

Republican Review

A Publication of the New Hampshire House Majority Office

House Adopts Revised Revenue Estimates

In the [May 22 edition of the Republican Review](#), we described how and why the Senate often has additional revenue in their May estimates compared to the initial House revenue estimates set in February. Put simply, they have time to review updated economic data and tax receipts.

There is an additional and final step to the revenue puzzle, which came to fruition this week in the Ways and Means committee and House session.

As part of the committee of conference process, the House has the ability to revisit and revise their initial estimates, and have the opportunity to apply similar updated data to their own estimates.

What started as a \$118 million difference comparing the House's February numbers to the Senate's May numbers, has now shrunk to a mere \$11.6 million difference, when looking ahead to FY16-17.

While the overall difference may seem small, there are notable differences in individual revenue stream estimates and fiscal year estimates. For instance, the House believes we will have \$12.4m less to spend in FY17 than the Senate, or that we will have \$12m more in business tax revenue to close out FY15.

Regardless of the anecdotal differences, having the net result come within \$11.6m out of a budget of greater than \$11 billion budget will present fewer obstacles in committee of conference negotiations.

Senate and House Joint Statement on State's Operating Budget

Concord, NH – Senate President Chuck Morse (R-Salem) and NH House Speaker Shawn Jasper (R-Hudson) released the following joint statement regarding the state's operating budget Committee of Conference and process.

"Any speculation of a government shutdown is unfounded. As leaders in state government we will do everything in our power to ensure that state government continues to run smoothly on July 1, just as it will on June 30."

"The House and the Senate will continue to work together and communicate openly with the Governor to produce a state operating budget that is supportive of the citizens of the State of New Hampshire."

BUDGET RELATED EVENTS

The committee of conference on HB1 and HB2 will meet again, June 15 at 10am in LOB 210-211. Seating will be limited. The meetings will be [live streamed here \(click\)](#).

There will be a **Republican caucus on June 18th at 10am** in Reps Hall to discuss the budget details available at that time.

The next House session will be **WEDNESDAY June 24 at 10am**. There will be a **Republican caucus at 9am on June 24** in Reps Hall.

STATs OF THE WEEK

100%

% of House Republicans who voted to override the Governor's veto on HB122.

97%

% of House Republicans who voted to approve the revised revenue estimates in an amend. to HR12.

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House Republicans Caucus Ahead of Budget Negotiations

Members of House Leadership and Leadership of the House Finance Committee fielded a number of political and policy questions and concerns during the Republican caucus held after the Legislative Budget Assistant' Office briefing to the House on the Senate changes to the House budget. Among the topics discussed were charter school funding, USNH funding, liquor commission oversight, education stabilization/adequacy grants, flood control payments, Department of Corrections, business tax cuts, rainy day fund balance/deposits, and road toll revenue.

Members who were unable to attend are welcome to submit questions to budget experts by email. **There will be an additional Republican caucus held on 6/18** to update the House Republicans on the direction of negotiations in the committee of conference and take additional questions on the anticipated contents of the committee's report, which will be signed on June 18th and before the entire House for a vote on June 24th.



*Pictured left to right:
Rep. Lynne Ober (House Finance Vice Chair, HB1 & HB2 conferee), House Speaker Shawn Jasper, Majority Leader Jack Flanagan, Rep. Neal Kurk (House Finance Chairman, HB1 & HB2 conference committee chairman), Majority Whip Dick Hinch, Speaker Pro Tem Sherm Packard.*

Committee of Conference Reports: What's On or Off the Table?

We've received a number of questions as to what may or may not end up in committee of conference reports. We like to draw your attention to House Rule 46:

House Rule 46(g):

A committee of conference may neither change the title of any bill submitted to it nor add amendments that are not germane to the subject matter of the bill as originally submitted to it. For the purpose of this rule, a non-germane amendment is any subject matter not contained in either the House or Senate version of the bill. (emphasis added)

As an example, establishing NH's own space station program is not part of the House or Senate versions of HB208 (and energy related bill), therefore it is unlikely an amendment containing that subject matter would be ruled germane. In other words, any speculation that any new impromptu policy can be attached to any random bill in committee of conference is unfounded. The customary result is usually the House position, the Senate position, or some agreement that is within the range between those two options.

To read more on rules pertaining to committees of conference, please refer to House Rule 46, which can be viewed online using this link: <http://www.gencourt.state.nh.us/house/abouthouse/houserules.htm>

Rep. Straight to be Honored in Merrimack

Merrimack Rocks and the Yakuboff family announced this week that the winner of the second annual David Yakuboff Sr. "Helping Hand Award" is Rep. Phillip Straight. Phil is a retired entrepreneur and longtime community volunteer.

Besides his role as State Representative and Vice Chair of the House State and Federal Relations Committee, he is member of the Merrimack Zoning Board of Adjustment and past member of the Conservation Commission and the Watson Park Committee.

Rep. Straight is a founder of the Merrimack Business Expo, Merrimack Rocks and the Merrimack Business Association and a major advocate for Merrimack Businesses.

