Committee Minutes

SENATE WAYS and MEANS COMMITTEE
State House, Room 103
Concord, New Hampshire
Wednesday, April 16, 2003

HOUSE BILL 805, AN ACT, establishing a consensus revenue estimating panel.

Testimony of:

Rep. Jeffrey Gilbert..... 1
Rep. Daniel Hughes..... 4
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CHAIRMAN D'ALLESANDRO: And we'll open the hearing on House Bill 805, an act, establishing a consensus revenue estimating panel; and call upon Rep. Gilbert as the prime sponsor. Rep. Gilbert, welcome.

JEFFREY GILBERT, Representative, Rockingham County, District 83: Thank you, Mr. Chairman.

For the Committee, what I would suggest this morning is a abbreviated version of the testimony that I offered before Ways and Means; and, in that regard, the genesis of this bill comes out of two things.

First is, as the Chairman well knows, the Governor's Revenue Estimating Panel was initiated in 1997 by the Governor as a vehicle to provide additional support and information to assist the Legislature and the Governor in accurately estimating the state's revenues.

That panel was adjusted in composition subsequent to the

1997 establishment by a second executive order and that adjustment added additional members to the panel.

I was added to the panel by the Speaker of the House as a House Representative and participated in the deliberations of the panel in 2001.

In the course of my participation on the panel, it certainly appeared to me that while the panel was able to and did provide assistance to the Executive and to the Legislature, that if the panel were established in law, as opposed to being executive order and if there were some other minor changes to the structure of the panel, it might, in fact, serve a better purpose that would provide to both the Legislature and the Executive a more consistent assist in expertise on estimating the state's revenues.

So, that is the reason that I brought forward 805, was to put in statute the concept of a revenue estimating panel.

The changes that I suggested and that were adopted by the House to the structure that the executive orders contemplated was, first of all, to have a term of three years for each participant on the panel; secondly, to require quarterly reports by the panel; and thirdly, there is one inadvertent change, which changed the composition of the panel, and I -- I am going to suggest to the Senate that we consider that you consider changing that composition back to what was the original second order of the -- of the Governor, and that anomaly is that there was a transcription, frankly, that I missed in the course of -- of the bills proceeding forward, and it -- you know, it changed from the original panel's three members who would be from the business community and two members from the academic community. The bill came forward with just the reverse; three from the academic community and two from the business community. And I would suggest that it probably would function more effectively to go

back to the original structure.

So, those were the -- that was the intent of the bill; that was the structure of the bill.

The hearing that took place before Ways and Means in the House, I had invited a number of people to participate in that hearing. One, the State Treasurer, he was unable to be there. I think he is here this morning; and, hopefully, he'll be able to offer his comments directly. I also invited some members of the panel to appear, as well. Stan Arnold did appear and testified in favor, strongly in favor of the bill. Also, David Alukonis, the now retired Chairman of Ways and Means, testified, as well, in favor; and there was no testimony offered in opposition to the bill.

So, with that, Mr. Chairman, I'd be delighted to entertain any questions that you or your colleagues would have; and to also, of course, I do trust that the Treasurer will be able to offer some comments, as well.

Needless to say, one of the additional benefits that's derived, which I think the Treasurer will speak to, is that by having this panel in statute or having the panel report on a periodic basis, it will produce predictability as to its reports; it will, I believe, add a additional layer of credibility to the state's revenue estimating process, which, of course, we know affects such things as the bond rating in the state and -- and the state's -- the perception of the state's fiscal management. So, I think those are all benefits, which I know the Treasurer can speak to.

It should accrue by taking this good idea of the Governor -- the original Governor's revenue estimating panel and converting it into a statutory body, which will have longevity and periodic reporting.

CHAIRMAN D'ALLESANDRO: Any questions? If not, thank you very much.

REP. GILBERT: Thank you very much, Mr. Chairman, and members of the committee.

CHAIRMAN D'ALLESANDRO: Thank you.

Rep. Hughes?

DANIEL HUGHES, Representative, Rockingham County, District 88: Good morning, Senators. Nice to be appearing before you on such a beautiful day.

I prepared a 20-minute speech; but, since the good Representative from North Hampton has already stated everything I had to say pretty much, I'll just tell you that the Ways and Means Committee highly endorses. It passed by a super majority. We had nobody come and -- and to have any negative comments against it at all. In our own discussions, we were very much in favor of it, and -- and I will leave it at that.

If you have any questions, I'd be happy to answer them.

CHAIRMAN D'ALLESANDRO: Thank you, Representative. Thank you very much for your testimony.

Mr. Ablowich?

MICHAEL ABLOWICH, State Treasurer, Treasury Department: For the record, my name's Michael Ablowich. I'm the State Treasurer. I also have prepared a 30-minute speech; but, and sort of erring on the side of brevity, I'll just -- I had wrote -- written a letter to -- to Rep. Gilbert. I wasn't able to attend the hearing in the House Ways and Means Committee in

the House. I pass out a copy for you.

Certainly, we think that having more information about what the revenues may or may not be, and, hopefully, improving our forecasting and some predictability to the revenue levels through that forecasting. It's certainly something that's very positive. We think it will have a very positive effect on the state.

Our letter indicates that it would be viewed as quite favorable by the credit rating agencies. That may be a little bit of irrational exuberance. I think that it would be viewed favorably. I don't want anyone to get the impression that if we did this that our bond rating would immediately go through the roof, so -- But I do think it would be viewed as being favorable.

