



REPUBLICAN REVIEW

THE OFFICIAL NEWSLETTER THE NEW HAMPSHIRE HOUSE MAJORITY OFFICE

Statement from NH GOP Chair Jeanie Forrester on Budget

“The budget produced by House and Senate budget conferees meets three important criteria under the Platform of the New Hampshire Republican State Committee. Specifically, the budget contains no new taxes or fees; reduces the tax burden on job-creating businesses, large and small; and limits the growth of state spending to the rate of inflation plus population growth.

“This budget reflects the strong tradition of sound, conservative fiscal management that Granite Staters have come to expect from the Republican Party. Republicans who support the Party Platform should vote for this Republican budget.”

HOUSE LEADERS APPLAUD COMMITTEE OF CONFERENCE AGREEMENTS ON BUDGET

CONCORD – House Speaker Shawn Jasper (R-Hudson) and House Majority Leader Dick Hinch (R-Merrimack) issued statements following conclusion of the committee of conference negotiations on the final state budget proposal.

House Majority Leader Dick Hinch (R-Merrimack):

“Voters sent Republican majorities back to Concord to continue managing our state in a fiscally responsible manner. This budget, like our current budget, meets the needs of our state, and addresses our priorities. We achieve these goals while continuing to make New Hampshire more competitive by reducing the tax burden on our business community, and reducing electricity bills by repealing a tax on electricity consumption. We’ve already received a high level of positive feedback from House Republicans, and I look forward to working with my colleagues in the House to pass this budget next week.”

House Speaker Shawn Jasper (R-Hudson):

“This is a budget the legislature and the people of New Hampshire can be proud of. This budget provides resources to address the opioid crisis, mental illness, and domestic violence, includes several reforms to state government, and keeping spending in check. We’ve achieved a balance that ensures our citizens will have access to services they need while reducing the tax burden. Members of the House and Senate have worked tirelessly on this proposal which in my opinion makes sense for our state, our communities, and our constituents.”

A Responsible Budget for New Hampshire

Budget lives within our means

- a. Total spending is \$11.727 billion; General Fund is \$4.915 billion
- b. The committee of conference budget relies on lower revenue projections by a total of \$24 million and assumes General Fund revenue growth of only .9 % in the first year and 1.7% in the second year.
- c. As a result spends \$104 million less from Senate Budget in total funds and \$24million less in general funds
- d. Spending is under both the House & Governor’s budgets
- e. There are no new taxes or fees in this budget

Session Notice:

The next House session will be **Thursday, June 22, 2017, at 10:00 a.m.**

Caucus Notice:

There will be a Republican caucus on **Tuesday, June 20th immediately following the budget briefing** in Representatives Hall.

There will be a Republican caucus on **Wednesday, June 21st at 10:00 a.m.** in Representatives Hall.

There will be a Republican caucus on **Thursday, June 22nd at 9:00 a.m.** in Representatives Hall.

Historical Happenings

This week in NH History, the U.S. House of Representatives decided a 17 month dispute regarding the New Hampshire's 1st Congressional District seat. The incumbent Republican Arthur Jenks, a former banker, had won the November election by 550 votes however the election was soon challenged by Democrat Alphonse Roy, a former State Rep. the contested election went through 4 recounts until the New Hampshire Ballot Law Commission finally decided the race for Arthur Jenks by 10 votes. Despite the state ruling in favor of Jenks, Alphonse Roy petitioned the U.S. House Committee on Elections to take up the disputed election. On this week in history, in 1938, during a party line vote in an overwhelmingly Democratic controlled U.S. House, it was decided to award the election to Democratic challenger Alphonse Roy. Given the timing of the U.S. House's decision Alphonse Roy only served in office for less than 6 months before being defeated by Arthur Jenks in the next election.

Notice

Joint Informational Presentation on Amended Budget Bills

Tuesday, June 20, 2017

10:00 a.m.

Representatives Hall

Please join us for this important informational session, at which time we will review the Committee of Conference Reports on HB144 and HB517, the bills containing the proposed state budget. Staff from the Office of Legislative Budget Assistant will be on hand to provide clarification on specific items and to answer questions that may arise. If you are unable to attend in person, we urge you to please listen via live-stream.

