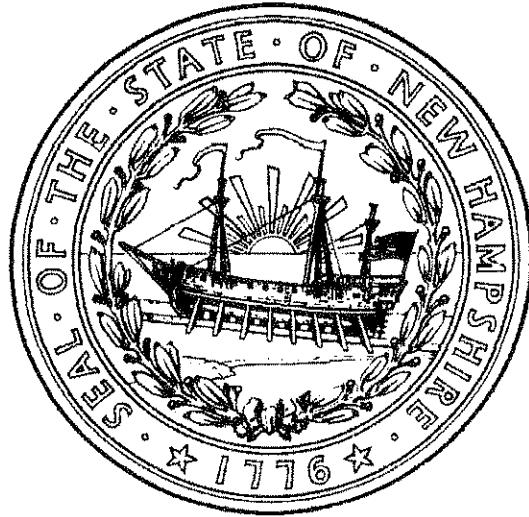


**HOUSE COMMITTEE ON FINANCE**  
**BUDGET BRIEFING - HOUSE BILL 1 & 2**

**MARCH 29, 2011**



**OPERATING BUDGET FOR FISCAL YEARS ENDING  
JUNE 30, 2012 AND 2013**

**HOUSE COMMITTEE ON FINANCE**

CHAIRMAN – Kenneth L. Weyler

VICE CHAIRMAN – Lynne M. Ober

CLERK – Karen Umberger

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RESOURCE PROTECTION AND DEVELOPMENT**

(Categories I, II, and III)

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**II. SAFETY; FISH AND GAME; TRANSPORTATION; EDUCATION;**

(Safety, Fish and Game, Categories IV, VI)

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(Category V)

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Vice Chairman – Beverly Rodeschin

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Richard Barry

Sharon Nordgren

John Cebrowski

Cindy Rosenwald

Thomas Keane

Paul Simard



# State of New Hampshire

## HOUSE OF REPRESENTATIVES

33 North State Street  
Legislative Office Building, Rooms 210-211  
Concord, NH 03301-6334

Kenneth L. Weyler  
Chairman

Lynne M. Ober  
Vice Chairman

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## COMMITTEE ON FINANCE

March 28, 2011

Dear Colleagues,

HB 1 is the 2012-2013 Operating Budget. It is the spending plan for the New Hampshire Government from July 1, 2011 to June 30, 2013. By the NH Constitution, the budget must begin in the New Hampshire House since we are the closest to the people. By our vote we appropriate the money. Even if an agency receives all its money from those it regulates, as does the PUC, the Banking, and Insurance Commissions, they cannot spend any of that money unless we approve it. An appropriation is an approval to spend.

Our challenge in this budget is to cope with the fact that in this biennium we cannot expect the stimulus money that increased the present budget by over \$700 million. We add to that an economy that is still reeling from a downturn, only in slow recovery, and some warn that it may go down again. This is unprecedented. Adding new taxes would surely make it difficult for our state economy to recover.

Our starting point is the revenue estimates that we passed in HR 11. Although some thought they were low, recent events seem to verify their accuracy. We will also be burdened with a likely deficit from the present budget of about \$47 million dollars. The figures that the Governor provided after his meeting with the department heads seem to follow the same pattern that he provided in the previous budgets, expansion based on revenue that is unlikely to be attained. Tens of millions of dollars depend on the success of granting commissions for lottery sales and liquor sales. This is a scheme without precedent, therefore very difficult to predict.

We also felt that it was necessary to minimize any downshifting to the cities and towns. The Governor's plan would have merely cut those stipends that we now send to the municipalities. We add back \$150 million in the areas of School Building Aid Payments, Special Education - Catastrophic Aid, and State Contributions to the municipal employees' retirement. For the retirement contribution, we saved most of the downshift by asking the employee to contribute a little more to their own benefit. The employers' contribution is still the larger, sometimes by twice as much.

Although we have had some adverse reaction by asking the public employees to share in some of the burden, they have been largely sheltered throughout the economic downturn, many receiving


pay and benefit raises, while most of our citizenry are seeing reduced earnings. If we are to have a balanced budget and a balanced economy we cannot afford to let those who work for us, be a favored class.

In Health and Human Services, we will still strive to deliver the services that department has so ably done. We will continue to do so for the vast majority of their clients, but some will have fewer services. To balance that budget we have looked at the fact that of our twenty largest employers in the state, seven are hospitals. Those successful businesses are exempt from BET, BPT, Meals and Rooms taxes, as well as all local property taxes. In these times, hospitals too, must bear some of the burden.

HB 2 is necessary because by NH Constitution HB 1 can only contain the budget and relevant notes. Changes in law necessary to enact the proposed budget are found in HB 2. With all the reorganizing and repealing that are necessary for the savings proposed, it is a lengthy document. Some of the sections reflect some bills that have been passed by the House this session as they will make changes in the budget. Language for the fee decreases we passed in HR 11 are here, as well as the tax cuts that we tabled after their passing, so as to fully identify the House position.

This may well be the most important vote that you take in this session. We have tried to include all of you in this important undertaking. We have provided liaisons to your policy committees, and asked that you minimize sending any new spending bills to the Finance Committee. We have had a successful partnership so far. We will attempt to answer all the questions that you may have to ensure that you are armed with the proper information for answering your constituents' queries.

Thank you for your help.

  
Ken Weyler,

Chair, Finance

ATTACHMENT A

**Restored Aid to Cities and Towns**

The Governor's proposal, as printed in the first version of HB1, would have downshifted approximately \$150 million to cities and towns. In order to mitigate, the House Finance Committee has done the following:

	FY 2011 Adj. Auth.	FY 2012 Governor	FY 2012 House	FY 2013 Governor	FY 2013 House
Building Aid	\$46,260,234	\$19,954,287	\$49,010,475	\$47,174,832	\$47,238,342
\$29,119,698					
Special Education Catastrophic Aid <sup>1</sup>	\$23,813,366	\$7,416,000	\$21,637,308	\$7,516,000	\$21,637,308
\$28,342,616					
State Retirement Contribution to Locals <sup>2</sup>	\$46,837,853	\$0	\$4,600,000	\$0	\$2,700,000
Increased Employee Contributions	\$0	\$0	\$42,269,164	\$0	\$44,171,276
Subtotal - Retirement Savings to Municipalities			\$46,869,164		\$46,871,276
\$93,740,440					
Total Restored Aid in House Proposal					
\$151,202,754					

1) Catastrophic Aid rules and statute changed in HB2 to conform to federal requirements. This will produce savings of at least \$2 million per year, and likely more.

2) By requiring municipal employees to increase retirement contribution rates to their own accounts, the majority of this downshift is shouldered by the 18,603 teachers, 4,231 police officers, and 1,646 firefighters (24,480 total). This proposal will save property tax increases, and maintain that the employer makes the largest contribution towards retirement costs.

