

Republican Review

A Publication of the New Hampshire House Majority Office

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SPEAKER TO GOV: VETO ILL ADVISED

On July 2nd, House Speaker Shawn Jasper sent a letter to Gov. Hassan outlining his concerns about her veto, its effects on the state, and the process moving forward. The letter in its entirety was sent to members of the New Hampshire House. For the benefit of all of our readers, we wanted to publish relevant excerpts:

... We recently confirmed through the LBA that the budget presented to you is a balanced spending plan, and that it addresses many of the concerns that you brought to us through the usual and customary legislative process.

I further believe that there are a number different paths that could be taken to resolve the detrimental effects placed upon the people of NH that were created when you exercised your veto authority.

I believe that your action was ill advised. As a direct result of your veto, there could be a spike in local property taxes, depending on when and how the Department of Revenue Administration sets local tax rates, the inability of our state to address the opioid epidemic, as well as any undue pressure felt by our Health and Human Services providers.

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HASSAN VETO PROMPTS SHOCK, DISSAPPOINTMENT

"That means continued waitlists, that means continued overdose deaths. There is no substantive change we can expect to see around the substance abuse epidemic until we have the ability to provide those expanded services." ~ Tym Rourke, chair of the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment and Recovery.

"By extending the 2015 budget past July 1, the governor is denying services to some of the state's most needy who would have been provided services had she signed the budget. While not perfect, the vetoed budget added money for substance abuse prevention, treatment and recovery, mental health care, domestic violence prevention, and higher education. New Hampshire would have been better served had the governor let the budget become law without her signature, leaving issues in dispute to be revisited with a supplemental budget. Instead, her veto has denied needed services..." ~ Editorial published in Foster's Daily Democrat on July 1, 2015 and in the Concord Monitor on July 6, 2015.

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STAT OF THE WEEK:

\$2,864,914*

The sum of bonuses received by University System of New Hampshire employees from FY2003 through FY14.

According to the Keene Sentinel, this is equivalent to in-state tuition for 268 students at Keene State College.

*Source: [Keene Sentinel](#) "As University System and state battle over funding, college employees pull in bonuses"

TILTON WINS DECISIVELY IN ROCK 20

On Tuesday, voters in Seabrook and Hampton Falls cast their ballots in Rockingham District 20 for the special election to replace former Rep. Dennis Sweeney.

By a 2-1 margin, 772-375, Republican Rio Tilton beat former 1-term House member Elaine Andrews-Ahern.

This is the 3rd special election win by Republicans, two of which were victories over Democrat candidates who were former House members with highly partisan voting records.

House Republicans look forward to having Rep-Elect Tilton join the growing number of young Republican members in the caucus.

VETO OF SB 116 SPURS RESPONSE FROM 2ND AMENDMENT ADVOCATES

On July 5th, Governor Maggie Hassan vetoed SB 116, a bill that would have allowed any person legally allowed to own a firearm to carry that firearm in a concealed manner without having to seek out a permit from local law enforcement.

This came as a blow to New Hampshire's expansive population responsible firearms owners, who like their Vermont neighbors, believe they have a constitutional right to carry a firearm in whatever reasonable manner they choose without the requirement to seek approval from any government agency.

The veto prompted reaction from legislative leaders and firearms advocacy groups. Here is a sample of what they are saying about Gov. Hassan's action on SB 116:

House Majority Leader Jack Flanagan (R-Brookline):

"Governor Hassan's veto sends the wrong message to New Hampshire's large population of law abiding gun owners. SB 116 is a reasonable and long overdue measure that will extend freedom for our responsible firearms community, and will be an overall deterrent to crime."

"Contrary to what opponents of the bill would like us to believe, SB 116 will not enable a proliferation of criminal activity. This bill does not extend rights of those who would be otherwise prohibited by state or federal law from possessing a firearm. Those with criminal intent will continue to obtain, carry, and use firearms in illegal ways. Impeding the rights of lawful gun owners based on the actions of criminals is unfair. House Republicans support laws that uphold our citizens' constitutional rights, and will support overriding the Governor's veto on SB116."

