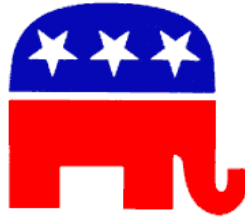


Republican Report

“By adopting the Democrats’ inflated revenue estimates, we are setting the state up for the Perfect Storm”
—Rep. Norm Major, April, 2007



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February 6, 2009

A message from the Republican Leader....

This week we will finally hear from Governor Lynch on what his plans are for the budget crisis. It will be, without question, the most important speech that he has delivered in his political career. He certainly missed a golden opportunity through **HB 30** to make some real hard decisions that would have helped get us on the road to fiscal recovery in New Hampshire. In the end, the problem with that piece of legislation is not what *was* in it, but rather what *was not* in it.

The governor clearly could have, and should have, done something more than cutting \$16.5M and now, in his budget address, he has an opportunity to show real leadership. The morning following his address I hope that the taxpayers of this state will be reading about some real hard and fast solutions offered by the governor as to how his administration intends to deal with a deficit that came in large part as result of overspending and overexaggerated revenue figures by his own party. I look forward to what he has to offer in the way of solutions that will help us ease our way into the 2010-2011 budget.

On the subject of **HB 30**, I would like to thank the vast majority (70%) of our caucus who stood with Republican leadership and voted in favor of it’s passage. While it in no way solves our problem, it clearly is a step in the right direction. As Rep. Kurk, our policy leader for Finance, pointed out in our caucus, it is a pretty “insipid” bill. It removed \$16.5M off the deficit in ways that does not cut any existing program. We

took \$6.6M from existing dedicated funds *without* affecting their programs. We also took back \$5M of the \$6.75M in General Fund money that we gave to the Highway Fund for 2009. A true reduction took place when we reduced the appropriation for the judicial branch by \$441,000. The legislature is giving back \$700,000 but those monies are coming out of a surplus fund with no impact on employees or services.

Much of this could have been accomplished at the end of the session—within the budget—but the governor chose to do it now. He had an opportunity to put in some true savings but for some reason chose to put those decisions off once again. The problem is that now, it will be very difficult in the remaining three months of the year to make cuts without decimating programs. We will be watching and listening closely to the governor’s budget address.

There are two major issues facing us within the next few days that are clearly Republican issues. The first is **CACR 2**, the constitutional amendment on education funding that we have submitted for the last three sessions. The measure provides that the legislature shall define standards for education, determine the level of state funding thereof, establish standards of accountability, and allocate state funds in a manner that mitigates disparities in educational opportunity and fiscal capacity, provided that a reasonable share of state funds shall be distributed on a per pupil basis. I would like to thank those of you who took the time to attend the public hearing and sign-on in support of this measure.

The second major issue where we need to make our voices heard deals with the free and reduced lunch part of the education funding bill passed last year. When this legislation was developed, monies were added, depending upon resources needed, for special categories of students: English language learners; special education; and free and reduced lunches. When it came to the free and

Republican Caucuses

Thursday, Feb. 12, 8:45 a.m.

—Rooms, 305-307, LOB



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—Message

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reduced lunches, the *number* was based on the concentration of students in a school. **HB 521**, currently in the House Education Committee, will amend the calculation of the cost of an adequate education by providing additional per pupil differentiated aid to schools in which at least 12 percent of pupils are eligible for the federal free or reduced-price meal program. The applicable dollar amount will be multiplied by the *average daily* membership (ADM) of eligible pupils in the school rather than the ADM of **all pupils** in the school—a savings of \$141M.

In New Hampshire there are 36,000 students who qualify for free and reduced lunches. Of that number, 4,000 of them are in school districts with a concentration of under 12 percent. The remainder, or 32,000 students, are in school districts with a concentration of higher than 12 percent, thus receiving a stipend of anywhere from \$863 to \$3450 per student. As a result, we are spending \$125.6M on students that **do not** meet the eligibility requirements! We should not be paying for students who do not meet the criteria and **HB 521** will fix this problem.

This week the Ways & Means Committee met in executive session on **HB 51**, reestablishing the initial monthly gross charge exemption to the communications services tax. **HB 51** would have righted a wrong that was forced into the last budget, repealing an exemption for all NH residents that saw our phone bills go up, and which Republicans strongly opposed at the time. The vote out of the committee was ITL and the vote was 10-8. All Republicans present voted against killing this bill because it was wrong to increase the burden on our residents two years ago, and it was wrong to kill the bill now. We should thank the committee Republicans and sponsor of the bill for standing up to do the right thing for the citizens of our

HB 440

repealing the state’s authority to bond school building aid costs.

We oppose the committee report of ITL, 14-10:

- We should not “handcuff” future generations by bonding our current operating costs.
- This would reduce the ability of the House Public Works committee to do its work on the capital budget.
- The continued bonding of operating costs will put the future of our capital budget and the ten-year highway play in serious jeopardy.

HB 521

relative to funding for students eligible for the free and reduced-price meal program.

We support HB 521 because:

- It “rights a wrong” that would have us paying \$143M more than we should be paying for free and reduced lunches.
- It amends the procedure for calculating eligibility for the federal free and reduced meal program.
- We are currently spending \$125.6M on students that do not meet the eligibility requirements.
- Taxpayers should not be paying for students who do not meet the criteria.

state. When this bill comes up on the floor, we will ask you to support the unanimous Republican position against killing this bill.