	Teachers	Police	Fire
Retirement Normal Contributions - Present	Teachers - 5.00%	Police - 9.30%	Fire - 9.30%
	Employer - 13.95%	Employer - 25.57%	Employer - 30.90%
Retirement Normal Contributions - Proposed	Teachers - 7.00%	Police - 11.55%	Fire - 11.80%
	Employer - 11.95%	Employer - 23.32%	Employer - 28.40%

**HOUSE FINANCE COMMITTEE  
EXECUTIVE BUDGET SUMMARY  
FY 2012 - FY 2013**

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SECTION I  
BUDGET HIGHLIGHTS

**State of New Hampshire  
House Finance Committee Budget Highlights  
FY 2012/2013**

**OVERALL HIGHLIGHTS**

**In General**

- This committee amendment is a balanced budget that provides \$10.3 billion from all funds, including \$2.7 billion in General Funds for the FY 2012-2013 biennium. This budget will also require all three branches of government to reduce appropriations by an additional \$116.9 million in General Funds, \$53.7 million in Highway Funds, \$2.8 million in Other Funds, and \$1.0 million in Fish and Game Funds.
- The committee budget is within the total appropriation limit set by the House in HR11.
- The committee amendment will leave a balance in the Revenue Stabilization Account (rainy day fund) of \$23.5 million at the end of the biennium.

**Revenues**

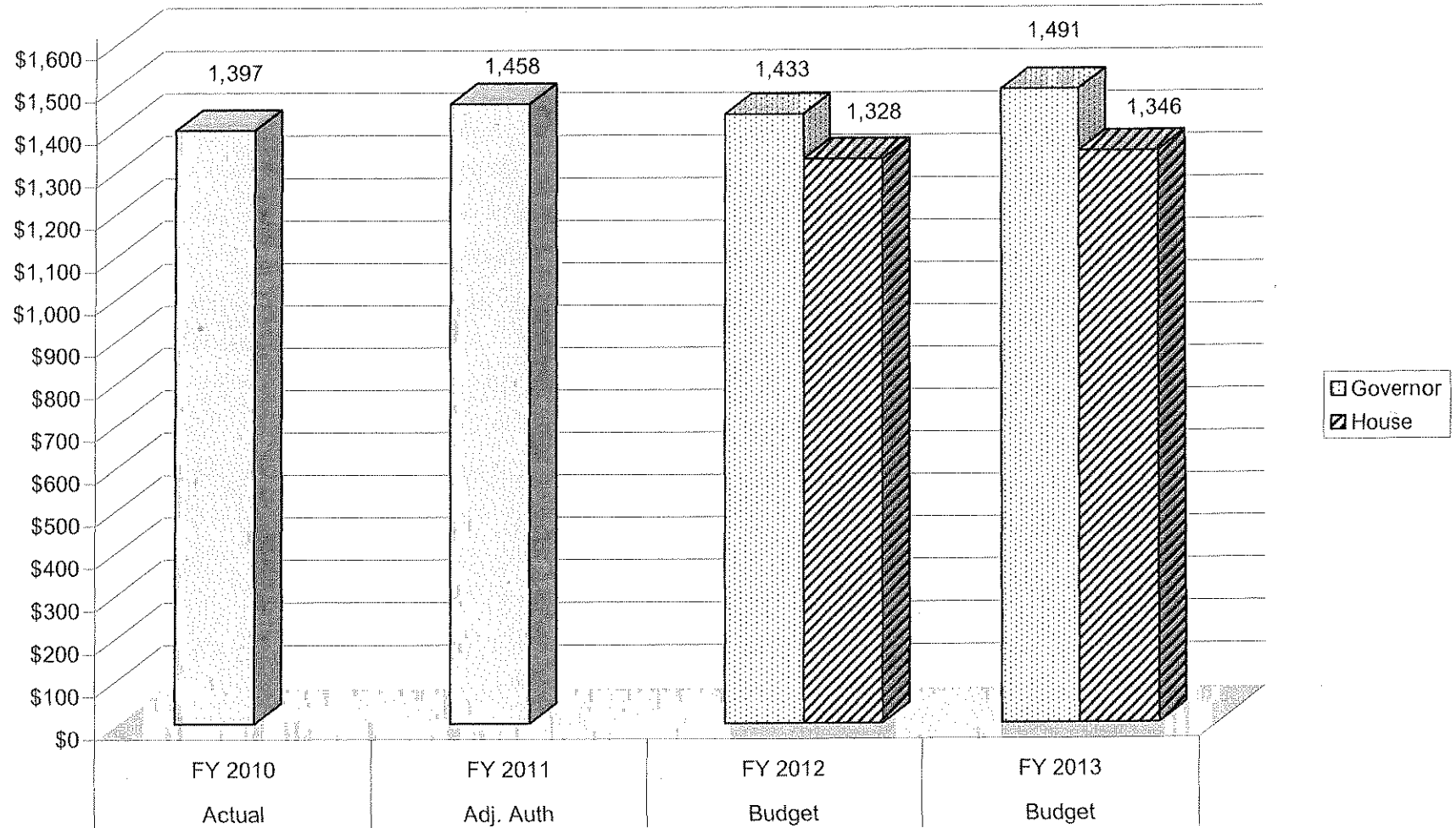
- The revenue projections from existing sources are those estimated by the House Ways and Means Committee.
- The budget package eliminates the tax on gambling winnings; allows for the expiration of the motor vehicle surcharge; and repeals or reduces several other fees.

**Appropriations**

- Reduces appropriations by approximately \$1 billion in all funds, and \$565 million in General Funds when compared to FY 2010-2011 appropriation levels, and cuts approximately 1,500 total positions throughout State government.
- Continues the State's commitment to municipalities while modifying the current education funding formula to provide sustainability, predictability, and continuity to that funding.