[Click here to live-stream Tuesday's budget presentation.](#)



Michael Feeley (R-Concord) is the Republican nominee for the Merrimack District 18 House Special Election. The New Hampshire Young Republicans are hosting a Canvass and Cookout event in Concord on Saturday 6/24 to help out Michael's campaign. If you're interested in helping to turn this seat red you can join the NHYRs for their day of action. All the details for the event are below:

Date: Sat, June 24 at 10 AM - 4 PM

Location: NHGOP Office
10 Water St. Concord, NH

Contact: chair@nhyr.gop

A Responsible Budget for New Hampshire

Promoting job creation through small business tax cuts & lower energy costs

- a. Working to strengthen a business-friendly, competitive state by
- b. Lowering the BPT rates from 7.9% to 7.5% and
- c. Lowering the BET rates from .675% to .5%
- d. Allows small businesses to expense capital purchases up to \$500,000 so they can invest in their business and create more jobs
- e. Eliminates the Energy Consumption Tax entirely to reduce electric rates for ratepayers, including businesses and homeowners
- f. These steps help grow New Hampshire's economy and shows our state is open for business and we want small businesses to grow, create good jobs, and reinvest in their business. We've seen real results already:
 - Unemployment among the lowest in the nation
 - Business tax revenue 12.1% ahead of projection in FY '17
 - NH economy fourth-fastest growing state in the nation

A Responsible Budget for New Hampshire

Growing NH's Rainy Day Fund

- a. Responsibly grows the rainy day fund from \$9 million to \$100.7 million
- b. This protects New Hampshire's bond rating and strengthens our financial position

Meeting the Needs of New Hampshire Citizens

- a. *Heroin and Opioid crisis*: Provides strong leadership and a commitment to solving this problem by:

1. Creates a new youth drug treatment center in Manchester at the underutilized Sununu Youth Services Center
2. Doubles funding to Governor's Commission on Alcohol and Substance Abuse Prevention, Treatment and Recovery (\$14.2m)
3. \$56.8 million going to the Bureau of Drug and Alcohol Services, \$23 million increase over the previous biennium

- b. *Mental Health*: Again, provides strong leadership and takes deliberate action to address the needs of our friends and neighbors waiting for weeks in emergency rooms for mental health treatment by:

1. Adding 60 new beds for community treatment options; and,
2. Adding a fourth rapid response mobile crisis unit to divert hospitalizations for mental health issues

c. Prioritizes families with disabled children

Follows in the Governor Sununu's lead by providing \$57 million more in funding towards the developmentally disabled community and waiting list

- d. **DCYF** – Takes direct and firm action to overhaul a system that has failed to protect kids and provides direction and resources to change the culture within the organization

1. Adds new case workers to deal with caseload capacity
2. Creates an office of the Child Advocate to provide greater oversight and transparency outside of the department
3. Requires the lead attorney to be supervised by the Attorney General, ensuring enhanced effectiveness in prosecutions

Prioritizes education and reducing burdensome student debt by:

- a. Making major investments in NH students by funding \$5 million in student scholarships to attend NH colleges
- b. Encouraging student involvement in STEM by providing grants to schools, partnering with businesses in FIRST Robotics

The filing period for two recently scheduled special elections for state representative ends today.

As of publication time, the following Republicans had filed to run in Rockingham Co. District 4

James E. Devine (Sandown), James F. Headd (Auburn), Anthony S. Rossignol (Chester)

As of publication time, the following Republicans had filed to run in Belknap Co. District 9

Steven R. Whalley (Laconia)

Budget Process FAQs

Several meetings were held last week with House Republicans who had questions about the prospective budget and budget process. Through these meetings we've developed a list of questions that came up frequently, and we felt the everyone could benefit from being able to review the answers.

How does the committee of conference on the budget address abortion funding?

The Senate included in their budget what is commonly referred to as the Hyde Amendment. The House agreed to include this in the committee of conference report. It reads as follows:

“Reproductive Health Care Facilities; Funding Restriction. No state funds awarded by the department of health and human services to a reproductive health care facility, as defined in RSA 132:37, I, shall be used to provide abortion services...”

Currently, there is only a rule that says state funds cannot be used for abortion services. This amendment codifies it in law that state funds cannot be used for abortion services.

