



REPUBLICAN REVIEW

THE OFFICIAL NEWSLETTER THE NEW HAMPSHIRE HOUSE MAJORITY OFFICE

REPUBLICANS UNITE, DELIVER FISCALLY RESPONSIBLE BUDGET TAX CUTS, TAX REPEAL, FUNDING FOR STATE PRIORITIES

"This is a great win for the state of New Hampshire," Speaker Jasper said at a press conference held during the session lunch break on Thursday. "This budget will do a lot of good things for the citizens."

The House voted 198-169 in favor of the \$11.7 billion 2-year spending plan for the State of New Hampshire contained in HB144, and 212-161 in favor of HB517, the trailer bill containing policy and tax reforms to accompany the budget. Both bills passed the Senate on a party line vote.

93.2% of House Republicans supported HB144. 96.7% of House Republicans supported HB517.

Budget highlights can be found on page 3.

House Majority Leader Dick Hinch said in a statement release after the vote, "Voters sent Republican majorities back to Concord to continue managing our state in a fiscally responsible manner. This budget meets the needs of our state and addresses many of our top priorities. New Hampshire will be more competitive by reducing the tax burden on our business community and reducing electricity bills by repealing a tax on electricity consumption. Republicans united today to keep promises made during the campaign, and we delivered."

This budget provides increased resources to address the opioid crisis, mental illness, domestic violence, and includes several reforms to state government while keeping spending in check. We've achieved a balance that ensures our citizens will have access to the services they need while reducing the tax burden. Members of the House and Senate have worked tirelessly on this budget, which in my opinion makes sense for our state, our communities, and our constituents," added Speaker Jasper in a statement.



"The bottom line, my constituents get a lot out of this budget," Rep. Lynne Ober told the Union Leader.

"This budget benefits all the people of New Hampshire," Rep. Neal Kurk said in a Union Leader interview. "It's affordable to state taxpayers because it lives within its means. There are no new taxes and no increased taxes."

The new fiscal year starts July 1, which is also the effective date of the budget bills.

State offices will be closed on Tuesday, July 4th, in observance of Independence Day.

The 2017-2018 Manual of General Court "Black Book" is available for pick up in the House Clerk's Office. The 2017 Manual for the General Court (Red Book) is now available. House Members are entitled to three (3) copies, which may be picked up at the member's convenience this summer in the Secretary of State's Office.

WINANT STATUE TO BE DEDICATED NEXT WEEK

House Calendar Notice: *On Friday, June 30th at 10:00 a.m., the memorial in front of the NH State Library to Gov. John Winant will be dedicated. Gov. Winant was New Hampshire's first three-term governor. A lifelong republican, he was appointed in 1935 by President Franklin Roosevelt, a democrat, to be the first director of the Social Security Administration. In 1941, President Roosevelt appointed him to be the US Ambassador to England. He served in that position until the end of WWII. He died at his Concord home in 1947. Please join us in honoring this remarkable NH citizen.*



Special Election Round-Up

Up Next:

Merrimack District 18 (Concord W 9)
Election Day: July 25, 2017
Republican Nominee: Michael Feeley

Grafton District 9 (Alexandria, Ashland, Bridgewater, Bristol, Grafton)
Primary: July 18, 2017
Election Day: September 5
Republicans Filing: Paul H. Simard, Vincent Paul Migliore, Timothy F. Sweetsir, Burton W. Williams

Belknap District 9 (Laconia, Belmont)
Primary: None. (Only 1 candidate filed in each party)
Election Day: September 12, 2017.
Republican Nominee: Steven R. Whalley

Rockingham District 4 (Auburn, Chester, Sandown)
Primary: August 8, 2017
Election Day: September 26, 2017
Republicans Filing: James E. Devine, James F. Headd, Anthony S. Rossignol

Hillsborough District 15 (Manchester Ward 8)
Primary: September 19, 2017
Election Day: November 7, 2017
Filing Period: June 26-30, 2017

Historical Happenings



Photo: Eisenhower delivering his address before Old Man.