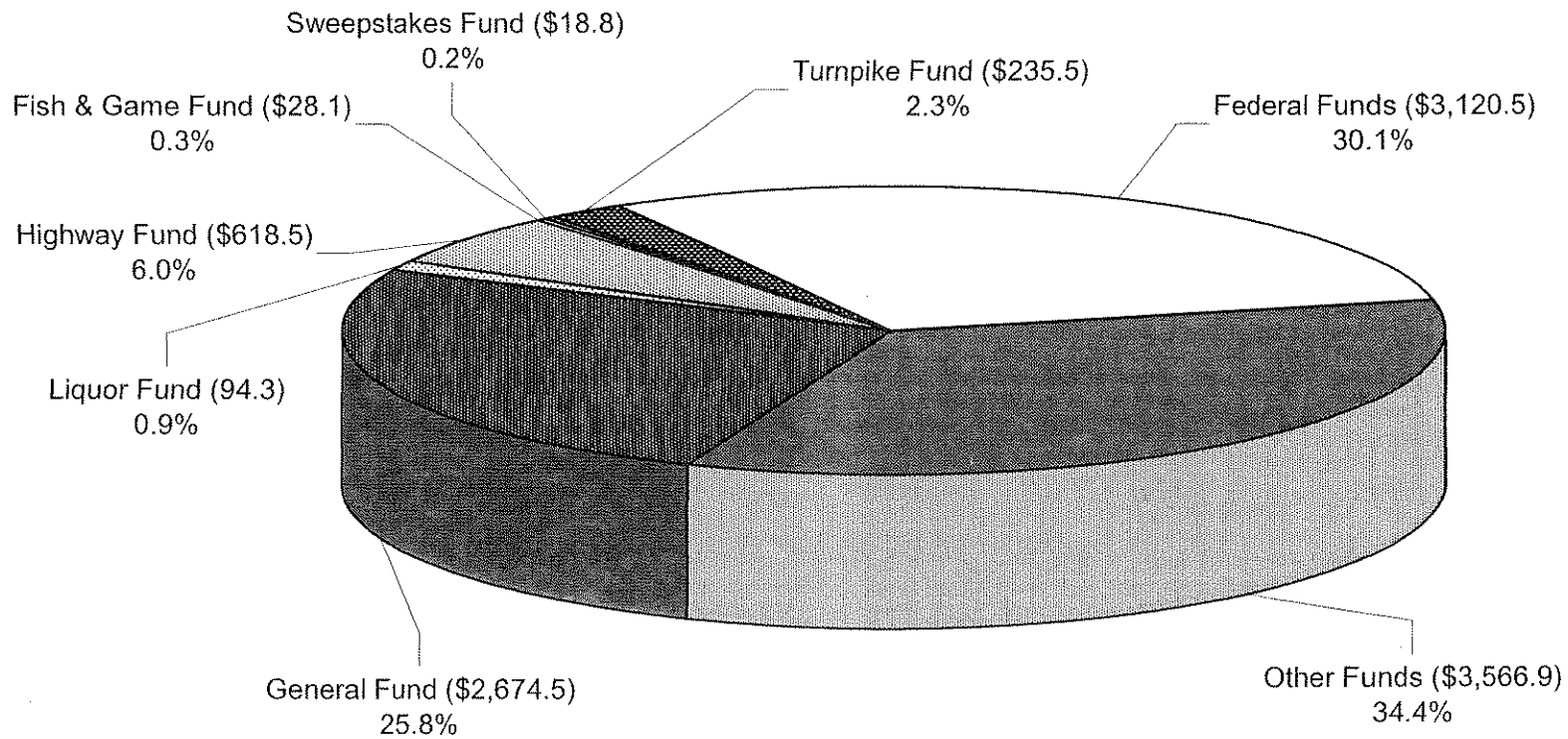


### Comparison of General Fund Appropriations FY 2010 through FY 2013 (In Millions)



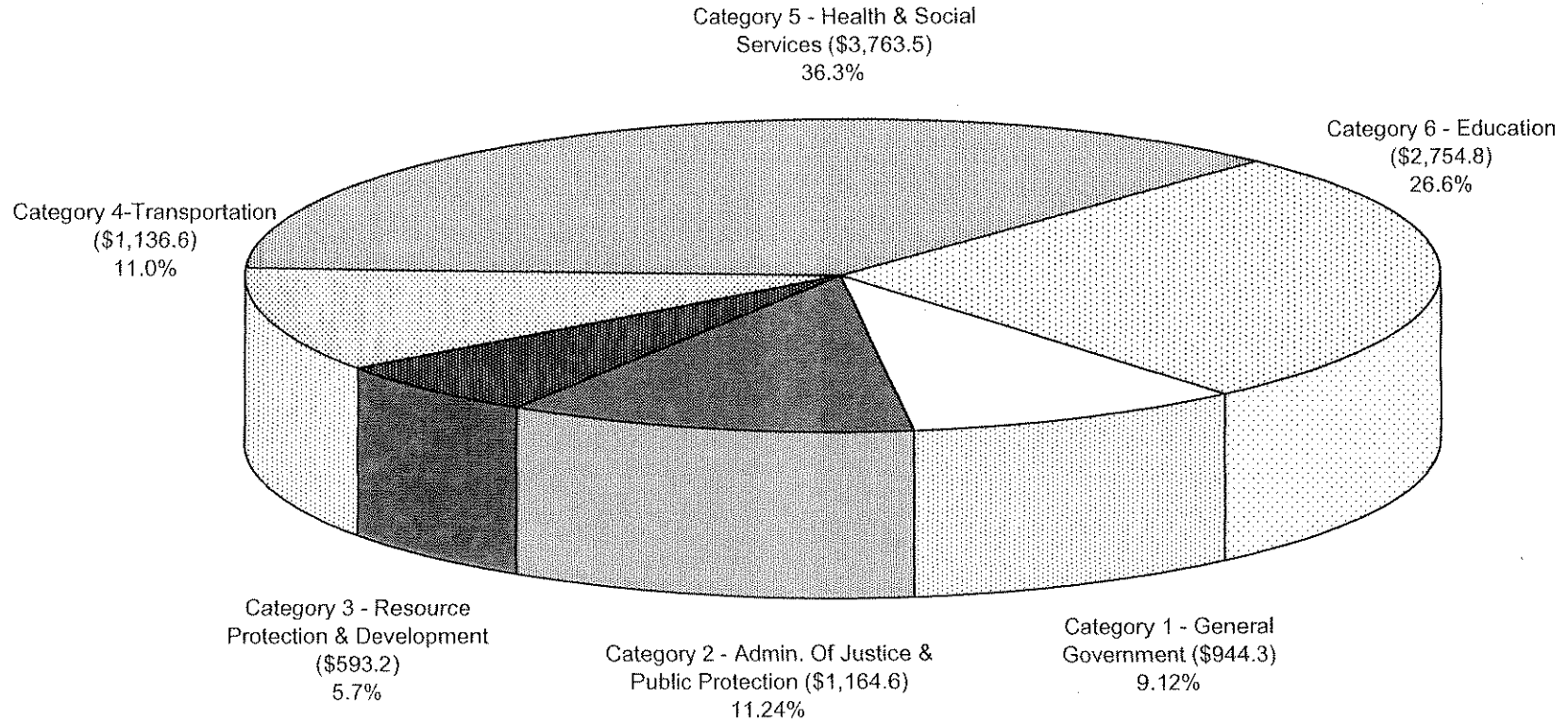
Note - Contains HB 1 section 1 appropriations only.

