

MAJORITY REPORT

Volume 1 Issue 11

April 15, 2005

From the desk of the Majority Leader



Perhaps the most important session of the legislative year will take place this coming Wednesday on the floor of the House. We face important decisions with regard to Education Funding, the Budget and a Medicaid modernization program.

After many long hours, the Finance Committee has completed its work in all three areas and we now have the opportunity to move this legislation into its next phase—a hearing before the State Senate.

With the passage of HB535, relative to the tobacco tax, the Ways & Means Committee provided Finance with the funds necessary to balance the budget. After much debate, they agreed upon a 28-cent increase in the cigarette tax—money crucial to reaching a balanced budget. Neither the current law nor any other education funding plan being considered could be funded without this important revenue stream.

The Finance Committee, along with the Health, Human Services & Elderly Affairs Committee passed a bill that takes a big step toward modernizing Medicaid in New Hampshire. HB691 closes several loopholes in the financial eligibility requirements so that individuals cannot hide their assets in order to become Medicaid eligible. We need to pass Medicaid improvements and modernization now, to save the life of the program for the future, and to sustain a strong health care system for the State. Although some were concerned that the long-term impacts could not

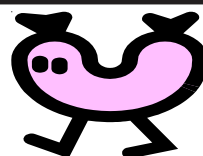
NOTE: There will **NOT** be a House session on 4/27...There **WILL** be a session on 5/4 at 1:00 PM.

be quantified, resulting in a decision at one point to retain the bill in committee, at the end of the process the majority of the Finance Committee felt that we needed to pass this bill to bring financial integrity to the program. This will ensure that Medicaid is used by those for whom it was intended.

We expect a very busy session on Wednesday and we intend to stay in session until all of our work has been completed. During the lunch hour break, we invite our Republican members to join us for a Majority Office “Hot Dog Social” in the Upham-Walker House.

It is time now, more than ever, for the Republican Party to put aside philosophical differences and come together to support the committee reports on Medicaid modernization, education funding, the Budget, and the necessary Tobacco Tax increase. You will be contacted by the Majority Office over the next few days seeking your support. I hope we can count on it.

Michael O'Neil



**The Majority
Office
invites you
to a *Hot Dog Social*
Wednesday, April 20 during the
lunch-time break from the House
session at the
Upham-Walker House**



The Majority Office **SUPPORTS** the committee report on these bills:

HB 1-A

Relative to making appropriations for expenses of certain departments of the state for fiscal years ending 6/30/06 and 6/30/07. It came out of **Finance, OTP, 12-8**. We support the committee report because:

Relative to making appropriations for expenses of certain departments of the state for fiscal years ending 6/30/06 and 6/30/07. It came out of **Finance, OTP, 12-8**. We support the committee report because:

- The amended version restores many of the initial cuts that were made.
- It provides for lean, but operative budgets for the smaller state departments.
- Finance accepted the more efficient of the proposals for caring for the most needy.
- This bill keeps state government functioning well for the next two years.

HB 2-FN-A

This bill contains statutory language enabling the appropriation and revenue decisions made in HB-1-A. It came out of **Finance, OTP, 19-2**. We support the committee report because:

This bill contains statutory language enabling the appropriation and revenue decisions made in HB-1-A. It came out of **Finance, OTP, 19-2**. We support the committee report because:

- It contains the changes to the laws of NH needed to support the state budget.
- It contains sections needed to approve a balanced budget.

HB 616

Relative to the education property tax and the education equity tax. It came out of **Finance OTP, 12-9**.

We support the committee report because:

- This is a “compromise” Education Funding Plan that utilizes the “education equity” index to target state aid to communities that need the most help.
- It includes \$48M in transition grants to ensure a responsible transition.
- Under current law the state will be required to spend more than \$500M next year on education aid.
- It is critical that we keep the process going and come to an agreement on a meaningful plan that we can pass along to the Senate.

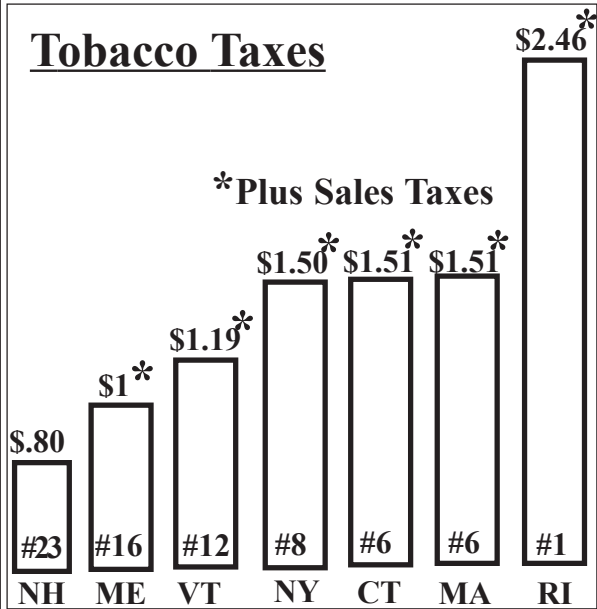
HB 535-FN-A

This bill would raise the tobacco tax by 28 cents. It came out of the **Ways & Means Committee, OTP, 17-5**. We support the committee report because:

This bill would raise the tobacco tax by 28 cents. It came out of the **Ways & Means Committee, OTP, 17-5**. We support the committee report because:

- This revenue stream is necessary to fund the education plan.
- It does not harm the NH Advantage because the states around us are still at least 20% higher, **plus sales taxes**.

Tobacco Taxes



NH would still be ranked as the 23rd lowest tobacco tax in the United States.

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