

HOUSE RECORD

First Year of the 155th Session of the General Court

Calendar and Journal of the 1997 Session

Vol. 19 Concord N.H. Thursday, February 13, 1997 No. 25

HOUSE JOURNAL No. 6 (cont.)

Wednesday, February 12, 1997

Rep. Lozeau moved that the House adjourn.

Adopted.

HOUSE JOURNAL No. 7

Thursday, February 13, 1997

The House assembled at 10:00 a.m., the hour to which it stood adjourned and was called to order by the Speaker.

Prayer was offered by Representative Eric Lindblade.

God of the valleys as well as the hills. Give to us strength of conscience so that in all that we do, we stand for the right. Banish thoughts of convenience, convention and conformity from our minds. Free us from fear of taking new paths and may the laws we promulgate grant us the accolade, well done thou good and faithful servant. Amen.

Rep. Brundige led the Pledge of Allegiance.

LEAVES OF ABSENCE

Reps. Battles-Pierce, Julie Brown, Burney, Burnham, Clay, Patricia Cote, DePecol, Dunn, Beverly Gage, Gosselin, Hawkinson, Lefebvre, Lovejoy, Morello, O'Connell, Marsha Pelletier and Taylor, the day, illness.

Reps. Ameen, Arndt, Asselin, Avery, Barry, Bartlett, Clemons, David Cote, Dawe, Ruth Gage, Griffin, Hoadley, Holt, Lessard, Lundborn, MacAuslan, Millard, James McDonald, Morris, Pfaff, Steere, Ann Torr, Veazey and Whittemore, the day, important business.

Reps. Frechette and Piteri, the day, illness in the family.

INTRODUCTION OF GUESTS

Patti Grady, guest of Reps. Bergin, Belvin, Dokmo and Holden. Members of the 1997 class of Leadership New Hampshire, guests of Speaker Sytek. Page Sutcliffe and Donna O'Hanian, guests of Rep. Donald White.

VACATE

Rep. Belvin moved that the House vacate the reference to the Committee on Education of **HB 625**, establishing heightened criminal penalties for threatening for assaulting a teacher.

Adopted and referred to Criminal Justice and Public Safety.

RESOLUTION

Reps. Wheeler and Burling offered the following:

RESOLVED, that the House inform the Honorable Senate it is ready to meet in Joint Convention for the purpose of hearing Governor Jeanne Shaheen deliver her budget message.

Adopted.

RECESS SENATE MESSAGE

The Senate is ready to meet in Joint Convention for the purpose of hearing Governor Jeanne Shaheen deliver her budget message.

JOINT CONVENTION (Speaker Sytek presiding)

Executive Councilors Spaulding Griffin and Normand joined the Joint Convention.

Her Excellency, Governor Jeanne Shaheen, addressed the Joint Convention.

Madam Speaker, Mr. President, Honorable members of the Governor's Council and the House and the Senate, my fellow citizens of New Hampshire.

Before I begin my formal remarks this morning, I am very pleased to make an announcement. I am very pleased to announce that late yesterday afternoon the teams that have been negotiating the new contract for state employees reached an agreement. The agreement will cover the majority of state employees. Under the rules of collective bargaining I am not able to announce the details of the agreement. But, I can tell you that I believe that it is a good deal for both sides on all of the issues under consideration. I can also tell you that I believe the budget that I am submitting this morning will support the agreement that has been reached. I want to congratulate the state negotiating team headed by Tom Manning. That team included Jeff Rafn, Doug Patch, John Ratoff and Barbara Reid. I also want to congratulate Ward Freeman, Charles Coombs and the rest of the state employee bargaining team. I hope you will join me in giving them all a round of applause. I also want to announce, before I go further - or want to recognize - those people who have worked so hard to put this budget together. First of all, my team who have been working since shortly after the election, mostly in a volunteer capacity, to help put together a budget. They are here this morning: Ralph Brickett who has served with the last nine governors - Ralph is standing up in the balcony. Actually, I will ask that you hold the applause to the end, although Ralph sort of deserves his own applause, I think. Anybody who can stay here through nine governors deserves a round of applause. And then there are Pat Oliver who was the budget director for Judd Gregg; Ned Densmore, who is a former state legislator and served on the House Appropriations Committee; and of course, my budget director, Charlie Connor. I have to tell you I got very nervous at one point when we were working on the budget because Don Hill talked about my liberal budget team. For those of you that remember Pat Oliver, Ralph Brickett and Ned Densmore, I wouldn't exactly call them a liberal budget team. I also want to recognize and thank Commissioner Don Hill and his dedicated staff at Administrative Services. They have worked nights and weekends, put in very long hours to make this budget possible and I hope you would join me in giving them a round of applause.

