

Julie Gilman

NEW HAMPSHIRE HOUSE OF REPRESENTATIVES • ROCKINGHAM COUNTY 11 • EXETER

General Government

Some of the most significant policy and funding changes in the General Government category of the State budget were for funding to support certain police and firefighter employee retirements, which was funded at a lower level than all three prior versions of the State Budget, and the alteration or removal of an array of policies attached to the House and Senate versions of the State Budget.

Back of Budget Reduction

The so-called “back-of-budget” reductions would require certain agencies to find savings in their budgets without identifying specific line items, but by lowering their overall expenditures compared to their topline totals.

The House proposed a total of \$95.5 million in back-of-budget reductions among State agencies. The Senate had about \$107.7 million of this form of back-of-budget reduction. It modified those back-of-budget reductions, shifting which agencies would be impacted by them, and added a requirement that the Governor would identify \$32.0 million in revenue or savings across State government, which replaced the House’s proposed 5 percent fee on most of the State’s dedicated funds.

Added \$5.0 million to the back-of-budget reduction total at the Department of Corrections, lifting the amount the Department of Corrections was expected to find in savings to \$10.0 million. Otherwise, cuts total of \$112.7 million in unspecified reductions in funding for services across the State’s Executive Branch of government.

Retirement Contributions for Certain Law Enforcement and Firefighters

- The House proposed a larger amount of funding than the Governor, supporting these benefits with a full \$27.5 million in funds for each fiscal year from SFYs 2026 through 2034.
- The state stopped its statutory obligation to contribute 30% of a municipality’s costs for Group 1 And 2 retirees using a “suspension” of the statute in 2013. We had a one fiscal year appropriation at 7%. That statute has now been fully repealed so this adjusted obligation is down shifted to us.

Municipal Aid Funding

- The Committee of Conference voted to continue the current policy of devoting 30 percent of State Meals and Rentals Tax revenue for aid to municipal governments, provided on a per capita basis. The House had voted to set the funding level at \$137

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million per year, which is slightly higher than the current year's funding level, and not have it vary throughout the biennium.

- Repeals a statute, suspended since 2010, for a separate municipal revenue sharing formula.

Policies Removed and Changed, Including Restrictions on Foreign Ownership

- The policy language prohibiting diversity, equity, and inclusion initiatives in the State government, local governments, and school districts was maintained as altered by the Senate.
- The Senate's proposed prohibition on sales or leases of property within a ten-mile radius of key sites around the state to certain foreign governments or individuals controlled by them was expanded. The governments, government officials, companies organized within, or agents and employees of China, Russia, Iran, Syria, and North Korea are prohibited from purchasing permanent, temporary, or controlling ownership or lease of any land, buildings, or other land-attached resources within New Hampshire.

Housing

- The **Housing Appeals Board** remains and puts the administration of that Board under the Board of Tax and Land Appeals. Each Board received a slight funding reduction to account for staffing and position changes. \$365,922 was allocated to the Housing Appeals Board, while the Board of Tax and Land Appeals was funded at \$2.1 million for the biennium.
- In addition to a reduction in funding, administrative changes to the Boards' decision-making processes. Under the new structure, members from opposite Boards can make decisions and serve as tiebreakers if a consensus cannot be reached.
- While it did not allocate new funds, it adopted the extension of lapsing funds for the Housing Champions Program, which was established in the current SFYs 2024-2025 State Budget and provides grants to municipalities to encourage zoning law changes to support the construction of new affordable housing.

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State Commission on Aging

- Will continue the Commission with a flexible fund of \$300,000 to support compensation for the Executive Director (eliminating all 4 other positions) and the Commission's activities. The State Commission on Aging would also have terms for membership extended from two years to three years, and an attached advisory council focused on the system of care for older adults in the state, under the Committee of Conference's proposal.
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Protection and Development and Energy Policies

Many of the proposed policy changes related to energy policies and within the Resource Protection and Development category of the State Budget were removed from the final proposal. The Governor's proposed changes to solid waste facility governance, as well as the House's recommended overhaul of the Renewable Energy Fund, were both removed from the budget proposal.

Solid Waste

- Removed the proposed Solid Waste Facility Site Evaluation Committee from its State Budget proposal.

Energy Policy and Funding Changes

- Withdraws funds from the **Renewable Energy Fund** for use in the General Fund, including the Senate's proposed retention of \$2 million in the Renewable Energy Fund to support ongoing projects. No change the purpose of the Renewable Energy Fund to devote most of its resources to reducing ratepayer electricity costs in future biennia, leaving the Renewable Energy Fund's current purposes intact.