State Senate Majority Leader Jeb Bradley (R-Wolfeboro):

"I am disappointed in Governor Hassan's veto of SB 116, which was a common sense measure supported by the House and the Senate that would have ensured law-abiding citizens' rights to protect their lives, liberties, and loved ones by removing the state's conceal carry licensing requirement."

"For over 200 years Vermont has allowed its citizens who are legally able to own a firearm to also carry a concealed weapon without having to seek a permit first. Vermont has the distinction of being the nation's safest state according to the FBI."

"The Governor's veto of this measure makes no sense from a public safety perspective and undermines constitutional protections law abiding NH citizens expect."

Chris W. Cox, executive director for NRA-ILA (Institute for Legislative Action)

"This was a common sense bill that would have protected law-abiding gun owners from inadvertently breaking the law. Since lawful gun owners in New Hampshire can already carry firearms openly without a permit, they should not become criminals just because they put on a jacket or place their firearm in a purse or briefcase."

"Governor Hassan's veto sends a clear message that she is listening to billionaire gun-control activist Michael Bloomberg over New Hampshire voters. On behalf of the NRA's five-million members, I am disappointed Governor Hassan has chosen to disrespect the constitutional rights of her constituents."

SPEAKER RESPONDS TO CHIEF'S CALL FOR ACTION ON DRUG CRISIS

Tuesday evening on [WMUR's 6:00pm Newscast](#), Manchester Police Chief Nick Willard said of the heroin epidemic plaguing Manchester and other New Hampshire communities:

"We need more action. We need the leaders of this state to step forward and help us with this heroin epidemic, because it's not going away."

In response, House Speaker Shawn Jasper issued the following statement:

"In direct response to the growing drug crisis in our communities, the New Hampshire House and Senate put forward a spending plan that increased funding for addiction treatment and recovery services by 75%. Unfortunately, the Governor vetoed the budget containing these provisions impeding our state's ability to deal effectively with this epidemic.

This legislature has also taken other important steps in the fight against addiction including passing a Good Samaritan Law encouraging people to report overdoses, making Narcan available without a prescription, and approving change in Rules to allow police officers to administer Narcan. But the most important step was increasing state funding for substance abuse programs by 75% in the budget that the Governor vetoed.

In addition to addiction treatment and recovery funding, the budget also contained increased funding for the Department of Safety, whose efforts aid local law enforcement in our overall campaign to stop the supply and distribution of illegal and addictive substances.

When lives are at stake, we need to put politics aside. According to data from the state's Chief Medical Examiner, every 27 hours there is a drug overdose death in New Hampshire. If we can invest in resources that will help our state intervene sooner, and provide the services to those suffering from addiction, we can save lives. We can reduce the number of headlines we read each day of families being torn apart by death and despair due to drug abuse.

The Governor had the opportunity to put over \$42 million dollars to use combatting substance abuse. But instead she chose to delay our state's ability to respond to this crisis by vetoing our responsible budget that would have begun to deploy significant additional resources to help those suffering from addiction. The quickest way for us to deploy these resources is to override the Governor's veto when the legislature reconvenes."

To learn more about the immediate need to address addiction issues in our state, please watch this compelling video produced by an in-state advocacy organization: <https://youtu.be/8YDGdvJpl-g>

The full WMUR report, "Heroin seizures up 20 times in Manchester over last year," can be viewed here: <http://www.wmur.com/news/heroin-seizures-up-20-times-in-manchester-over-last-year/34042196>

GOVERNOR NEEDS TO SHARE SPENDING NUMBERS, SOON

By Sen. Jeanie Forrester

The governor's claims that the FY16/17 budget she vetoed is unbalanced and dishonest continue to be unfounded, misleading, and hurtful to the people of New Hampshire. As the chair of the Senate Finance Committee, I stand by our proposal as a solid foundation that is good for New Hampshire, spending \$600 million more than the FY14/15 budget.