**HB1, AS AMENDED BY THE HOUSE FINANCE COMMITTEE  
THE OPERATING BUDGET FOR FY 12/13  
TOTAL APPROPRIATIONS BY SOURCE OF FUNDS \$10,357**



Section 1 Only  
Amounts in Millions  
LBAO  
March 25, 2011

**HB 1, AS AMENDED BY THE HOUSE FINANCE COMMITTEE  
THE OPERATING BUDGET FOR FY 12/13  
TOTAL APPROPRIATIONS BY CATEGORY \$10,357**



Section 1 Only  
Amounts in Millions  
LBAO  
March 25, 2011

### **Legislative Branch**

- Funds the Legislative Branch at 94% of FY 2010 expenditure levels in each year of the biennium.

### **Office of Energy and Planning (OEP)**

- Saves approximately \$433,000 over the biennium in State General Funds by defunding two positions and reducing state grants.

### **Department of Information Technology (DoIT)**

- Achieves State General Fund savings of approximately \$1.0 million over the biennium through the implementation of an open-source software pilot program and the abolishment of three vacant funded positions.
- Funds a position for the purposes of implementing the Business One Stop Project which will provide one on-line place for companies to find the information needed to do business in and with the State of New Hampshire.

### **Department of Administrative Services**

- Limits general fund appropriations for retiree health insurance at \$27.5 million per fiscal year.
- Requires the consolidation of human resource functions and business functions throughout State government to promote greater efficiency.
- Reduces personnel and building maintenance appropriations by approximately \$1.9 million over the biennium.

### **Department of State**

- Redirects \$800,000 in Vital Records Improvement Fund revenue to the State General Fund for the biennium.

### **Department of Cultural Resources**

- Abolishes the Department of Cultural Resources, and transfers the New Hampshire Film and Television Commission to the Department of Resources and Economic Development, and the Division of Libraries and Division of Historical Resources to the Secretary of State.

### **Department of Revenue Administration**

- Reduces personnel costs by over \$5.3 million in State General Funds over the biennium.

### **State Treasury**

- Provides \$117.6 million to cities and towns for meals and rooms distribution over the biennium.
- Directs \$240,000 of recording surcharge revenue to the Land and Community Heritage Investment Program (LCHIP).

### **New Hampshire Retirement System**

- Provides for comprehensive reforms to the New Hampshire State Retirement System (NHRS) through a combination of changes to employee retirement age requirements, benefit calculations, and contribution rates. The proposal is estimated to result in approximately \$20 million in annual State General Fund savings, and approximately \$43 million in annual savings to municipalities.

### **Joint Board of Licensure**

- Consolidates all administrative and business processing functions of the Boards of Accountancy, Manufactured Housing, and Real Estate Appraisers to the Joint Board of Licensure.

### **Department of Corrections**

- Reduces State General Fund appropriations to the Department of Corrections for salary and benefits by approximately \$5.9 million over the biennium.

### **Judicial Branch**

- Supports the implementation of the Judicial Branch Innovation Commission recommendations by providing an additional \$2.96 million in State General Funds in FY 2012 over the Governor's Recommended Budget, and authorizes the Branch to request additional appropriations in FY 2013 to continue the implementation of the Innovation Commission's recommendations.

### **Judicial Council**

- Allows the Judicial Council to focus on its core responsibilities by removing the requirement for the Judicial Council to pay for mediators and guardian ad litem in divorce cases.
- Provides an additional \$300,000 of State General Funds in each year of the biennium for indigent defense costs.

### **Department of Justice**

- Abolishes 16 positions in the Department, allowing for the reduction of State General Fund appropriations by \$3 million over the biennium for salary, benefit, and other associated costs.

### **Department of Agriculture**

- Eliminates 4 positions in the Division of Weights and Measures.

### **Department of Resources and Economic Development**

- Reduces general fund appropriations by \$2.98 million over the biennium relative to international commerce, travel and tourism funding, and the New Hampshire Innovative Research Center.

### **Department of Environmental Services**

- Continues to meet existing State Aid Grant commitments to municipalities.
- Achieves State General Fund savings of \$3.3 million over the biennium by abolishing 20 positions, changing the funding source for three positions, reducing current expenses and making other programmatic changes.

### **Department of Safety**

- Redirects Plea by Mail revenue for motor vehicle fines of approximately \$16 million over the biennium to the State General Fund, and reduces associated appropriations by approximately \$2 million over the biennium
- Requires Navigation Safety Fund revenues in excess of expenditures to be deposited into the State General Fund at the close of each fiscal year.
- Achieves efficiencies by consolidating the Marine Patrol within the Division of State Police resulting in the defunding of 4 positions, and additional State General Fund revenue of approximately \$2 million over the biennium.
- Reduces appropriations throughout the Department of Safety, including the defunding of 34 positions, to achieve highway fund savings of \$14 million over the biennium.

### **Fish and Game Department**

- Eliminates \$100,000 of State General Fund appropriations over the biennium for the Non-Game Species Management Program.
- Reduces the fees charged for various saltwater fishing licenses by 67%. This change will result in savings to payers of approximately \$250,000 in FY 2012, and \$500,000 in FY 2013.
- Deposits approximately \$280,000 over the biennium from Fish and Game court fines to the State General Fund.
- Establishes a study committee to develop a sustainable funding source for search and rescue operations.

### **Department of Transportation**

- Allows the temporary motor vehicle registration surcharge put into effect last biennium to expire at the close of FY 2011, thus reducing State Highway Fund revenue by \$90 million over the biennium, and reducing registration costs to State citizens.
- Reduces appropriations throughout the Department of Transportation, including the defunding of 83 positions, to achieve highway fund savings of \$45.4 million over the biennium.

### **Department of Education**

- Provides funding for adequate education aid, fiscal capacity disparity aid, and transition aid at approximately \$941 million each year, and will ensure that municipalities receive adequate education grants at the same level they received in FY 2011.
- Appropriates approximately \$96 million over the biennium for School Building Aid to fully fund the requests for approved projects.
- Provides an additional \$28.5 million in State General Funds over the biennium for Catastrophic Education Aid, by continuing the current formula for the partial reimbursement of eligible costs between 3.5 and 10 times the State



average cost and full reimbursement (dependent on appropriation availability) of eligible costs above 10 times the State average cost.

- Increases Education Trust Fund appropriations for Charter Schools by a total of \$3.6 million over the biennium, to accommodate the Department's projected enrollment in FY 2012 and FY 2013.
- Reduces appropriations throughout the Department of Education, including the defunding of 9 positions and changes to the source of funds for 2 positions, to achieve general fund savings of \$9.5 million over the biennium.
- Defunds 2 positions previously funded through fees in the Education Credentialing program.