I come to this Chamber as a parent and former teacher who understands the importance of education. I come to this Chamber as a former owner of a small business who understands the importance of meeting a payroll and balancing a budget. I come to this Chamber as a former State Senator who has worked with you to address the challenges facing our state. I know what a difficult task is before you. Today, I come to this Chamber as a Governor who is making the tough choices with a clear eye on the bottom line. Today I am presenting a budget that I believe refocuses our priorities and invests in New Hampshire's future.

This is a balanced budget. In fact, this budget has a surplus. As promised, we have balanced the budget without a broad-based sales or income tax. This is an honest budget and this is a responsible budget. We inherited a \$37 million deficit. We have confronted and closed that deficit. This budget is based on sound fiscal policy. It not only eliminates the budget deficits of the past two years, but it also closes the structural deficit between revenues and expenditure. This is a budget that begins with honoring our existing commitments. Without our action to close the deficit, the financial rating agencies have suggested that our state's bond rating could be in jeopardy and we could face higher borrowing costs. This budget should reassure the rating agencies that we have restored integrity to the budget process.

This is a realistic budget. Too often in recent years our budgets have failed to address some of the very real needs of our state and our citizens. Too often, we have not recognized the difference between spending and investing. This is a budget that recognizes that we need to hold the line on spending but we must invest in New Hampshire's future. When agency and department heads came to me with their budget requests, I cut more than \$100 million from those requests and I held the line on spending. There is not one new program in this budget. And at the end of the upcoming biennium, there will be fewer positions in state government than at the end of the current biennium.

But this budget also recognizes that we must invest in New Hampshire's future: in our children, in the allure of our natural beauty, in the roads and bridges that are the lifeline of our state's economy and in helping our businesses to grow and create good jobs. For example, this budget recognizes that it makes sense to invest in promotion and advertising for tourism. For every dollar we invest in our tourism industry, we get \$7 in return to our economy. That is why we are investing \$100,000 in each year of this budget to promote New Hampshire internationally and to make New Hampshire a destination for people, not just from other states, but from other countries. But I know we need to do more. In the next few weeks we will be working with the tourism industry and state officials to develop new ways to significantly increase our efforts to promote and market our great state.

As with our operating budget, our capital budget focuses on funding our existing commitments. The Brown building at the State Hospital is a good example. To date, the State has invested almost \$8 million in this renovation project. But we cannot move a single state employee into the Brown building until we build a parking garage. My capital budget fulfills that commitment. I think that is common sense. This operating budget also recognizes that it makes sense to invest in the roads and bridges that are the economic lifeline of our state. New Hampshire now ranks near the bottom in the nation in the condition of our roads and bridges. At the rate we're going, our ten-year highway plan is going to take 20 years to complete. To reverse this trend, this budget invests the entire existing \$30 million highway fund surplus directly into construction of roads and bridges. In the next biennium, we propose to spend an additional \$10 million from that fund in each year for projects in our ten-year highway plan. Furthermore, instead of the "soft" money that we have used in the past to match federal dollars, I am proposing that we match federal funds with real "hard" state dollars to generate the maximum amount of construction possible. That investment will allow us to accelerate projects in the ten-year plan. In Manchester, for example, this will mean critical resurfacing, safety improvements and bridge repairs on I-93, four years ahead of schedule. In Northwood, for all of us who drive Route 4, this will improve the intersection of Routes 4, 202 and 43 a year early. In Henniker, it will help with bridge repair and rehabilitation on Route 114 over the Contoocook River. We are also adding \$4 million from the highway fund each year for the Betterment Program to resurface approximately 250 more miles of roads. That would double the effort currently planned for 1997. We are increasing assistance to local communities to help them repair and replace aging bridges. This budget includes an additional \$3.5 million each year to replace so-called "red list" bridges, those bridges in need of critical repair.

