

Republican Review

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FLANAGAN STEPS DOWN AS MAJORITY LEADER

Concord, NH - Rep. Jack Flanagan (R-Brookline) announced today that he will be stepping down from his duties as House Majority Leader effective immediately. Flanagan recently announced the formation of an exploratory committee to determine whether or not he would become a candidate for Congress in New Hampshire's second district.

"Due to the additional demands that have been consuming most of my time, I felt it only fair to Speaker Jasper and our leadership team that I step down as Majority Leader sooner rather than later," said Rep. Flanagan.

Rep. Flanagan, currently serving his third term in the House, joined Speaker Shawn Jasper's leadership team in December of last year.

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SPEAKER ANNOUNCES CHANGES IN LEADERSHIP TEAM, HINCH APPOINTED MAJORITY LEADER

Concord, NH - House Speaker Shawn Jasper today announced the addition of two legislators to his leadership team, along with several other promotions. The moves come on the heels of the resignation this week of Majority Leader Jack Flanagan (R-Brookline) who stepped down to form a congressional exploratory committee.

Rep. Richard "Dick" Hinch (R-Merrimack) will be moving from his role as House majority whip to take over the position of majority leader.

LEGISLATIVE LEADERSHIP EMPHASIZES DELIBERATIVE, COORDINATED APPROACH TO COMBAT SUBSTANCE ABUSE CRISIS

Concord, NH - Today, the New Hampshire Executive Council approved the Governor's call for a special session on substance abuse. Senate President Chuck Morse (R-Salem), House Speaker Shawn Jasper (R-Hudson), Senate Finance Chair Jeanie Forrester (R-Meredith) and House Finance Chair Neal Kurk (R-Weare) released the following statements in response to the vote:

"We again insist that any legislative action should follow an inclusive, open, and transparent deliberative process and we will conduct this special session through that lens. We will take steps to ensure that a special session includes ample public and expert input, debate, and inclusive review, in order to develop the best possible legislation to deal with these issues in a responsible, comprehensive manner," said Senate President Chuck Morse.

"We had previously told Governor Hassan that we intended to expedite legislation to deal with this crisis as soon as we returned in January. I am disappointed that she has taken this step to bring the entire legislature back to Concord in an attempt to try and hastily push through a solution. What she needs to understand is that we intend to work through the process in a fair and open manner, listening to all stakeholders. A solution to this problem is not something that will be accomplished in one day or even one week. I anticipate the first day will involve adopting rules to allow us to move forward with legislation. At the end of the day, our goal is to do what is right for the people of this state," added Speaker Shawn Jasper. *CONTINUED ON PAGE 2*

"After working closely with Rep. Hinch on the budget veto throughout the summer, I was able to witness first-hand his leadership qualities," said Speaker Jasper. "I know that Dick is well respected by the Republican caucus. He proved as the majority whip that he is a consensus builder. I am confident that he will bring those same talents to the important role of majority leader," he added.

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The Governor and Executive Council have exercised their executive legislative authority under Part 2, Article 50 of the New Hampshire Constitution by calling the General Court to convene in Special Session on Wednesday, November 18, 2015. Therefore, the House will meet on Wednesday, November 18, 2015, at 10:00 a.m. There will be a Republican caucus on Wednesday, November 18th at 9:00 a.m. in Representatives Hall.

TEAM CHANGES CONTINUED FROM PAGE 1

Rep. Hinch is serving his fourth term representing Merrimack and also serves as chairman of the House Legislative Administration committee.

"It is an honor to serve the people of our great state and to represent the Republican Caucus in this capacity. In my role as majority whip, I had the opportunity to work with nearly every member of our caucus to help advance our legislative priorities. In addition, my door was always open to all members of the House, understanding that building relationships helps foster a political environment that our constituents can be proud of. I'm looking forward to this new opportunity, working with Speaker Jasper and our Republican caucus, and continuing the progress we've made through the rest of this term," said Rep. Hinch. Rep. Stephen J. Schmidt (R-Wolfeboro) will continue in the role of deputy majority leader on Jasper's leadership team.

Speaker Jasper also announced that Rep. Kathleen Hoelzel (R-Raymond) will assume the role of majority whip. "Kathy has been a strong member of my leadership team since the beginning and it was only appropriate that she move up from her position as deputy majority whip," said the speaker. Rep. Hoelzel, serving her sixth term in the House representing Raymond, is also the chairman of the Election Law committee.

Rep. Claire Rouillard (R-Goffstown) will take over the role of deputy majority whip from Rep. Hoelzel. Rouillard currently serves on the Judiciary committee. "Rep. Rouillard joined our team as an assistant majority whip during the session and has impressed everyone with her skills," said the speaker. Rep. Rouillard was also selected by the Council of State Governments as a 2015 Henry Wolcott Toll Fellow. The award is given annually to 48 of the top officials in the country from all three branches of state government.

Two other additions to the speaker's leadership term were also announced today. Rep. Peggy McCarthy (R-Nashua), a member of the State-Federal Relations & Veterans Affairs committee, was appointed assistant majority leader; and Rep. Terry Wolf (R-Bedford), a member of the Education committee, will serve as an assistant majority whip under Rep. Hoelzel.