#### **University System of New Hampshire**

- Reduces State General Fund appropriations to the University System by \$80 million over the biennium.

#### **Community College System of New Hampshire**

- Reduced State General Fund appropriations to the Community College System of New Hampshire by \$11.4 million over the biennium.

#### **Police Standards and Training Council**

- Reduces the Governor's proposed increase in the allocation of penalty assessment revenue to the Council by approximately \$578,000 over the biennium.
- Decreases appropriations to the Police Standards and Training Council by \$766,610 over the biennium.
- Establishes a study committee to develop a sustainable funding source for the Police Standards and Training Council and the State Fire Academy.

### **Lottery Commission**

- Establishes enhanced commissions programs for Lottery Commission salespeople and retailers.

### **McAuliffe-Shepard Discovery Center**

- Supports the transition of the McAuliffe-Shepard Discovery Center to a fiscally self-sufficient entity by the end of the biennium.

### **Department of Health and Human Services (DHHS)**

- Reduces the State General Fund budget for the Department of Health and Human Services by \$207 million from the Governor's recommended budget for the biennium.
- Requires the Commissioner to employ a managed care model for administering the Medicaid program for all Medicaid populations throughout New Hampshire.
- Uses a portion of the Medicaid Enhancement Tax revenue to reimburse critical access hospitals for uncompensated care, and to fund Medicaid provider payments to health care providers. State General fund savings of \$115.68 million for the biennium.

### **DHHS - Division for Children, Youth, and Families**

- Restores the funding for Shelter Care and Intensive/Transitional Care Programs to community-based providers which were not funded under the Governor's recommendation to provide the services at the Sununu Youth Services Center.
- Eliminates funding for Head Start Collaborative Program saving \$594,000 in State General Funds for the biennium.

- Reduces adoption subsidy payments so all foster care payments are at the general rate of \$29/day saving State General Funds of \$2.48 million for the biennium.
- Eliminates the Children In Need of Services (CHINS) program saving \$7.24 million in State General Funds for the biennium.
- Reduces one-half of the State General Funds for the Domestic Violence Program saving \$300,000 for the biennium.

#### **DHHS - Division of Family Assistance**

- Eliminates funding for the optional State Unemployed Parent Program, including the training and employment services, reducing State General Fund appropriations by approximately \$4.52 million for the biennium.
- Removes Federal Temporary Assistance for Needy Families (TANF) funds for childcare to fund Child and Family Services where State General Funds are reduced by \$10.28 million for the biennium.
- Continues State General Fund appropriation levels necessary to satisfy the Federal TANF maintenance of effort requirement in order to receive the \$38 million Federal block grant and avoid costly penalties.

#### **DHHS - Elderly & Adult Services**

- Suspends the biennial State General Fund appropriations for the following programs:
  - New Hampshire Foster Grandparent Program: \$105,000.
  - Retiree Senior Volunteer Program: \$146,000.
  - ServiceLink Resource Centers: \$1.28 million.
  - Alzheimer's Disease and Related Disorders Caregiver Programs: \$642,000.
  - Congregate Housing Supports: \$1.47 million.

- Increases county cap for long term care billings to \$107 million in FY 2013 and \$109 million in FY 2014 consistent with an inflation rate of less than 2%. State General Fund Savings of \$2 million for the biennium.
- Provides an additional credit of \$2.5 million in each year of the biennium against the county billings for long-term care to compensate the counties for the reduction in MQIP (Medicaid Quality Incentive) payments in the Governor's budget. State General Fund cost of \$5.04 million.

### **DHHS - Division of Public Health Services**

- Eliminates \$150,000 in State General Funds for Child Health Services over the biennium.
- Reduces funds for Community Health Centers by \$350,000 in State General Funds over the biennium.
- Eliminated funds for the Tobacco Prevention/Quit Line for State General Fund savings of \$250,000 over the biennium.
- Reduces State General Fund appropriations for STD prevention by \$688,000 over the biennium.
- Eliminates general funds for Farmer's Market Program resulting in State General Fund savings of \$20,000 over the biennium.
- Reduces State General Fund appropriations for the Family Planning Program by \$757,000 for the biennium, and prohibits the remaining funds from being used for evaluation, assessment, consultation about, preparation for, or provision of abortions.
- Reduces State General Fund support for Emergency Preparedness by \$700,000 for the biennium.
- Suspends the Mosquito Control Program for the biennium, resulting in State General Fund savings of \$360,000.
- Reduces State General Funds for Public Health Laboratory Services by \$300,000 over the biennium.

### **DHHS - Bureau of Behavioral Health**

- Proposes changes which will result in the Community Mental Health Centers prioritizing services based on clinical needs, makes admission to the state mental health services system and access to services dependent on the availability of appropriations.
- Reduces by an estimated 3,500 the number of adults to receive mental health services through the Community Mental Health Centers resulting in State General Fund savings of \$13.47 million for the biennium.
- Reduces by an estimated 3,500 the number of children and adolescents to receive mental health services through the Community Mental Health Centers resulting in State General Funds savings of \$11.7 million for the biennium.
- Eliminates the contract with Dartmouth Psychiatric Research Center, the Behavioral Health Policy Institute, and the associated requirement to retain a part-time medical director resulting in State General Fund savings of approximately \$700,000 over the biennium,

### **DHHS – New Hampshire Hospital**

- Consolidates workforce operations, and reduces appropriations for maintenance and dietary and clinical programs in order to maintain admitting hours and avoid reducing services for voluntary admissions. State General Fund savings of \$2.1 million for the biennium.

### **DHHS - Bureau of Developmental Services**

- Reduces Medicaid and Non-Medicaid Family Support Services by one-half reducing State General Fund appropriations by \$7.9 million over the biennium.
- Eliminates all Targeted Case Management Services reducing State General Fund appropriations by \$3.8 million for the biennium.

- Reduces State General Funds for Independent Living Supports by one-half saving \$2.53 million for the biennium.
- Reduces State General Funds for Medicaid Waiver Day Services by \$5.79 million over the biennium

### **DHHS - Bureau of Drug and Alcohol Services**

- Reduces State General Fund appropriations for the following programs under the Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention, and Treatment:
  - Eliminates funding for the Drug and Alcohol Councilors Statewide Conference in FY 2012: \$40,000
  - Eliminates funding for Regional Networks Direct Services: \$1.44 million
  - Eliminates the Referral Education Assistance and Prevention Program (REAP): \$126,000
  - Eliminates funds for the Website: \$42,000
  - Eliminates funds for Infrastructure Support: \$100,000
  - Reduces funds for treatment services contracts: \$1.26 million

### **DHHS – Commissioner’s Office**

- Realizes savings from District office consolidation, and savings through attrition of Division of Children Youth and Family/Division of Juvenile Justice Services field staff of \$2.15 million in State General Funds over the biennium.