Most importantly, Phil is always there to help when needed, whether it be individuals, charities, the town of Merrimack and businesses.

Phil Straight makes Merrimack a better place in much the same way that David Yakuboff Sr. did.

Rep. Straight will receive the award at the 3rd Annual Merrimack Rocks, for Fireworks, Music, Family Fun and Tribute September 26th from 4-8 PM at Watson Park.

CHANDLER HONORED BY FISH & GAME COM.

Deputy Speaker Gene Chandler (r-Bartlett), who has also served in numerous other leadership roles during his 33 years in the House, was presented with the Ellis R. Hatch, Jr. Commission Award of Excellence Wednesday during ceremonies at the New Hampshire Fish & Game Department in Concord.



The award is named in honor of the longtime Fish and Game Commissioner from Rochester, who represented Strafford County on the commission for 25 years. It is given annually in recognition of a lifetime of dedicated service to the conservation of New Hampshire fish and wildlife and to the advancement of public understanding and enjoyment of these resources.

Mr. Hatch, who was on hand to personally present the award, thanked Rep. Chandler for his years of service to the state and described him as someone who, "could really get things done."

IMPORTANT DATES

June 12	HB1 & HB2 Committee of Conference (LOB 210 10am)
June 18	Republican caucus to discuss budget details
June 18	Last day to sign Com. of Conf. Reports
June 24	House Session
June 25	Last day to act on Com. of Conf. Reports
July 1	First day of fiscal year 2016
July 7	Rockingham District 20 Special Election
Sept 2	First day to file LSRs for 2016

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REP. ROUILLARD AWARDED THE HENRY TOLL FELLOWSHIP

Freshman Legislator from Goffstown Among 48 National Winners

Concord—Rep. Claire Rouillard of Goffstown, serving her first term in the New Hampshire House of Representatives, has been awarded the prestigious Henry Toll Fellowship given annually by the Council of State Governments (CSG). The program, named for CSG founder Henry Wolcott Toll, is one of the nation's premier leadership development programs for state government officials. Each year Toll Fellows bring 48 of the nation's top officials from all three branches of state government to Lexington, Ky for an intensive six-day, five-night "intellectual boot camp" designed to stimulate personal assessment and growth.

Speaker Shawn Jasper, who nominated Rep. Rouillard for the fellowship, saw early on in the legislative session that the freshman was a quick study. "Claire grasped the legislative process early in the session and has made a significant contribution to the House. It is rare to have a freshman part of the leadership team, but Rep. Rouillard certainly earned her title as Assistant Majority Whip," said Speaker Jasper. "She has a very bright future in state government should she choose to stay on that path," he added.

Rep. Rouillard represents Hillsborough County, District 6, and has been serving on the House Judiciary Committee while assisting the Majority Whip Richard Hinch of Merrimack. Rep. Rouillard is a graduate of the Franklin Pierce Law School in Concord, known today as the University of New Hampshire Law School.

Since 1986, 20 New Hampshire government officials have received the Toll Fellowship, including Deputy Secretary of State Dave Scanlan, current Democratic Leader Stephen Shurtleff, State House Chief of Staff Terry Pfaff, and State Senator Sharon Carson.

Rep. Rouillard will join the 47 other fellows in Lexington, KY from August 28 through September 2, 2015.

JOINT STATEMENT ON REVENUE ESTIMATES

Rep. Norm Major and Sen. David Boutin

As the Chairs of the House and Senate Ways and Means Committees, it is our committees' job to assist the Finance Committees in projecting the revenues for the upcoming budget. The House and Senate Ways and Means Committees considered a number of factors while preparing revenue estimates for the House and Senate Finance Committees.

Since the House adopted their first revenue estimates, the Senate has had the benefit of three or four months of additional revenue numbers, including one of our largest revenue months, the month of April. May revenues just came in \$10 million above plan. Thus, we want conferees to know that both the House and Senate Ways and Means Committees will carefully analyze June revenues. Based upon that analysis, we may come back to you with Joint House and Senate revised revenue estimates.

After coming within 1% of our estimates for FY14, state revenues are now just 2% over plan for FY15. That's exactly where we want to be.

We have stayed strong with revenues this last year, with a steady increase in Rooms and Meals taxes, Business taxes, and the Restate Transfer tax. These revenue estimates that are included in the budget are conservative and provide us with a strong foundation for New Hampshire's future economy.

The House Ways and Means Committee recently revised its revenue estimates. As a result of these revisions, the House and Senate stood only \$1.1 million apart in respective revenue estimates.

Today, we can report to the House and Senate Finance conferees that we have reached a consensus on revenue estimates.

Those numbers: \$2,255.0 FY2015, \$2,288.4 FY2016, and \$2,320.6 FY2017.

We thank you for allowing us the opportunity to present this joint statement to you. We bid you good success at arriving at a fiscally responsible budget that meets the needs of our citizens.