Within days of the House and Senate passing the \$11.35 billion state budget, Governor Hassan irrationally acted on her veto promise. Many, on both sides of the aisle, are scratching their heads about what she hoped to achieve by taking this action. Many recall that when John Lynch was governor, he simply allowed the 2012/13 budget to go into law without his signature. He fully understood the turmoil that would descend on state agencies and our citizens with a veto. His priorities were well-placed when he allowed the budget to pass into law without his signature.

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N.H. NEEDS TO LOWER BUSINESS TAXES TO COMPETE

By Sen. Chuck Morse

The New Hampshire Advantage used to be easier. No sales tax. No income tax. Rely on our neighboring states to do something uncompetitive. New Hampshire had always been able to make our state a competitive place to do business simply by avoiding the mistakes of those around us.

But our friends and neighbors are catching on by actively lowering barriers to businesses, and creating jobs far faster than we are. If New Hampshire is going to compete for jobs and economic growth, we need to reform our business tax climate – what we are doing clearly isn't working. New Hampshire is lagging behind. A recent report from the Pew Charitable Trusts ranks us in the bottom 10 for job creation since the last recession.

The Tax Foundation ranks New Hampshire 48th for corporate taxes. The Business Profits Tax sits at 8.5 percent, while Massachusetts and Rhode Island have lowered the rates to drop below us. And no other state has anything comparable to the Business Enterprise Tax, which charges entrepreneurs 0.75 percent on their payroll and investments, whether or not the business is making money. If we do nothing, New Hampshire will soon have the highest business taxes in New England.

The Legislature has approved a plan to make our business climate more competitive, providing tax relief to our state's private sector employers, and sending a signal that the Granite State is again open for business.

By phasing in modest reductions in the BPT and BET over the next five years, we can lower the BPT by 7 percent and the BET by 10 percent.

That would lower the cost of doing business in New Hampshire, and leave our employers with more money to reinvest in their businesses, add jobs, or provide pay raises to their existing employees. Businesses employing 95 percent of our state's private sector workforce would get a tax cut.

This would be the first reduction in the BPT in 20 years, and the first time we've cut the rate of the BET, ever.

Our plan for cutting business taxes was included in New Hampshire's operating budget, and accounted for the \$21 million in tax relief to ensure the budget is balanced. To put this in perspective, enacting the modest reductions costs \$21 million out of a \$11.3 billion budget, equaling .2 percent, rounded up.

Unfortunately, Gov. Hassan does not believe we can afford a modest reduction in our business tax rates, and vetoed the entire budget. But if now is not the right time to lower business tax rates, when is the right time? Her action leaves our state without a budget, but state government will continue to operate under six-month Continuing Resolution at current funding levels.

It also leaves us with business tax rates that are too high to compete well. We should not settle for being 48th in the country. Maintaining the status quo means we maintain the status quo. We want to do more to encourage businesses to move here, encourage the ones that are here to add jobs and pay their employees more. Doing nothing eliminates increased opportunities to have good jobs that could keep young people in our state. Ask the parents of graduating students, have they been able to find a job? For too many families and newly graduated students, the answer is no, and we need to do more.

With her steadfast opposition to lowering business tax rates and consistently proposing tax increases throughout her career Gov. Hassan seems to have decided that businesses are the enemy. Her rhetoric attacks us for trying to help "out of state corporations", which is not only false, but misses the point entirely.

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MORSE OP-ED**CONTINUED FROM PAGE 4**

Our business tax cuts would benefit every business that pays taxes in New Hampshire, which covers 95 percent of the private sector workforce. From Mom and Pop stores to Market Basket, and from start-ups to BAE Systems, we want all of our businesses to thrive and create new jobs. Attacking good employers who happened to be headquartered out of state is short-sighted and remarkably counter-productive.