On June 24, 1955 President Dwight D. Eisenhower visited the Granite State to celebrate the 150th Anniversary of the discovery of the Old Man of the Mountain. President Eisenhower was joined on his trip by Governor Lane Dwinell, Senator Styles Bridges, and Senator Norris Cotton (as an aside both Gov. Dwinell and Sen. Cotton are former House Speakers). In his address Eisenhower stated that "we seek the knowledge and the thinking of the past that we may bring it together--here today--and help forward...that great progress that I am certain the Old Man of the Mountain yet hopes that mankind will achieve: that objective of peace on earth, goodwill to men." This weekend marks 62 years since the Old Man's birthday bash that brought our nation's leaders to Franconia, NH.

[Click here to read Eisenhower's full speech.](#)

BUDGET HIGHLIGHTS

There is a high volume of great things in the Republican state budget passed this week. We wanted to share some of these with you, and they are included below. We can't fit everything in these talking points, so we encourage you to scan through the Committee of Conference Budget Briefing document available here:

http://www.gencourt.state.nh.us/LBA/Budget/operating_budgets/2018_2019/CoC/C%20of%20C%20Budget%20Briefing%206-20-17.pdf

If you have any questions on budget facts or details not explicitly listed in this newsletter or the briefing document, please let us know. We're happy to find answers for you.

FISCALLY RESPONSIBLE SPENDING LEVELS

Total spending is \$11.727 billion; General Fund is \$4.915 billion. 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. As a result spends \$104 million less from Senate Budget in total funds and \$24million less in general funds. Spending is under both the House & Governor's budgets. There are no new taxes or fees in this budget. FY2019 General fund spending will be \$85 million LESS than General Fund spending in FY2009.

Responsibly grows the rainy day fund from \$93 million to \$100.7 million to protect New Hampshire's bond rating and strengthens our financial position.

BUSINESS TAX RELIEF

Promoting job creation through small business tax cuts & lower energy costs. Working to strengthen a business-friendly, competitive state by lowering the BPT rates from 7.9% to 7.5% and lowering the BET rates from .675% to .5%. Allows small businesses to expense capital purchases up to \$500,000 so they can invest in their business and create more jobs. 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.

In 2015, then Governor Hassan claimed that the business tax cuts contained in the proposed budget would blow a \$90 million hole in future budgets. With one of two tax reductions in place, we've seen a growth in revenue, not a hole. The second prescribed tax cut is scheduled for 2018, and the new proposed budget would lower the business tax rates again in 2019 and 2021. Our ability to compete in business and job retention and recruitment rests in our ability to match or exceed tax and other benefits the state offers. This budget sets us further down the path of that goal.

The Tax Foundation still rates New Hampshire 46th when looking at corporate tax rates. Business tax relief, and a responsible implementation plan as set forth in the budget will continue to build our state's resume of pro-growth tax policies. We've seen real results already including unemployment among the lowest in the nation, business tax revenue 12.1% ahead of projection in FY '17, and NH's economy fourth-fastest growing state in the nation.

ELECTRICITY CONSUMPTION TAX REPEAL

Eliminates the Energy Consumption Tax entirely to reduce electric rates for ratepayers, including businesses and homeowners

A primary goal of this legislature is to reduce the cost of electricity. With a complex set of mandates, and a multi-state regional grid determining rates, driving down rates can't happen instantly. An immediate course of

action we can take right now is to reduce an unnecessary tax on electricity consumption. Every electricity customer will see some benefit, and our larger commercial and industrial power users will see more.

HEALTH AND HUMAN SERVICES

Overall Funding

Health and human services receives more funding in this budget than in any prior one: \$4.8 billion, up 7.0% from the \$4.4 billion in the current budget.

Mental Health

Adds \$22.6 million in total funds over the biennium for the provision of mental health services, including a Medicaid wraparound benefit for children with severe emotional disturbances, 20 designated receiving facility beds, 20 transitional step-down beds in FY 2018 and 40 such beds in FY 2019, a mobile crisis team and related apartments.

Opioid Crisis

Increases funding for the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment, and Recovery from 1.7% to 3.4% of the prior year's gross Liquor profits.