### **DHHS –Office of Operations Support**

- Removes fee increases proposed in Governor’s budget for Childcare and Community Residence licensing.

### **DHHS - Office of Medicaid and Business Policy**

- Utilizes additional drug rebate revenue to provide matching funds for Medicaid prescription drug costs, reducing State General Fund appropriations by \$10.19 million for the biennium.
- Directs the Department of Health and Human Services to implement a prospective payment system for reimbursement of Medicaid outpatient hospital services for an estimated State General Fund savings of \$6 million for the biennium.
- Creates a Home Health Aide pilot program by which a parent of a medically fragile child or child with a chronic illness can provide home health aide services to his or her child and receive some financial assistance through the Medicaid program as an alternative to more costly services.

### **DHHS- Division of Child Support Services**

- Reduces overtime, travel, and training budgets by \$32,000 in State General Funds for the biennium.
- Reduces contract funds for New England Child Support Enforcement System (NECSES) improvements saving State General Funds of \$510,000 for the biennium.
- Reduces contract funds for the Division of Child Support, child support disbursement services by \$297,000 in State General Funds for the biennium.

### **New Hampshire Veterans Home**

- Provides \$22.8 million of State General Fund support for the Veterans Home's 200 New Hampshire veterans.

SECTION II  
FINANCIAL DATA



STATE OF NEW HAMPSHIRE								
COMPARATIVE STATEMENT OF UNDESIGNATED SURPLUS								
GENERAL FUND								
(Dollars in Thousands)								
	2011		2012		2013			
	Governor	H Finance	Governor	H Finance	Governor	H Finance		
1	Beginning Balance, July 1	\$ 65,681	\$ 65,681	\$ 6,745	\$ (50,121)	\$ 2,031	\$ (27,310)	1
2								2
3	<b>Additions:</b>							3
4	Revenue - Schedule 1	1,406,485	1,370,575	1,459,267	1,383,651	1,525,608	1,413,148	4
5	Revenue Adjustments - Schedule 2	1,500	1,500	-	10,517	-	13,955	5
6	Total Additions	1,407,985	1,372,075	1,459,267	1,394,168	1,525,608	1,427,103	6
7								7
8	<b>Less Appropriations:</b>							8
9	Appropriations Net of Estimated Revenue	(1,595,538)	(1,595,538)	(1,432,879)	(1,328,475)	(1,491,032)	(1,346,040)	9
10	Appropriation Adjustments - Schedule 2	196,544	196,544	23,353	54,201	24,326	62,689	10
11	Less Lapse Estimate - Schedule 2	47,345	43,345	42,400	42,400	44,000	44,000	11
12	Lapse Percent	3.38%	3.10%	3.00%	3.33%	3.00%	3.43%	12
13	Net Appropriations	(1,351,649)	(1,355,649)	(1,367,126)	(1,231,874)	(1,422,706)	(1,239,351)	13
14								14
15	<b>Adjustments:</b>							15
16	GAAP and Other Adjustments	(6,000)	(6,000)	6,000	6,000	(4,000)	(4,000)	16
17	Total Adjustments	(6,000)	(6,000)	6,000	6,000	(4,000)	(4,000)	17
18								18
19								19
20								20
21	Current Year Balance (line 6+13+17)	50,336	10,426	98,141	168,294	98,902	183,752	21
22								22
23	Cumulative Ending Balance, June 30 (line 1+21)	116,017	76,107	104,886	118,173	100,933	156,442	23
24								24
25	Transfer (To)/From Revenue Stabilization	-	-	-	-	(20,578)	(14,208)	25
26	Transfer (To)/From Education Trust Fund	(109,272)	(126,228)	(102,855)	(145,483)	(80,355)	(142,234)	26
27								27
28								28
29								29
30	June 30 Balance After Transfers (line 23+25+26)	\$ 6,745	\$ (50,121)	\$ 2,031	\$ (27,310)	\$ -	\$ -	30
31								31
32								32
33								33
34	Revenue Stabilization Balance	\$ 9,312	\$ 9,312	\$ 9,312	\$ 9,312	\$ 29,890	\$ 23,520	34
35								35
36								36
37	Actual Revenue Stabilization Balance at 6/30/10 = \$9,312,000.							37

STATE OF NEW HAMPSHIRE		SCHEDULE 1					
COMPARATIVE STATEMENT OF REVENUE							
GENERAL FUND							
(Dollars in Thousands)							
		FY 2011		FY 2012		FY 2013	
		Governor	H Finance	Governor	H Finance	Governor	H Finance
1	Business Profits Tax	\$ 256,000	\$ 253,908	\$ 273,300	\$ 259,045	\$ 290,400	\$ 266,777
2	Business Enterprise Tax	66,200	62,228	70,700	63,482	75,200	65,352
3	Subtotal	\$ 322,200	\$ 316,136	\$ 344,000	\$ 322,527	\$ 365,600	\$ 332,129
4	Meals & Rooms	240,100	226,550	246,000	221,903	262,600	226,841
5	Tobacco Tax	133,135	128,160	134,435	124,225	134,435	120,515
6	Interest & Dividends Tax	87,000	83,700	92,200	85,400	97,700	87,100
7	Insurance Tax	80,500	80,500	86,100	86,100	86,800	86,800
8	Communications Tax	82,000	79,400	85,700	80,200	87,800	81,000
9	Real Estate Transfer Tax	55,700	52,029	59,300	53,096	62,300	54,163
10	Court Fines and Fees	13,600	13,600	14,000	13,600	14,000	13,600
11	Securities Revenue	34,307	34,300	35,107	35,100	35,907	35,900
12	Utility Consumption Tax	6,000	6,000	6,000	6,000	6,000	6,000
13	Board and Care	20,179	20,200	21,334	20,500	21,568	21,000
14	Beer Tax	13,070	13,100	13,300	13,100	13,300	13,100
15	Horse & Dog Racing/Games of Chance	2,303	2,300	-	2,300	-	2,400
16	Other	68,659	68,700	69,531	69,100	69,402	68,700
17	Transfers from Liquor Sales	126,757	126,800	132,387	130,300	140,409	135,000
18	Tobacco Settlement	2,243	2,200	2,373	2,400	2,387	2,400
19	Gambling Winnings Tax	4,400	3,400	-	3,400	-	3,400
20	Subtotal	\$ 1,292,153	\$ 1,257,075	\$ 1,341,767	\$ 1,269,251	\$ 1,400,208	\$ 1,290,048
21	Medicaid Enhancement	93,000	91,400	100,500	97,000	108,400	104,800
22	Medicaid Recovery	21,332	22,100	17,000	17,400	17,000	18,300
23	Subtotal	\$ 114,332	\$ 113,500	\$ 117,500	\$ 114,400	\$ 125,400	\$ 123,100
24	<b>Total</b>	<b>\$ 1,406,485</b>	<b>\$ 1,370,575</b>	<b>\$ 1,459,267</b>	<b>\$ 1,383,651</b>	<b>\$ 1,525,608</b>	<b>\$ 1,413,148</b>
25							
26	House Revenue estimates - HR11 as passed by the House on 02/09/11.						