This coming week the House will be voting on **HB 440**, repealing the state’s bonding of school construction aid from the Finance Committee. The bill came out of the committee ITL, 14-10 with a majority of Republicans being strongly opposed to the motion. We will be asking you to vote with those Republicans and vote against killing the bill. As you are aware, we strongly opposed bonding last year because we have never, and should never pass along operating costs to future generations through bonding. We also opposed the bonding because it reduces the ability of our Public Works committee to adequately work on the state’s capital budget, and we have heard warnings that if the bonding of operating costs continues, we will not be able to have a capital budget or ten year highway plan. This should not be acceptable to Republicans, and that is why we will ask you to vote NO on ITL, so that we can pass this legislation and keep the costs of operating government off our children’s backs.

Once again you will notice that we have listed the bills that we either opposed or supported in committee. *We oppose these bills* because they are either a detriment to our small business owners in the state or they increase taxes, fees or spending. We will be having a Republican Caucus on Thursday morning, prior to the House Session (8:45 AM in Rooms 305-307 LOB) at which time we can discuss any legislation. Following the governor’s budget address, we will take up a consent calendar and 18 additional bills. I look forward to seeing you all at the Thursday caucus.



Legislative Update

During the past few days, 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

HB 431-FN—requiring certain engine coolants and antifreeze to include an aversive agent so that they are rendered unpalatable. (OPPOSED)

HB 661-FN—relative to family leave insurance. (OPPOSE)

Criminal Justice and Public Safety

HB 555-FN—decriminalizing possession of one ounce or less of marijuana. (OPPOSED)

HB 647-FN—relative to motor vehicle fines and violations. (OPPOSED)

HB 653-FN—relative to service animals. (OPPOSED)

Environment and Agriculture

HB 652-FN—relative to the impact of demolition and construction projects on the environment. (OPPOSED)

Education

CACR 2—relating to funding of public education. Providing that the legislature shall define standards for education, determine the level of state funding thereof, establish standards of accountability, and allocate state funds in a manner that mitigates disparities in educational opportunity and fiscal capacity, provided that a reasonable share of state funds shall be distributed on a per pupil basis. (SUPPORTED)

CACR 8—relating to public education. Providing that the recognition of local control of education in the New Hampshire constitution is reestablished. (SUPPORTED)

HB 521-FN—relative to funding for students eligible for the free and reduced-price meal program. (SUPPORTED)

Election Law

HB 626-FN—requiring valid photo identification to vote in person. (SUPPORTED)

Executive Departments and Administration

HB 121-FN—relative to regulating residential building and remodeling contractors and subcontractors. (OPPOSED)

HB 385—relative to placement of personal wireless service facilities on land in current use. (OPPOSED)

HB 399-FN-A—relative to industrial hemp and establishing an industrial hemp special program fund. (OPPOSED)

HB 401-FN—relative to the membership of the retirement system board of trustees. (SUPPORTED)

HB 423-FN-A-L—relative to solid waste permits. (OPPOSED)

HB 532-FN—excluding extra or special duty pay from earnable compensation in the retirement system. (SUPPORTED)

HB 590-FN-A—relative to the retirement age for group II members. (SUPPORTED)

HB 632-FN—relative to including fully certified police officers of the New Hampshire hospital campus force in group II of the retirement system. (OPPOSED)

Health, Human Services and Elderly Affairs

HB 400-FN-A—relative to Medicaid reimbursement rates for personal care attendants and personal care services providers and making an appropriation therefor. (OPPOSED)



Judiciary

- HB 436-FN-L**—relative to civil marriage and civil unions. (OPPOSED)
HB 609-FN-A—establishing a judicial branch information technology fund. (OPPOSED)
HB 682-FN—relative to court security and court security officers. (OPPOSED)

Labor, Industrial & Rehabilitative Services

- HB 146-FN-L**—relative to the minimum wage. (OPPOSED)
HB 662-FN—relative to paid sick leave for employees. (OPPOSED)
HB 663-FN—relative to working families' flexibility. (OPPOSED)

Local and Regulated Revenues

- HB 461-FN-A**—establishing a state-owned casino to provide funds for public education. (OPPOSED)
HB 593-FN-A—authorizing the licensing and construction of destination resorts with gaming facilities including table gaming and video lottery machines, and authorizing gaming facilities at existing pari-mutuel licensees, including table gaming and video machines. (OPPOSE)

Public Works and Highways

- HB 494-FN-A**—appropriating funds for construction of public facilities at Hampton Beach. (OPPOSED)
HB 551-FN-A—making an appropriation for the painting of the arch bridge across the Connecticut River in Chesterfield. (OPPOSED)
HB 603-FN-A—relative to the construction of an Old Man of the Mountain monument on the shore of Profile Lake and making an appropriation therefor. (OPPOSED)
HB 687-FN-A—establishing a radiological emergency evacuation infrastructure program. (OPPOSED)

Resources, Recreationg and Development

- HB 355-FN-A**—relative to oil fund disbursement board authority and fees for oil discharge cleanup. (OPPOSED)
HB 469-FN-A-L—relative to acquisition by the state of 2 parcels of land in Peterborough and making an appropriation therefor. (OPPOSED)
HB 490-FN-A-L—establishing a shorefront maintenance fee. (OPPOSED)

Transportation

- HB 383**—relative to passenger restraints. (OPPOSED)

Ways and Means

- HB 378-FN-A**—relative to fees for detoxification and methadone maintenance programs. (OPPOSED)
HB 426-FN-A-L—establishing the New Hampshire homestead plan. (OPPOSED)
HB 435-FN-A—relative to sales of tobacco products in state liquor stores and reducing the rate of the tobacco tax. (OPPOSED)
HB 472-FN-A—establishing a tax on the sale of permissible fireworks. (OPPOSED)