



New Hampshire Department of
**BUSINESS AND
ECONOMIC AFFAIRS**

FY26/FY27
Operating Budget Presentation
Senate Finance Committee

April 21, 2025

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Agency Overview

Overview: BEA Core Functions

- Tourism Marketing and Promotion
- Business Recruitment and Expansion
- Business Support
- Workforce Development and Recruitment
- Workforce Housing development and finance
- International Trade & Relations
- Outdoor Recreation
- State Planning and Zoning
- Welcome Center Management
- Broadband expansion and infrastructure

Overview: BEA Authority

Established in 2017 (RSA 12-0), the Department of Business and Economic Affairs consists of two divisions, the Division of Economic Development (DED), Division of Travel and Tourism Development (DTTD), and is home to several offices and bureaus. BEA leads the state economic planning policies and statewide marketing efforts on critical issues such as workforce, tourism, housing, broadband, business retention and recruitment, international commerce, and economic development.

Overview: BEA Mission

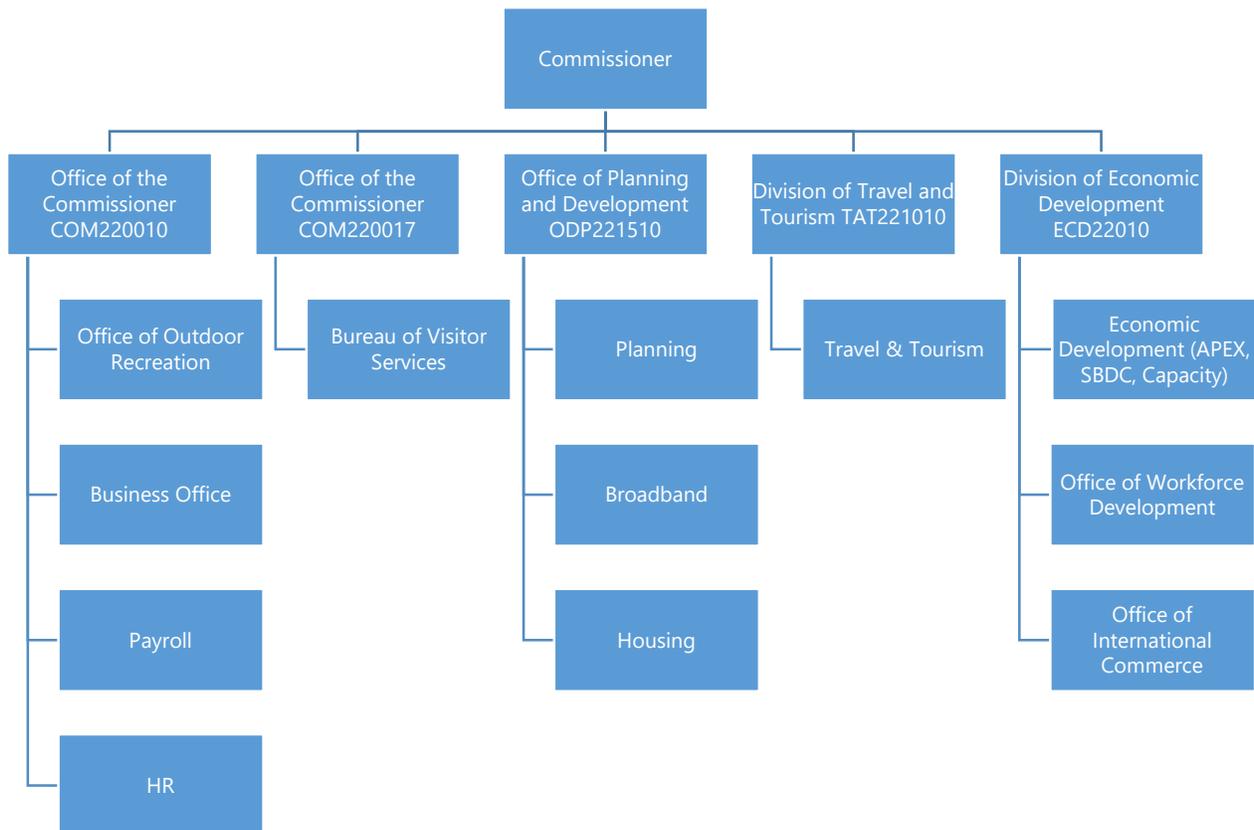
To Steward New Hampshire's economy and quality of life.

