

HOUSE RECORD

First Year of the 162nd General Court Calendar and Journal of the 2011 Session

Vol. 33 Concord, N.H.

Monday, June 20, 2011

No. 49A

Contains: Additional Committee of Conference Statements

ADDENDUM TO HOUSE CALENDAR 49

WEDNESDAY, JUNE 22

ADDITIONAL COMMITTEE OF CONFERENCE STATEMENTS

SENATE BILL

SB 123, relative to notification if a person found incompetent to stand trial and civilly committed is released into the community.

This bill as written was a simple notification bill. The notification was to alert victims and their families that the perpetrator was being released. A Senate amendment stated that if you are civilly committed to NH state hospital as being incompetent to assist your lawyer the statute of limitation would stop running and, if or when the NHSH deemed you able to leave the hospital without supervision, then the statute of limitation would begin again giving the AG time to make their case. This was at the request of a Senator. The Criminal Justice and Public Safety committee felt that if a perpetrator is competent to be released, then he should be held for trial. The Senate felt that they needed to have a public hearing on this. While the House did have a hearing and the amendment was vetted by both the assistant attorney general and the director of ACLU, the conferees on the House side agreed to remove this amendment in order to at least have the notification part of the bill.

Rep. Elaine B. Swinford

HOUSE BILLS

HB 1-A, making appropriations for the expenses of certain departments of the state for fiscal years ending June 30, 2012 and June 30, 2013.

We began this budget process with the herculean task of reducing the stimulus-inflated budget by 12% to live within the realistic revenues brought to us by the Ways & Means Committee. Some complained that these revenue estimates were overly pessimistic. The argument was that since they were made in early January, a more precise description would be "accurate." HR11, which resulted from these projections, set a spending limit from the General Fund and Education Trust Fund of \$4.422 billion, as part of a \$10.3 billion total budget for the biennium from July 1, 2011 to June 30, 2013. Spending reductions from the Governor's proposed budget were widespread, except for the fact that he would have downshifted \$154 million to the cities and towns by eliminating the state share of retirement contributions and reducing catastrophic special education aid and school construction aid. These moneys were restored.

Much misinformation has been spread on state aid to our most unfortunate citizens, those afflicted by developmental disabilities and mental illness. This budget spends billions for care of these citizens. After years of debate, we have finally taken positive steps to save our underfunded state retirement system. We were able to implement recommendations to modernize and streamline our court system. The New Hampshire House, as usual, set an example by cutting our small budget by 6%.

We were pleased to see how closely the final product followed the House-passed version. The Senate originally increased spending by one percent, but the final figures were closer to the

House budget.

The Governor managed to balance the 2011 budget, not by any efficiencies nor by cutting spending, but by cleaning out a small dedicated fund he overlooked in 2008 and draining the Rainy Day Fund. In fact, if June revenues are slightly below his plan, 2011 will show a deficit even after zeroing out the Rainy Day Fund!

Rep. Kenneth L. Weyler

HB 2-FN-A-L, relative to state fees, funds, revenues, and expenditures.

This bill, referred to as the trailer bill, provides the statutory language necessary to make the budget work.

One big change this year was that the House and Senate agreed to revenues, using the House revenues, on the first day and then crafted a budget that lives within our means. We have a balanced budget that meets the House spending limit as voted in HR 11 earlier in the session. We have a projected surplus.

After HB1 and HB2 passed the House in March, House Finance Committee asked the Senate, during its deliberations, to add several sections to HB2 and make needed adjustments to HB1. The Senate did so.

An example, but not the only example, of such an action was required for kindergarten funding. The Governor eliminated kindergarten funding and the third year payment for kindergarten portables from his budget and asked that those funds be added to the capital budget (HB25). House Finance accepted this, but after the budget had gone to the Senate, and it was decided that those funds were not going to be added to the capital budget, the House asked the Senate to adjust HB1 and HB2 to add this kindergarten funding. They did and this funding is in HB2. Another example: At the request of House Finance, original HB 2 sections 212 through section 224 were deleted by the Senate. These sections made changes to excavation permits and timber tax sections. New information was received after the budget passed the House that prompted the House request.

The Governor proposed to keep the educational “collar” in effect for the biennium. His sections were removed by the Senate and replaced with several sections relating to SB183. However, House and Senate worked out an educational budget compromise that got rid of the collar, eliminated donor towns and set a better course for the future. House and Senate then agreed to remove the SB183 sections.

We needed to add the language of HB650 to HB2 in order to provide appropriate funding tools for school districts that operate under SB2 (Chapter 164, Laws of 1995). If a school district operates under this law, it must budget gross revenues as well as gross expenditures. When both House and Senate began to work on education funding, we found that this bill was necessary in order to allow school districts to accept potential new funding amounts. Since the governor had not yet signed this bill into law, the House proposed to add it to HB2 and the Senate agreed to the House position on this.

No state dollars will be used to fund abortions. The section on family planning reads, “Notwithstanding any provision of law to the contrary, the appropriation in account unit 05-95-90-902010-5530, family planning program class, and any other funds shall not be used for evaluation, assessment, consultant about, preparation for, or provision of an abortion.”

House and Senate agreed with the governor’s proposal to move Healthy Kids into HHS.

Throughout the process work was done to change the statutes as appropriate.

The Governor cut the state’s contribution to town and school districts for pension costs. While this state subsidy has been diminishing over the past two budgets, he cut the state contribution to zero, which would be a financial blow to all property taxpayers in the state. Working with the Senate and using the compromise on pension reform worked out in SB 3, we found a way to avoid this cost downshift to our property taxpayers. We did this as a last minute compromise because neither House nor Senate had pension figures until SB 3 was settled. When SB 3 was vetoed by the Governor, we added it to HB2 in full support of the House’s position on pension reform. The amount provided, while holding the spending level for towns, was approximately \$43 million less than last biennium’s spending and \$57 million less than what we identified as needed this year. We have permanently reduced state spending and much of that is found in HB2 where we have listed all the permanently abolished positions. This was an historic step into a better future with cost containment. The Senate agreed with the House language to suspend bumping rights for the current biennium, which will also save money.