This budget not only improves our roads, but makes our streets safer from crime. To confront juvenile crime, we are addressing the historical shortage in basic operating expenses and space for Youth Development Services. I'm going to digress from my text a little bit, because one of the things that I was amazed about as we went through the budget

is to learn that in past years, we have not budgeted a line for utility expenses at the Youth Development Center. We know we have to pay it, but we have not been willing to be honest and say that that is a cost we must incur let's budget it and let's pay it. That is in this budget. Our capital budget includes funding for restoring Pine Crest Cottage at the Youth Development Center to provide space for additional juvenile offenders. To prevent young adult offenders from becoming career criminals, we are investing in the Pathways Program that provides inmates with a rigorous and intensive program of technical education, substance abuse treatment, counseling and job training. We have also added three criminologists with expertise in DNA analysis to make sure law enforcement has the most advanced technology available.

Reflecting the lower welfare caseloads, this budget reduces the rate of growth at Health and Human Services. Although welfare caseloads are decreasing, we are expanding child care and job training assistance to help people get the support they need to go back to work and to stay working. And, yes, we are increasing our investment in home-based care for the developmentally disabled by \$4.8 million so that we can finally reduce the waiting list for services. This budget also provides incentives to shift from nursing home services to home-and-community-based care so that more of our elderly can stay in their homes and in their neighborhoods and maintain their independence and their dignity.

Now, as you know, the court system is exempt from complying with the Governor's budget request. However, I believe that the courts' requested level of funding can be reduced in each year and still allow for sufficient levels of growth. In addition, I will be working with the court system in the coming weeks to develop a strategy to address the backlog in the Manchester and Nashua District Courts, and to address that backlog without adding new judges, without adding new positions. I believe we don't need additional judges in order to address the problems in those courts.

We also recognize that the burden of local property taxes is putting too much pressure on the pocketbooks of many New Hampshire families. This budget sends more money back to New Hampshire's cities and towns. I don't know if all of you can see the pie chart that very graphically demonstrates the change in funding going back to cities and towns in this budget. This budget sends more money back to cities and towns -- nearly \$68 million more during the next two years -- much of it to help improve our schools.

And that is the hallmark of this budget. This budget is about education. It is about investing in New Hampshire's kids and investing in New Hampshire's future. There is simply nothing more important. That is why I have increased total state education funding in this budget by 40 percent.

If we are going to compete in the global economy of the future, we must invest in education. Over the past decade, the gap between the rich and the poor has increased dramatically. Education is the key to future earnings capacity. The average high school graduate earns \$16,800 a year. With an associate's degree, income increases to \$24,000 a year. With a bachelor's degree, income increases to \$31,200 a year. If we are going to have the trained and skilled work force we need to compete in the future, New Hampshire must invest in education.

That investment begins with kindergarten. We must make kindergarten available to every five-year old in New Hampshire. We must keep that promise. Kindergarten changes lives. The facts are clear. Kindergarten improves the chances that children will do well in school and later in life. Kindergarten helps keep our kids in school. Children who attend kindergarten repeat grades less often. They are more likely to graduate from High School and they are less likely to become juvenile delinquents. Public kindergarten is a good investment.

Today I am proposing a kindergarten program to help every school district pay the cost of public kindergarten. I plan to double the current level of aid by sending \$1,000 per child to each and every school district for kindergarten. This plan would make over \$20 million available to our local school districts over the next two years. This program will make an enormous difference to cities and towns across New Hampshire. In communities without kindergarten, the plan will provide an incentive to start new kindergarten programs. In Dover it could mean \$300,000 for kindergarten; in Hudson it could mean \$415,000; and in Milford, more than \$245,000. In communities currently offering public kindergarten, this plan will provide much-needed relief. For Manchester it will mean more than \$1.1 million and for Nashua, more than \$1 million.

