

SB 645-FN - AS INTRODUCED

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

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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.

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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, **2 percent to the department of health and human services for the purposes of**  
12 **administering and expanding eligibility for the child care scholarship program pursuant**  
13 **to RSA 167:83, II(r)(4)**, and the remaining revenue deposited in the general fund.

14 3 Alcoholic Beverages; The Liquor Commission; Funds. Amend RSA 176:16, I to read as follows:

15 I. Except as provided in paragraph II, the state treasurer shall credit ~~all~~ **98 percent of**  
16 gross revenue derived by the commission from the sale of liquor, or from license fees, and interest  
17 received on such moneys, to a special fund, to be known as the liquor commission fund, from which  
18 the treasurer shall pay all expenses of the commission incident to the administration of this title,  
19 **and 2 percent to the department of health and human services for the purposes of**  
20 **administering and expanding eligibility for the child care scholarship program pursuant**  
21 **to RSA 167:83, II(r)(4)**. Any balance left in such fund after such expenses are paid shall be  
22 deposited in the general fund on a monthly basis.

23 4 Alcoholic Beverages; Liquor Licenses and Fees; Additional Fees. Amend RSA 178:26, I to read  
24 as follows:

25 I. In addition to the annual license fees provided in this chapter, a fee of \$.30 for each gallon  
26 of beverage sold or transferred for retail sale or to the public shall be required for licenses issued to  
27 wholesale distributors, beverage manufacturers, brew pubs, and nano breweries; provided, however,  
28 that if beverage container mandatory deposit legislation is enacted, such fee shall be \$.18 per gallon  
29 as of the effective date of such legislation. A fee of 5 percent of the wholesale price per case of any  
30 specialty beverage sold or transferred for retail sale or to the public shall be required for licenses

1 issued to wholesale distributors or beverage manufacturers. For failure to pay any part of the fees  
2 provided or under this section when due, 10 percent of such fees shall be added and collected by the  
3 commission from the licensee. ***Two percent of all revenues collected pursuant to this section***  
4 ***shall be transferred to the department of health and human services for the purposes of***  
5 ***administering and expanding eligibility for the child care scholarship program pursuant***  
6 ***to RSA 167:83, II(r)(4).***

7 5 Games, Amusements, and Athletic Exhibitions; Video Lottery Terminals; Revenue Share.  
8 Amend RSA 287-J:6, III(1)-(2) to read as follows:

9 (1) 25 percent to the special fund established under RSA 284:21-j for use as provided  
10 in that section;

11 (2) ***2 percent to the department of health and human services for the***  
12 ***purposes of administering and expanding eligibility for the child care scholarship***  
13 ***program pursuant to RSA 167:83, II(r)(4); and***

14 (3) [75] 73 percent to the general fund.

15 6 Effective Date. This act shall take effect July 1, 2026.

**SB 645-FN- FISCAL NOTE**  
 AS INTRODUCED

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.

<b>Estimated State Impact</b>				
	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
<b>Revenue</b>	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
<b>Expenditures*</b>	\$0	\$10.5 million	\$10.5 million+	\$10.5 million+
<i>Funding Source(s)</i>	General Fund			
<b>Appropriations*</b>	\$0	\$10.5 million	\$10.5 million+	\$10.5 million+
<i>Funding Source(s)</i>	None			

\*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:

- 2 percent of tax revenue derived from the tobacco tax;
- 2 percent of gross revenue derived from the Liquor Commission;
- 2 percent of revenue collected from the beer tax; and
- 2 percent of revenue collected from video lottery terminals (VLT).

Each of the revenue sources identified above is currently deposited into the state general fund. (Although not all tobacco tax and VLT revenues are deposited into the general fund, the bill makes clear that the 2 percent allocated for child care scholarships shall be taken out of the general fund portion.) Accordingly, any new services funded by the bill will indirectly be general fund expenditures.

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) would be needed to handle the increased caseload, at an annual cost of \$560,000 in FY27, increasingly 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 FY27.

As noted above, the bill makes the new eligibility criteria contingent upon available funding. Based on FY26/27 budget estimates, two percent of the revenue sources identified in the bill will total \$10,487,600 in FY27, as shown below. (Note that the bill specifically references *gross* Liquor revenue, meaning the two percent will be applied to total profits before the Liquor Commission's operating expenses and other deductions are applied.)

	<b>FY 2027</b>
Tobacco Tax	\$ 175,000,000
Gross Liquor Revenue	\$ 211,180,000
Beer Tax	\$ 13,000,000
Video Lottery Terminal Revenue	\$ 125,200,000
<b>Total:</b>	\$ 524,380,000
<b>2% of Total:</b>	\$ 10,487,600

Absent any of the operating expenses identified by the Department, these revenues would be sufficient to fund 2,198 scholarships in FY27. If the full \$1,705,000 in first year costs anticipated by the Department are deducted, the remaining \$8,782,600 would be sufficient to fund 1,841 scholarships, with more scholarships funded in future years as the one-time system change cost is not deducted. It is assumed for the purposes of this fiscal note that revenues in future years will grow by some indeterminable amount.

**AGENCIES CONTACTED:**

Department of Health and Human Services