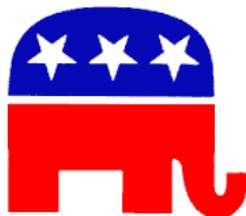


Republican Report

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

—Mike Whalley



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May 9, 2008

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

I'd like to take this opportunity to thank the members of our caucus for standing solidly against the *unconstitutional* provisions of both **SB 530** and **SB 539**. During the voting on both education funding bills we lost just a handful of Republicans, but we also managed to pick up several members of the majority party in the process.

The debate on these bills, while very lengthy, stood as a testament to the hard work of Republicans on the House Finance committee. It was very heartening to me, and I hope to you all, how closely we stuck together and how

SB 530-FN-A-LOCAL – AS AMENDED BY THE HOUSE

03/06/08 0713s

03/20/08 0992s

16Apr2008.07168h

2008 SESSION

08-2895

04/01

SENATE BILL 530-FN-A-LOCAL

AN ACT relative to kindergarten aid.

UNCONSTITUTIONAL

solid we were as a block against these devastating setbacks to education in our state. It is imperative, now more than ever, that we work very hard to retake the House—the majority party has clearly shown their intention for a broad based tax to fund their budget-busting education price tag, and we as Republicans are going to have to fix the mess that they have created in this biennium. When talking with your constituents this summer about the heavy-handed “Big Brother” approach to implement mandated public kindergarten, there are a number of important points to make: (1) the bill will increase education spending by more than \$20 million with no anticipated increase in kindergarten attendance; (2) it fails to pay for the entire

cost (75%) imposed on the twelve NH school districts which have not voluntarily chosen to offer public kindergarten, thus violating *Article 28-a* of our state constitution; (3) it repeals RSA 32:8 and 32:11, sections which bar school boards from spending money beyond that authorized by taxpayers; and (4) it takes away the local vote and thus takes away local control!

While the media has been quick to label this measure a “compromise” kindergarten bill, 96% of Democrats in the House supported this measure while 95% of the Republican caucus stood and supported the NH state constitution and said, “NO” to usurping local control.

Perhaps Democrats are starting to see the handwriting on the wall—that their status as the majority party is in serious jeopardy because they continue to ignore the state constitution. In passing SB 539, they clearly put the burden on the next legislature to find the necessary funding. Can you spell **B-R-O-A-D-B-A-S-E-D T-A-X**?

In their effort to meet the Supreme Court’s mandate that the legislature determine the cost of a constitutionally adequate education, they chose to put off the hard work until after the fall elections, thus significantly increasing the fiscal problems facing the state in the next biennium. When talking with your constituents, make them aware of these facts: (1) the cost of this bill is \$939 million for each year; (2) there is no provision for paying for the additional \$128 million burden that the bill imposes on state taxpayers;

**In Memory
MICHAEL D. WHALLEY
1953-2008**



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

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—Message

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(3) the donor town tax rebates have previously been ruled unconstitutional because they violate the requirement of our constitution that all taxes be proportional; (4) the 15% cap on the increase in state aid in FY 2010 and FY 2011 is also unconstitutional. The Supreme Court has ruled—more than once—that the state must pay, from day one, the full cost of a constitutionally adequate education; and (5) the majority’s adequacy formula relies, to an excessive degree—about \$180 million or nearly 20% of the total cost—on one factor: students who are eligible for free and reduced-price lunch. This inappropriately inflates the basic cost of an adequate education.

Republicans on House Finance Make a Stand

Thanks to the initiative of Republicans on House Finance, a number of changes were made to **SB 321**, the vehicle that Democrats are using to help the governor deal with the looming budget deficits. The bill makes a few minor cuts to the judicial and legislative branch budgets and increases Liquor revenues a few dollars by reducing discounts given to certain off-premises licensees. But — no surprise — the big reductions necessary to bring our level of spending down in line with our reduced revenues just aren’t there. In fact, the **ONLY** cuts made were those required by statute.

Apparently Democrats only know how to spend and tax or, more accurately, spend and borrow. The governor proposed doing both, but Finance Republicans worked together and sharply curtailed his efforts. First, the governor’s \$.25 tobacco tax increase won’t go into effect for at least three months and then only if tobacco revenues fail to meet specified targets. Now that Massachusetts is considering raising its cigarette tax by an additional dollar, an increase in the NH cigarette tax is unlikely. Second, the governor wanted to bond \$80 million of school building aid—something that for decades we’ve paid for out of the operating budget— and use the money to help close the deficit. Finance Republicans said, “No!” to this irresponsible “spend and borrow” policy, and the borrowing was removed from the bill.

House Finance Agrees on Constitutional Amendment

On Thursday, the House Finance committee agreed to language for a constitutional amendment that permits targeting of school aid and promises a share of aid to every school district. The measure was supported by 90% of the Republicans and 70% of the Democrats on the House Finance Committee.

We believe that the language included in this amendment (shown below) fulfills the goals and ideals of the long-standing Republican position on this issue. We urge you to attend our Republican caucuses (Tues., 11 AM and Wed., 9 AM-Rooms 305-07, LOB) where we will formulate our position together. We have made it clear that, until our caucus has had the chance to review the language, leadership will not take an official position. In the meantime, if you have any questions with regard to the language, please contact myself or Rep. Chandler.

SB 539-FN-LOCAL – AS AMENDED BY THE HOUSE

03/13/08 0803s

03/27/08 1077s

16Apr2008 1269h

2008 SESSION

08-2923

04/10

SENATE BILL **539-FN-LOCAL**

AN ACT relative to the cost of an adequate education and provision of fiscal capacity disparity aid.

UNCONSTITUTIONAL

Proposed Constitutional Amendment Language

“The state shall provide every child the opportunity for a public school education in fulfillment of the legislature’s duty with respect to public education provided for in Part II, Art. 83. The legislature shall have the responsibility to define the content of an adequate education to prepare a student to become a productive and contributing citizen and to determine the total statewide cost of providing that education to all public school students. The legislature shall have the authority and responsibility to raise the funds that total the statewide cost of this education and to distribute these funds in a manner that alleviates local disparities in educational opportunity and fiscal capacity, provided that every school district shall receive a meaningful share of these funds.”