"During this past House session, these two legislators have made an impression on members of the caucus with their dedication, hard work and leadership qualities. I am proud to have them join my team and I look forward to working with them this session," said Speaker Jasper. The new leadership positions take effect immediately.

SPECIAL SESSION**CONTINUED FROM PAGE 1**

Senate Finance Chair Jeanie Forrester added, "I continue to be concerned by the out-of-control substance abuse epidemic facing New Hampshire and have been fighting for additional means to address these issues throughout my time as a State Senator. Specifically, in the 2016-17 budget, I fought for additional resources, including a 75% increase in funding for substance abuse that has yet to be distributed due to the delay caused by the Governor's budget veto."

"We are committed to combating the substance abuse epidemic through the legislative process, however, I am concerned by the Governor's proposal that increases spending by \$11 million when we do not know where this funding is coming from, have yet to see the final financial picture from 2015, any measurable results from the 75% increase in substance abuse funding from the 2016-17 budget or how those dollars are being used."

"We need answers on what we are doing today to combat substance abuse issues and a clearer picture of where we are financially and we look forward to the Governor's response. It is going to take a coordinated and strategic effort to fully eradicate this opioid and heroin epidemic and I am committed to working with my colleagues in the House and Senate to effectively address the drug epidemic plaguing our state," Forrester said.

"We need time to work on these bills appropriately, and, as the Governor is aware, we have already dealt with many of these issues in the budget," said House Finance Chair Neal Kurk. "The state has to be prudent in making sure that all of the services we already increased funding for are actually being provided to our citizens before we consider new spending. Had the Governor not vetoed the budget, we could have realized benefits of the increased funding months sooner. It is our duty as legislators to do a thorough job on this very important issue, but also in the context of how each proposal affects state finances."

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"We have close to 700 bills that need to be reviewed, and with the many new tasks and activities facing me in forming an exploratory committee, I have found it very difficult to devote the time necessary to handle the duties of Majority Leader. Therefore, it is important that I step down now for the good of House leadership, the republican caucus and the State," Flanagan added.

"I appreciate Jack Flanagan's support during my tenure as speaker," said Jasper. "He has worked extremely hard for the House Republican Caucus and I know how difficult it must be for him to continue his duties at a time when he is exploring a run for Congress," he added. "I wish him all the best."

"While I will no longer serve as his Majority Leader, I will still be representing the people of Brookline and Mason to the best of my ability and stand ready to assist Speaker Jasper and the Republican Caucus in any way possible," said Rep. Flanagan. "It has been a honor and privilege working for Speaker Jasper as part of his leadership team."

WHAT IS BEING SAID ABOUT HASSAN'S RESPONSE TO THE DRUG CRISIS?

[Hassan's] budget veto delayed the increase in drug and alcohol treatment funding that the Legislature approved earlier this year. And her incompetent drug czar has been a complete waste of resources. After sitting on her hands since July, she suddenly thinks the situation so urgent that the Legislature has to spend Thanksgiving holding committee hearings." ~ Union Leader Editorial (11/4/2015)

"Even if you believe that Gov. Maggie Hassan is sincere in her desire to deal with the state's opioid crisis, it's still possible to see her call for a special session of the legislature to deal with the issue as a case of political grandstanding." ~ Nashua Telegraph Editorial (11/5/2015)

"Senate candidate Maggie Hassan is showing a lot more urgency to address New Hampshire's drug problem than Governor Maggie Hassan ever did. Hassan blocked a 75 percent increase in state spending on drug and alcohol programs when she vetoed the state budget. That delayed the state's response by nearly three months." Union Leader Editorial (10/29/2015)

In accordance with Part II, Article 15 of the NH Constitution, members will receive their regular mileage payments for legislative work during the Special Session and will receive an additional \$3 compensation for each Special Session day that may be necessary.

State offices will be closed on Wednesday, November 11th, in observance of Veterans Day.

Please note that state offices will also be closed on Thanksgiving and the day after (Thursday, November 26th, and Friday, November 27th).

OCTOBER REVENUES EXCEED PLAN

The monthly ["Revenue Focus"](#) document from the Department of Administrative Services was published Tuesday. Here are some highlights:

Unrestricted revenue for the General and Education Funds received during October totaled \$113.1 million, which was above the plan by \$1.3 million (1%) and above the prior year by \$3.5 million (3%). YTD unrestricted revenue totaled \$561.5 million, which was above plan by \$19.6 million (3.6%) and above prior year by \$31.1 million (6%).

Business Taxes for October totaled \$24.4 million, which were \$4.4 million (22%) above plan and \$4.1 million (20%) above prior year. YTD business tax collections were also above plan by \$10.6 million (7%) and \$13.8 million (9.7%) above the prior year. According to the Dept. of Revenue Administration (DRA), the increase in revenue as compared to the prior year was comprised of increases in both estimated payments received and tax notice revenue.

