

SB 645-FN - AS AMENDED BY THE SENATE

03/05/2026 0839s

2026 SESSION

26-2084

05/09

SENATE BILL **645-FN**

AN ACT relative to income eligibility for the New Hampshire child care scholarship program and reallocating certain revenue to fund the program.

SPONSORS: Sen. Reardon, Dist 15; Sen. Long, Dist 20; Sen. Watters, Dist 4; Sen. Rosenwald, Dist 13; Sen. Perkins Kwoka, Dist 21

COMMITTEE: Health and Human Services

ANALYSIS

This bill directs the department of health and human services to amend its policy to increase eligibility for the child care scholarship program and directs revenues to fund the eligibility increase.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT relative to income eligibility for the New Hampshire child care scholarship program and reallocating certain revenue to fund the program.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Subparagraph; Public Assistance To Blind, Aged, Or Disabled Persons, And To
2 Dependent Children; New Hampshire Employment Program and Family Assistance Program;
3 Administration; Duties; Rulemaking. Amend RSA 167:83, II(r) by inserting after subparagraph (3)
4 the following new subparagraph:

5 (4) Providing eligibility for the child care scholarship program for families whose
6 gross monthly income is less than or equal to 95 percent of state median income for their respective
7 family size, subject to the availability of funds.

8 2 Taxation; Tobacco Tax; Distribution of Funds. Amend RSA 78:24, I to read as follows:

9 I. Tax revenue on all tobacco products sold at retail in this state imposed by RSA 78:2 shall
10 be divided with 39 percent of that total revenue deposited in the education trust fund established by
11 RSA 198:39 and the remaining revenue deposited in the general fund, ***except that for any surplus***
12 ***funds over that year's planned revenue, 50 percent of the surplus shall be transferred to the***
13 ***department of health and human services for the purposes of administering and***
14 ***expanding eligibility for the child care scholarship program pursuant to RSA 167:83,***
15 ***II(r)(4), and the remainder shall be deposited in the general fund.***

16 3 Alcoholic Beverages; The Liquor Commission; Funds. Amend RSA 176:16, I to read as follows:

17 I. Except as provided in paragraph II, the state treasurer shall credit all gross revenue
18 derived by the commission from the sale of liquor, or from license fees, and interest received on such
19 moneys, to a special fund, to be known as the liquor commission fund, from which the treasurer shall
20 pay all expenses of the commission incident to the administration of this title. Any balance left in
21 such fund after such expenses are paid shall be deposited in the general fund on a monthly basis,
22 ***except that for any surplus funds over that month's planned revenue, 50 percent of the***
23 ***surplus shall be transferred to the department of health and human services for the***
24 ***purposes of administering and expanding eligibility for the child care scholarship***
25 ***program pursuant to RSA 167:83, II(r)(4), and the remainder shall be deposited in the***
26 ***general fund.***

27 4 Alcoholic Beverages; Liquor Licenses and Fees; Additional Fees. Amend RSA 178:26, I to read
28 as follows:

29 I. In addition to the annual license fees provided in this chapter, a fee of \$.30 for each gallon
30 of beverage sold or transferred for retail sale or to the public shall be required for licenses issued to

1 wholesale distributors, beverage manufacturers, brew pubs, and nano breweries; provided, however,
2 that if beverage container mandatory deposit legislation is enacted, such fee shall be \$.18 per gallon
3 as of the effective date of such legislation. A fee of 5 percent of the wholesale price per case of any
4 specialty beverage sold or transferred for retail sale or to the public shall be required for licenses
5 issued to wholesale distributors or beverage manufacturers. For failure to pay any part of the fees
6 provided or under this section when due, 10 percent of such fees shall be added and collected by the
7 commission from the licensee. ***For any surplus funds over that month's planned revenue, 50***
8 ***percent of the surplus shall be transferred to the department of health and human services***
9 ***for the purposes of administering and expanding eligibility for the child care scholarship***
10 ***program pursuant to RSA 167:83, II(r)(4), and the remainder shall be deposited in the***
11 ***general fund.***

12 5 Games, Amusements, and Athletic Exhibitions; Video Lottery Terminals; Revenue Share.
13 Amend RSA 287-J:6, III(b)(2) to read as follows:

14 (2) 75 percent to the general fund;

15 (3) ***Except that for any surplus funds over that period's planned revenue, 50***
16 ***percent of the surplus shall be transferred to the department of health and human services***
17 ***for the purposes of administering and expanding eligibility for the child care scholarship***
18 ***program pursuant to RSA 167:83, II(r)(4), and the remainder shall be deposited in the***
19 ***general fund.***

20 6 New Paragraph; Horse and Dog Racing; General Provisions. Amend RSA 284:21-j by inserting
21 after paragraph II the following new paragraph:

22 III. Notwithstanding any other provision of law to the contrary, 2 percent of all revenues
23 received by the lottery commission under RSA 284, 287-D, 287-E, 287-H, 287-I, 287-J, or pursuant to
24 any other provision of law, shall be distributed to the department of health and human services for
25 the purposes of administering and expanding eligibility for the child care scholarship program
26 pursuant to RSA 167:83, II(r)(4).

