

# Republican Review

A Publication of the New Hampshire House Majority Office

## FREQUENTLY ASKED QUESTIONS: HOUSE BUDGET HOT TOPICS

### DOES THIS REPUBLICAN BUDGET SPEND MORE OR LESS THAN THE GOVERNOR'S PROPOSED BUDGET?

**Less.** The Governor's proposed budget spends \$11.486 billion dollars in total funds and \$ 2.897 billion in general funds. The House proposed budget spends \$11.159 billion dollars in total funds and \$2.732 billion in general funds.

That's \$165 million reduction in general funds and \$327 million reduction in total funds.

### DOES THIS REPUBLICAN BUDGET PROPOSAL CONTAIN ANY OF THE TAX INCREASES IN THE GOVERNOR'S BUDGET PROPOSAL?

No. All of the Governor's proposed tax increases have been removed by House Republicans. These tax removals include increases in taxes on businesses, an increase in the tobacco tax, and the increase in motor vehicle registration fees.

### DOES THIS REPUBLICAN BUDGET PROPOSAL INCLUDE ANY NEW OR INCREASED TAXES?

No. There are no new or increased taxes in the House Republican budget.

### DOES THIS REPUBLICAN BUDGET EXTEND MEDICAID EXPANSION?

No. As prescribed by current law, the New Hampshire Health Protection Act is still scheduled to sunset at the end of 2016.

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#### PIC OF THE WEEK

Rep. Kurk briefs the media on the House budget



**The House Finance Committee will hold a budget briefing Monday, March 30th from 10 a.m. to 12 p.m. in Reps Hall.**

**The next House session will be Wednesday, April 1<sup>st</sup> at 10:00 a.m. (and Thursday if necessary)**

**There will be a Republican Caucus Wednesday, April 1<sup>st</sup> at 9:00 a.m.**

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## BUDGET OP-ED - Rep. Ken Weyler (R-Kingston)

As a member of the New Hampshire House Finance Committee since 1994, I have witnessed the same provocative claims get published. It seems that every time we have a sitting governor who is a democrat and a legislature that is controlled by republicans we hear the old story of cuts that are “draconian,” services that will no longer be provided, children who will go hungry, the elderly who will no longer be cared for, and etc.

At the end of the day, we pass a budget, the state moves on, and more money is spent than the previous year. However the media that publishes the diatribes never questions the governor or democrats in the House. “Where are the ill effects that you forecast?” Do they ever question exactly what a “cut” is?

When a department comes to Finance requesting a 12% increase over the previous biennium, and the governor “cuts” it to an 8% increase, those department heads are not allowed to complain publicly about the governor’s cuts. But when the legislature does its work and it results in “cutting” another 3%, that “cut” gets “top of the fold, front page” treatment. They totally overlook the fact that there will now be 5% more spent in that department than in the previous biennium. Why didn’t the reporter ask that question?

This allows any Democratic Governor, using the same author for nearly two decades, to put out the same bombast and have the media dutifully publish it.

Where is the journalistic integrity? With all the evidence that the doom and gloom did not happen, where is the follow up? Why was Governor Hassan now questioned when she flip-flopped in 2013 by condemning the budget one day, then taking credit the next when the House Democrats gave in to the Senate Republicans in order to get Medicaid Expansion? The budget numbers were the same ones both days. Why wasn’t this hypocrisy questioned? Are these reporters who covered the budget competent, or blindly biased?

## AMERICANS FOR PROSPERITY ENDORSES HOUSE BUDGET

On Friday, Americans for Prosperity held a press conference at the Legislative Office Building to voice support for HB1 and HB2 as amendment by the House Finance Committee.

State Director Greg Moore lauded the Committee’s efforts to remove tax and fee hikes proposed by the Governor, keep spending in check.

Moore stated that the product of the House Finance Committee matches the goals of the AFP legislative agenda and the AFP pledge, which nearly 200 elected officials in New Hampshire have signed.



Photo Credit: Paige Sutherland/NHPR

Budget Hot Topics... Continued from page 1

## **HOW HAS THE DEPARTMENT OF TRANSPORTATION BUDGET FUNDING BEEN ADDRESSED?**

The majority of the DoT budget reductions will be offset by modifications made to funding other levels of other areas of government. There will be no tax or fee increases to fund DoT.

## **I'VE HEARD THERE ARE “DRACONIAN” CUTS IN HHS SPENDING. IS THAT ACCURATE?**

Budget to budget, general fund spending related to HHS is increasing by \$78 million and total funds by \$131 million. Many programs are receiving increased funding. Some may not receive as much as they did during the last budget. Finance Division III made prioritized, thoughtful and reasonable spending decisions on how to fund programs to ensure our state's most vulnerable citizens receive essential care and services.

## **I'VE HEARD THERE ARE CUTS TO MEALS ON WHEELS. IS THAT ACCURATE?**

Funding for home delivered meals is included in a budget line item with many other services. The budget line in that category of service does see a reduction in funding from the Governor's proposal, but it is at the discretion of the Department of HHS to disburse and prioritize those funds in a manner they see fit.

