

How New Hampshire's Paltry Rainy Day Fund Stacks Up

New Hampshire's Rainy Day Fund - sometimes called the Revenue Stabilization Account and in other states may be called the Budget Reserve Account - was tapped by previous legislatures under Democrat control to maintain or increase spending levels in the down economy.

Under the 2012-2013 Republican budget, New Hampshire was left with a surplus. While most of the money in the surplus was used to help fund the 2014-2015 budget, there is about \$15 million left over.

What should we do with the money? Republicans in the House and Senate agree that we need to begin rebuilding our Rainy Day Fund. In a presentation to the Senate Finance Committee in January, then State Treasurer Cathy Provencher agreed. She said in order to maintain New Hampshire's credit rating, we should strive to have a balance equal to 5%-10% of unrestricted general fund revenue.

5% = \$70 million, 10% = \$140 million. Our current balance of \$9.3 million equals just 0.7% of General Fund Unrestricted Revenue.

House Democrats have passed a bill, HB 1411, that spends a large portion of the surplus. They have also passed a bill, HB 1635, that spends some of the projected surplus from the current budget.

We decided to take a quick look to see how New Hampshire stacks up to our New England neighbors when it comes to financial security. As it turns out, New Hampshire ranks last in both overall balance, and when balance is compared to the overall population of the state. Here are the results, given the more recent information we could find.

STATE	RESERVE FUND BALANCE	\$ PER CAPITA
Massachusetts	\$1.369 Billion	\$205
Connecticut	\$270 Million	\$75
Rhode Island	\$176 Million	\$168
Maine	\$60 Million	\$45
Vermont	\$62.5 Million	\$100
New Hampshire	\$9.3 Million	\$7

It's time to bring New Hampshire back from the brink. SB415, a bill that would deposit the entire \$15 million surplus into the Rainy Day fund, will be before the House soon. We have the chance to begin to rebuild New Hampshire's financial security. \$15 million may not get us to our goal, but it is a small and important step.