We've made great strides this year to lower workers' compensation costs, lower electric rates, and update our banking and securities laws. Lowering business taxes is the next necessary step to reviving the New Hampshire economy and the appropriate time is right now.

Gov. Hassan says tax relief comes "at the expense of critical economic priorities." We strongly disagree with her. Jump starting New Hampshire's job creators is an economic priority.

VETO SHOCK, DISSAPPOINTMENT**CONTINUED FROM PAGE 1**

"The budget passed by the Legislature includes a phased-in reduction of the BPT from 8.5 percent to 7.9 percent and a decrease in the BET from .75 percent to .675 percent beginning in 2016. This is a measured and appropriate approach to balancing important priorities like funding for higher education, transportation infrastructure, environmental protection, and more, with much-needed, yet modest tax relief for businesses. The modest BET rate reduction will primarily benefit small businesses, which is particularly important in a small-business state like New Hampshire. The modest BPT rate reduction will benefit other leading employers in every corner of our state who employ tens of thousands of New Hampshire residents with well-paying jobs vital to our state's economy." ~ Jim Roche, Business and Industry Association of New Hampshire

"Lawmakers included \$6.6 million in the state budget to expand substance abuse benefits to the state's traditional Medicaid population for the very first time... The Legislature also opted to double the money going to the state's Alcohol Abuse Prevention and Treatment Fund, used for substance abuse services and overseen by the commission Rourke chairs. Although less than the expected \$17 million, the two-year state budget would double the fund's balance to \$6.7 million. The commission hopes to use that additional money to pay for recovery programs... Democratic Gov. Maggie Hassan vetoed the state budget, saying it promises more than it delivers. Now, New Hampshire is operating under a six-month temporary spending plan that funds the state at current levels while lawmakers come up with a compromise. That means the Alcohol Abuse Prevention and Treatment fund has yet to receive its expected increase and the commission can't begin deploying the new dollars." ~ Concord Monitor "New Hampshire funding for treatment, recovery far lower than neighboring states" (7/7/2015)

DEAN OF THE SENATE REFUTES DEM CHAIR CLAIMS

State Senator Lou D'Allesandro (D-Manchester), Dean of the New Hampshire State Senate, who serves on the Senate Finance Committee and was a member of the Committee of Conference on the Budget responded to allegations made by Democratic State Chairman Ray Buckley. The NHDP via right-to-know request and press release accused Sen. Ayotte of somehow meddling in the state budget process for "political gain."

"I worked as a member of the Senate Finance Committee on the budget, and I dealt with the (lawmakers) who had a role in the state budget. And I didn't see anything transpiring other than work on the budget," he told WMUR's John DiStaso.

State Republican Party Chairwoman Jennifer Horn said in a statement Thursday:

"I commend Lou D'Allesandro for standing up to the baseless conspiracy theories peddled by his Democrat state party on Gov. Hassan's behalf. These partisan attacks were designed to distract from Gov. Hassan's failed fiscal leadership and politically motivated veto of the state budget. It's time for Gov. Hassan to join other Democrats like Sen. D'Allesandro in personally condemning these shameful lies."

SPEAKER LETTER TO GOV. HASSAN**CONTINUED FROM PAGE 1**

One of those areas was outlined by Tym Rourke, Chair of your Commission on Alcohol and Drug Abuse Prevention, who said that the lack of increased funding means "continued waitlists" and "continued overdose deaths".

