



State of New Hampshire Treasury FY2026 – 2027 Budget Request

House Finance Committee - Division I
February 24, 2025

Monica Mezzapelle, State Treasurer

State of New Hampshire Treasury

Mission:

The New Hampshire State Treasury delivers professional financial management services to state government, the legislature, and New Hampshire citizens. The State Treasury will optimize the use of state financial assets and financing options while achieving both through the deployment of secure technology, cost-effective and efficient banking practices, and a dedicated and highly-qualified staff, a commitment to the prudent management of public funds.

State of New Hampshire Treasury

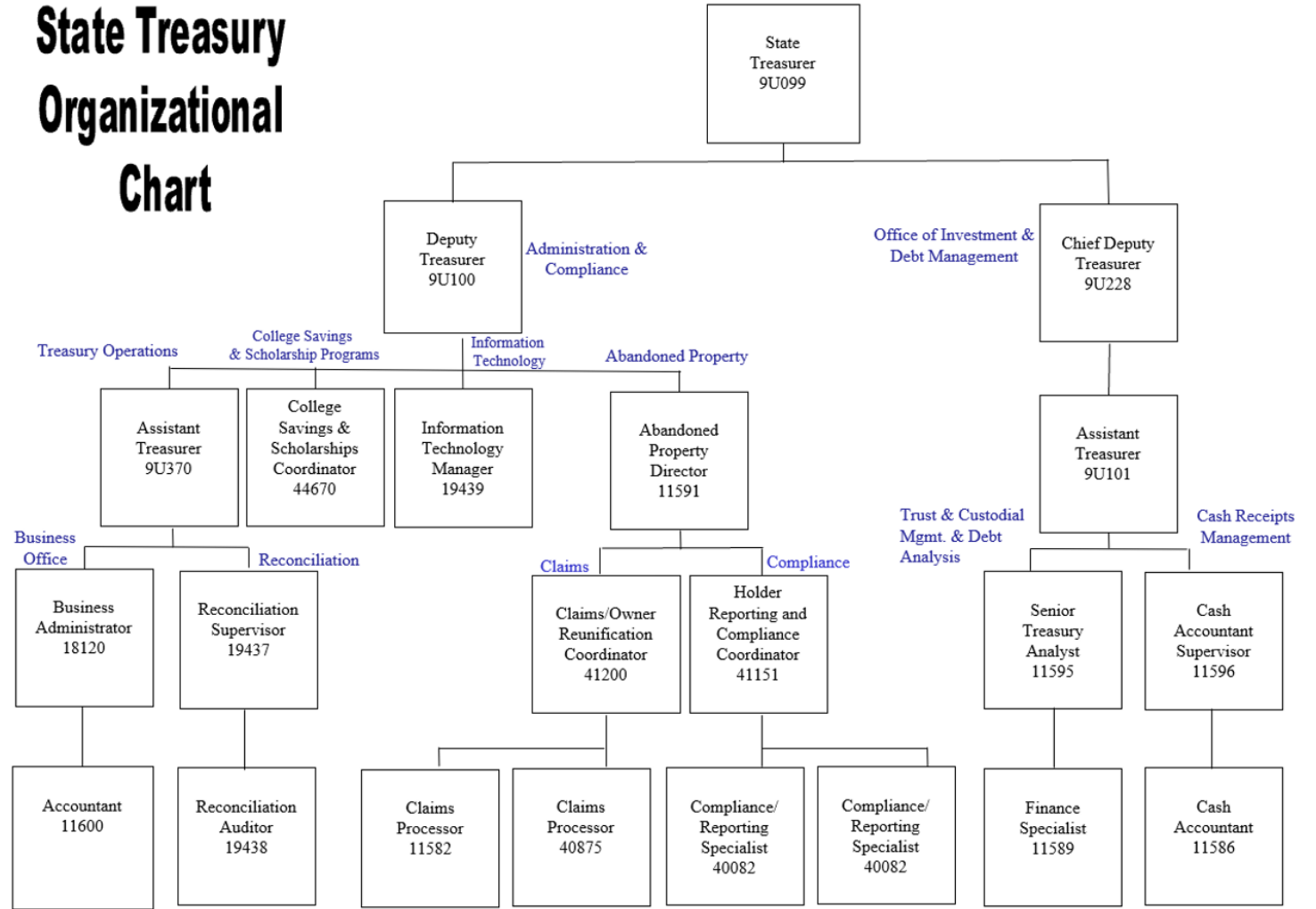
- Treasury Operations: State Treasury is a central service agency responsible for processing and reconciling all deposits and disbursements of the State.
- Office of Investment and Debt Management: The Office is responsible for the management and investment of operating, trust, and restricted funds. Also responsible for issuing bonds, managing the State's outstanding debt, and related compliance.
- Abandoned Property Division: The Division administers New Hampshire's unclaimed property program by returning intangible property remitted to the State to the rightful owner.