On Thursday, the committee received written communication from the Commissioner of DHHS that funds appropriated for purposes, categorized with meals on wheels, will be prioritized to meals on wheels.

## **I'VE HEARD THERE ARE DRAMATIC “CUTS” TO HIGHER EDUCATION. IS THAT ACCURATE?**

No. The last legislature appropriated \$153 million to the university system for the biennium (FY-14-15). They lauded the proposal, froze tuition, and gave a thank you card to the Governor for signing the budget that contained the appropriation.

The House budget proposal seeks to give them the same amount, \$153 million, for the coming FY16-17 budget. Their funding is not being cut; it is level-funded.

The community colleges will receive \$4 million more in the next biennium.

## **I'VE BEEN TOLD EDUCATION AID TO TOWNS IS BEING CHANGED. IS THAT ACCURATE?**

There is a change to how stabilization grants will be distributed. The change will primarily affect towns that have had fast growing student enrollment and may have previously been capped in the amount of aid they receive. The other affected towns would have had a decline in student enrollment and had been receiving stabilization aid to help mitigate the reduction in adequacy aid.

Special Education Catastrophic Aid will finally be funded at 100 percent (up from 77 percent) and that all school districts will finally get their full share of funding, which may well offset changes to the stabilization grants.

Stabilization grants will continue at the Governor's level for 2016. In 2017, for those towns that have had a decline in enrollment and could have expected a correlated reduction in funding, no town will lose more than \$750,000. For those 15 towns whose enrollment has climbed and have been affected by the cap, the cap is now removed and they will be fully funded. The amendment has mitigated the reduction in funding for dozens of communities. Many towns will see no change.

## FREQUENTLY ASKED QUESTIONS: LAWSUIT COSTS IN THE BUDGET

There have been inquiries as to the effects of legal settlements and federal regulation changes and how they affect the proposed House budget.

Here are some facts:

The state entered into 2 legal settlements that will cost a total of \$83 million over the next two years.

- \$23 million related to the mental health settlement
- \$60 million related to the Medicaid Enhancement Tax / Hospital settlement

In addition, changes to Medicaid eligibility will cost the state an additional \$40 million over the next two years

- These changes are the result of the Affordable Care Act, aka: Obamacare
- As a result of looser financial eligibility standards, an additional 12,000 citizens could become eligible for traditional Medicaid.

Due to these legal settlements and Federal changes to Medicaid eligibility, the state is obligated to spend \$123 million it could have otherwise have had discretion to spend elsewhere.

This sum is included in the budget and the cost of those items is being absorbed by reductions in other areas of government.

## BACKGROUND ON HOUSE ACTION ON HB357

It is the policy of the Majority Office to support the work of the Republicans on policy Committees.

It is the policy of the Speaker's office to support the work the policy Committees.

Finance Committee Republicans unanimously supported HB357 as amended, the "live within our means" DoT/Highway Fund budget that contained no new taxes or fees.

The full Committee supported the bill as amended, 15-11.

As is their right, some House members thought the House should have an alternative to weigh and had amendments drafted. The initial proposal brought forward by members of Finance was a gas tax increase. That amendment appeared in the House calendar. There were other proposals drafted after the calendar deadline.

The Majority Office whipped votes for the bare bones budget, the work product of the Finance Committee that had unanimous support from Republicans on the Committee. As would be prudent, the office also polled members on their position on the gas tax proposal, but did not ask the caucus to consider supporting it.

Whether or not the Committee amendment was adopted, the alternative/floor amendments, had they been offered, would have been ruled non-germane to the underlying bill ([as introduced](#)), including the gas tax increase. All non-germane amendments must have a public hearing as is required by rules and precedent. The Committee amendment *did* have a public hearing and therefore met the criteria for a non-germane amendment.

## FREQUENTLY ASKED QUESTIONS: FEE REFERENCES IN THE BUDGET

The word “fee” appears in the proposed House budget. Only a few instances of the word “fee” relate to actual modifications. Most are references to current fees.

Here are a few concerns brought to our attention that we thought deserved further explanation.

### Fish and Game Department; Rulemaking; Fees

- HB2 would allow the F&G Department to set their own fees. It does not raise fees.
- The changes in HB2 strike fee references from current law.
- Fee changes would be proposed by the Executive Director after consultation with Fish & Game Commissioners, and would come before JLCAR before being enacted.

### Restricted Use Pesticide Fee

- This section was at the request of the people who will pay the fee. It will only be assessed to a very small number of commercial pesticide manufacturers.
- This fee will fund operations relative to pesticide use and fund an assistant state veterinarian position.

### Vanity Plate Fee

- The fee is currently \$40. Under HB2, the fee would be \$43. The fee increase would fund the State Police Detectives Bureau.
- The fee would only be paid for the OPTIONAL/ELECTIVE service to have a personalized plate and would not be assessed on regular number plates.
- If one does not want to pay the fee, one needs only to request a regular plate.

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## DETAILS ON HOUSE FINANCE EXECUTIVE SESSION

Thursday, the House Finance committee completed work on HB1 and HB2 including two additional amendments.