- As highlighted in Rep. Kurk's description of HB1, "HB 1 appropriates \$11.352 billion in total funds for the next biennium, up 5% from the \$10.797 billion appropriated in the current biennium. No dedicated funds were "raided" in the process.
- The community college system would have been fully funded and should be able to freeze its tuition for the next biennium; the University System of New Hampshire is level funded at \$81 million per year.
- Health and Human services would have received higher funding in this budget than in any previous one - \$4.449 billion, up 8% from the \$4.106 billion in the current budget. Funding would have been restored for elderly services, including meals on wheels, services for veterans, the developmentally disabled (including family support and early intervention), and the mentally ill, with the latter at levels meeting the requirements of a legal settlement. 40,000 people served by the expanded Medicaid program will continue to receive their 100%-federally-funded health coverage through December 31, 2016, as provided for in current law.
- Funding for substance abuse prevention and treatment would have been increased by 49.5%, from \$28.3 million in the current biennium to \$42.3 million, to help deal with the steady increase in the number of individuals affected
- A 5% rate increase would have been granted to providers of long-term care in the community, including personal care aides, home health aides, home nursing services, and homemaker services.
- Transportation department services would have been funded at \$1.172 billion, up 8% from the \$1.089 billion in the current budget, more than sufficient to maintain and improve state roads and bridges and provide their winter maintenance without personnel reductions. Low-interest rate funding from the federal Transportation Infrastructure Finance Innovation Act helped make this possible. Of the \$9 million made available for new equipment, \$5 million of long-lived items, such as graders and boom cranes, would have been bonded.
- The Department of Safety would have seen a 9% increase in its budget, largely through the substitution of general funds for highway funds
- The Fish and Game fund would have received a \$1.2 million infusion from the general fund.
- Municipalities would have receive the larger highway block grants anticipated from the recent \$.042 increase in the gas tax, as well as state aid grants. They would have also received larger amounts from a \$5 million increase in their rooms and meals tax distribution in FY 17 for a total of \$132.6 million over the biennium. Grants for clean water and landfill closure projects have been preserved. The cap on county-paid long-term care services would have been raised by the usual percentage each year, while the 25% reduction in bed-tax payments to county and private nursing homes in the house budget was eliminated. Municipalities entitled to flood control payments would have been receive them from the state should they otherwise remain unpaid or partially paid.
- An additional superior court judge was authorized for the Judicial Branch.
- Solid support has been provided for the Innovation Research Center, the Small Business Development Center, and the Office of International Commerce.
- Thirty-five unfunded positions in the Department of Corrections were funded.
- Importantly, the budget reduces business taxes over the next five years, affecting companies that provide 95% of the private sector jobs in the state.
- The Business Profits Tax will drop from 8.5% to 7.9%, and the Business Enterprise Tax will drop from .75% to .675%. The anticipated revenue loss for the next biennium has been reflected in adjusted revenue estimates. A \$5 million increase in the Research and Development tax credit will begin in FY 18. Over time, these changes should make New Hampshire more business friendly and more competitive with the other New England states, whose taxes are lower.

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SPEAKER LETTER TO GOV. HASSAN**CONTINUED FROM PAGE 6**

Governor there are 160 democratic state representatives and 10 democratic state senate colleagues of ours who very much want to address the needs of our citizens, as do we. This was recently illustrated when most of our democrat colleagues voted for the continuing resolution. That vote was necessary to address your veto threat so that the people of New Hampshire would not suffer through a shutdown of state government.

The cleanest and clearest path forward for you would be to politically free all 170 of our Colleagues from across the aisle, allowing them to vote their conscience on veto day. We are confident that the many issues listed above are concerns that are mutually shared with our 170 democrats. If it were not for your decision to veto we would have a state budget in place today.

Short of the allowing those House democrats to avoid political pressure by encouraging them to vote their conscience, and to address another path forward, please be aware that, as we have consistently said, Medicaid expansion will be addressed in the 2016 legislative session. Any discussion of removing the reduction in business taxes would also be a non-starter toward a solution, as would any attempt to increase revenue with new or additional taxes.

That leaves us with few areas of discussion, one being the state employees pay raise.

We ask that you provide us with your thoughts on the best way to address this issue, none of your issues =are of such a critical nature that you couldn't have addressed them in the upcoming legislative session. The filing period for House members begins on September 2nd. We encourage you to take advantage of that filing period and prepare arguments to promote your solutions for presentation to the legislative policy committees.

