

COMMITTEE OF CONFERENCE HIGHLIGHTS

CATEGORY 1

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
All General Funded Departments	Supports a budget reduction of \$25,000,000 to various personnel class lines throughout general funded departments statewide.
Department of Administrative Services	
Retiree's Health Insurance	Institutes a monthly insurance premium for Retirees Health Insurance recipients. The \$65 for each retiree and additional \$65 for any applicable spouse will generate \$5,082,480 to help defray the cost of the program.
Facilities - Assets Management & Lakes Region Campus	Provides funding for site maintenance at the Lakes Region Facility at \$2,106,179 of general funds. Also provides \$124,000 of general funds for the mothballing of the Tobey building.
Office of Information Technology	
Various Divisions	Agrees to general fund savings of \$2.6 M over the biennium, through a back of the budget reduction, and also agrees to provide the Department with the flexibility to transfer funds to meet the shifting needs of its client agencies

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DEPARTMENT/AGENCY/PROGRAM	COMMENTS
<p>Department of Cultural Resources Various Divisions</p>	<p>Achieves the savings to the Department's budget as offered by the Governor, and also allows for the transfer of funding among various class lines to partially fund the Arts Division director position in order to ensure continuation of federal NEA grant funding</p>
<p>Department of Revenue Administration Various Divisions</p>	<p>Supports the reductions to the Department of Revenue Administration budget of \$250,000 in FY 2010 and \$460,000 in FY 2011. These back of the budget savings will be as a result of vacant positions within the Department.</p>
<p>New Hampshire Retirement System Employee Contribution Rates</p>	<p>Supports the increase to employee retirement contribution rates for Group I State employees hired on or after July 1, 2009. While savings due to this change will not materialize in the near term, the measure is an attempt to address retirement system funding difficulties going forward.</p>
<p>Municipal Normal Contribution</p>	<p>Achieves savings of \$27,699,560 in General funds over the biennium, due to the change of the State share of the Municipal Normal Contribution from 35% to 30% in FY 2010 and to 25% in FY 2011.</p>

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DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Various Divisions	Achieves savings of \$2,172,618 in Other funds over the biennium. In working with the System to keep administration costs down, the intent is keep the growth in the long term cost to general fund, in the form of employer contribution rates, at a manageable level.
Treasury	
Meals & Rooms Distribution	Funds the distribution of Meals & Room tax revenue to cities and towns at the FY 2009 rate, for a total of \$117,610,114 of general funds over the biennium.
Debt Service	Achieves general fund debt service savings of \$700,000 in FY 2010 due to a refunding issue. In addition, it reduces the general funded debt service appropriation by \$5,768,750 to reflect the restriction of a portion of Meals and Rooms tax proceeds for payment of debt service on bonds issued to fund the School Building Aid program. This restriction resulted in an increase to the Other funded debt service appropriation of \$7,100,000.

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DEPARTMENT/AGENCY/PROGRAM	COMMENTS
LCHIP	
LCHIP	Splits the dedicated \$25 surcharge between LCHIP and General fund unrestricted revenue in FY 2011. This measure increased the General fund revenue estimate by \$1,721,579 in FY 2011, and funded the LCHIP appropriation at the same amount (\$1,721,579).
Commission on the Status of Women	
Commission on the Status of Women	Funds the Commission with general funds of \$62,000 in FY 2010 and no general funds in FY 2011.

COMMITTEE OF CONFERENCE HIGHLIGHTS
CATEGORY 2

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Judicial Branch	
Information Technology Fund	Establishes the dedicated information technology fund for the purpose of maintaining the existing information technology infrastructure of the court. Court entry fees and penalty assessments collected by the courts would provide the revenue for the fund. This results in a general fund decrease of approximately \$2.8 million over the biennium.
Judicial Branch General fund reduction, HB 1 section	Reduces the back of budget reduction from \$2 million to \$935,000 over the biennium to account for the filling of vacant judge positions and keeping the Keene, Colebrook, Claremont, and Milford district courts open for FY 2010.
Department of Agriculture, Markets and Food	
Division of Weights and Measures	Established four new weights and measures inspectors increasing general fund expenditures by \$226,382 in FY 2010 and \$278,285 in FY 2011. Anticipated increase in unrestricted revenue of \$356,250 in FY 2010 and \$782,500 in FY 2011.