These amendments seek to resolve two key issues:

- Restoring \$19 million to education stabilization grant funding to towns and cities
- Restoring \$34 million per year in funding to the Department of Transportation

The amendments to HB1 and HB2 to address these issues did the following:

- Kept funding to the University System of New Hampshire at current FY14-15 levels. This freed up \$14.5 million.
- Redirected \$50.8 million from the Renewable Energy Fund to the General Fund.
- Replaced the Department of Safety allocation from the Highway Fund with \$23 million per year from general funds.
- Redirected a portion of the revenue from the 4.2 cent road toll increase enacted in 2014 (SB367) to fund DoT operations, not just betterment.

**As a result of these amendments, the Department of Transportation is funded at a level comparable to our current operating budget. As a result of these amendments, funds were also available to restore \$19 million in stabilization grants to cities and towns. There are no additional or increased taxes or fees associated with these amendments.**

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## SESSION RECAP

HB 468 – requiring a warrant to obtain electronic device location information. (Passed Voice Vote)

HB 645 – relative to licensure and regulation of child day care agencies. (Passed Voice Vote)

HB 215 – relative to school building aid. (Killed Voice Vote)

HB 357 - relative to notice of change of name or address on a driver's license and on the registration of a vehicle. (Passed Voice Vote)

HB 572 – relative to taking land by eminent domain for high pressure gas pipelines and requiring payment of the land use change tax when land is taken by eminent domain to build energy infrastructure. ( Passed 364-5)

## IMPORTANT DATES

**March 31** - Rockingham Dist. 32 Special Election - Primary Election Day

**April 2**- Crossover

**April 8** – Committee to Elect House Republicans Fundraiser with Sen. Kelly Ayotte

**April 28** - Rockingham Dist. 13 Special Election - General Election Day

**April 30**- Last day to report on Senate Bills going to a second committee

**May 7**- Last day to act on Senate Bills going to a second committee

**May 19** - Rockingham Dist. 32 Special Election - General Election Day

**May 28** - Last day to report all remaining SBs. Last day to report list of retained SBs

**June 4** - Last day to act on SBs

## HOUSE MAJORITY LEADER STATEMENT ON FINANCE COMMITTEE VOTE ON BUDGET BILLS

CONCORD - House Majority Leader Jack Flanagan (R-Brookline) offered the following statement relative to House Finance Committee action on HB1 and HB2, the state budget bills. After weeks of negotiations, the committee adopted several amendments to the Governor's original proposal, and by a vote of 15-11 (HB1) and 15-10 (HB2) recommend to the full House that the bills ought to pass.

### House Majority Leader Jack Flanagan (R-Brookline)

"The budget process is never easy and I commend the Finance committee for all of their hard work and appreciate the tough decisions they had to make throughout this process. I believe the final product is something Republicans will stand by as a fiscally responsible, balanced budget that does not raise taxes and slows the growth of government."

"Republicans were elected to a majority in the House in part to ensure that our state lives within its means. Therefore the Finance committee did what they could with existing revenue. Spending was prioritized to ensure our state's most vulnerable citizens continue to receive essential services and our state government will continue to meet the needs of its citizens."

## HOUSE PASSES RESOLUTION ENCOURAGING STUDENT INVOLVEMENT

Wednesday in session, the New Hampshire House passed a resolution encouraging student involvement and contributions in the government process.

The resolution states in part, “New Hampshire supports the rights of all her citizens to be involved in the legislative process, especially and including all the students who wander the halls of the oldest, continually used state house in the nation; now, therefore, be it resolved that the New Hampshire House of Representatives recognizes and offers its thanks to all students who have participated or will continue to participate in the legislative process.”

The resolution will be delivered to the Governor to present to the students of the Lincoln Ackerman School next week when they attend a meeting with the Governor, and the resolution will also include a letter from Speaker Jasper.

[The full resolution can be viewed here.](#)

Exec session recap... Continued from page 4

Stabilization grants will continue at the Governor’s level for 2016. In 2017, for those towns that have had a decline in enrollment and could have expected a correlated reduction in funding, no town will lose more than \$750,000. For those towns whose enrollment has climbed and have been affected by the cap, the cap is now removed and they will be fully funded. The amendment has mitigated the reduction in funding for dozens of communities.

Towns and cities will also continue to receive their current level of municipal block grants allocated from the pre-existing (18 cent) road toll.

Lastly, the committee approved an additional amendment appropriating \$300,000 per year to the Fish and Game Department, with half of those funds being earmarked to support overtime costs for search and rescue operations.

The budget now ends with a \$168,000 surplus which will fall to the “Rainy Day” fund.

Fee references in budget ...Continued from page 2

### Homeland Security Assessment

- The Vermont Yankee nuclear plant was one of many entities who paid an assessment that supported Homeland Security & Emergency Management operations. As a result of the plant's closure, the state faced a loss of \$900,000 in revenue in the coming budget for this purpose. To replace the lost revenue, the payees of the assessment, utilities and casualty insurance providers, will absorb the cost in the form of higher assessments.

### Salt applicator fee and dedicated fund

- This provision that appeared in earlier versions of budget bills has been removed.

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