Family Planning

Requires the DHHS Commissioner to establish and utilize a competitive bid process for family planning Services. Prohibits state funds awarded to reproductive health care facilities to be used for abortion services.

Work Requirement for Medicaid Expansion

This provision, like the one included in HB1696 (2015), protects taxpayers and provides a incentives for childless, able-bodied citizens to participate in the workforce if they are to be enrolled in the program. Our state needs workers, and this creates a pathway between program participants and our business community looking to fill jobs in this growing economy.

Developmentally Disabled

Appropriates \$250.1 million in FY 2018 and \$260.9 million in FY 2019 for developmental services, an increase of \$57 million over FY 2016 actual expenditures and FY 2017 adjusted authorized amounts.

Service Provider Pay Raise

Allocates \$19.8 million over the biennium in the form of rate increases to direct care providers.

Sununu Center

Adds \$8.7 million over the biennium for increased provider rates and additional bed capacity for nonviolent youths so they may be more appropriately served in the community instead of the Sununu Youth Services Center (a secure institutional setting). Also, reduces the Sununu Center's budget by over \$6 million over the biennium. Combined, these changes result in a general fund savings of \$1.3 million over the biennium from the Governor's recommended level.

Allocates \$2 million of unspent FY 2017 appropriations to the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment, and Recovery for the construction of a substance abuse wing at the Sununu Youth Services Center

DCYF

Provides funding for 20 additional child protective services workers, implementing recommendations made by the independent assessor's DCYF report issued in December 2016. Creates an Office of the Child Advocate providing independent oversight of the DHHS Division for Children, Youth, and Families to assure that the best interests of children are being protected. \$4.4 million for rate increases to the "board and care" and "board and care and education" rates for residential service providers serving clients of the Division of Children, Youth, and Families. Establishes an Associate Commissioner position with responsibility for overseeing the Division for Children, Youth, and Families.

Domestic Violence

Adds \$500,000 per year over the Governor's budget for domestic violence crisis centers, an increase of 33% over last biennium.

EDUCATION

Increased funding for charter schools

Charter school funding increases under this budget by \$250 per student in FY18 and \$375 per student in FY19 bringing the total funding per student to \$3,411 throughout the biennium.

Establishes the dual and concurrent enrollment program

This program means that courses taught at a high school by teachers approved by the Community College System of NH, or instructors from the CCSNH, in which students earn high school and/or college credit while they are still enrolled in a high school or career technical education center. It appropriates \$850,000 in FY18 and \$950,000 in FY19 out of the Governor's Scholarship Fund, which will provide up to \$250 per STEM related course.

This program assures all NH 11th and 12th grade students the opportunity to enroll in and complete quality post-secondary college credit in science, technology, engineering, and math (STEM) courses regardless of where students live in NH and at no cost to the student. This initiative is implemented with the additional goals of increasing participation rates in post-secondary education; retaining more students in NH upon high school graduation; increasing two and four year degree attainment rates; strengthening connections to businesses through alignment of course and program content with manufacturing, information technology, hospitality, and healthcare needs; and thereby enabling NH to better meet workforce challenges.

Eligible high school students participating in approved high school classes taught by a public school teacher will receive high school graduation credit and college credit simultaneously.

Level funding of the University System of NH

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, etc.

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.)

Increased funding to our Community College System

This budget increases the funding for the Community College System. It provides approximately \$96 million over the biennium for the Community College System of New Hampshire, an increase of \$7.3 million over the current biennium.

Governor's Scholarship Program

This budget establishes the Governor's Scholarship Program which appropriates \$5 million over the biennium to scholarships for the benefit of eligible residents of the state who are pursuing programs of study or training at a postsecondary educational institution or training program within the state. This scholarship program is designed to keep graduating high school students in the state.

Additional highlights:

- Fully funds adequacy
- Provides approximately \$45 million to school districts over the biennium in special education aid (formerly catastrophic aid)
- Provides \$14.8 million in career and technical education (CTE) tuition and transportation aid to school districts.
- Creates a new Robotics Education Development Program and provides \$375,000 in grants to public schools for establishment a robotics team and participation on competitive events.

