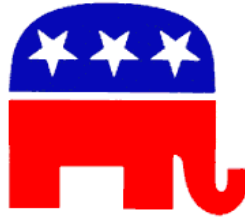


Republican Report

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



Volume 2, Issue 17

May 2, 2008

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

The much anticipated education bills (SB 530 and SB 539) will finally come to the floor of the House this Wednesday and, should they survive the legislative process and are signed into law by Governor Lynch, they undoubtedly will be challenged in the courts.

Despite facing a budget deficit of more than \$250M, Democrats in the House Finance committee have amended and passed **SB 539**, adding more than \$130M in additional spending to the cost of an adequate education. This bill is expensive, ineffective and blatantly unconstitutional! It violates every one of the Claremont decisions, 2-13. This marks the fifth time that the original bill, presented by Democrats on the Adequate Education Costing Committee, has been amended and each ‘fix’ has been worse than the previous one. This bill provides for an arbitrary cap on state aid. Transitioning to full adequacy aid is not the same as full adequacy aid, and our Supreme Court has ruled on more than one occasion that the state must pay, from day one, the full cost of a constitutionally adequate education.

SB 539 also establishes nearly 40 new donor towns while purportedly “holding them harmless” for two years.

Those districts that would receive less state aid in FY 2010 and FY 2011 under the majority formula would be guaranteed the amount they received in FY2009. Donor towns purportedly would have their excess statewide education property tax rebated, but after two years, the taxpayers in everyone of these communities would be hit hard.

This is exactly what the Supreme Court ruled unconstitutional in Governor Shaheen’s “ABC Education Plan.” It contains absolutely no mechanism to send money back to the towns from the state. The Democrats have added more than \$130M in spending with absolutely no idea of where the money is coming from. The majority have clearly chosen to put off the hard work until the next budget—after the fall elections—thus significantly increasing the fiscal problems facing the state in the next biennium and leaving us open to broad-based taxes.

SB 530, relative to kindergarten aid, is also unconstitutional and will be headed for the courts. In funding the new kindergarten mandate adopted last year, Democrats fail to pay for the entire cost imposed on the twelve school districts which have

In Memory
MICHAEL D. WHALLEY
1953-2008



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



Important Dates

- | | |
|-----------------------|---|
| Tues., May 6 | Republican Caucus —10 a.m.
Representatives Hall |
| Wed., May 7 | Republican Caucus —9 a.m. (LOB-305-07)
House Session —10:00 a.m. |
| Wed., May 14 | Republican Caucus —9 a.m. (LOB-305-07)
House Session —10:00 a.m. |
| Thurs., May 15 | Hold for possible House session. |

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—Message

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not voluntarily chosen to offer public kindergarten—a clear violation of *Article 28-a* of our State Constitution. The four year transition period available to these school districts to pay for kindergarten does not cover the land, site preparation or core facilities’ cost.

The bottom line: **SB 530** orders twelve school districts over a four-year period to construct kindergarten facilities. Forcing the state and the municipalities to do significant construction and spend millions of dollars at a time when our economy is at a standstill is fiscally irresponsible.

When will the Democrats wake up to the fact that, as Ronald Reagan once famously stated, “we don’t have a revenue problem, we have a spending problem?” It’s a fact that revenues this year are \$72M ahead of last year, a 3.8% increase. Had the Democrats held spending to a more modest increase, instead of their 17.5% boost in spending, and listened to Rep. Major’s warnings of overinflated revenues and a slowing economy, we would not be facing the financial crisis that we are in today.

Rather than looking for reasonable places to reduce the bloated budget passed last year and bring it into line with our rising revenues, Democrats look to raise still more taxes and fees. In fact, just this week Governor Lynch announced a plan to raise money for the general fund while ignoring an earlier pledge not to raise taxes or impose new fees on the citizens of New Hampshire.

The Lynch plan calls for increasing the tobacco tax by 25 cents—the third time that our “let’s not raise taxes” governor has increased this tax! If the State of Massachusetts fails to pass a proposed \$1 increase, it would leave NH just \$.18 a package lower than the Bay State. What would that do to the many businesses located in our border communities?

Governor Lynch has also proposed imposing a new tax, at a rate of 10% on Texas hold ‘em winnings, raiding dedicated funds in the amount of \$1M, imposing additional costs on business owners by reducing the discount on alcohol they buy to 10% and forcing lapses of \$2.2M on Home-Community Based Health Care (HCBC) and nursing services program. The governor also proposed to bond \$80M of school building aid over the biennium, which will free up an additional \$40M in general fund revenues each year, but represents a significant shift from the New Hampshire tradition of paying for such projects

in cash. By bonding our school building aid, we are mortgaging the future rather than paying our obligations as they come due—much like using one credit card to pay off another one. And as Rep. Major has calculated, this bonding will cost the state an additional \$32M before it is paid off.

This will be a very important week in the NH Legislature as we take up education funding and begin the discussion of a Constitutional Amendment. We invite all members of our caucus to attend a Republican Caucus on Tuesday morning at 10:00 AM in Representatives Hall. The first order of business will be the discussion of a possible Constitutional Amendment. Following that, and if time remains, we will then take up the regular House Calendar. On Wednesday, our caucus will be held, as usual, at 9:00 a.m. in Rooms 305-07 of the LOB.

Please remember that we value the input of every member of our caucus. I hope to see a good turnout for our caucuses on both Tuesday and Wednesday. If you have any concerns with regard to legislation appearing in the calendar, please let us know.



**Republican
Campaign
School**

Saturday, May 17

7:30 am- 5:30 pm

Crowne Plaza Hotel Nashua

2 Somerswett Parkway

**\$75 per person provides: Campaign School
Manual and Lunch.**

Register Now!

**<https://www.nfrw.org/register.cms.htm>
or call Christine Peters (673-0959)**

*National Campaign Consultants join NFRW and
NHFRW to sponsor this campaign school*