- Rules have the force of law if validly adopted and filed. Unless specifically exempted by statute, New Hampshire agency rules must be adopted and then filed according to a rulemaking process contained in the Administrative Procedure Act, [RSA 541-A](#), with oversight by the JLCAR. Otherwise, as stated in [RSA 541-A:22](#), I, the rules are not valid or effective nor may they be imposed by the state upon anyone for any purpose.*

What is a lapse and why can't we cut them?

A lapse is a portion of an agency budget that is assumed will go unspent. With employee turnover, vacant positions, varying costs, etc. lapses are built into the budget to ensure that budget writers - and readers - know that a small portion of the total money allocated to an agency, usually around 3%, will come back to the state.

Agency heads are required to aggressively manage their budget to meet (or exceed) their lapse goals so the state budget will remain in balance throughout the biennium. Sometimes, but not often, lapse dollars have been applied toward operating deficits in agencies. But this is an exception, and not a regular or acceptable practice.

Lapses show up in our budget as appropriations in our budget bills even though they are not authorized to be spent.

Lapses are not pretty (or make much sense) to many of us, but our state budget and many other local and county budgets use lapses and have for decades.

What does USNH funding go to?

In this budget, the University System of NH is level funded, which means they will receive the same amount of funding as they did in the '16-'17 FY Budget. This money does not solely go to UNH, but also Granite State College, Keene State, and Plymouth State.

When the state allocates money in their budget to USNH, it can only be spent on two things through the colleges: offset tuitions for in-state students and to support statutory programs, such as the NH Cooperative Extension. The funds appropriated to USNH do not cover projects such as buildings, stadiums, scoreboards, or tables. Those are funded through the colleges' own fundraising efforts. In the case of some projects, such as academic buildings, they are funded through the NH capital budget (HB25.)

Why are some saying there is a 10% General Fund increase and some are saying some other percentage?

The General Fund refers to revenues accruing to the state from taxes, fees, interest earnings, and other sources. The Education Trust Fund funding comes from a variety of sources, including the statewide property and utility taxes, incremental portions of existing business and tobacco taxes, sweepstakes funds, and tobacco settlement funds. Therefore, in order to consider the part of the budget that is paid for directly by state taxpayers, it is fair and accurate to include the General Fund and Education Trust Fund together as a unit.

Some folks chose only to look at the General Fund, which resulted in a higher percentage. The General Fund alone represents about 26% of the entire state budget.

Most sources chose to look at the General Fund and Education Trust Fund as a unit based on their source, use, and purpose, and got a lower but more realistic number.

Why is there no Interest and Dividends tax cut in this budget?

This budget will include cuts to the Business Profits Tax and the Business Enterprise Tax, and increase to business tax deductions (Section 179). We must be responsible with how we cut taxes in order to not have a dramatic reduction in our revenue at once. By responsibly lowering these taxes and slowly allowing them to take effect, it will both stabilize our revenue stream and spur economic growth.

There will be no I&D tax cut in this budget. However, many House Republicans firmly believe it should be cut, if not repealed all together. This is why Republicans in the House and Senate sponsored a bill this year to phase out this tax over a 4 year period and repeal it on January 1, 2022. It was retained in House Ways and Means so they can have time to figure out if this is the best solution to accomplish the goal.

Are there other tax cuts in the budget?

Yes. The conferees agreed to repeal of the Electricity Consumption Tax. New Hampshire has some of the highest electricity rates in the nation. One way we can reduce costs is to repeal the electricity consumption tax. This will achieve two important Republican agenda goals of reducing electric bills and reducing the tax burden. By repealing this tax, \$6 million per year will remain in ratepayers' pockets rather than fund government.

Does this budget include all anticipated funds?

No. This budget does not include some federal funds that may come in, mainly because we don't know the definite amount that will be sent to the state. Congress can make changes to this at any time, and we don't want to make changes to our budget based on what Washington may or may not do. We can anticipate a certain amount of federal dollars coming to the state, but as past practice, they will go before the Fiscal Committee for approval. It is a regular and common practice for the Fiscal Committee to review requests by agencies to accept both anticipated and unanticipated Federal dollars throughout the year.

Any federal funds that require a match by the state are included in the budget.

Will the Committee of Conference budget be higher?

No. The Senate passed version of the budget spent less than the House Finance committee proposed budget. The committee of conference budget spends less in total funds and less in general and education trust funds than both previous versions.