Meals and Rentals Tax (M&R) receipts for October came in above plan by \$1.0 million (4%) and above prior year by \$2.4 million (10%), and YTD collections were \$4.4 million (3.8%) above plan and \$8.2 million (7.4%) above prior year. According to DRA, October collections (September activity) from full service restaurants and hotels were up 7% and 13% respectively from the same month last year.

FISCAL COMMITTEE FIX AVOIDS STATE RETIREE HEALTH BENEFIT DEFICIT, PROTECTS OLDER RETIREE FROM GOV'S PLAN

We've received a few questions relative to the modifications the Fiscal Committee recently adopted to avoid a \$10.6 million in the state retiree health benefit system. In September, the governor's proposed plan changes were presented to the Fiscal Committee. They included changes to both medical and pharmacy portions of the plan. As you'll see in the attached chart, retirees would have faced dramatically higher deductibles, higher out of pocket costs, and higher copays. In some cases, deductibles more than doubled.

After careful consideration, the Fiscal Committee adopted the proposed changes to the pharmacy benefits, which included increased copays for prescriptions. These changes alone accounted for \$2 million in savings (of the \$10.6 million projected deficit). These changes applied to both retiree classes, above 65 and below 65.

At their meeting Tuesday, the Fiscal Committee adopted changes to the medical benefits, but only for those retirees under age 65. There were no medical benefit changes for those above 65.

For those under 65, rather than ask them to pay more of their premiums and still face substantially higher costs in deductibles and out-of-pocket maximums, Fiscal chose to keep coverages the same as they currently are - the governor had proposed to increase them significantly - and ask for a higher premium contribution.

The change would require each beneficiary to pay 17.5% of their premiums, up from the current 12.5% and the governor's proposed 15%. This equals about \$164 per month, an increase of \$46 from what they currently pay.

The attached chart compares current benefits and costs compared to those proposed by the Governor. In the right column, you'll see the changes adopted by the Fiscal Committee. If no changes were made to current benefits, it is indicated as "no change".

In addition to these changes, the Department of Administrative Services will use the entire \$5.4m surplus in the retiree health care fund to offset the projected deficit.

The governor's proposed budget for retiree health care was \$5m short of what was then known to be the estimated costs. The governor planned to make up that \$5m shortfall by increasing retiree copays, deductibles and out-of-pocket maximums. In other words, she created half of the problem.

The Fiscal Committee's action is a short-term "fix" - it solves the retiree health care funding issue for 2016 and 2017 without re-opening the budget or spending general funds. Negotiations with the governor's staff did not result in an agreement on implementing a longer-term solution to the problem. However, Reps. Kurk and Ober have filed bills which will bring the issue before the House.

RETIREES OVER 65	CURRENT	GOVERNOR'S PLAN	FISCAL COMM. PLAN
MEDICARE PART A DEDUCTIBLE	\$0	\$500	NO CHANGE
PHARMACY - RETAIL CO PAYMENTS	\$10/\$20/\$35	\$10/\$25/\$40	\$10/\$25/\$40
PHARMACY - MAIL CO PAYMENTS	\$1/\$40/\$70	\$10/\$50/\$80	\$10/\$50/\$80
PHARMACY - MAXIMUM OUT OF POCKET	\$500 IND \$1000 FAMILY	\$750 IND \$1500 FAMILY	\$750 IND \$1500 FAMILY
RETIREES UNDER 65	CURRENT	GOVERNOR'S PLAN	FISCAL COMM. PLAN
PCP CO PAYMENT	\$10	\$15	NO CHANGE
IN-NETWORK DEDUCTIBLE	\$500 IND \$1000 FAMILY	\$1000 IND \$2000 FAMILY	NO CHANGE
IN-NETWORK OUT-OF-POCKET MAX	\$1000 IND \$2000 FAMILY	\$1500 IND \$3000 FAMILY	NO CHANGE
OUT-OF-NETWORK DEDUCTIBLE	\$650 IND \$1350 FAMILY	\$2000 IND \$4000 FAMILY	NO CHANGE
OUT-OF-NETWORK COINSURANCE MAX	\$1350 IND \$2650 FAMILY	\$4000 IND \$8000 FAMILY	NO CHANGE
OUT-OF-NETWORK OUT-OF-POCKET MAX	\$2000 IND \$4000 FAMILY	\$6000 IND \$12000 FAMILY	NO CHANGE
HIGH COST RADIOLOGY	\$150 copayment	Subject to deductible	NO CHANGE
PHARMACY - RETAIL CO PAYMENTS	\$10/\$20/\$35	\$10/\$25/\$40	\$10/\$25/\$40
PHARMACY - MAIL CO PAYMENTS	\$1/\$40/\$70	\$10/\$50/\$80	\$10/\$50/\$80
PHARMACY - MAXIMUM OUT OF POCKET	\$500 IND \$1000 FAMILY	\$750 IND \$1500 FAMILY	\$750 IND \$1500 FAMILY
MONTHLY HEALTH PREMIUM CONTRIBUTION PERCENTAGE / \$ (Retiree Rate)	12.5% \$116.84	15% \$140.21	17.5% \$163.58