Inspections and License Plates

- Motor vehicle inspection requirements are eliminated after January 2026.
- Emissions inspections, required in part due to an agreement with the federal government, may continue. The State would be required to submit a request for altering their emissions testing requirements. If that permission is obtained, or if September 2026 is reached without obtained permission from the federal government, the State's Motor Vehicle Air Pollution Abatement Fund inspection fee and the **State-level requirements** for emissions inspections would be eliminated

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Public Higher Education

- \$164.0 million to the University System of New Hampshire (USNH), which is \$35.0 million less than the current State Budget's allocation. The budget would fund USNH at \$87.0 million in the first year of the biennium, and at \$77.0 million in the second year.
- Removes a \$30.0 million allocation of UNIQUE grant funds to USNH. The UNIQUE grant program provides financial support to college students from families with low incomes to help subsidize their education. These grants can typically be used by any college student in the state, not just students attending institutions of higher education through USNH or the Community College System of New Hampshire.
- Moves \$12.0 million of UNIQUE funds to the General Fund and restores the remaining \$18.0 million to UNIQUE grants over the biennium.

Other Education Policies

The budget includes a language change regarding diversity, equity, and inclusion (DEI) prohibitions in public schools, including K-12, academic institutions, and institutions of higher education. The change replaces "...race, sex, ethnicity, or other group characteristics..." in the definition of DEI with "...characteristics identified under RSA 354-A:1..." Characteristics identified under RSA 354-A:1 include, "age, sex, gender identity, creed, color, marital status, familial status, physical or mental disability...national origin...[or] sexual orientation." Schools and institutions that do not comply with the prohibition may lose access to public funding until the violation is resolved.

Municipalities are also included in this amendment. However, the legislation does not suggest towns and cities would lose access to any funding if they do not comply with the DEI prohibition.

K-12 Education

- Keeps base per student grant (\$4,351) and the differential aid adjustments for students eligible for free and reduced-price meals (\$2,441) and those who are English language learners (\$849), but reduced the amount for students receiving special education services by approximately \$900. This change would reduce the allocation to students receiving special education services to \$2,229, likely reflecting the continuation of current policy providing a 2 percent per year increase.
- Universal eligibility for EFAs beginning in SFY 2026 (academic year 2025-2026) a reduction of \$3.9 million in projected costs for EFAs based on anticipated participation of 7,500 in the program. These budgeted amounts are projected costs as, like the [Adequate Education Aid](#) to school districts, actual expenditures will depend on enrollment.

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- It removes the EFA enrollment cap, which would initially be set at 10,000 students, if the cap is not increased for two consecutive years. **9,000 students already approved so we're over budget before the next school year begins.**
- Reinstates a form of **Fiscal Capacity Disparity Aid**. This aid would be allocated to municipalities that have relatively low taxable property values per student and would total up to \$1,250 per student. There would be a sliding scale reduction for this aid that disappears for municipalities with more than \$1.6 million in taxable property value per pupil. This aid would be in addition to the existing **Extraordinary Needs Grants** in the education funding formula, which are based on both relative property values and the number of students eligible for free and reduced-price meals.
- However, these two forms of targeted aid would be capped for the largest communities in the state. In municipalities with more than 5,000 resident students, the total amount of Extraordinary Needs Grants and Fiscal Capacity Disparity Aid combined would be limited to \$3,750 per student. Currently, **only the cities** of Nashua and Manchester exceed 5,000 resident students, and **only Manchester** would be impacted during the upcoming budget cycle, with a reduction of approximately \$10.2 million in its allocation between SFYs 2026 and 2027.

Lottery

- The budget boosts revenues by expanding gambling in New Hampshire.
- The budget includes the allowance to install Video Lottery Terminals (slots) at charitable gaming casinos, high-stakes tournaments with buy-ins of \$2,500 or more, removes a **maximum wager cap** currently set at \$50.
- Keno gaming still requires a town voting to adopt under current law, but voter approval is not required for slots.

The tax rate on VLT state revenue to 31% of casino profits allocated at a rate as follows:

- 25 percent to the Governor's Commission on Addiction, Treatment, and Prevention
- Approximately 10.76 percent to charitable gaming
- About 5.0 percent to the Lottery Commission for operations
- the remaining profit funds flowing to the Education Trust Fund and approximately 15.0 percent to the General Fund
- Projected revenues for historic horse racing machines has an estimated revision results in a reduction of approximately \$109.0 million dollars for the Education Trust Fund over the biennium.
- Casino owners receive the other 69%

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The budget removed a proposed Elderly, Disabled, Blind, and Deaf Exemption Reimbursement Fund, which would have reimbursed municipalities for some amount of tax exemptions beginning in SFY 2028.

- It would have been funded by VLT revenues but now remains the full responsibility of each town's tax payers.
- The budget eliminates the Council for Responsible Gaming transfers its work to the Department of Health and Human Services' Division of Behavioral Health.
- Limits the balance the Education Trust Fund can carry forward across the biennium to \$20.0 million.
- 39% of revenue from the [two primary business taxes](#), the Tobacco Tax, and the Real Estate Transfer Tax flow to the Education Trust Fund and Rainy-day fund. revenues divided proportionally, but the cap on the ending balance effectively moves those additional dollars back to the General Fund.