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- College Savings & Scholarship Programs: In collaboration with the College Tuition Savings Plan Advisory Commission, the State Treasury oversees New Hampshire's 529 College Savings Plan and three scholarship programs for low-income students: UNIQUE Annual Allocation Program, UNIQUE Endowment Allocation Program, and Governor's Scholarship Program.
- The NH ABLE Plan: In collaboration with the Governor's Commission on Disability, the State Treasury oversees the New Hampshire's ABLE savings accounts program.
- NH Public Deposit Investment Pool ("NHPDIP"): The Treasurer with the assistance of the NHPDIP Advisory Committee oversees the administration of this fund.

22 Positions:
5 Unclassified &
17 Classified

State Treasury Organizational Chart



As of June 30, 2024

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Background:

- Agency Budget. State Treasury met the Governor's target (GF reductions of 4%) excluding debt service. --Debt service funded with general funds is included in Treasury's budget.
- Governor's Budget. State Treasury was not impacted by additional requests, but some adjustments were made.

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Treasury Operations: Division responsible for the core Treasury functions of the State such as processing and reconciling all deposits and disbursements of the State.

- Proposed budget transfers three (3) positions from other divisions to Treasury Operations. This is in response to the changes anticipated with the upgrade of the financial system and conversion to the Infor CloudSuite.
- Additionally, this budget requests one (1) entry-level accounting position to accommodate the additional accounting and processing of transactions of approximately 40 trusts and custodial accounts. These accounts are currently maintained off-books (spreadsheets) but will be incorporated in the accounting system beginning in fiscal year 2026. Approximately 1,000 transactions annually.

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Distribution to Municipalities:

- Meals and Rooms Tax Distribution (RSA 78-A:26). Not included in the budget during the last biennium and was also not part of the Agency budget. However, the Governor's budget incorporated this activity. Funding and formula changed with the 2022-2023 budget. HB2, Laws of 2021, created a dedicated fund and these payments no longer impact the general fund. Total M&R Tax Distribution is 30% of gross Meals and Rooms Tax revenue net of the education trust fund portion, and DRA's cost to administer the Meals and Rooms Tax.
- Pursuant to RSA 31-A:4, the Agency budget included State Revenue Sharing to municipalities of approximately \$25.2 million. This request is not included in the Governor's budget, however, the law was not suspended in HB2.

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Office of Investment and Debt Management: The Office is responsible for the management and investment of operating funds, trust, and restricted funds. Also responsible for issuing bonds and management of the State's outstanding debt.

- Administration: Beginning in fiscal year 2026, two (2) positions currently approving cash receipts will be transferred to the Reconciliation Unit (Treasury Operations).
- Debt Service: Agency budget included different assumptions than the Governor's budget.
 - Existing debt, \$105 million of new bonding in FY2026, and \$65 million in FY2027. The increase is due to the additional capital appropriation approved for the design of the men's prison.
 - Governor's capital budget (net tax-supported debt) is \$140 million for the biennium.

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- Office of Investment and Debt Management (cont'd):
 - Debt Service (cont'd):
 - Debt Service for University System of New Hampshire includes existing debt service and an assumption of \$10 million of new bonding to be issued each year.
 - Debt Service for School Building Aid is only existing debt funded from Meals and Rooms Tax.
 - Debt Service for Community College System of New Hampshire is for existing debt to be paid by the System.

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Abandoned Property Division: The Division administers New Hampshire's unclaimed property program by returning intangible property to the rightful owner.

- Program 100% funded with unclaimed funds
- No significant changes
- Largest expenditures:
 - Salaries and benefits,
 - Multi-state audit firms, and
 - Unclaimed property system subscription

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College Savings Commission: Administrative costs of the New Hampshire's 529 College Savings Plan and three scholarship programs: UNIQUE Annual Allocation Program, UNIQUE Endowment Allocation Program, and Governor's Scholarship Program.

- NH Excellence in Higher Education Endowment Trust Fund – Partial activity of this trust fund flow through this accounting unit. Trust fund monies pay for the operating costs of the College Tuition Savings Plan Advisory Commission and three scholarship programs.
- Governor's Scholarship Fund – Non-lapsing fund funded with general funds. One (1) position will be transferred to Treasury Operations.

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Ben Thompson Trust Fund:

- Quarterly payments sent to the University of New Hampshire, the beneficiary of this trust.

LCHIP Program and Community Development Block Grants:

- State's funding included in Treasury's budget. Treasury facilitates the disbursement of funds.

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Proposals included in HB2:

- Amendment to RSA 9:16-a,II-a., (e). Amendment to assist State agencies in meeting their debt service obligation by allowing funds to carry over into the second year of the biennium.
- Amendment to laws relative to the Benjamin Thompson Trust. This is part of the plan to transfer custody of these funds to the UNH foundation.

New requests:

- Suspension of State Revenue Sharing (RSA 31-A).
- Amendment to RSA 6:28. Ability to appoint “any” number of Assistant Treasurers by deleting the number “2”. This will allow for the reclassification of a classified position to unclassified.