Today, House and Senate members began the Committee of Conference on HB1 and HB2. Below are the opening statements by Senate Finance Chair Jeanie Forrester and House Finance Chair Neal Kurk.

Sen. Forrester (Chair, Senate Finance - Vice Chair, HB1 and HB2 Committee of Conference):

The House and Senate budgets are alike in many ways. We agree more than we disagree, even if our focus and energy over the next week will focus on where we differ. The House and Senate budgets contain different funding levels for many state agencies but much of this stems from a difference in timing rather than a difference in priority. The Senate had the benefit of time, specifically the opportunity to take strong revenue numbers from April and May in to account as we made our changes to the budget.

The new revenue estimates adopted by the House Ways and Means committee last week are very close to the Senate estimates, and I believe these revenue numbers coming together will lead to a lot of consensus through the rest of the budget. With higher revenues than the House had at the time, the Senate felt strongly that the first priority would be to increase support to programs like developmental disabilities, meals on wheels, and emergency shelters. We will continue to work to live up to the promises made in the current budget for nursing homes and home health care.

We made reviving the New Hampshire economy a priority and did not support any new or increased taxes in this budget. In fact, we were able to take the first step toward lowering our overly high business taxes. This crucial economic development tool needs to be part of this budget. The rainy day fund has been a top priority as well, and we support doubling it to at least \$20 million.

We disagreed with the House decision to transfer money from the renewable energy fund into the general fund, and we support different methods of funding for the Department of Transportation and the Department of Safety, while limiting the Highway Fund diversion to stay under the Weyler caps. This budget is a reflection of the input of many New Hampshire stakeholders. From state agencies, and advocates for our most vulnerable citizens, to retirees and our business community. We will stand by these priorities, Mr. Chairman, as the Senate works with the House to finalize a balanced, responsible, state budget for the people of New Hampshire that is thoughtful, conservative, and compassionate.

Rep. Kurk (Chair, House Finance - Chair, HB1 and HB2 Committee of Conference):

Thank you, Senator.

The House and the Senate budget share a number of very important things even without any future changes along the lines that you've suggested. There are no tax increases or fees in either budget. Neither budget extends or authorizes an extension of Medicaid expansion, and neither budget provides for the state employee pay increase. Those are commonalities that I think are important and which will facilitate our coming to a mutual agreement.

There is one difference between the two budgets that I would like to address because it is of concern to the House. The Senate budget relies on \$34 million of 2015 revenue to balance the 2016-2017 budget, and that is to concern of the House. Although it has been a practice of many budgets in the past, it is, perhaps, not the best way to budget. It is done in certain circumstances, but, if it's possible the House would very much like to see that that \$34 million stays in 2015, and we balance the 2016-2017 budget within 2016-2017 revenues.

Below is a detailed report of the base revenue estimates agreed upon by the House and Senate Ways and Means Committees and adopted by the conferees on HB1 and HB2 that will be used during the budget negotiations. The page 4 contains the joint statement by Sen. Boutin and Rep. Major that Rep. Major read to the conference committee on Friday.

LBAO
06/12/15

HB 1 AND 2 COMMITTEE OF CONFERENCE BASE REVENUE ESTIMATES

GENERAL AND EDUCATION TRUST FUND	FY 2015	FY 2016	FY 2017
Business Taxes	558.0	566.4	577.7
Meals & Rooms	277.5	291.4	305.9
Tobacco	221.7	222.8	221.7
Liquor Commission	139.0	143.3	147.5
Interest & Dividends	91.6	93.0	94.4
Insurance	118.3	118.3	114.4
Communications Services Tax	57.8	58.1	58.4
Real Estate Transfer	115.3	118.3	123.0
Court Fines & Fees	13.1	13.8	13.8
Securities Revenue	42.1	42.2	42.8
Utility Tax	6.0	6.0	6.0
Beer Tax	13.0	13.0	13.0
Other	70.9	69.8	70.2
Lottery Commission	74.0	73.0	75.0
Racing & Charitable Gaming	3.0	2.5	2.5
Tobacco Settlement	41.9	42.3	39.0
Utility Property Tax	42.5	41.3	41.8
Statewide Education Property Tax	363.4	363.1	363.1
Medicaid Recoveries	5.9	9.8	10.4
TOTAL - GENERAL AND EDUCATION TRUST FUND	\$2,255.0	\$2,288.4	\$2,320.6
HIGHWAY FUND			
	FY 2015	FY 2016	FY 2017
Road Toll	125.6	125.9	125.9
Motor Vehicle Fees	115.8	106.4	113.5
Miscellaneous	15.0	1.3	0.9
TOTAL - HIGHWAY FUND	\$ 256.4	\$ 233.6	\$ 240.3
FISH AND GAME FUND			
	FY 2015	FY 2016	FY 2017
Fish and Game Licenses	8.3	8.5	8.5
Other	1.8	1.8	1.8
TOTAL - FISH AND GAME FUND	\$ 10.1	\$ 10.3	\$ 10.3