Medicaid premiums for the [Granite Advantage Health Care Program](#) and Children's Health Insurance Program (CHIP). Premiums will be determined based on fixed dollar amounts depending on household size.

- There will be increased pharmacy cost shares for Medicaid enrollees. This language would increase cost shares from their current \$1-2 to \$4, bringing in \$1.5 million in estimated General Fund revenue for the upcoming biennium.
- The Liquor Funds to support the Granite Advantage Health Care Trust in the event of any funding shortfalls remains,
- Requires DHHS to resubmit a federal Medicaid waiver to institute [work requirements](#) already outlined in [State statute](#). This amendment would require adults to work or participate in an eligible community engagement activity for at least 100 hours per month, higher than the 80 hours by federal standards.
- Requires the DHHS to annually set cost-reflective rate parity for Medicaid managed care services and allocate \$2.3 million during SFY 2027 to establish those payment rates.
- Removes the DHHS to establish an administrative day rate to cover hospital stays for Medicaid patients who no longer need acute care but cannot be discharged due to a lack of available placement, including Medicaid-funded hospital stays for postpartum mothers with substance-exposed newborns was removed.
- The budget increased the Medicaid incentive program from 30 days to 120 days after State Budget passage. This program would require managed care organizations to encourage Medicaid recipients to seek the lowest cost outpatient procedure care when clinically appropriate. The proposed statute would also require the DHHS to submit an implementation plan for the program.

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- Medicaid funds can be used for circumcisions.
- The budget includes \$3.8 million in General Funds for the DHHS Division of Economic Stability to fund a tier-one call center to process Medicaid eligibility determinations.

Services for People with Disabilities and Older Adults

The budget includes an allocation of \$3.0 million to support faster turnarounds for Medicaid long-term care eligibility determinations, while also agreeing to increase annual nursing home licensing fees to help support this added allocation.

- \$550,000 to establish 50 guardianship slots for individuals released from hospital settings who are legally incapacitated and require help making decisions around hospital discharge;
- \$211,718 to institute two percent rate increases during each year of the upcoming biennium to support intermediate care for children with disabilities; and
- \$700,000 to fund congregate housing;
- \$200,000 to increase funding for the Alzheimer's Disease and Related Dementias (ADRD) caregiver grant program.
- The budget establishes a committee to study the potential integration of Medicaid-funded long-term care into the managed care system, with a report due by October 1, 2025.

Youth and Family Services

The budget keeps the Office of the Child Advocate funded with approximately \$1.6 million in funding for the Office. This results in four positions eliminated, rather than nine, compared to the House's version of the budget. Funds were not replaced but \$5 million was moved from SFY 2027 to SFY 2026 to support youth residential placements and adopted language that allows the DHHS to request additional funds through the Joint Legislative Fiscal Committee in the event that budgeted funding is insufficient.

Finally, the Committee of Conference approved the Senate's proposed sale of the **Sununu Youth Services Center** during the upcoming biennium. The Senate estimated the sale would generate \$80 million of revenue that would be deposited into the **Youth Development Center Claims Administration and Settlement Fund** in SFY 2027. However, while the proceeds of the sale are directed by State Budget language, that estimated \$80 million is not formally incorporated into the Committee of Conference's revenue projections.

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Other Health-Related Service

There are two key changes related to services for Granite Staters experiencing food insecurity. These changes included a \$30,000 allocation towards the WIC Farmer's Market Nutrition Program, which would have been defunded by the House's proposal, as well as \$105,000 to support two positions to administer the newly established Summer Electronic Benefits Transfer (EBT) Program.

Finally, the **Prescription Drug Affordability Board** (PDAB) was removed along with its funding. Established in 2020, the PDAB was formed to help find prescription cost savings for public payers, while also ensuring that providers can still access the prescriptions they need to treat their patients.

Justice

Department of Corrections Funding

Department of Corrections is cut to about \$22.5 million, proposing the elimination of 60 positions down from the 190 positions the House would have eliminated and adding a \$5.0 million back-of-budget reduction.

The budget added about \$1.6 million in the line items but also doubled the size of the back-of-budget reduction to \$10.0 million. The Committee also added specifications as to which components of the Department's budget within which \$2.0 million of those \$10.0 million in savings had to be identified.

Youth Development Center Settlements

- The budget adds \$20 million to the **Youth Development Center Claims and Administration Fund** with General Fund appropriations. Proceeds from the sale of the Sununu Youth Services Center building would flow to the fund supporting the settlements.
- Added language will shift the management of the Youth Development Center Claims and Administration Fund to the purview of the Executive Branch, rather than the current Judicial Branch oversight, and change both reporting and certain decision-making timelines.
- Boosts revenues relative to current policy by expanding gambling in New Hampshire.
- Changed the official name of the New Hampshire State Lottery Commission to the New Hampshire State Lottery and Gaming Commission. The Committee **adjusted** anticipated Video Lottery Terminal (VLT) revenues for the General and Education Trust Funds to \$185.3 million across the biennium.