STATE OF NEW HAMPSHIRE ADJUSTMENTS - SCHEDULE 2 GENERAL FUND (Dollars in Thousands)		SCHEDULE 2						
		FY 2011		FY 2012		FY 2013		
		Governor	H Finance	Governor	H Finance	Governor	H Finance	
1	<b>REVENUE ADJUSTMENTS:</b>							1
2	CCSNH - reduction (L'09, 143:17 & SSL'10, 1:105)	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -	\$ -	2
3	House Resolution 11 - Tax or Fee reductions	-	-	-	(818)	-	(788)	3
4	HB 25 - Renovate Hooksett Liquor Stores (House Resolution 11)	-	-	-	-	-	4,400	4
5	HB 277 - Unified Carrier Registration System fees to the Highway Fund	-	-	-	(1,320)	-	(1,320)	5
6	HB 540 - Biennial motor vehicle inspections	-	-	-	532	-	350	6
7	HB 557 - BPT reduction for reasonable compensation	-	-	-	(2,000)	-	(2,000)	7
8	Recording Surcharge for LCHIP deposited in the General Fund	-	-	-	2,130	-	2,380	8
9	Vital Records revenue deposited in the General Fund	-	-	-	400	-	400	9
10	Navigation Safety Fund lapsed/transferred to the General Fund	-	-	-	2,700	-	1,500	10
11	Plea By Mail deposited in the General Fund	-	-	-	7,912	-	7,913	11
12	Fish & Game court fines deposited in the General Fund	-	-	-	140	-	140	12
13	Penalty Assessment increased percentage to the General Fund	-	-	-	289	-	289	13
14	St Enhanced Recoveries - FRED Cost Avoidance	-	-	-	216	-	216	14
15	SURS Enhanced Recoveries - RAC Recovery	-	-	-	200	-	200	15
16	Third Party Recoveries - Medicare Recovery	-	-	-	136	-	275	16
17	<b>TOTAL REVENUE ADJUSTMENTS</b>	<b>\$ 1,500</b>	<b>\$ 1,500</b>	<b>\$ -</b>	<b>\$ 10,517</b>	<b>\$ -</b>	<b>\$ 13,955</b>	17
18								18
19	<b>APPROPRIATION ADJUSTMENTS:</b>							19
20	FMAP Stimulus	\$ 49,120	\$ 49,120	\$ -	-	\$ -	-	20
21	FMAP Stimulus - extension for last 2 quarters of FY 2011	35,441	35,441	-	-	-	-	21
22	Department of Cultural Affairs - reduction (L'09 143:19)	150	150	-	-	-	-	22
23	DH&HS - reduction	1,017	1,017	-	-	-	-	23
24	DH&HS - projected shortfall	2,000	2,000	-	-	-	-	24
25	Glenciff Home - reduction (L'09, 143:13)	300	300	-	-	-	-	25
26	Department of Information Technology - reduction (L'09, 143:12)	1,300	1,300	-	-	-	-	26
27	Judicial Branch - reduction (L'09, 143:18)	400	400	-	-	-	-	27
28	Department of Revenue Administration (L'09, 143:11)	250	250	-	-	-	-	28
29	Retirement System reduction Medical Subsidy (L'09, 144:56)	2,148	2,148	-	-	-	-	29
30	Reduce self-insurance 1 month reserve to 5% of annual claims (L'09, 144:66)	774	774	-	-	-	-	30
31	State Revenue Sharing (appropriation of \$1 each fiscal year) (L'09, 143:20)	-	-	-	-	-	-	31
32	Postsecondary Education Commission reduction (L'09, 143:21)	25	25	-	-	-	-	32
33	Statewide overtime 10% reduction (L'09, 143:22)	74	74	-	-	-	-	33
34	Statewide personnel reduction (L'09, 144:289) (includes Liquor and Lottery) (excludes \$1.5m Judicial Lapses, see line 40 below)	15,347	15,347	-	-	-	-	34

STATE OF NEW HAMPSHIRE ADJUSTMENTS - SCHEDULE 2 GENERAL FUND (Dollars in Thousands)		SCHEDULE 2						
		FY 2011		FY 2012		FY 2013		
		Governor	H Finance	Governor	H Finance	Governor	H Finance	
35	Department of Revenue Administration positions for gambling winning tax (L'09, 144:253)	(90)	(90)	-	-	-	-	35
36	Department of Justice position for Condo Act (L'09, 144:241)	(15)	(15)	-	-	-	-	36
37	Statewide agency - expenditure reduction (L'10, 1)	41,533	41,533	-	-	-	-	37
38	Treasury - debt service restructuring (SSL'10, 1:41)	40,000	40,000	-	-	-	-	38
39	Judicial Branch - reduction (SSL'10, 1:106)	1,000	1,000	-	-	-	-	39
40	DH&HS - medical home pilot program reduction (SSL'10, 1:111)	770	770	-	-	-	-	40
41	National Health Care savings	5,000	5,000	-	-	-	-	41
42	Legislative Branch - appropriation reduction (HB1)	-	-	2,236	1,530	2,236	1,530	42
43	Judicial Branch - appropriation reduction (HB1)	-	-	12,119	9,159	12,087	12,087	43
44	Department of Information Technology - Appropriation for new position (HB1)	-	-	(90)	(90)	(91)	(91)	44
45	Department of Information Technology; Appropriation Reduction (HB1)	-	-	-	547	-	497	45
46	Department of Corrections; General Fund Appropriation Reductions (HB1)	-	-	-	2,260	-	2,817	46
47	Department of Revenue Administration; General Fund Appropriation Reduction (HB1)	-	-	-	2,500	-	2,719	47
48	Office of the Governor; General Fund Appropriation Reductions (HB1)	-	-	-	94	-	94	48
49	Department of Environmental Services; Reduction to Out of State Travel Appropriations (HB1)	-	-	-	-	-	-	49
50	Compensation and Benefit cost reductions (HB2)	-	-	10,000	10,000	10,000	10,000	50
51	Consolidation of Payroll/HR functions (HB2)	-	-	-	-	571	571	51
52	Consolidation of Finance and Accounting functions (HB2)	-	-	88	88	250	250	52
53	Appropriation; Monetization of State Assets, Sale of Lakes Region Facility (HB2)	-	-	(250)	(250)	-	-	53
54	Appropriation; Consultant to evaluate Business Process functions (HB2)	-	-	(250)	(250)	-	-	54
55	Appropriation; McAuliffe Shepard Discovery Center (HB2)	-	-	-	-	(227)	(227)	55
56	Appropriation; SAU Competitive Grants (HB2)	-	-	(500)	-	(500)	-	56
57	Department of Health and Human Services; Consolidation (HB2)	-	-	-	744	-	1,402	57
58	HB 231 - relative to payment of medical benefits for state retirees, their spouses, and dependents	-	-	-	7,869	-	10,840	58
59	HB 580 - Relative to the NH Retirement System with adjusted employee contribution rates	-	-	-	20,000	-	20,200	59
60	<b>TOTAL APPROPRIATION ADJUSTMENTS</b>	<b>\$ 196,544</b>	<b>\$ 196,544</b>	<b>\$ 23,353</b>	<b>\$ 54,201</b>	<b>\$ 24,326</b>	<b>\$ 62,689</b>	60
62	<b>LAPSES:</b>							62
63	Calculated LAPSE (see page 1, line11)	23,454	23,454	42,400	42,400	44,000	44,000	63
64	Governor identified dedicated funds transfer to general fund LAPSE (SSL'10, 1:107)	4,200	4,200	-	-	-	-	64
65	Judicial Council - LAPSE (SSL'10, 1:48)	220	220	-	-	-	-	65
66	Treasury - debt service LAPSE (SSL'10, 1:49)	3,000	3,000	-	-	-	-	66
67	Judicial Branch reduction LAPSE (see line 21 above)	1,500	1,500	-	-	-	-	67

