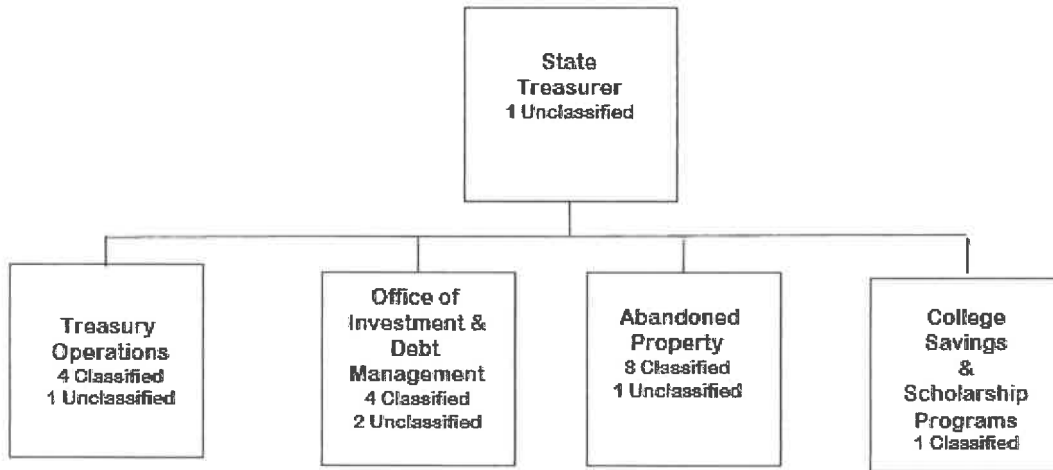


State of New Hampshire Treasury
2024 – 2025
Biennium Budget Request
November 29, 2022

I. State Treasury’s 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 financial obligations while protecting both through the deployment of secure technology, cost-effective and efficient banking practices, a commitment to the prudent management of public funds, and a dedicated and highly-qualified staff.

II. Structure of Treasury Organization (Proposed):



III. Structure of Treasury Budget

A. Core Treasury Operations, including Abandoned Property Program, constitute 2% of total budgeted dollars.

B. Treasury Operations – AU 10500000 (Pg. 675):

- a. Financial activity previously reported in AU10500000 is now reported in two accounting units, AU1050000, Treasury Operations, and AU16630000, Office of Inv. & Debt Management.
- b. Office of Inv. And Debt Management is established pursuant to RSA 6-B, which defines the duties of this office. This change represents internal housekeeping with no additional cost to the State.

- c. Migration to full DoIT support. Treasury is seeking approval to receive essential IT services from the Department of Information Technology. This change will strengthen the State's and Treasury's IT posture. Additional costs were included by DoIT under the Prioritized Needs column.

C. Return of General Fund Deposits – AU 10570000 (Pg. 677):

- a. Included in the operating budget for the first time. Budget amount represents an estimate of the subsequent claims expected to be paid in each fiscal year. Amounts were included under the Prioritized Needs column. Request will require amendment to RSA 471-C:31-a. The proposed language for HB2 is below:
 - i. Amendment to RSA 471-C:31-a: Subsequent Claims:

For periods after January 1, 1985, any owner who comes forward to make a claim for assets which have escheated to the state *or counties* may petition ~~the governor and council~~ for payment of those assets. Upon ~~providing~~ *receiving* sufficient proof of the validity of such owner claim ~~and receiving the approval of governor and council~~, the administrator shall pay such claim to the owner in accordance with the provisions of this chapter. *In the event subsequent claims exceed amounts appropriated in the operating budget, the administrator shall request, with prior approval of the fiscal committee of the general court, that the governor and council authorize additional funding. For funds requested and approved, the governor is authorized to draw a warrant from any money in the treasury not otherwise appropriated.*

D. Distribution to Municipalities – AU80230000 (Pg. 678):

- a. Meals and Rooms Tax Distribution (RSA 78-A:26). Funding and formula changed with the 2022-2023 budget. HB2 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. Budget amounts include a 2% revenue and expense growth.
- b. Reinstatement of State Revenue Sharing (RSA 31-A). Law suspended during the last biennium. Funding included in the Prioritized Needs column.

E. Office of Investment and Debt Management – AU16630000 (Pg. 689):

New activity code and accounting unit includes financial activity of the Office of Investment and Debt Management pursuant to RSA 6-B.

- a. Debt Service represents approximately 32% of Treasury's Budget
 - i. Debt Service General Fund – AU20760000 (Pg. 690): Assumed issuance of \$60 million of General Obligation Bonds.
 - 1. Beginning with fiscal year 2022, principal and interest on bonds issued to fund the RIMS project will be paid from the Revenue Information Management System Account (RSA 21-J:1-b).

- ii. Debt Service for USNH – AU21090000 (Pg. 691): Assumed issuance of G.O. Bonds of \$10 million for University System of NH.
- iii. Debt Service for School Building Aid – AU 59720000 (Pg. 692): Funded from Meals and Rooms Tax.
- iv. Debt Service for CCSNH capital projects – AU87130000 (Pg. 693): Paid by CCSNH.

F. Abandoned Property – AU 8021000 (Pg. 710):

- a. No significant changes, except for additional costs required to be DoIT supported.
- b. One IT position in this accounting unit is being abolished.

G. College Savings Commission

- a. Budget approved by the College Tuition Savings Plan Advisory Commission.
 - i. UNIQUE Scholarship Programs – Other Funds – AU10470000 (Pg. 721). Funding comes from the NH Excellence in Higher Education Endowment Trust Fund.
 - ii. Governor’s Scholarship (Non-Lapsing) Fund – General Funds – AU10660000 (Pg. 722): The 2022-2023 budget (HB2) included \$6 million appropriation for fiscal year 2021, but no funding for fiscal years 2022 and 2023. HB2 also authorized transfers between the two funds (RSA 195-H, 2, I(a)). One full-time position is included in this accounting unit. Funding for the upcoming biennium was included in the Prioritized Needs column.

H. Ben Thompson Trust Fund – AU 8024000 (Pg. 730): Quarterly payment of \$7,971.82 to USNH pursuant to Laws of 1909, Ch. 131.

I. LCHIP Program – AU 1390000 (Pg. 735) and Community Development Block Grant – AU 21690000 (Pg. 741) are pass-thru grants.

J. Unrestricted Revenue Estimates (Pg. 671)

- a. Abandoned Property General Fund Escheatment
 - i. Estimates based on a 10-year average. \$19 million in fiscal year 2024 and \$22,000 million in fiscal year 2025.
- b. Interest on Surplus Funds
 - i. Interest on Surplus Funds has been relatively small over the past two years, however, it is expected to change and increase in the current fiscal year and upcoming biennium.
 - ii. Net earnings from pooled cash will be allocated to all funds entitled to receive an interest allocation, including certain dedicated funds.
 - iii. Similar to prior years, no estimates were included in the Agency Budget.