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The tax rate set on VLT revenue to 31 percent, allocating the revised VLT revenues from those 31 percentage points of tax rate as follows:

- 25 percent to the Governor's Commission on Addiction, Treatment, and Prevention
- Approximately 10.76 percent to charitable gaming, the equivalent of 35 percent of the VLT revenue taxed at the 31 percent rate
- About 5.0 percent to the Lottery Commission for operations, with the remaining profit funds flowing to the Education Trust Fund
- Approximately 15.0 percent to the General Fund

Reduced projected revenues for historic horse racing machines compared to the Senate Budget. This estimate revision would result in a reduction of approximately \$109.0 million in additional dollars for the Education Trust Fund over the biennium.

Retains high-stakes tournaments with buy-ins of \$2,500 or more, remove a **maximum wager cap** currently set at \$50, and expand hours for Keno to match the hours of a business's operations, rather than the **current restriction** of 11 a.m. to 1 a.m. in statute.

The Committee removed the Elderly, Disabled, Blind, and Deaf Exemption Reimbursement Fund proposed by the Senate, which would have reimbursed municipalities for tax exemptions beginning in SFY 2028 and would have been funded by VLT revenues. Additionally, the Committee accepted the Senate's proposed elimination of the Council for Responsible Gaming and the transfer of its work to the Department of Health and Human Services' Division of Behavioral Health.

Other Revenue Policy Changes

- A tax amnesty program to collect revenue from individuals and businesses with outstanding and unpaid taxes from prior years. Projects that this program would generate approximately \$4.0 million in net revenue.
- Adds more multi-state tax auditors to the Department of Revenue Administration's staff, anticipating approximately \$5.0 million in net revenue from those additions.
- Limits the balance the Education Trust Fund could carry forward across biennia to \$20.0 million, with any additional total going to the General Fund. Projected that \$28.7 million would be drawn from the Education Trust Fund at the end of SFY 2027 under this policy and transferred to the General Fund, which would subsequently transfer \$49.6 million to the Rainy Day Fund.
- 39 percent of revenue from the **two primary business taxes**, the Tobacco Tax, and the Real Estate Transfer Tax flow to the Education Trust Fund. The Committee of Conference approved sending more revenues to the Education Trust Fund proportionally, but the cap on the ending balance effectively moves those additional dollars back to the General Fund.

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Health and Social Services

The Health and Social Services category in the State Budget is the largest expenditure category and is comprised almost entirely of the Department of Health and Human Services (DHHS). Under the Committee's proposal, funding was restored for key services that would have been reduced under the [House's proposal](#), including funding for [Medicaid](#) provider reimbursements, community mental health supports, and developmental disability services.

Medicaid

Within the DHHS's section of the State Budget, the largest monetary change adopted includes the setting of Medicaid rates to the levels originally proposed by the Governor. This repeal keeps \$52.5 million in General Funds in the budget for the biennium with at least equal amounts of [federal match funding](#).

Medicaid premiums for the [Granite Advantage Health Care Program](#) and [Children's Health Insurance Program \(CHIP\)](#). A proposal to set the premiums at up to five percent of enrollee income was first [established in the Governor's proposal](#) and carried forward in the House's version. The Senate proposed changing both Granite Advantage and CHIP premiums to be determined based on fixed dollar amounts depending on household size, rather than a percentage of income as introduced in past proposals. The Committee estimates that \$5 million will be collected through Granite Advantage premiums during SFY 2027, \$7 million less than the \$12 million estimated by the Governor and House.

Increased pharmacy cost shares for Medicaid enrollees. This language would increase cost shares from their current \$1-2 to \$4, bringing in \$1.5 million in estimated General Fund revenue for the upcoming biennium.

- Requires the DHHS to resubmit a federal Medicaid waiver to institute [work requirements](#) already outlined in [State statute](#). This amendment would require adults in the Granite Advantage program to work or participate in an eligible community engagement activity for at least 100 hours per month, higher than the 80 hours proposed under work requirements included in the [U.S. House of Representatives' budget reconciliation bill](#). Requires the DHHS to annually set cost-reflective rate parity for Medicaid managed care services and allocate \$2.3 million during SFY 2027 to establish those payment rates.
- DHHS is not required to establish an administrative day rate to cover hospital stays for Medicaid patients who no longer need acute care but cannot be discharged due to a lack of available placement, including Medicaid-funded hospital stays for postpartum mothers staying with substance-exposed newborns.

