-budget reductions leave open question of where additional services would be impacted under House proposal
- Leaves projected \$113 million in General Funds unappropriated for the Rainy Day Fund



QUESTIONS AND ANSWERS

NHFPI STATE BUDGET WEBINAR SERIES

APRIL 7, 2025



THANK YOU AGAIN TO OUR SPONSORS!



Support also provided by the New Hampshire Hospital Association and OnPoint Wealth Partners



EXAMINING THE STATE BUDGET: THE HOUSE FINANCE COMMITTEE'S PROPOSAL

APRIL 7, 2025