27 7 Contingency. This act shall not take effect until the commissioner of the department of
28 revenue administration certifies to the secretary of state and the director of the office of legislative
29 services that the revenues in sections 2 through 6 of this act have each operated at a surplus for the
30 past year. In no case shall the commissioner make such certification prior to July 1, 2027.

31 8 Effective Date. This act shall take effect as described in section 7 of this act.

SB 645-FN- FISCAL NOTE
 AS AMENDED BY THE SENATE (AMENDMENT #2026-0839s)

AN ACT relative to income eligibility for the New Hampshire child care scholarship program and reallocating certain revenue to fund the program.

FISCAL IMPACT: This bill does not authorize new positions.

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures*	\$0	\$0	Indeterminable	Indeterminable
<i>Funding Source(s)</i>	General Fund, Education Trust Fund			
Appropriations*	\$0	\$0	Indeterminable	Indeterminable
<i>Funding Source(s)</i>	General Fund, Education Trust Fund			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

METHODOLOGY:

This bill amends RSA 167:83, II(r) by directing the Department of Health and Human Services to find families eligible for the child care scholarship program if their gross monthly income is less than or equal to 95 percent of the state median income (SMI). Currently, the statute in question merely establishes the program as a departmental responsibility, and does not reference SMI with respect to eligibility criteria. The bill makes the new eligibility standards contingent upon available funding, and allocates the following resources to provide for child care scholarships:

- 50 percent of any surplus tobacco tax revenues above those estimated in the annual revenue plan;
- 50 percent of any surplus Liquor Commission profits above those estimated in the monthly revenue plan;
- 50 percent of any surplus beer tax revenues above those estimated in the monthly revenue plan;
- 50 percent of any surplus revenues collected from video lottery terminals (VLT), above those estimated in the monthly revenue plan; and

- 2 percent of certain revenues received by the Lottery Commission. (The bill specifies revenues attributable to horse and dog racing, games of chance, bingo/Lucky 7, fantasy sports, sports betting, and video lottery terminals.)

The revenue sources identified above are currently deposited into the general and education trust funds. The bill states that no transfers to the childcare scholarship program shall take place before July 1, 2027. As the first four sources refer to revenue above plan, the amounts that may be available for the childcare scholarship program are currently indeterminable. The fifth component, certain revenues received by the Lottery Commission, is unique in that the bill requires two percent of *all* such revenues to be transferred to the childcare scholarship program, regardless of whether those revenues exceed plan. Although it cannot be known how much revenue will be generated by the Lottery Commission in FY28 and beyond, the operating budget for FY27 assumes that approximately \$164 million will be received from the sources identified in the bill. Assuming this number is accurate in future years, the Lottery component would generate approximately \$3.28 million per year for the childcare scholarship program. This would indirectly be a cost to the general and education trust funds, as these are where such revenues are currently deposited.

With respect to the non-Lottery revenue sources, the bill contains several inconsistencies regarding the determination of surplus revenues above plan. Section 2 refers to a surplus above the yearly revenue plan, sections 3 and 4 refer to surpluses above the monthly revenue plan, and section 5 refers to a surplus above an unidentified period's revenue plan.

With respect to possible costs, the Department of Health and Human Services states that it currently provides child care scholarships for households with income at or below 85 percent of the SMI. The SMI for a family of four is \$146,582 annually. Therefore, the families who will become newly eligible for child care scholarships as a result of this bill are those between \$124,595 (85 percent of SMI) and \$139,253 (95 percent of SMI) annually.

Based on available census data, the Department concludes that approximately 6,090 children will newly qualify for the child care scholarship as a result of this bill. At an average cost of \$4,770 per year, the bill will therefore result in a total annual cost of approximately \$29 million should all eligible children be provided benefits. In addition, the Department assumes that nine new positions (one business administrator, one business system analyst, and seven social services specialists) will be needed to handle the increased caseload, at an annual cost of \$560,000 in the first year of the program's expansion, increasing slightly in subsequent years as step increases are provided. Finally, the Department anticipates needing a one-time change to

the New Heights eligibility system, at a cost of \$1,145,000 in the first year of the program's expansion.

As noted above, the bill makes the new eligibility criteria contingent upon available funding. Total costs, therefore, are indeterminable and will depend on the amount of revenue received from the sources identified above.

AGENCIES CONTACTED:

Department of Health and Human Services