Most school districts that do not offer public kindergarten need new classrooms to provide it. That is why the kindergarten legislation I will introduce next week will propose full state funding - 100 percent state funding - to cover construction costs for new kindergarten programs. In addition, school districts that already operate public kindergarten programs will be eligible for kindergarten building aid. The state will cover 75 percent of the costs of new kindergarten construction for those school districts. The plan will be funded with state bonds for kindergarten construction, up to \$30 million during the five-year period beginning July 1, 1997 and ending June 30, 2002.

Earlier this week I visited Chichester Central School to talk about this new kindergarten construction plan. Chichester is just one community in our state where making kindergarten a reality demands an investment in construction of classrooms themselves. We must provide public kindergarten for every community in New Hampshire that wants it. I urge you to support this budget and stand with me to make kindergarten available to every five-year old in our state.

This budget also invests in other critical education programs. If you will look at the pie chart, you can see where the education dollar is going. We are increasing funding for reading recovery because we know kids who can read do better in school. We have fully funded the assessment program so that we can continue to test students on what they are learning in the classroom. Furthermore, we have made it possible to take the information that is learned from these tests and to use it to help schools improve students' performance. This budget invests \$100,000 over the next two years to expand the registered apprenticeship program so that apprenticeships will be available statewide as part of our developing system of school-to-work programs. Recognizing the increasing importance of technology, we are adding four new positions within the Department of Education to help local school districts implement technology into their schools. We are fully funding school building and catastrophic aid, programs that we have promised cities and towns that we would help them pay. An additional \$8 million will be available to local school districts from catastrophic aid alone.

We are increasing support for both our university system and our system of community technical colleges. We are not giving them as much as they want, but we are increasing support because we know that they are crucial to providing the skilled workers and the workforce development that we need to compete in the global economy of the future. We have restored funding for the community technical colleges' challenge grants, which provide critical training funds to business and industry. We have also restored funding for the Industrial Research Center at the University of New Hampshire That Center is so important in providing research assistance to small and medium size businesses. Each of these investments dramatically increases education aid to cities and towns. In addition, this budget increases the local share of the rooms and meals tax as this legislature decided it should several years ago, by an additional \$11.4 million and provides an additional \$4.2 million in local environmental grants. And again, you can see on this chart the difference this budget will provide in assistance to local cities and towns.

If we are to make these investments in education, restore fiscal integrity and deliver on our promises that we have made to local communities, we must enact a 25-cent increase in New Hampshire's cigarette tax. Even with that 25-cent increase, our cigarette tax will still be lower than the taxes of every other New England state except Maine, where they are now considering a 37-cent increase. Our cigarette tax will still be significantly lower than those of Massachusetts and Canada, where most of our cross-border traffic occurs. And passing the cigarette tax increase effective April 1st will allow us to responsibly narrow the outstanding \$37 million budget deficit that we have inherited. Raising the cigarette tax is not only good fiscal policy, it is good health policy. New Hampshire has the third highest teen smoking rate in the country. We know that raising the cigarette tax will deter our children from smoking and it will significantly reduce health care costs.

Together we can make an extraordinary difference for New Hampshire. Together we can invest in New Hampshire's children, in New Hampshire's communities, in New Hampshire's economy and in New Hampshire's future. Together we can make a difference in the state we serve and in the lives of the people we represent.

Let us agree that our children deserve an education that prepares them for the good jobs of tomorrow; that New Hampshire's children should not be the only children in America without public kindergarten. Let us agree that we must invest in New Hampshire, strengthening our economy, creating jobs, providing opportunity and securing a prosperous future. Let us agree that we must have a budget that is honest, that is balanced and responsible; making

the tough choices and keeping the important promises. The people of New Hampshire expect and deserve nothing less.

Thank you and I look forward to working with you in the coming months as we craft a budget together.

Sen. Barnes and Rep. Wheeler moved that the Joint Convention arise.