When ED&A retained HB624, the House requested that the Senate add our language that would permanently help reduce unexpected costs from departmental rule-making authority. This section requires that any legislator filing legislation which includes provisions to grant rulemaking must include an intent. The last sentence in this section states, "Rulemaking provisions in proposed legislation shall not grant broad authority for the adoption of rules, including general authority to implement a program or **to adopt fees**, but shall specify the issues to be addressed by rules **and the amount of any fee.**"

Under a new provision, road and bridge projects "approaching \$500,000" will be considered for an alternative bidding process. Additionally reporting requirements for such projects are required and will be sent to the House Committee on Public Works. This was supported by the chair of House Public Works.

The House Ways and Means proposal to help businesses via the Net Operating Loss Carryovers provision of the Business Profits Tax died in the Senate, but we added back to HB2 and the Senate agreed.

Language requiring HHS to use managed care programs as a way to do cost containment was drafted by both sides and amended in such a way that our state will see future cost containment. The Senate added sections that require reporting to the legislature and the House agreed this was a good idea.

Additionally, the Governor asked and House Finance concurred with a proposal that HHS look at regional centers and its administrative staff in order to cut overhead and streamline costs so that more money will be spent on direct services to residents. The Senate added all 10 regional centers back into HB2. During discussions, the Senate acceded to the House position. The result should produce some significant cost savings now and in the future.

HB640 and HB641 were added to HB 2 at the House conferees request. These sections provide for the recovery of expenses by HHS for services provided, and offer reform supported by the House.

In a previous budget cycle, the Governor requested that early retirees contribute a modest amount to their continuing health insurance. This cycle he asked for an increase in that amount. The House suggested and the Senate agreed that rather than a set amount, we should use a percentage of costs and set that percentage to equal the amount requested by the Governor. In the future if costs go up or down, early retirees will continue to pay this small percentage of their health care costs. Additionally, the Senate had a companion proposal to the House's proposal for further reducing spiraling health costs for this group and we reached a good compromise that will help contain future costs.

The House had asked for a number of study committees that would look at additional, future cost savings. The Senate removed all of these. The House requested adding them back and that was done.

The Senate strengthened the House position that UNH could not use state money to fund public television by stating that the legislature must make an actual appropriation for any funds to be used by public television.

The House negotiated a one-third reduction of the three salt water fishing fees that affect individuals, as well as businesses running fishing businesses.

The Senate proposed wording for the distribution of adequate education grants for charter schools that will include some legislative oversight before going to governor and council. Under the old provision, requests only went to governor and council. The House agreed adding legislative oversight was better and proposed modifications that provided flexibility for charter schools to have an adequate stream of educational funds. The Senate agreed with the House on this change.

A Senate section added a \$2,000 charter school funding proposal that was contained in HB337, education formula funding, and passed by the House. Because the House had a matching legislative position on this, we also agreed with this Senate section.

House and Senate agreed to remove sections covering education funding once the Committee of Conference on HB337, education funding, reached an agreement.

After the budget was approved by the House, DRED requested some flexibility in managing its budget lines that relate to the management of rest areas, which is a newly adopted function formerly done by DOT. The Senate added verbiage that provided that flexibility and the House agreed with DRED and the Senate and adopted that verbiage.

The House had written a section on the use of federal grants, which the Senate modified slightly. That modification would streamline the accounting of grant money and the House agreed. With costs spiraling upward every year in corrections, HB 2 proposes a study committee to look at privatizing corrections.

A Senate proposal to lease Cannon Mountain was removed.

Reasonable limits for judges were established with 18 for the superior court and 28 for the newly formed circuit court which supports the re-organization of the Judicial Branch. Marital masters are to be phased out under HB 609 at the end of the incumbent's tenure. If a marital master position is to be converted to a judge, it will require fiscal committee approval as well as the requirement that any funding would come from the existing appropriation in the Judicial Branch.

The House proposed the elimination or transfer of the cultural affairs department. The state library, including staff and budget, was transferred to the Secretary of State. Much of the rest of the department was eliminated. After the House passed the budget, it was discovered that the commissioner had a contract and was not an employee at will and could not be cut. The Senate restored the commissioner and then moved the state library back under him. We were eligible for more federal funds as a result of the restoration of his salary, which could be used to meet the federal grant requirement so the federal funding was added. The Senate also added a section that would reduce the overall spending of this department, which was consistent with the House position.

The Senate added money to meet required federal maintenance of effort requirements needed to maintain \$12 million in Perkins funds for the regional tech centers, which included \$1 million in tuition & transportation, and \$600,000 in dropout prevention each year. After review of the federal regulations, the House agreed this was necessary.

Once the Governor signed House and Senate passed legislation supporting the House position on funding Colebrook District Court, Keene District Court, Claremont District Court, Plaistow District Court and the Milford District Court, the House agreed a section relating to those courts was no longer needed.

The shoreland protection bill as amended by the House was added to HB2.

The Senate agreed to add the House tobacco tax reduction for the biennium. If, at the end of the biennium, this reduction produces the additional revenue expected by House Ways and Means Committee, the reduction will become permanent.

The bottom line is that this budget (combination of HB1 and HB2) reduces spending in our state. We used revenue estimates done by House Ways and Means and we produced a balanced budget that have a surplus at the end of the biennium. Living within our means was one of our goals and we accomplished that.

Rep. Lynne M. Ober