WEYLER: This Budget is Platform Compliant

On Monday, Finance Committee Div II Vice Chair, Rep. Ken Weyler, who served as Finance committee chair in 2011-2012, and was an alternate in this year's budget committee of conference send the following email to House members and activists.

Fellow Reps and Friends,

I've heard a lot of back and forth over the last few weeks about what makes a good budget. No budget will ever be perfect to every single member of the House. I've served in the House for 15 terms, many of these as a member of the House Finance committee, and I can tell you there are plenty of things in this budget that we should embrace and be proud of as Republicans.

I've scanned through the Republican Party Platform and have found a number of areas where this budget meets or exceeds the expectations set forth in the "application of principles" section. There are probably more than what is listed here, but I wanted to share these main points with you.

I hope you'll join me in supporting the Republican budget proposal on Thursday. Vote YES on the committee of conference reports on HB144 and HB517.

PLATFORM: Keep state government lean to allow lower business taxes

By maintaining responsible spending levels, the committee of conference budget builds in important business tax rate reductions and an increase in a valuable business tax deduction:

Reduction in the BPT from 7.9% to 7.5%

Reduction in the BET from 0.675% to 0.5%

Section 179 deduction limit is increased 5 fold, from \$100,000 to \$500,000

By the way, there is an additional business tax rate reduction already in law that is set to take effect on July 1, 2018. In the last budget, we passed the first BET/BPT tax cuts in 20 years. With the passage of this budget we

can add even more to Republicans' resume of pro-growth tax policies.

PLATFORM: Strongly oppose new taxes and fees, including an income, sales and capital gains tax

The committee of conference budget contains no new taxes or fees.

PLATFORM: Limit the growth of state spending to not more than the rate of inflation plus population growth

According to Rep. Kurk's blurb, over the 2-year biennium, this budget authorizes spending of \$11.72 billion in total funds, up 4.1% from FY16-FY17. This is a budget-to-budget comparison, comparing appropriations in the budget bills passed in 2015 to those proposed in HB144 and HB517 this year.

The Kiplinger Letter, a reputable economic forecast journal, reports that inflation is expected to be 2.1% in 2018 and 2.1% in 2019. Using population projection data from the Office of Energy and Planning, from 2015-2020 the state population is expected to rise by 1.45%, for a yearly average of 0.29%. It's safe to say inflation plus population growth over the 2-year biennium can be estimated at 4-5%.

PLATFORM: Oppose "downshifting" of costs and regulatory enforcement from state to local government

The committee of conference budget does not downshift costs to local or county governments.

PLATFORM: Work to reduce energy costs

The committee of conference budget REPEALS the electricity consumption tax. By repealing this tax, \$6 million per year will remain in ratepayers pockets rather than fund government. This tax repeal will have a direct effect on lowering electric bills.

**PLATFORM: Justify expenditures against measurable benefits
Prioritize programs to ensure effective spending**

Republican members of the House and Senate Finance committees have spent months reviewing and evaluating the merits of every government office and program, and prioritize spending. The committee of conference has adopted recommendations from both the House and Senate proposals, and incorporated additional provisions of their own to ensure the budget is sound, promotes efficiency, and invests in our state in a way that will improve our quality of life without tax increases.

**PLATFORM: Sunset programs and regulations to force periodic reevaluation
Promote personal responsibility and consequences for one's actions**

The committee of conference budget includes a strong work requirement for expanded Medicaid recipients. When HB1696 passed in 2015, the bill contained a requirement that those enrolled in the program be engaged in one or more activities that move them into, or keep them in the work force. That work requirement was not approved by the Obama administration. With new a new administration in Washington and a new CMS director, future waiver applications will likely be received differently.

This provision is stronger than the one included in HB1696, as it protects taxpayers and provides incentives for able bodied citizens to participate in the workforce if they are to be enrolled in the program. Our state needs workers and this creates a pathway between program participants and our business community looking to fill jobs in this growing economy. This is a strong personal responsibility measure. In addition if the work requirement is not approved the program will sunset.