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- Approved the movement of funds between budget lines to reflect the approved agreement between hospitals and the State around the **Medicaid Enhancement Tax (MET)** and the portion of funds that hospitals receive back in the form of Disproportionate Share Hospital (DSH) Payments to support uncompensated care, with hospitals expected to receive back 91 percent, in aggregate, of what they pay towards the MET.
- Moves the implementation of the Medicaid incentive program from 30 days to 120 days after State Budget passage. This program would require managed care organizations to encourage Medicaid recipients to seek the lowest cost outpatient procedure care when clinically appropriate. The proposed statute would also require the DHHS to submit an implementation plan for the program.
- Finally, \$3.8 million in General Funds for the DHHS Division of Economic Stability to fund a tier-one call center to process Medicaid eligibility determinations.

Services for People with Disabilities and Older Adults

- A change adds \$62.8 million across the biennium in combined federal and General Funds to help ensure there is no waitlist for services due to short-term State funding constraints.
- Carries forward \$10.0 million in unspent funds during the current SFY 2025 to support funding for community-based residential services for those with disabilities. This added allocation was included in the DHHS's **agency budget request**, but left out of the **Governor's proposal**, following the establishment of a Room and Board payment calculation in SFY 2024 to help ensure full funding for residential services.
- Allocates \$3.0 million to support faster turnarounds for Medicaid long-term care eligibility determinations, while also agreeing to increase annual nursing home licensing fees to help support this added allocation.
- Restores funding for services and add several new initiatives to support Granite Staters with disabilities and older adults. These included:
 - \$700,000 to fund congregate housing;
 - \$550,000 to establish 50 guardianship slots for individuals released from hospital settings who are legally incapacitated and require help making decisions around hospital discharge;
 - \$211,718 to institute two percent rate increases during each year of the upcoming biennium to support intermediate care for children with disabilities; and
 - \$200,000 to increase funding for the Alzheimer's Disease and Related Dementias (ADRD) caregiver grant program.

Establishes a committee to study the potential integration of Medicaid-funded long-term care into the managed care system (privatize), with a report required to be submitted by that committee by October 1, 2025.

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Mental Health and Substance Use Disorder Funding

- Changes support of non-Medicaid contracts within community mental health services, as well as adds back \$10.0 million to support uncompensated care as originally proposed by the Governor.
- Approves the name change of the Alcohol Abuse Prevention and Treatment Fund to the Addiction, Treatment, and Prevention Fund. This Fund supplies expanded allocations to include problem gambling prevention. Requires that 0.25 percent of gross video lottery terminal revenue collected from newly established video lottery terminals will be allocated to the Commission.
- Reinstates the annual five percent transfer from the Liquor Fund to the Addiction, Treatment, and Prevention Fund; however, the transfer will not occur if another appropriation is made to the Fund by the Legislature before the start of the upcoming biennium.

Mental and Behavioral Health Initiatives

Funding to help address needs resulting from the closure of labor and delivery units across the state and create perinatal mental health supports for Granite State women. This collection of maternal health policies includes allocations of \$150,000 for rural maternal health EMS training and \$30,000 to support a study on reducing barriers and examining sustainability for independent birth centers during the biennium. Additionally, insurance companies would be able to opt to waive copays for mental health and substance use treatment for perinatal patients. The perinatal care and supports portion of this package also requires:

- Depression screens during well-child visits for pregnant or postpartum patients to be covered by private insurance and Medicaid
- Home visiting services during pregnancy and up to 12 months postpartum to be covered by commercial insurance plans
- The creation of a perinatal psychiatric provider consult line in statute starting SFY 2028, with a \$275,000 appropriation that year
- DHHS to examine the development of a perinatal peer support certification program
- Employee protection for unpaid time off to attend up to 25 hours of postpartum care and pediatric appointments during the infant's first year of life for employers with 20 or more employees

Recommends an Adverse Childhood Experiences (ACEs) Prevention and Treatment Program. ACEs **can include** physical, emotional, or sexual abuse, neglect, witnessing violence, experiencing homelessness, food insecurity, and household instability. Over the biennium a \$300,000 allocation to support children through age six who have experienced ACEs or other "severe emotional disturbances" through:

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- Increases in Medicaid reimbursement for early childhood mental health care
- Increased salary levels or reimbursement rates for individuals with an early childhood and family mental health credential
- Funding for training and professional development in early childhood mental health care
- Creation of a five-year plan by DHHS to increase state workforce capacity for child-parent psychotherapy supports.
- Removes 988 suicide hotline currently funded through pandemic funds.

Public Health Services

Restores partial funding for the Family Planning Program, which provides low- to no-cost preventive and reproductive health care at health centers across the state. The House's proposed to defund the program in its entirety. The Committee allocated \$850,000 in General Funds across the biennium to the program generally and added language to its [House Bill 2 proposal](#) setting aside an additional \$75,000 each year for Coos County Family Health Services. The Committee's total General Fund allocation was less than the \$1.7 million proposed by the Governor, although all related federal funding (\$2.0 million) for the program would be restored under these changes.