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CATEGORY 2

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Liquor Commission	
Liquor Commission	Establishes a liquor commission fund and allow the Liquor Commission to close stores, establish eight agency stores, and increase flexibility to purchase and promote the sale of liquor and related products to maximize profitability. The result is to move \$44,524,830 in FY 10 and \$45,826,540 in FY 11 from general funds to liquor commission funds.
Enforcement Division	Transfers liquor enforcement functions on July 1, 2010 from the Liquor Commission to the Department of Safety, as long as it does not result in any new appropriations or positions.
Department of Safety	
Various Divisions	Changes the allocation of revenue from motor vehicle fines paid by mail to agency revenue and those paid at court to highway fund revenue. This allocation will change the source of funding of various accounting units from general revenue to agency revenue.
State Police Enforcement	Moves eight filled trooper positions from a federal border grant that was not approved, to vacant and funded trooper positions within State Police Enforcement.

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CATEGORY 2

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Various Divisions	Appropriates \$3.8 million of general funds for the state cost match for prior flood and storm emergency disasters. Appropriates \$650,000 of general funds in FY 2009 for the state cost match for the damage sustained by Allentown during the Mothers Day Flood of May 2006 and the flood of April 2007.
Corrections Department	
Generally throughout Department	Restores 19 nonuniformed positions and funds for community programs eliminated by the House to support the Departments efforts to prepare inmates for reintegration into the community and address recidivism through the implementation of the Division of Community Corrections. This resulted in the restoration of approximately \$7.2 million over the biennium.
Generally throughout Department	Decreases the Department's overtime budget by approximately \$4 million over the biennium, using approximately \$2.8 million to restore 20 corrections officer positions.
Lakes Region Facility	Agree with Governor's recommendation to close the Lakes Region Facility

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DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Judicial Council	
Judicial Council	Provides \$550,000 in each year of the biennium to assigned counsel for representation in juveniles and abuse and neglect cases that are moving from HHS to the Judicial Council.
Judicial Council	Provides \$300,000 in each year of the biennium to the civil legal services fund.

COMMITTEE OF CONFERENCE HIGHLIGHTS

CATEGORY 3

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Fish and Game Department	
Various Divisions	Increases amounts allocated from the sale of various game management licenses and permits to the fish & game fund rather than dedicated accounts for the biennium.
Environmental Services	
Subsurface Systems	Establishes a dedicated funding source for the subsurface systems bureau and increase fees to better reflect the cost of reviewing plans and specifications and inspecting sites. The establishment of the dedicated fund results in general fund expenditures decreasing by \$4 million and unrestricted revenue decreasing by \$2.5 million over the biennium.
Clean Water revolving loan program	Increases the loan class line 301 by \$15 million of nonstimulus federal funds. The increased funds will be paired with stimulus funds to provide loans to communities. The stimulus fund portion of the loans will be forgiven.
Drinking Water revolving loan program	Increases the loan class line 301 by \$10 million of nonstimulus funds. The increased funds will be paired with stimulus funds to provide loans to communities. The stimulus fund portion of the loans will be forgiven.

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CATEGORY 4

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Department of Transportation	
Rest Areas and Welcome Centers	Authorizes the commercializing of rest areas, welcome centers, and state liquor store sites along the highways and turnpikes.
Turnpikes	Sells a portion of Interstate 95 from the Highway Department to the Turnpike System.
Turnpikes	Authorizes the installation of open road tolling in Hampton.

COMMITTEE OF CONFERENCE HIGHLIGHTS
CATEGORY 5

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Department of Health and Human Services	
Enhanced Federal Medical Assistance Percentage (FMAP)	Estimates approximately \$177.3 M due to an enhanced Federal Medical Assistance Percentage (FMAP) provided for under ARRA based on increases in unemployment rates. Funds will be used to address increased costs of the State's Medicaid program due to caseload growth resulting from the current economic recession. Counties will receive approximately \$44.8M from the enhanced FMAP relative to long-term care costs.
State Criminal Record Check Fees	Provides funding to various Division and Bureaus throughout the Department to address an increase in the State criminal record fees charged by the Department of Safety.
Back of Budget Reduction	Requires the Department to reduce state general fund expenditures by approximately \$19.6M over the biennium. Direct services may only be reduced to meet these reductions if approved by the Fiscal Committee and Governor and Council.