Your argument over the 21 million dollar business tax cut issue pales in the face of the systemic stresses that you have placed on our service providers, the most needy in our society and the employees of our state by your choosing what to me is proving to be the most harmful of the three choices that were presented to you i.e. sign, veto or let the budget become law without your signature.

Governor, it is incumbent upon us as leaders to evaluate the impact of the decisions we make, apply what we have learned from the results of said decisions, and reconsider the best course of action.

We encourage you to consider the current circumstances and the impact of not having a 2016-17FY plan that addresses the many important concerns for the functioning of our state and free the 170 democratic legislators, allowing them to vote to follow the clearest and quickest path for a sound, pragmatic solution, which would be to override your veto of the budget.

While we all have good intentions for the fiscal well-being of the State of New Hampshire and the citizens we serve, there are clear differences that remain in how to successfully accomplish this. Your willingness to work with the legislature to resolve those differences is greatly appreciated.

N.H. REVENUES ABOVE PLAN FOR JUNE

According to the monthly revenue report issued by the Department of Administrative Services, total unrestricted revenue of the General and Education Funds for June totaled \$229.8 million, \$3.3 million (1.5%) above plan and \$8.8 million (4%) above prior year. Year to date (YTD) revenue totaled \$2,262.3 million, \$42.5 million above plan and \$87.1 million above prior year.

Business Taxes (BPT & BET) were above the plan by \$5.8 million (6%) for the month, and for the year finished \$1.0 million below the annual plan amount. Compared to prior year, receipts for June 2015 were \$8.1 million (9%) higher and \$13.6 million (3%) above YTD.

Net Meals and Rentals Tax (M&R) receipts this month came in \$2.4 million (11%) above plan and \$14.5 million (6%) above plan for the year. According to DRA, revenue this month from hotels was up 10% and from restaurants and rentals was up 8% over the same month last year.

A BUDGET FOR NEW HAMPSHIRE'S PRIORITIES

By Sen. Jeb Bradley

Two years ago, all 24 senators voted for a budget hailed as a bipartisan accomplishment. Two years later Gov. Maggie Hassan has vetoed a budget that spends \$600 million more than the previous budget to meet New Hampshire's needs. Given that backdrop and the needs of our citizens, her veto is astonishing.

The governor's rhetorical flourish when she wielded the veto pen included calling the budget "dishonest and irresponsible" and that legislative leadership "refused to compromise on any of the major issues."

Human service advocates disagree. Gina Balkus, a well-respected home health care advocate said this budget is "the best budget we have seen in years," due to the 5 percent increase in funding for home health care workers. Another well-respected home health care advocate Clyde Terry said, "Don't veto this budget; there is a lot of good in it."

It is not just home health care that received significant increases in funding. So too did programs to address substance abuse, mental health, families with a disabled child, higher education, transportation and services for the elderly. In terms of funding the needs of people in New Hampshire, the Legislature met the governor more than half-way and funded priority after priority. Yet surprisingly the governor didn't consider this to be compromise.

Perhaps most disheartening is the governor's claim this budget is dishonest, because the Legislature carried forward surplus revenue from the current budget into the budget she vetoed. However, the governor herself proposed to carry forward \$13 million when she presented her version of the budget!

What the governor is not talking about is that she has likely overspent the current budget — the one that she continually hails as a bipartisan success. The Department of Health and Human Services has acknowledged it expects to have overspent its budget — though it does not know by how much and won't reveal that figure until the end of September.

Rather than hurling partisan attacks, perhaps the governor would be better advised to focus on determining the extent of the overspending that could negatively impact the funding of future critical priorities.

The governor also criticized the Legislature for not including in the budget reauthorization of the N.H. Health Protection Plan (Medicaid Expansion), which I co-sponsored in 2014. When we passed this law with an 18-5 bipartisan vote, we included a sunset provision to review the program in a year. We did this not as a way to end the program, but instead to make sure that the program was working as intended. At this point, the program has not been fully implemented, but early results are encouraging. Emergency room use is declining and the hidden tax of uncompensated care (which anyone with private insurance in New Hampshire pays via higher insurance costs) is also declining.