Overview: BEA Vision

An economy that provides prosperity balanced with New Hampshire's grandeur.

Agency Organizational Structure

Organizational Structure:

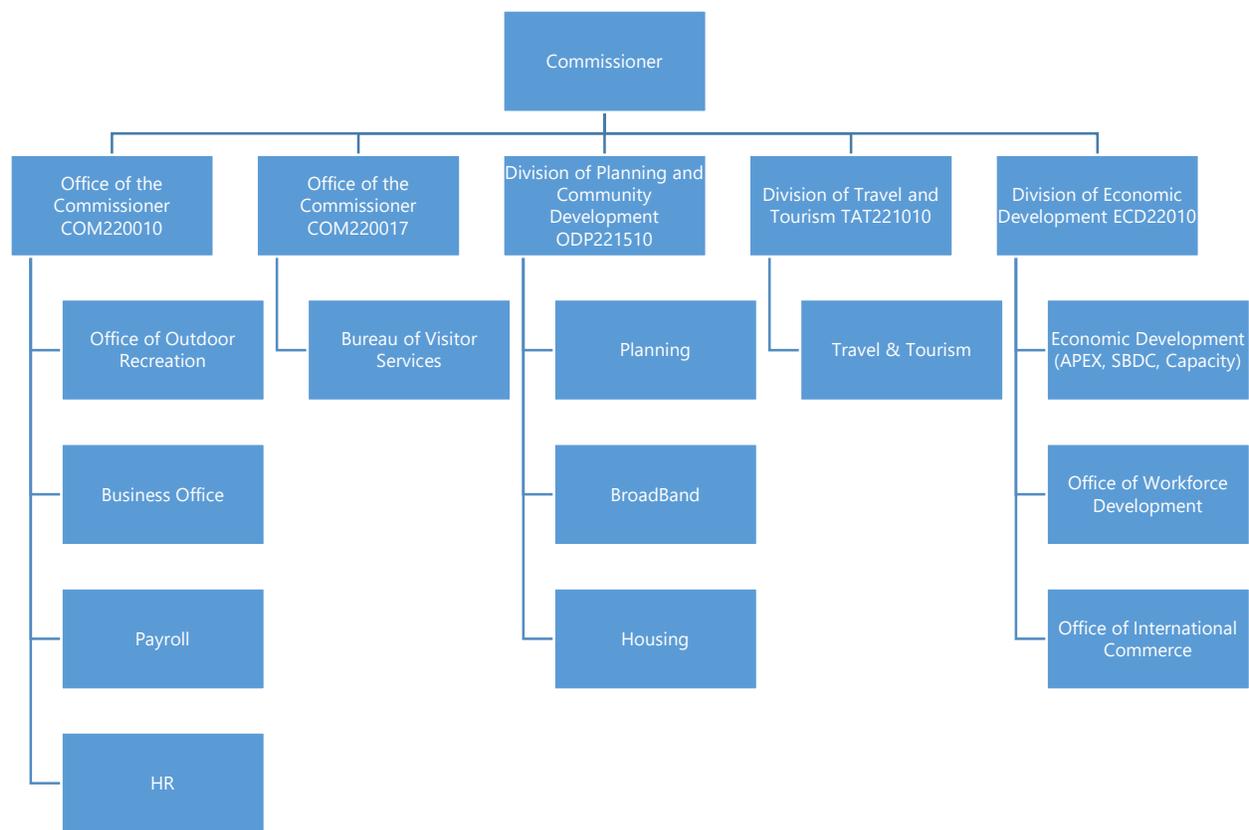


House approved Organizational Structure - FY26/FY27:

Pursuant to RSA 12-O:3, the New Hampshire Department of Business and Economic Affairs (the Department) initiated an internal administrative reorganization to more effectively support the expansion of Housing and Broadband programs. To formalize this restructuring, the Department seeks approval for an RSA modification to officially establish the Division of Planning and Community Development.