COMMITTEE OF CONFERENCE HIGHLIGHTS

CATEGORY 5

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Division for Children, Youth and Families	
Diversion Incentive Programs	Provides approximately \$4.6 million over the biennium for diversion incentive programs. For FY 2010, incentive funds will be distributed to the same providers and in the same proportion that they received in FY 2009.
Child Development Program	Provides \$11.9M in general funds in each year of the biennium for the child care development program. This level of funding will allow the State to continue to receive federal funds from the Federal Administration for Children and Families (ACF) of approximately \$16.1M annually, and receive additional federal funds under the American Recovery and Reinvestment Act (ARRA) of approximately \$4.7M.
Division of Family Assistance	
TANF Caseload Increases	Provides funding to address caseload growth which has increased by approximately 24% since July 2008 as a result of the current economic recession. Appropriations for TANF recipients total approximately \$75 million over the biennium.

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CATEGORY 5

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Bureau of Eldery and Adult Services	
Senior Volunteer Programs	Fully funds senior volunteer programs such as Volunteer Activities, NH Foster Grandparents, and the Retired Senior Volunteer Program in FY 2010, and provides partial funding in FY 2011.
Division of Public Health Services	
Hospital Acquired Infections	Provides approximately \$170,000 over the biennium to implement the hospital acquired infections reporting program.
AIDS Services Organizations	Provides \$400,000 in general funds in each year of the biennium for AIDS Services Organizations.
Bureau of Behavior Health	
Community Mental Health Services	Provides \$1.2M over the biennium to address increased Medicaid caseloads as a result of the current economic recession.
Division of Developmental Services	
Developmentally Disabled (DD) Waitlist	Provides \$16M in FY 2010, and \$20M in FY 2011 for the DD waitlist.
Acquired Brain Disorder (ABD) Waitlist	Provides \$2.6M in each year of the biennium for the ABD waitlist. Appropriations will be non-lapsing over the beinnium.

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CATEGORY 5

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Office of Program Support	
National Criminal Records Checks	Transfers responsibility for processing national criminal record checks to the Department of Safety. Combined, DHHS and Safety will receive appropriations of approximately \$580,000 in general funds over the biennium to implement the national criminal record check requirement for DHHS providers.
Health Facility Fees	Increases fees charged to various health facilities to be in line with fees charged by other New England States. Revenue from the increased fees will be used to offset approximately \$900,000 in general fund appropriations over the biennium.
Office of Medicaid and Business Policy	
Provider Payments Caseloads	Provides funding to address caseload growth which has increased by over 8% since July 2008 as a result of the current economic recession. Payments to providers are budgeted at over \$630,000,000 in total funds for the biennium.
Prior authorization of Medicaid Services	Requires Medicaid recipients to receive prior authorization for wheelchair van, non-emergency ambulance, occupational therapy, and methadone clinic services. Prior authorizations are estimated to reduce costs of these services by approximately 10%.

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CATEGORY 5

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Division of Community Based Care Services	
Tobey School	Provides funding to keep the Tobey School open until September 1, 2009, at which time it will be closed. Current students will either graduate, return to their communities, or receive residential services from other Department providers.
Homeless Housing Access Fund	Provides \$50,000 in each year of the biennium to fund security deposit guarantees under the Homeless Housing Access Fund. Additional funding for this program is also available under ARRA.
Governor's Commission on Alcohol, Drug Abuse Prevention, Intervention & Treatment	Provides approximately \$7.6M over the biennium to fund alcohol and drug abuse prevention, intervention, and treatment services under the Governor's Commission.

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CATEGORY 6

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Department of Education	
Adequate Education Aid	Fully funds the provisions of SB 539 of the 2008 Session, which established a new formula for determining the cost of an adequate education and fiscal capacity disparity aid, as well as provided for a two-year transition period in FY 2010 and FY 2011 so that no school district receives less state education aid than it did in FY 2009 while limiting grant increases to 15% above FY 2009. Total appropriations for adequate education aid, fiscal capacity disparity aid, and transition aid to school districts are \$940,762,976 in FY 2010 and \$940,597,142 in FY 2011.
Charter Schools	Charter school tuition appropriations are \$4,830,717 in FY 2010 and \$5,777,941 in FY 2011. Fiscal capacity disparity aid appropriations are \$2,750,000 in FY 2010 and \$3,294,000 in FY 2011. Assumes enrollment of 1,375 in FY 2010 and 1,647 in FY 2011 with no cap.
School Building Aid	Fully funds School Building Aid at \$44,943,448 in FY 2010 and \$46,260,234 in FY 2011. The appropriation will be funded by bonds issued by the State Treasurer, with a portion of Meals & Rooms tax revenue dedicated to pay the principal and interest on the bonds.
Tuition & Transportation Aid	\$7,329,018 in FY 2010 and \$7,555,689 in FY 2011.