Nevertheless, there are still unanswered questions. For instance: Will the transition to private health insurance for beneficiaries in New Hampshire be seamless? To what extent will uncompensated care be reduced? These are important questions that can be better answered in January when we have a full year of data to look at. Not including reauthorization in the budget should not be interpreted as a lack of support for the program, certainly not on my part. Questions need answers and a bipartisan bridge must again be built for a successful reauthorization vote to occur.

In the governor's veto message, she criticized not including the state employee pay raise. What she doesn't mention is that the Legislature offered to partially fund the raises which the governor rejected. We will re-examine this pay raise during the next round of budget discussions.

Perhaps the largest obstacle in the budget debate is business tax reductions. They are modest reductions, phased in over time. The governor adamantly opposes any tax breaks to business, saying they will benefit mostly out-of-state corporations.

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BRADLEY OP-ED**CONTINUED FROM PAGE 8**

I believe that's the wrong answer given how many New Hampshire men and women are employed by corporations who in New Hampshire pay among the highest business taxes of any state in the nation.

Jim Roche, president of the Business and Industry Association, New Hampshire's statewide chamber of commerce, said in a recent letter to the governor: "New Hampshire's high business tax rates are not competitive with other states. That fact, combined with excessively high electrical energy costs, high health insurance and workers' compensation rates, and other business costs put New Hampshire employers at a significant disadvantage relative to businesses located in other states and countries." Mr. Roche's statement is typical of what business leaders are telling the Legislature.

Instead of modest business tax reductions to help spur business and job growth, the governor took an opposite approach in her proposed budget — raising taxes on business including hiring more auditors at the Department of Revenue to go after small businesses.

We hope the governor will set aside the partisan rhetoric and finger pointing and instead work with the Legislature to craft a bipartisan budget that will fund important services for our friends and neighbors in need, while also creating an environment in the state where businesses want to locate and grow their workforce. We owe the citizens of our state nothing less.

WHY THE DEMS' "\$90 MILLION BUDGET HOLE" CLAIM IS BOGUS

- 1) New Hampshire's state budget is for two years only. In this case, HB1 and HB2 would be effective for fiscal years 2016 and 2017. However, the Dems' claim of \$90 million, by their own admission, is for the next 3 budget cycles. Below is a visual representation of the discrepancy. There are almost no examples of the legislature ever projecting budgets or revenue out 5+ years in advance.

Budget Bills Scope:	2016	2017				
Dem Claim Scope:	2016	2017	2018	2019	2020	2021

- 2) Law makers can change laws. Elections are held every two years. If the evidence is so compelling that business tax reductions have created a budget hole, Democrats can certainly introduce legislation to raise taxes, if they so choose. We would welcome that debate, but now is premature.
- 3) The budget proposed in HB1 and HB2 is balanced. Our House Rules require a balanced budget. Republicans in the House and Senate pledged to produce a balanced budget with no accounting gimmicks. The non-partisan Legislative Budget Assistant Office has confirmed that there is no projected deficit.
- 4) Let's assume that a \$21 million revenue reduction comes to fruition as a result of business tax reductions in this budget cycle. \$21 million out of an \$11.35 billion budget is a fraction of 1%. Estimating revenue to within 0.2% two years out is like landing a jetliner on a pin head, and it is well within the state's ability to adjust for. Rejecting the budget based on a < 0.2% difference of interpretation is far-fetched.

\$21 million / \$11.35 billion = 0.185%

- 5) The Governor just this year issued an executive order cutting \$18 million across government from fiscal year 2015, due in part to her mismanagement of the budget, and overspending in government agencies she oversees. Democrats will have you believe \$21 million is unmanageable, but the Governor's own actions prove otherwise.
- 6) NH needs to compete regionally to attract jobs, encourage growth, and retain jobs. There are many arrows in our quiver of tools to boost our competitiveness. Reducing our business taxes, which are among the highest in the nation, in addition to lowering electricity costs and workers comp reform can help us grow our business base, our economy, and encourage more job creation.

