



New Hampshire House of Representatives
HOUSE MAJORITY OFFICE

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FY 2022-2023 Budget Talking Points

Fiscally Responsible Spending

- Fiscally responsible, and balanced state budget that has \$13.5 billion in total spending
- Cut of \$172.5 million over the prior budget in general and education trust fund combined, and a roughly a 3% cut from budget to budget
- Builds the Rainy Day Fund to \$158.6 million, the highest in state history.

Tax Cuts for All New Hampshire Residents

- Over \$171 million in tax reductions over the biennium.
- Decreases the State-Wide Education Property Tax by \$100 million directly resulting in lower property tax bills for constituents across the state.
- Reduces the Meals and Rooms Rate to 8.5% helping to make supporting our hospitality industry more affordable.
- Reduces the Business Enterprise Tax rate to 0.55% and increases the filing threshold to help both large and small job creators pay less in taxes, and invest more in their business and workforce.
 - Over 30,000 small businesses will now be exempt from tax filings.
- Reduces the Business Profits Tax rate to 7.6% to help us remain competitive regionally and help us attract more better paying jobs.
- Fully phases out the Interest and Dividends Tax over five years, at long last. Many view the I&D Tax as a tax on income, and this will make New Hampshire officially income tax-free.

Money Back to Municipalities

- Creates a Meals and Rooms Municipal Revenue Fund, finally earmarking revenue back to cities and towns, and preventing it from being siphoned off to fund state government.
 - 30% revenue collected annually from Meals and Rooms Tax will be restricted for distribution to cities and towns based on population
- Provides \$15.6 million in FY 2021 for grants for wastewater projects across the state.
- Provides \$83.3 million in estimated aid to municipalities by fully funding highway block grants at \$69.7 million over the biennium and appropriating \$13.6 million in state aid for municipal bridge projects.

Significant Policy Achievements

- Establishes Education Freedom Savings Accounts to increase education choice by allowing parents to find the right fit for their child regardless of zip code.
- Provides needed reforms and oversight to the Governor's Emergency Powers
- Prohibits the practice of teaching the divisive & false idea that an individual is inherently racist simply due to the color of their skin.
- Prohibits state funds from being used to perform abortions
 - The commissioner of DHHS will inspect financial records to monitor compliance, a report will be submitted to the governor and council.
 - Should the grant recipient be in breach of their contract, they forfeit all rights to further funding, and suspend all operations until they are physically and financially separate from any reproductive health facility.
- Includes the Fetal Life Protection Act, which prohibits a health care provider from performing an abortion after 24 weeks. (HB625)

Education

- Increase in state aid of nearly \$100.0 million over the biennium to the education funding formula
 - Corrects education funding formula to ensure schools are not hurt by the COVID enrollment drop, providing \$67 million in additional aid.
 - Provides an additional \$17.5 million in each year for free or reduced meal student population
- Provides full funding to school districts that began full-day kindergarten programs in the 2019-20 and 2020-21 school years, ensuring school districts that begin full-day kindergarten programs would receive full adequacy payments in the first year of the program. (SB 82)
- Fully funds aid to public charter schools, based on enrollment estimates provided by the Department, totaling approx. \$47.0 million in FY 22 and \$49.5 million in FY 23.
- Provides \$1.0 million over the biennium for lease aid to public charter schools. Also increases the maximum annual aid amount per school from \$30,000 to \$50,000.
- Provides \$82.0 million for school building aid, which includes:
 - \$52.0 million for payments on previously approved projects
 - \$30.0 million for new school building aid projects
- Provides \$67.2 million over the biennium to fully-fund special education aid for higher cost students (formerly known as "catastrophic aid") to school districts.
- Provides \$18.0 million over the biennium for career and technical education (CTE) tuition and transportation aid to school districts.
- Provides \$1.5 million over the biennium for the NH Robotics Education Development Program.

CCSNH/ USNH

- Maintains separate governance and state support appropriations for CCSNH and USNH.
- Provides funding for both CCSNH (\$56.0 million per year) and USNH (\$88.5 million per year) at FY 2021 levels.
- Moves administration of the Dual and Concurrent Enrollment Program from the Department of Education to CCSNH and provides \$1.5 million per year (the program's full projected cost).

Health and Human Services

- Closes the Sununu Youth Services Center
- Appropriates \$30 million for a 24-bed secure psychiatric facility, in addition to the \$8.75 million appropriated for this purpose during the prior biennium.
 - Recommended the facility be collocated with an existing facility causing the move from a stand-alone operation to becoming a new wing of New Hampshire Hospital, saving millions in operating costs each year.
- Additional \$8 million for mobile crisis units and community mental health programs.
- Retains the House's commitment to reducing annual growth in county costs for long-term care services, limiting growth to 2 percent, compared to 3 percent in previous budgets.
 - Provides \$29.1 million in general funds over governor-recommended levels in order to limit county payments
- Fully funds the Developmental Disability waitlist by providing \$335 million in general funds and \$330 million in federal funds for developmental services over the biennium
- Retains the \$22.6 million personnel-specific back-of-budget reduction passed by the House, which states that at no time during the biennium shall the Department exceed 3,000 full-time authorized positions.

Veterans

- Funds the New Hampshire Veterans Home assuming a resident census of 225 and provides budgetary flexibility in the event income from residents and the Veterans Administration are less than anticipated.
- Makes an additional appropriation of \$40,000 to the Civil Air Patrol.
- Provides \$1.5 million to help veterans recover from social isolation during the pandemic.

Additional Highlights

- Consolidates the Public Utilities Commission, the Office of Strategic Initiatives, Consumer Advocate, and Site Evaluation Committee to create the Department of Energy and more government efficiency.
- Makes investments in Granite Shield, which continues to work on drug trafficking interdiction aimed at preventing the supply of illegal drugs from entering NH, and adds funding for public defenders needed after arrests are made.
- Refunds any businesses fined under executive or emergency orders due to COVID-19.
- Allows funds received by municipalities from the American Rescue Plan Act 2021 to be considered unanticipated revenue, and may be accepted and expended. This allows SB2 towns to accept and spend ARPA funds without holding a special election and session (or waiting until the next election in March 2022).
- Provides \$500,000 to Internet Crimes Against Children Fund