

Senate Executive Departments and Administration Committee

Kevin Condict 271-7875

SB 56, relative to consolidating the New Hampshire health and education facilities authority within the business finance authority.

Hearing Date: January 22, 2025

Time Opened: 9:32 a.m.

Time Closed: 9:39 a.m.

Members of the Committee Present: Senators Pearl, Altschiller and Reardon

Members of the Committee Absent : Senators McGough and Gannon

Bill Analysis: This bill:

I. Consolidates the New Hampshire health and education facilities authority within the New Hampshire business finance authority.

II. Establishes the New Hampshire business finance authority as the successor for obligations of the New Hampshire health and education facilities authority.

III. Changes how the New Hampshire business finance authority issues certain kinds of bonds.

IV. This bill is a request of the New Hampshire health and education facilities authority and the New Hampshire business finance authority.

Sponsors:

Sen. Innis

Who supports the bill: Senator Daniel Innis (SD7), James Key-Wallace (BFA), Grant Bosse, and Senator Sharon Carson (SD14).

Who opposes the bill: Daniel Richardson and Patricia Piscetta.

Who is neutral on the bill: None.

Summary of testimony presented:

Grant Bosse, New Hampshire Senate Deputy Chief of Staff

- Mr. Bosse introduced Senate Bill 56 on behalf of Sen. Innis.
- Mr. Bosse explained that the New Hampshire Health and Education Facilities Authority (HEFA) exists to lower the cost of health and education services in New Hampshire by providing low-cost financing alternatives to eligible institutions.
- Mr. Bosse said that in Fiscal Year 2024 HEFA issued nine series of bonds and notes totaling nearly \$153 million. HEFA closed eleven loans totaling more than \$1.6 million for six schools, a continuing care retirement community, and four youth development organizations. HEFA has provided financing for new not-for-profit institutions.
- Mr. Bosse said HEFA provides similar financing services to those offered by the New Hampshire Business Finance Authority (BFA). He said both HEFA and the BFA believe that consolidating will lower overhead costs.
- Mr. Bosse said that this bill is at the request of HEFA. He explained that SB 56 would move HEFA, along with all its rules and obligations, under the BFA.
- Mr. Bosse explained that the bill would add a member with higher education experience and a health care official to the BFA Board of Directors.
- Mr. Bosse said there is no fiscal note attached to the bill because there would be no cost to the State. He said that savings are anticipated through this consolidation.

James Key-Wallace, Executive Director of the New Hampshire Business Finance Authority

- Mr. Key-Wallace said this policy has been discussed for a while. He said now is the time to engage in the process of formally consolidating.
- Mr. Key-Wallace explained that the BFA and HEFA are both quasi-state entities governed by statute but who do not use state money.
- Mr. Key-Wallace said HEFA issues bonds, but not state-backed bonds. He said they serve a required function within state government, and that the BFA can do those same functions.
- Mr. Key-Wallace stressed that no one would lose their job as a result of this bill. He said the consolidations would allow them to trim out overhead costs such as rent and office equipment.
- Mr. Key-Wallace said the BFA would be able to offer the services that HEFA offers to non-profits at no cost. He said HEFA currently charges for services.
- Mr. Key-Wallace noted the bill requires a few technical changes.
- Sen. Pearl said that there is no fiscal note attached to the bill so the committee can hold the bill for a while.
 - o Mr. Key-Wallace said the BFA wants that. He said the New Hampshire HEFA statute requires a board, but there will not be a board once HEFA

is merged with the BFA. He reiterated that there are some mechanical changes needed.

- Sen. Pearl asked if Mr. Key-Wallace would provide the committee with an amendment once it is drafted.
 - o Mr. Key-Wallace said he would.
- Sen. Altschiller asked for clarification that there would be no layoffs when HEFA and the BFA merge.
 - o Mr. Key-Wallace said that is correct.
- Sen. Pearl asked if the BFA and HEFA would prefer the work be done in the House.
 - o Mr. Key-Wallace said that the amendment should be ready very soon.

KC

Date Hearing Report completed: January 24, 2025