FORRESTER OP-ED**CONTINUED FROM PAGE 3**

The House and Senate, in anticipation of Governor Hassan's veto, prepared a six-month continuing resolution (using FY15 appropriations) that would prevent a government shutdown. It was a bit of a puzzle when the Democrats introduced their own continuing resolution to fund government at FY16 levels, when they too had joined the chorus of claims that our budget was irresponsible and unbalanced.

Last week the Senate Finance Committee met in public with the non-partisan Legislative Budget Assistant (LBA) to review the governor's accusations that the budget was unbalanced, dishonest and made promises it couldn't keep. One by one, those claims were refuted.

In addition, the public learned that DHHS had requested additional funding for Medicaid caseload spending. The governor denied that request and neglected to account for it in her budget. If the governor had acceded to the department's request, she would have been out of balance at the close of Fiscal Year 15. It was clearly disingenuous of the governor to then ask the Senate to address a problem she was aware of months before but didn't address.

I appreciate that the governor is willing to work together and I look forward to having some productive conversations. Since revenues are ahead of plan by \$42.5 million, we can only assume that if there is a problem (which the governor clearly believes there is), it has to be on the spending side of the equation.

For us, what will be extremely helpful in finding a path forward will be for the governor to provide us with the spending numbers now — and not make us wait until the end of September. If the governor does have a problem, we want to be able to help solve that problem as soon as possible. The citizens of N.H. expect no less than for us to come together and solve this problem as soon as possible.

This budget does so much good: it funds the mental health settlement and the 10 beds at the N.H. Hospital and the staff; it fully funds developmental disabilities and the wait list; it restores cuts made by Governor Hassan to the home health agencies (like Visiting Nurses and Granite State Independent Living) and provides the first rate increase since 2006; it increases spending on drug and alcohol prevention, treatment, and recovery by 75 percent more than the last budget; and it restores ServiceLink, Meals on Wheels, the DHHS district offices, and Emergency Shelters.

This budget restores the retiree health insurance premium contribution to 12.5 percent; it spends more than the governor's budget on roads and bridges, restores the DMV stations and state troopers. This budget starts to seriously rebuild the Rainy Day Fund, from \$9.3 million to more than \$21 million over the biennium. It also offers a modest cut to business taxes which will help our small businesses grow.

This budget sends money back to our cities and towns through state aid grants, flood control, rooms and meals distribution, and increased education adequacy payments.

This budget does all that and more without the \$129 million in taxes and fees as proposed by the governor. We found a way to build this budget without adding any unnecessary financial burden on our hardworking citizens.

The governor's unsubstantiated claims (much like the claims she made during our last budget) and her subsequent veto directly impacts our communities, state agencies, and important programs. As we wait for the governor to provide the information on spending, critical new mental health programs don't get funded, increased spending on drug & alcohol programs doesn't happen, cities and towns are held hostage and left wondering about the tax rate-setting process, and much more.

I urge the governor to work with the legislature and share the information we need to move forward.

ICYMI: GOV DIDN'T KNOW ABOUT FED DRUG GRANT

In continuing coverage of the drug crisis in New Hampshire and the budget veto that compromised additional funding, WMUR's Josh McElveen included the following paragraph in [his report](#):

"The recent budget veto has led to a lot of finger-pointing among lawmakers, and negotiations appear to be going nowhere. And while New Hampshire, just like Vermont, recently received a \$12 million grant geared toward drug prevention, the New Hampshire governor's office didn't know about it."

In response, Republican Executive Councilor Chis Sununu posted the following comment on Facebook:

"Governor Hassan's office wasn't even aware of the \$12M grant to support substance abuse, yet she says it's a 'top priority'. The governor needs to spend more time paying attention to her job and less time worrying about political soundbites for her Washington friends. Her VETO of a very good state budget has real consequences for the State..."