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CATEGORY 6

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
Catastrophic Aid	\$30,567,454 in FY 2010 and \$31,430,117 in FY 2011.
Dropout Prevention Aid	\$1,750,000 in FY 2010 and \$1,750,000 in FY 2011.
Kindergarten Construction	Non-lapsing appropriation of \$3,600,000 in FY 2010 to construct kindergarten classrooms in school districts that will be offering public kindergarten for the first time in the upcoming biennium.
Community College System of NH	
Community College System of NH	Provides \$1,087,521 of federal stimulus funds to the System in FY 2010, which will maintain total state appropriations in both FY 2010 and FY 2011 at the FY 2009 level (approximately \$37,500,000 annually).

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CATEGORY 6

DEPARTMENT/AGENCY/PROGRAM	COMMENTS
University System of NH	
University System of NH	Provides \$3,000,000 of federal stimulus funds to the System in FY 2010, which will maintain total state appropriations in both FY 2010 and FY 2011 at the FY 2009 level (\$100,000,000 annually).
Police Standards & Training Council	
Police Standards & Training Council	Transfers \$1,500,000 in FY 2010 from the general fund to the police standards & training council fund to partially restore \$2,000,000 transfer in FY 2009 from the police standards & training council fund to the general fund.

**COMMITTEE OF CONFERENCE HIGHLIGHTS
TAX AND FEE INCREASES**

Title	COMMENTS
Tobacco Tax	Increases the tobacco tax by \$.45 from \$1.33 to \$1.78, increases the tax on tobacco products other than cigarettes by 29.59 percentage points from 19 to 48.59% of the wholesale price, and taxes cigars.
Meals and Rooms Tax	Increases the meals and rooms tax by one percentage point from 8 to 9%, and makes campsites subject to the meals and rooms tax. \$700,000 of the increase is appropriated to the Department of Resources and Economic Development for Travel and Tourism and \$1.1m in FY 2010 and \$6m in FY 2011 are appropriated for debt service on bonding school building aid.
Motor Vehicle Record Fees for Insurance Companies and Agents	Increases the fee charged to insurance companies and agents for motor vehicle records by \$4 for electronic copies and by \$7 for all other requests from \$8 to \$12 and \$15 respectively.
Inspection Sticker Fee	Increases the fee for inspection stickers by \$.75 each from \$2.50 to \$3.25.
Vanity Plate Fee	Increases the vanity plate fee by \$15 from \$25 to \$40 per set.

**COMMITTEE OF CONFERENCE HIGHLIGHTS
TAX AND FEE INCREASES**

Title	COMMENTS
Motor Vehicle and Motorcycle Registrations	Increase motor vehicle registration fees by \$30 for vehicles up to 5000 lbs, \$45 for vehicles 5,001 to 10,000 lbs, and add surcharges of \$55 for vehicles 10,001 to 26,000, and \$75 for vehicles 26,001 to 73,280. Increase registration fees for semi-trailers or automobile utility trailers from a range of \$3 to \$36 up to \$8 to \$46, and from \$0.60 to \$0.90 per hundred lbs. over 8,000. Increase the motorcycle registration and transfer fees by \$10 each, from \$15 to \$25. These sections are repealed July 1, 2011.
Tax on Gambling Winnings	Establishes a tax of 10% on gambling winnings of nonresidents from New Hampshire entities, and on winnings of New Hampshire residents from any entities.
Tax on Transfer of Real Property	Re-defines "real estate holding company" to include organizations other than businesses.
Meals and Rooms Operators	Requires meals and rooms operators to file with the DRA a bond in the amount of \$5,000 to secure payments of tax, interest, or penalties due. Requires operators to have paid all taxes, interest, or penalties to the DRA prior to issuance or renewal of a license.
Business Profits Tax Filing Threshold	Requires all businesses file a return on gains or losses on the sale or exchange of interest in the organization regardless of the business income level.

COMMITTEE OF CONFERENCE HIGHLIGHTS
TAX AND FEE INCREASES

Title	COMMENTS
Interest and Dividends Tax	Require certain partnerships and organizations, including limited liability companies, to pay interest and dividends tax on accumulated profits.
Court System Fee Increases	The Judicial Branch has proposed increasing various court-related fees. These fees are set in court rules.