As part of this effort, the Department conducted a comprehensive review of its organizational structure while finalizing the Housing program details required by RSA 12-O:75 before the July 1, 2024, deadline. This review determined that the New Hampshire Housing Champion program would operate more efficiently through inter-departmental collaboration within Planning and Development rather than across multiple departments. Additionally, many of the resources outlined in RSA 12-O:53 II align with the Housing Champion program, further supporting this structural change. The same applies to Broadband programs, which also benefit from the resources within Planning and Development.

In summary, this request is administrative in nature. While the final phase of this reorganization is procedural, it is essential for improving collaboration among mission-aligned programs, strengthening community partnerships, and streamlining program administration. This restructuring enhances efficiency and reinforces the Department’s ability to serve the public effectively.

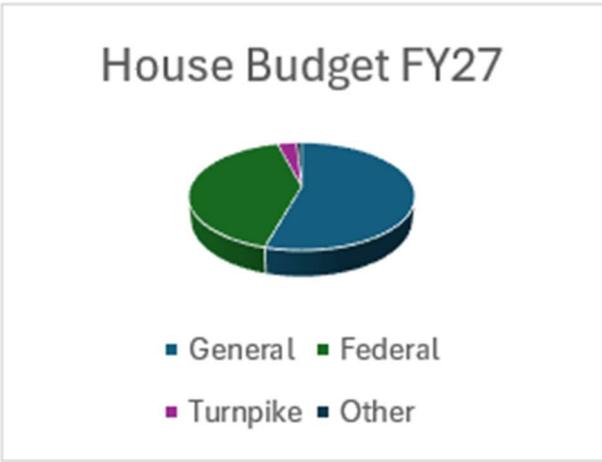
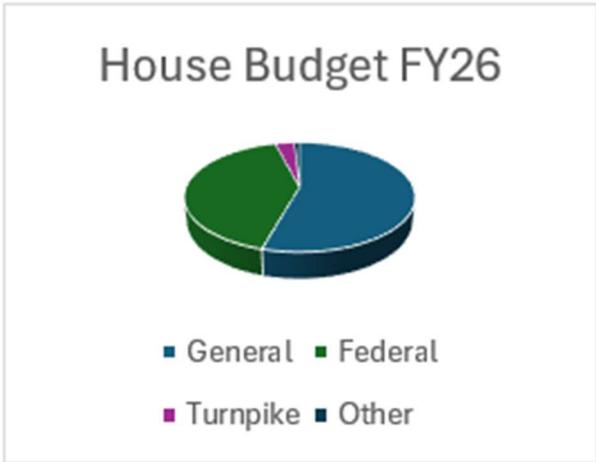


BEA Budget

BEA's funding is made up of General, Federal, Turnpike and Other funds. BEA's budget goal is to provide BEA with experienced and professional staff to assist partners and employers with extraordinary growth in the various program areas, funding sources, and citizens served in the State of New Hampshire.

Budget Proposal Overview

Source	FY25	FY26				FY27			
	Adjusted Authorized	Governor's Efficiency	House HB1	HB2	House Efficiency	Governor's Efficiency	House HB1	HB2	House Efficiency
General	18,090,128	21,289,780	(7,100,000)	7,000,000	21,189,780	21,378,427	(9,351,815)	9,251,815	21,278,427
Federal	14,944,699	16,165,049	-		16,165,049	16,215,474	-		16,215,474
Turnpike	1,247,261	1,245,290	-		1,245,290	1,273,185	-		1,273,185
Other	297,910	345,849	-		345,849	350,817	(77,146)	77,146	350,817
	34,579,998	39,045,968	(7,100,000)	7,000,000	38,945,968	39,217,903	(9,428,961)	9,328,961	39,117,903



BEA Discussion

Adjustment Requests

Remove the following provision in HB1 page 718 lines 7 through 9 whereas the Welcome Center FY27 budget was restored by the House with amendment 2025-1523h:

“Department of Business and Economic Affairs. The following position numbers are hereby abolished effective at the close of business on June 30, 2026: 19673, 20541, 20748, 21547, 21548, 21550, 21558, 21561, 21565, 21583, 21584, 21585, 21617 and 21689.”