The Committee agreed to the Senate's two changes for the [State Loan Repayment Program](#) (SLRP), which helps to recruit and retain health professionals to commit to working in rural or medically underserved areas in New Hampshire. Following the House's proposed pause of new applicants during the upcoming biennium, the Committee allows new participants to enter into the program as long as General Funds are not used to support those new applicants. The Committee also added a component of Senate Bill 244, which was included as part of the Senate's State Budget and adds \$500,000 across the biennium to support a newly established Family Medicine Residency Program in the state's North Country.

While General Funds were not restored, the Committee approved the Senate's allocation of \$1 each year towards the [Tobacco Prevention and Cessation Program](#) to maintain the program's statutory status in case funds become available at a later date. Although \$2.3 million in federal funds have been proposed and retained, federal funds are not likely to be available in the future due to federal changes.

Youth and Family Services

The Office of the Child Advocate and funded approximately \$1.6 million, resulting in four positions being abolished, added language that would affect the functioning of the Office, including:

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- Clarifying that there should be non-partisanship in oversight duties
- A nomination process that involves a nomination by the Governor and approval by the Executive Council (versus a gubernatorial appointment)
- Requiring approval for out-of-state travel by the Joint Legislative Fiscal Committee, except that which is required to ensure children are receiving appropriate services
- No increase in funding for the Committee approved the Senate's proposed movement of \$5 million from SFY 2027 to SFY 2026 to support youth residential placements. DHHS is allowed to request additional funds through the Joint Legislative Fiscal Committee in the event that budgeted funding is insufficient.
- Approved sale of the [Sununu Youth Services Center](#) during the upcoming biennium. The Senate estimated the sale would generate \$80 million of revenue that would be deposited into the [Youth Development Center Claims Administration and Settlement Fund](#) in SFY 2027. However, while the proceeds of the sale are directed by State Budget language, that estimated \$80 million is not formally incorporated into the Committee of Conference's revenue projections.

Other Health-Related Services

Two key changes related to services for Granite Staters experiencing food insecurity. These changes included a \$30,000 allocation towards the WIC Farmer's Market Nutrition Program, which would have been defunded by the House's proposal, as well as \$105,000 to support two positions to administer the newly established Summer Electronic Benefits Transfer (EBT) Program.

Repeal of the [Prescription Drug Affordability Board](#) (PDAB) in its entirety, while also retaining the House's position to eliminate all funds for PDAB. Established in 2020, the PDAB was formed to help find prescription cost savings for public payers, while also ensuring that providers can still access the prescriptions they need to treat their patients.

Human Rights Commission

The budget continues the established [Human Rights Commission](#) And includes an attached, temporary advisory committee to assist in the implementation of corrective measures from a legislative audit.

However, it includes \$521,000 back-of-budget reduction and established a one-year advisory committee to be attached to the Human Rights Commission.

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Education

The Committee's budget would retain most of the changes proposed by the Senate in the areas of Early Childhood Care and Education, K-12 Education, and Public Higher Education. However, the Committee made changes to the enrollment cap language for Education Freedom Accounts (EFAs), and the allocation for the University System of New Hampshire was reduced.

K-12 Education

The Committee maintained the Senate's version of the budget and adjusted the House's version of the adequate education grants. While the Committee kept the base per student grant (\$4,351) and the differential aid adjustments for students eligible for free and reduced-price meals (\$2,441) and those who are English language learners (\$849), the Committee reduced the amount for students receiving special education services by approximately \$900 from the House. This change would reduce the allocation to students receiving special education services to \$2,229, likely reflecting the continuation of current policy providing a 2 percent per year increase rather than the House's proposed boost to Special Education Differentiated Aid.

The Committee accepted the Senate's recommendation of universal eligibility for EFAs beginning in SFY 2026 (academic year 2025-2026) and accepted the \$3.9 million reduction in projected costs for EFAs based on anticipated participation in the program. These budgeted amounts are projected costs as, like the Adequate Education Aid to school districts, actual expenditures will depend on enrollment. The Committee adopted an amendment that removes the EFA enrollment cap, which would initially be set at 10,000 students, if the cap is not increased for two consecutive years.

Part of the Committee's final budget proposal also includes language from the House's budget proposal, retained by the Senate, that reinstates a form of Fiscal Capacity Disparity Aid. This aid would be allocated to municipalities that have relatively low taxable property values per student and would total up to \$1,250 per student. There would be a sliding scale reduction for this aid that disappears for municipalities with more than \$1.6 million in taxable property value per pupil. This aid would be in addition to the existing Extraordinary Needs Grants in the education funding formula, which are based on both relative property values and the number of students eligible for free and reduced-price meals.

However, these two forms of targeted aid would be capped for the largest communities in the state. In municipalities with more than 5,000 resident students, the total amount of Extraordinary Needs Grants and Fiscal Capacity Disparity Aid combined would be limited to \$3,750 per student. Currently, only the cities of Nashua and Manchester exceed 5,000 resident students, and only Manchester would be impacted during the upcoming budget

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cycle, with a reduction of approximately \$10.2 million in its allocation between SFYs 2026 and 2027.