Adopted.

The Joint Convention adjourned.

RECESS
(Speaker Sytek in the Chair)
RESOLUTION

Their introduction having been approved by the Rules Committee:

Rep. Wheeler offered the following: RESOLVED, that in accordance with the list in the possession of the Clerk, House Bills numbered 800 through 805, shall be by this resolution read a first and second time by the therein listed titles, sent for printing, and referred to the therein designated committees.

Adopted.

INTRODUCTION OF HOUSE BILLS
First, second reading and referral

HB 800, redistricting the executive council districts. (Avery, Ches 8, Royce, Ches 9; Hunt, Ches 10; E. Smith, Ches 6; Lynch, Ches 19: Election Law)

HB 801-FN-L, changing the interest rate on delinquent property taxes and subsequent taxes. (Daniels, Hills 13: Local and Regulated Revenues)

HB 802, relative to judgments on past due rent and judgments for eviction. (Gagnon, Hills 48; S. Holley, Hills 28; Lyman, Carr 5; Chabot, Hills 48; Asselin, Hills 47; J. King, Dist 18; Podles, Dist 16; Danaïs, Dist 20: Judiciary and Family Law)

HB 803-FN-L, relative to property valuation for purposes of payment of tax on a change of use under the current use laws. (Thulander, Hills 6: Environment and Agriculture)

HB 804, relative to the definition of "communication services" for the purposes of the communications services tax. (Carson, Rock 29: Finance)

HB 805, relative to homestead rights and revocable trusts. (Mittelman, Hills 37; Fraser, Dist 4: Judiciary and Family Law)

RESOLUTION

Rep. Wheeler offered the following: RESOLVED, that the House now adjourn from the early session, that the business of the late session be in order at the present time, that the reading of bills be by title only and resolutions by caption only and that all bills ordered to third reading be read a third time by this resolution, and that all titles of bills be the same as adopted, and that they be passed at the present time, and when the House adjourns today it be to meet Wednesday, February 19, 1997 at 1:00 p.m..

Adopted.

RECESS MOTION

Rep. Wheeler moved that the House stand in recess for the purpose of introduction of bills, enrolled bill reports and enrolled bill amendments only.

Adopted.

The House recessed at 11:00 a.m.

RECESS (Rep. Burke in the Chair) SENATE MESSAGE CONCURRENCE WITH AMENDMENT

SB 108, authorizing school boards of multi-town school districts which have adopted the official ballot referendum form of meeting to establish polling places in addition to the districts' central polling places for the 1997 and 1998 annual meetings.

ENROLLED BILL REPORT

The Committee on Enrolled Bills has examined and found correctly enrolled Senate Bill numbered 108.

Rep. Amidon, Sen. Barnes for the Committee

RECESS (Rep. Robert Johnson in the Chair) RESOLUTION

Their introduction having been approved by the Rules Committee:

Rep. Franklin Torr offered the following: RESOLVED, that in accordance with the list in the possession of the Clerk, House Bills numbered 806 through 808, shall be by this resolution read a first and second time by the therein listed titles, sent for printing, and referred to the therein designated committees.

Adopted.

INTRODUCTION OF HOUSE BILLS First, second reading and referral

HB 806-FN-L, relative to the business finance authority. (Carson, Rock 29: Commerce)

HB 807-FN, relative to the Littleton employment security district office. (Connolly, Graf 1: Labor, Industrial and Rehabilitative Services)

HB 808, changing the optional term of the school district clerk, moderator, and treasurer. (Daniels, Hills 13: Education)

RESOLUTION

Pursuant to House Rule 30 (g):

Rep .Franklin Torr offered the following: RESOLVED, that in accordance with the list in the possession of the Clerk, House Resolution numbered 19, shall be by this resolution read a first and second time by the therein listed title, sent for printing, and referred to the therein designated committee.

Adopted.

INTRODUCTION OF HR
First, second reading and referral

HR 19, affirming unrestricted revenue estimates for fiscal years 1998 and 1999. (Kurk, Hills 5; Weyler, Rock 18: Finance)

RECESS