. Include the Housing Champions lapse extension proposed in the Governor’s trailer bill:

CHAPTER 79 HB 2-FN-A Laws of 2023

“Appropriations; Housing Champion Designation and Grant Program Fund. I. The sum of \$5,000,000 for the fiscal year ending June 30, 2023, which shall not lapse until June 30, 2025 2026, is hereby appropriated to the New Hampshire housing champion designation and grant program fund. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.”

General Fund Expenditures Comparison: FY24 vs. FY25

- FY24 actual General Fund expenditures were just under 2% higher than the FY25 authorized amount.
- It’s important to note that actual expenditures may include funds authorized in previous fiscal years but spent in FY24, while authorized funds are typically confined to a single fiscal year.

Federal Fund Authorization Increase: FY25

- FY25 federal fund authorization reflects an increase of approximately \$3.5 million compared to FY24 actuals.
- This increase is largely attributed to projected growth in funding under the Workforce Innovation and Opportunity Act (WIOA).

Budget Development Approach

BEA’s budget was crafted with fiscal responsibility and strategic intent, focused on essential and statutorily required expenditures. The department conducted a thorough internal review and adopted the following approach:

- Requests were reduced where possible,
- Re-allocated strategically, and
- Analyzed for necessity and impact—both within the department and on the broader state economy.

This budget reflects BEA’s continued commitment to delivering high-impact services while aligning with the fiscal realities of the State of New Hampshire.

Travel & Tourism

Key Reasons to Maintain Investment in Tourism

- **Revenue Support**
 - Tourism tax revenue contributes to the general fund, education trust fund, and local municipalities.
- **Economic Impact**
 - *Jobs & Income:* Supports over 73,000 jobs in NH across hospitality, transportation, retail, and more.
 - *Revenue Generator:* Delivers an average \$15 in tax revenue for every \$1 invested in tourism.
 - *Historical Example:* Colorado saw a 30% drop in tourism revenue after cutting its tourism budget—highlighting the importance of sustained investment.
- **Global Image & Soft Power**
 - Tourism enhances a state’s image, projecting culture, openness, and stability.
 - Budget cuts can reduce NH’s influence on regional, national, and global levels.
- **Loss of Competitive Edge**
 - Other destinations, including surrounding states, continue aggressive marketing.
 - Cutting NH’s tourism budget gives competitors the advantage in attracting visitors.
- **Support for Local Businesses**
 - Small businesses—cafés, gift shops, guides—depend on tourism.
 - Reduced support can lead to lost revenue and business closures, especially in tourism-dependent regions.
- **Cultural Preservation**
 - Tourism funding helps protect heritage sites, traditions, and festivals.
 - Cuts can endanger cultural identity and preservation efforts.
- **Sustainable Tourism Efforts**
 - Investment supports eco-friendly, community-balanced tourism models.
 - Budget reductions threaten progress in sustainable tourism development.

Welcome Centers/Safety Rest Areas

Key reasons to maintain these facilities include:

- **Cost-Effective Investment:**
 - Improve safety and reduce driver fatigue.
 - Benefit-cost ratio exceeds 3:1 (comfort, convenience, accident reduction).
 - Supported by TRB Publications - [Onlinepubs.trb.org/onlinepubs/nchrp/nchrp_rpt_324.pdf](https://onlinepubs.trb.org/onlinepubs/nchrp/nchrp_rpt_324.pdf)
- **Promoting Tourism and Local Economy:**
 - SRAs/WICs offer travelers info on local attractions, dining, and lodging.
 - Staff provide personalized recommendations, encouraging local exploration.
 - Facilities contribute to the economic health of nearby communities.
- **Enhancing Road Safety:**
 - Provide spaces for drivers to rest and recover.
 - Reduce risk of fatigue-related accidents.
 - Help maintain driver alertness and lower crash risks.
- **Supporting Commercial Drivers:**
 - Vital for truckers to meet mandatory rest requirements.
 - Prevent unsafe or unauthorized parking due to lack of rest options.
 - Reduce accidents caused by driver fatigue.
- **Providing Essential Amenities:**
 - Offer restrooms, picnic areas, and vending machines.
 - Enhance comfort and convenience for travelers.
 - Especially important in rural or underserved areas lacking alternatives.