Public Higher Education

The Committee recommended allocating \$164.0 million to the University System of New Hampshire (USNH), which is \$6.0 million less than the Senate budget and \$35.0 million less than the current State Budget's allocation to the System. The Committee of Conference budget would fund USNH at \$87.0 million in the first year of the biennium, and at \$77.0 million in the second year.

The Committee accepted the Senate's proposal to remove a \$30.0 million allocation of UNIQUE grant funds to USNH. The UNIQUE grant program provides financial support to college students from families with low incomes to help subsidize their education. These grants can typically be used by any college student in the state, not just students attending institutions of higher education through USNH or the Community College System of New Hampshire. The Committee's acceptance of the Senate's budget would move \$12.0 million of UNIQUE funds to the General Fund and restore the remaining \$18.0 million to UNIQUE grants over the biennium.

Other Education Policies

The Committee accepted the Senate's language change regarding diversity, equity, and inclusion (DEI) prohibitions in public schools, including K-12, academic institutions, and institutions of higher education. The change replaces "...race, sex, ethnicity, or other group characteristics..." in the definition of DEI with "...characteristics identified under RSA 354-A:1..." Characteristics identified under RSA 354-A:1 include, "age, sex, gender identity, creed, color, marital status, familial status, physical or mental disability...national origin...[or] sexual orientation." Schools and institutions that do not comply with the prohibition may lose access to public funding until the violation is resolved.

Municipalities are also included in this amendment. However, the legislation does not suggest towns and cities would lose access to any funding if they do not comply with the DEI prohibition.

Justice and Public Protection

Human Rights Commission

The Committee of Conference voted to continue the **Human Rights Commission** under the structure proposed by the Senate's budget, including an attached, temporary advisory

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committee to assist in the implementation of corrective measures from a legislative audit. The House had proposed eliminating the Human Rights Commission entirely.

The Committee included a \$521,000 back-of-budget reduction in the Human Rights Commission's budget proposed by the Senate, however, and established a one-year advisory committee to be attached to the Human Rights Commission.

Liquor Commission and Lottery Law Enforcement Authority

Did not remove law enforcement authority from the Commission. The Committee of Conference budget proposal would allow the Liquor Commission's law enforcement authority to continue. Included back-of-budget reduction of \$1.0 million to the Liquor Commission.

Liquor Commission funds would continue to be used as a backstop (no longer using general funds) for the non-federal share of Medicaid Expansion, also known as the Granite Advantage Health Care Program, and for contributions to the renamed Governor's Commission on Addiction Treatment and Prevention.

Law enforcement authority from the Liquor Commission is retained with a back-of-budget reduction of \$1.0 million to the Liquor Commission.

Liquor Commission funds would continue to be used as a backstop for the non-federal share of Medicaid Expansion, also known as the Granite Advantage Health Care Program, and for contributions to the Governor's Commission on Addiction Treatment and Prevention.

Inspections and License Plates

The Committee of Conference recommended that motor vehicle inspection requirements be eliminated after January 2026. The House had recommended eliminating them entirely, while the Senate proposed limiting their scope. The Committee of Conference considered a limitation of scope before agreeing to eliminate them entirely after January 2026.

Emissions inspections, required in part due to an agreement with the federal government, may continue under the Committee of Conference plan. The State would be required to submit a request for altering their emissions testing requirements. If that permission is obtained, or if September 2026 is reached without obtained permission from the federal government, the State's Motor Vehicle Air Pollution Abatement Fund inspection fee and the **State-level requirements** for emissions inspections would be eliminated.

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Resource Protection and Development and Energy Policies

Many of the proposed policy changes related to energy policies and within the Resource Protection and Development category of the State Budget were removed from the final proposal. The Governor's proposed changes to solid waste facility governance, as well as the House's recommended overhaul of the Renewable Energy Fund, were both removed from the budget proposal. State support for the arts, which is within the Department of Natural and Cultural Resources, would be funded at levels proposed by the Senate.

Solid Waste

The Committee of Conference removed the proposed Solid Waste Facility Site Evaluation Committee from its State Budget proposal. While the Governor, House, and Senate all had differing versions of this new entity in each budget proposal, the House and the Senate could not reach agreement on the policy framework for it. As a result, without reaching a compromise, both the House and the Senate versions were eliminated from the budget.

Energy Policy and Funding Changes

- The budget withdraws funds from the **Renewable Energy Fund** for use in the General Fund, including the Senate's proposed retention of \$2 million in the Renewable Energy Fund to support ongoing projects.
- Proposed changes to the **Renewable Portfolio Standard** to remove solar energy was rejected as were proposed enhancements to net metering for commercial electricity generators.

