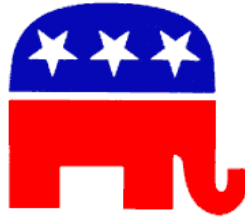


Republican Report

“Over the years, this place has become my second family.....because friendship goes beyond party lines.”
—Mike Whalley



Volume 2, Issue 14

April 11, 2008

A message from the Deputy Republican Leader.....

At a press availability following his meeting with the Executive Council this week, Gov. John Lynch was asked if any new revenue or taxes could be in the offing considering the financial crisis (i.e. *Perfect Storm*) that the state is currently facing. His response certainly lent credence to the what Republican leadership have been saying all along—that the Democrats are leading New Hampshire down the path toward a broad based tax with their excessive spending, regardless of any pledge that their governor may have taken.

The governor’s response to the media was clear, “Well, I am going to be looking at everything.” Leaving “everything on the table” in dealing with the state’s huge deficit is a complete turnaround from the governor’s inaugural address in January of 2007 when he said, “*the state should meet that responsibility without fundamentally changing our tax structure, particularly without a sales or income tax.*” This latest flip-flop is reminiscent of the one taken by former Governor Shaheen in 1999 when she signed into law a statewide property tax—the first statewide tax in New Hampshire! If you recall, she also took the pledge against a broad based tax and then turned around and supported a state sales tax. *Deja vu?*

Speaking in a report aired on NHPR, our Republican Policy Leader, Gene Chandler, said, “The last thing we need anytime, but especially in this economy, is taxing our citizens more and increasing the fees that they pay. We’ve done that enough in the last year and we don’t need to do it anymore.” I wholeheartedly agree with Rep. Chandler..

The governor’s agency heads, appearing again this week before House Ways & Means to update revenue estimates, conveyed numbers that were not much different from what Rep. Norm Major had projected a week ago when he warned that the state was facing a shortfall of as much as **\$240** million over the biennium. Just a

month ago, those same agency heads projected a deficit of somewhere between **\$151M** and **\$204M**. This week they increased those projections to between **\$222M** and **\$267M**, which also concurs with Rep. Major’s revised anticipated deficit of **\$262M—more than a quarter billion dollars!!** Even worse, those numbers could grow larger depending upon the April revenue numbers—primarily the Interest & Dividend taxes and the state’s Business taxes. Despite holding this information, and despite the request of the speaker to bring them to the floor of the House, the chair of Ways & Means, Rep. Susan Almy, has chosen not to present the revenue figures to the House this month. Needless to say, we want to make sure that our caucus is aware of the growing problem.

To compound our financial crisis, this week the House Education committee approved the new school funding formula and added nearly \$2 million, raising the price tag to approximately **\$916M**. SB 539, in its current form, is patchwork—first, costing an adequate education, then targeting fiscal disparity aid to correct the original bill’s effect of sending far less aid to our poorer towns than they currently receive, and then again amending the bill to send a halfhearted, short term, inadequate “transition aid” to those working class towns that unreasonably lose money under this legislation. SB 539, as voted out by the Education committee, will increase state grants for

In Memory
MICHAEL D. WHALLEY
1953-2008



**Our leader,
our colleague, and
our friend.**

—continued on page 2



Legislative Update

During the past week, leadership has signed-in, testified and taken a position on a number of bills being heard in committee. Here is a complete list of those bills:

Commerce

SB 312—relative to insurance coverage for obesity and morbid obesity. (**oppose**)

SB 500—relative to certain insurance fraud, relative to workers’ compensation for employee leasing companies, and establishing a task force on employee misclassification. (**oppose**)

Education

SB 374—relative to the process for nonrenewal of teacher contracts. (**oppose**)

Executive Departments & Administration

SB 210—relative to making various changes to the regulation of plumbers and water treatment technicians by the board of licensing and regulation of plumbers. (**oppose**)

—Message

continued from page one

education from \$527M per year this biennium to \$625M per year over the next biennium.

The Education committee also passed **HB 530**, a heavy-handed, “Big Brother” approach to implement mandated public kindergarten in twelve NH communities. Full state funding for kindergarten is necessary, both because it is a new mandate under *Article 28-A* and because it is now part of the definition of an adequate education. This bill only funds 75% of the construction costs for new standard classrooms and less than full operating costs of the estimated 41 new classrooms needed to satisfy the mandate. As a result, this bill would increase education spending by more than \$20 million with no anticipated increase in kindergarten attendance in either these towns or across the state. Both of these Education bills will be coming to the floor of the House on the 16th.

This week the Senate will be hearing a couple of bills that we would like Republicans to oppose in committee. **HB 1472**, a Work Force Housing bill that usurps local planning and zoning prerogatives, will have a public hearing before Public & Municipal Affairs (Apr. 18th-2PM, Rm. 101, LOB). This “one-size fits all” legislation does not take into consideration the fact that many of our smaller

communities do not have the infrastructure to accommodate multifamily and/or high density single family work force housing. Rural communities without the funds

to fight this measure, would be forced to give in.

The House Commerce committee will hold a public hearing on **SB 301** (Apr. 15, 11AM, Rm 302 LOB). This legislation would require insurers to cover prescriptions for durable medical equipment filled near the patients residence. This is yet another insurance mandate passed by Democrats! We would ask Republicans to sign-in opposing both bills at their Senate hearings.

SB 528 will also be coming to the floor of the House next week. The majority of the Environment & Agriculture committee took a pretty good bill from the Senate, rejected an amendment that cleaned up some language and ensured that there would be no incentive and then passed their own amendment which added a bounty of \$5 per recycled mercury thermostat to increase recycling rates. This “bounty” will be paid by the manufacturers but ultimately borne by the consumers who purchase thermostats. We ask that you oppose the amendment, but support the bill on April 16.

We will be holding a Republican Caucus prior to the House Session at 9 a.m. on April 16th in LOB Rooms 305-307. If you have any concerns with regard to legislation that will be coming to the floor of the House that day, please bring them to the caucus. As always, our office is always open should you need to discuss any issue with our leadership team.

