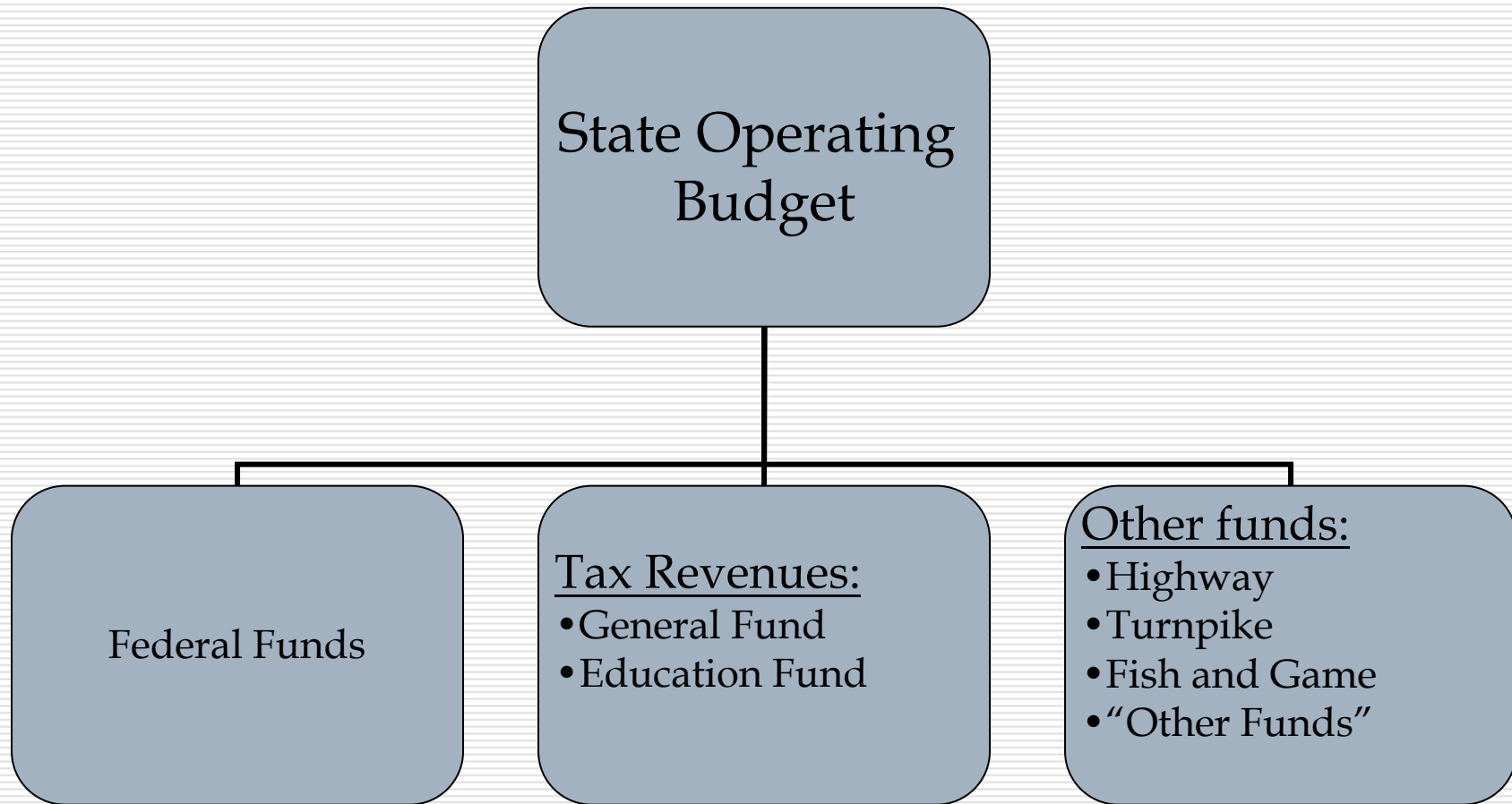


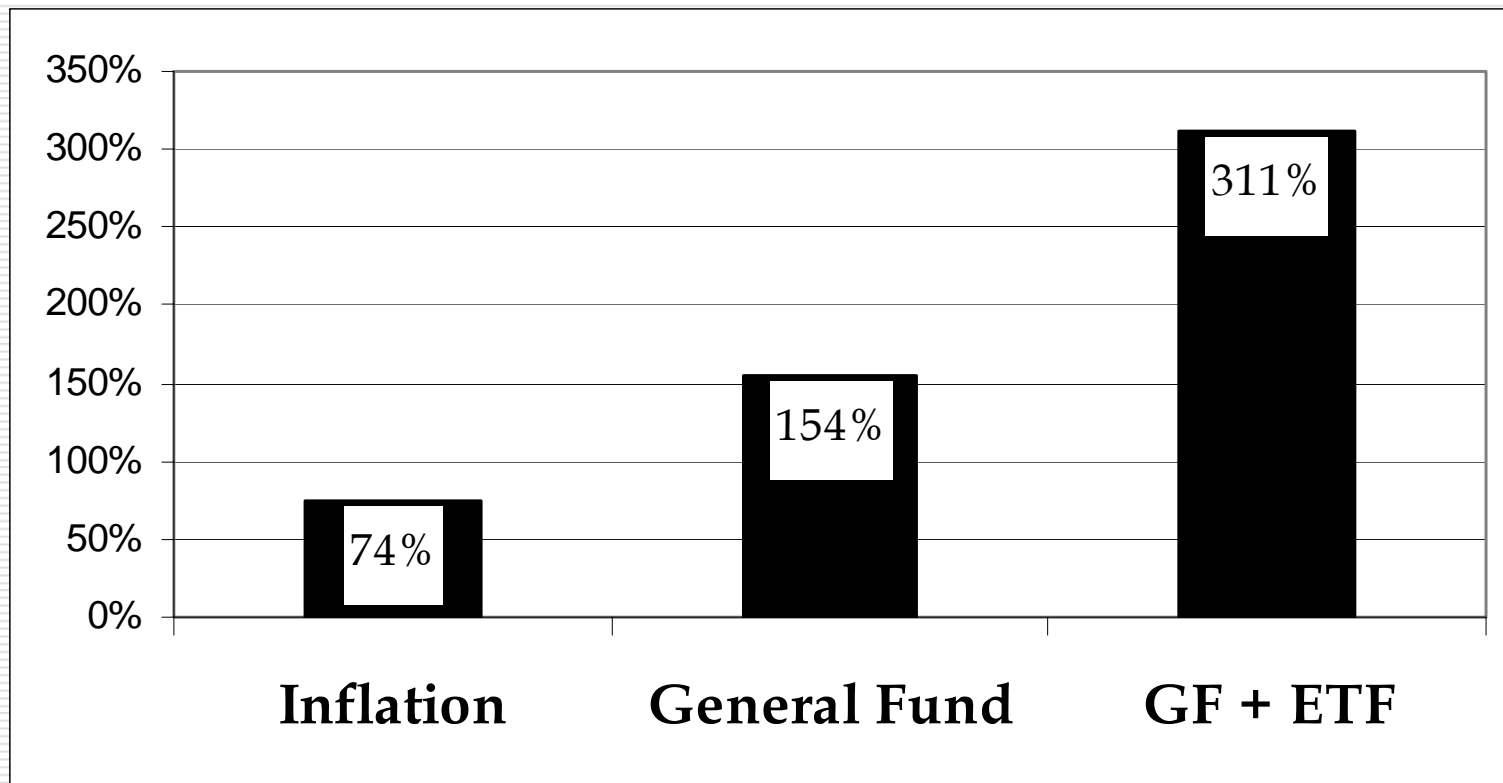
It's Only Money

Spending Pressures and the New
Hampshire State Budget

New Hampshire Operating Budget



Growth 1989-2009



Current Problem: 2010-2011

- ❑ 2009 is part of 2010-2011
 - ❑ Revenue Shortfall - \$40 million (x2?)
 - ❑ ARRA Shift - \$18.4 million
 - ❑ JUA case - \$110M (3 years/2 years)

 - ❑ Likely Problem 2010-11 = \$208M
-

The Next \$627 Million Problem

- ❑ Planned FY2011: $\$2497 - 2309 = 188$
 - ❑ Begin 2012-13: $189 \times 2 + \$376M$

 - ❑ One-time spending reductions:
 - Bonding, Municipal, M&R freeze, OPEB, personnel, temp. retirement.
 - Two year total: \$251 million

 - ❑ Starting Point for 2012-13: \$627 Million Deficit
-

Just Grow

- ❑ Can we grow our way out of the current problem?
 - ❑ “If revenues return to historical levels in terms of their growth...we’ll then be on an even keel going forward”
 - ❑ 4% growth = \$92M in 2012
 - ❑ 3/3 tax/spend is \$18 million worse
-

Spending Strategies

Hunt and Peck

or

Directed Management

The Peterson Problem

Strategies and Suggestions

- Peterson problem - pressure
 - Coalitions beat politics
 - Nothing is too small
 - Victory at the margins
 - Roller Coaster management
 - Strict rainy day fund
 - Better Balanced Budget Bill
 - Transparency
-