Arts Funding

The Department of Natural and Cultural Resources' Division of the Arts remains in statute. Funds \$300,000 in direct funding, which is a cut, and a credit against the two State business taxes that could generate up to \$700,000 more revenue for the Division of the Arts if businesses use the credit. 4 Positions deleted.

Mental Health and Substance Use Disorder Funding

The budget funds non-Medicaid contracts within community mental health services, as well as adds back \$10.0 million to support uncompensated care.

Allocates funds for the newly renamed Governor's Commission on Addiction, Treatment, and Prevention, expanded it to include problem gambling prevention.

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Mental and Behavioral Health Initiatives

- Address needs resulting from the closure of labor and delivery units across the state and create perinatal mental health supports for Granite State women.
- \$150,000 for rural maternal health EMS training
- \$30,000 for a study on reducing barriers and examining sustainability for independent birth centers during the biennium.

Insurance companies would be able to opt to waive copays for mental health and substance use treatment for perinatal patients. The perinatal care and supports portion of this package also requires:

- Depression screens during well-child visits for pregnant or postpartum patients to be covered by private insurance and Medicaid
- Home visiting services during pregnancy and up to 12 months postpartum to be covered by commercial insurance plans
- The creation of a perinatal psychiatric provider consult line in statute starting SFY 2028, with a \$275,000 appropriation that year
- DHHS to examine the development of a perinatal peer support certification program
- Employee protection for unpaid time off to attend up to 25 hours of postpartum care and pediatric appointments during the infant's first year of life for employers with 20 or more employees

Development of an Adverse Childhood Experiences (ACEs) Prevention and Treatment Program. ACEs **can include** physical, emotional, or sexual abuse, neglect, witnessing violence, experiencing homelessness, food insecurity, and household instability with \$300,000 allocation to support children through age six who have experienced ACEs or other "severe emotional disturbances" through:

- Increases in Medicaid reimbursement for early childhood mental health care
- Increased salary levels or reimbursement rates for individuals with an early childhood and family mental health credential
- Funding for training and professional development in early childhood mental health care
- Creation of a five-year plan by DHHS to increase state workforce capacity for child-parent psychotherapy supports

The budget removes the 988 hotline which is currently funded with temporary pandemic-related federal dollars, with no permanent future funding source identified. The final budget rejected mental health services for children under age 19 who are not covered through Medicaid. This Association would have been funded through annual assessments collected from private insurers, generating an estimated \$5 million in assessments.

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Public Health Services

The budget partially restores funding for the Family Planning Program, which provides low- to no-cost preventive and reproductive health care at health centers across the state. The House's proposed to defund the program in its entirety. The budget allocates \$850,000 in General Funds across the biennium to the program generally and setting aside an additional \$75,000 each year for Coos County Family Health Services, although all related federal funding (\$2.0 million) for the program would be restored under these changes.

- The [State Loan Repayment Program](#) (SLRP), which helps to recruit and retain health professionals to commit to working in rural or medically underserved areas in New Hampshire. The budget allows new participants to enter into the program as long as General Funds are not used to support those new applicants and adds \$500,000 across the biennium to support a newly established Family Medicine Residency Program in the state's North Country. The budget allocates \$1 each year towards the [Tobacco Prevention and Cessation Program](#) to maintain the program's statutory status in case funds become available at a later date. Although \$2.3 million in federal funds have been proposed and retained, federal funds are not likely to be available in the future due to federal changes.
- The Committee of Conference largely accepted the Senate's budget proposal among agencies in the Justice and Public Protection category of State expenditures, but proposed some key changes for funding at the Department of Corrections and adjusted policies governing the Youth Development Center settlement efforts.

Department of Corrections Funding

While the House would reduce funding for positions at the Department of Corrections by \$35.3 million relative to [the Governor's proposal](#), the Senate reduced that total cut to about \$22.5 million, proposing the elimination of 60 positions rather than the 190 positions the House would have eliminated and adding a \$5.0 million back-of-budget reduction.

\$1.6 million added in the line items of [House Bill 1](#) to the Department of Corrections budget, but also doubled the size of the back-of-budget reduction to \$10.0 million. The Committee also added specifications as to which components of the Department's budget within which \$2.0 million of those \$10.0 million in savings had to be identified. The total reduction to the Department's budget, relative to the Governor's proposal, would be \$26.0 million under the Committee of Conference's budget.

Youth Development Center Settlements

- Adds \$20 million to the [Youth Development Center Claims and Administration Fund](#) with General Fund appropriations, although the timing was different, with the

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Senate appropriating all those dollars in the first year. Proceeds from the sale of the Sununu Youth Services Center building would, under the Committee's proposal, flow to the fund supporting the settlements.

- Shifts the management of the Youth Development Center Claims and Administration Fund to the purview of the Executive Branch, rather than the current Judicial Branch oversight, and change both reporting and certain decision-making timelines.