CHAIRMAN D'ALLESANDRO: Our perception was your election sent the bond rating through the roof, and this would be just another enhancement. Thank you.

MR. ABLOWICH: Thank you, Mr. Chairman.

CHAIRMAN D'ALLESANDRO: Thank you, Mr. Treasurer.

Is there anyone else who wishes to speak for or against House Bill 805? If not, we thank you for attending and we close the hearing on House Bill 805.

[Hearing closed]

Speakers

SENATE Ways And Means

Date 4/16/03 Time 9:40 AM Public Hearing on HB 805

establishing a consensus revenue estimating panel.

(Please print) Please check box(es) at left that apply.

SPEAKING?	FAVOR	OPPOSED	NAME	REPRESENTING
☑	☑	☐	Rep. Jeff Gilbert	Prime Sponsor
☑	☑	☐	Rep. Dan Hughes	Ways & Means
☐	☑	☐	Michael Ablonich	Treasury
☐	☐	☐		
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Testimony

Michael A. Ablowich
STATE TREASURER

THE STATE OF NEW HAMPSHIRE
TREASURY DEPARTMENT
25 CAPITOL STREET, ROOM 121
CONCORD, N.H. 03301
603 271-2621
FAX 603-271-3922
E-mail: mablowich@treasury.state.nh.us
TDD Access: Relay NH 1-800-735-2964

March 4, 2003

Rep. Jeffrey D. Gilbert
House of Representatives
State House
Concord, NH 03301

Dear Rep. Gilbert:

This letter is in support of the establishment of the revenue-estimating panel you will be proposing in a bill you are putting forward. As you and I have discussed, the existence of this kind of panel with its regular reporting requirements and broad structure would not only improve the view of predicting revenues but would most likely be viewed quite favorably by the rating agencies which would then likely have a positive effect on the State's standing.

I support this legislation and wish to communicate my willingness to work with you or other members of the legislature in any way possible.

Sincerely,

Michael A. Ablowich
State Treasurer

Subj:	**in support of HB805**
Date:	3/3/03 11:54:48 AM Eastern Standard Time
From:	rgittell@christa.unh.edu
To:	JGil070744@aol.com
Sent from the Internet (Details)	

March 3, 2003

Dear Representative Gilbert, Vice Chairman of New Hampshire House Ways & Means Committee:

This letter (email) is in support of House Bill HB805 to establish in statute a Revenue Estimating panel that would consist of the same members by type and designation as the current panel (which exists by Executive Order). The panel would have the same mission as the present one but would report quarterly.

It is very important to ensure that the legislature, general public and financial interests in and outside the state have access to independent high quality economic and fiscal analysis and revenue estimates on a timely and regular basis. The quality, integrity and reputation of the legislative budgeting and policy-making process as well as credit ratings of the state of New Hampshire can benefit from more effective use of the Revenue Estimating panel and its expertise on economic, fiscal and revenue matters. HB805 insures that the work of the Revenue Estimating panel is more effectively used and distributed than it has been in the past.

Unfortunately my schedule does not allow me to attend the public hearing for the Bill scheduled for Wednesday, March 5 at 9:30am. I would greatly appreciate if you could read this letter (email) in support of HB805 into the record at the public hearing.

Thank you for consideration of this important bill and consideration of my support of the bill.

Sincerely,

Ross Gittell
James R Carter Professor
Whittemore School of Business and Economics
University of New Hampshire

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Date: {Type FLOOR DATE}

THE COMMITTEE ON Ways and Means

to which was referred House Bill 805

AN ACT establishing a consensus revenue estimating panel.

VOTE: 5-0

2003-1671s

Having considered the same, report the same with the following amendment and recommend that the bill: **AS AMENDED OUGHT TO PASS.**

Senator Lou D'Allesandro
For the Committee

HB805 Docket

Next|Prev|Results List|Main|Bill Status

Bill Title: establishing a consensus revenue estimating panel.

Date	Body	Description
1/30/2003	H	Introduced and ref to Ways & Means; HJ 12, p210
2/5/2003	H	Hearing Mar 5 9:30 RM202,LOB
3/7/2003	H	Subcom Work Session Mar 10 11:00 RM204,LOB
3/10/2003	H	Maj Report OTP/AM for Mar 20 (Vote 12-4;Reg)
3/10/2003	H	Prop Comm Am{0618}; HC22, p538
3/20/2003	H	Comm Am, AA VV; Passed with Am VV; HJ27, p802 + 805
4/3/2003	S	Introduced and Ref. to Ways & Means; SJ 11, Pg.269
4/11/2003	S	Hearing; April 16, 2003, Room 103, SH, 9:40 a.m.; SC18
5/16/2003	S	Committee Report; Ought to Pass with Amendment{1671}, [05/22/03]; SC23, Pg.47
5/22/2003	S	Committee Amendment{1671}, AA, VV; SJ 17, Pg.478
5/22/2003	S	Ought to Pass with Amendment{1671}, MA, VV; OT3rdg; SJ 17, Pg.478
5/22/2003	S	Passed by 3rd Reading Resolution; SJ 17, Pg.479-480
5/29/2003	H	House Conc with Sen Am, Rep Major MA VV; HJ 45, p1446
6/5/2003	S	Enrolled; SJ 19, Pg.681
6/5/2003	H	Enrolled; HJ 51, p1600
6/17/2003	H	Signed by the Governor on 6/17/2003 Eff: 8/16/2003* Chap: 0155
6/17/2003	H	*Multiple Effective Dates, Sec. 2 eff. 5/1/2005

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Docket Abbreviations