STATE OF NEW HAMPSHIRE ADJUSTMENTS - SCHEDULE 2 GENERAL FUND (Dollars in Thousands)		SCHEDULE 2						
		FY 2011		FY 2012		FY 2013		
		Governor	H Finance	Governor	H Finance	Governor	H Finance	
68	Additional LAPSE (SSL'10, 1:93)	9,971	9,971	-	-	-	-	68
69	Legislative Branch balance LAPSE (2011 Session Governor recommend)	5,000	1,000	-	-	-	-	69
70	<b>TOTAL LAPSES</b>	<b>\$ 47,345</b>	<b>\$ 43,345</b>	<b>\$ 42,400</b>	<b>\$ 42,400</b>	<b>\$ 44,000</b>	<b>\$ 44,000</b>	70

STATE OF NEW HAMPSHIRE								
COMPARATIVE STATEMENT OF FUND BALANCE								
EDUCATION TRUST FUND								
(Dollars in Thousands)								
	FY 2011		FY 2012		FY 2013			
	Governor	H Finance	Governor	H Finance	Governor	H Finance		
1	Beginning Balance, July 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1
2								2
3	<b>Additions:</b>							3
4	Revenue - Schedule 3	827,581	810,625	852,900	811,149	875,400	815,652	4
5	Stimulus - Education Jobs Fund	20,494	20,494	-	-	-	-	5
6	Adjustment - R&C Gaming Commission	-	-	-	308	-	326	6
7	<b>Total Additions</b>	<b>848,075</b>	<b>831,119</b>	<b>852,900</b>	<b>811,457</b>	<b>875,400</b>	<b>815,978</b>	7
8								8
9	<b>Appropriations:</b>							9
10	Adequate Education Aid	(1,223,696)	(1,223,696)	(1,304,931)	(1,304,931)	(1,304,931)	(1,304,931)	10
11	State Property Tax raised & retained locally	363,600	363,600	363,100	363,100	363,100	363,100	11
12	<b>Total Adequacy</b>	<b>(860,096)</b>	<b>(860,096)</b>	<b>(941,831)</b>	<b>(941,831)</b>	<b>(941,831)</b>	<b>(941,831)</b>	12
13	Hardship Grants	(4,000)	(4,000)	(2,900)	(2,900)	(2,900)	(2,900)	13
14	Charter School Tuition	(5,778)	(5,778)	(5,778)	(6,553)	(5,778)	(7,367)	14
15	Fiscal Disparity - School Districts	(37,010)	(37,010)	-	-	-	-	15
16	Kindergarten Adequacy	(3,678)	(3,678)	(1,952)	(1,952)	(1,952)	(1,952)	16
17	Education Transition Aid	(43,491)	(43,491)	-	-	-	-	17
18	Fiscal Disparity - Charter Schools	(3,294)	(3,294)	(3,294)	(3,704)	(3,294)	(4,162)	18
19	<b>Total Appropriations</b>	<b>(957,347)</b>	<b>(957,347)</b>	<b>(955,755)</b>	<b>(956,940)</b>	<b>(955,755)</b>	<b>(958,212)</b>	19
20								20
21	<b>Adjustments:</b>							21
22	Adjustments	-	-	-	-	-	-	22
23	<b>Total Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	23
24								24
25								25
26								26
27	<b>Current Year Balance (line 7+19+23)</b>	<b>(109,272)</b>	<b>(126,228)</b>	<b>(102,855)</b>	<b>(145,483)</b>	<b>(80,355)</b>	<b>(142,234)</b>	27
28								28
29	<b>Cumulative Ending Balance, June 30 (line 1+27)</b>	<b>(109,272)</b>	<b>(126,228)</b>	<b>(102,855)</b>	<b>(145,483)</b>	<b>(80,355)</b>	<b>(142,234)</b>	29
30								30
31	<b>Transfer (To)/From General Fund</b>	<b>109,272</b>	<b>126,228</b>	<b>102,855</b>	<b>145,483</b>	<b>80,355</b>	<b>142,234</b>	31
32								32
33								33
34								34
35	<b>June 30 Fund Balance After Transfers (line 29+31)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	35
36								36
37								37

STATE OF NEW HAMPSHIRE COMPARATIVE STATEMENT OF REVENUE EDUCATION TRUST FUND (Dollars in Thousands)		SCHEDULE 3						
		FY 2011		FY 2012		FY 2013		
		Governor	H Finance	Governor	H Finance	Governor	H Finance	
1	Business Profits Tax	\$ 54,800	\$ 54,409	\$ 58,500	\$ 55,510	\$ 62,200	\$ 57,167	1
2	Business Enterprise Tax	132,500	124,455	141,400	126,963	150,300	130,704	2
3	Subtotal	\$ 187,300	\$ 178,864	\$ 199,900	\$ 182,473	\$ 212,500	\$ 187,871	3
4	Meals & Rooms	4,900	7,450	5,000	7,297	5,400	7,459	4
5	Tobacco Tax	104,600	99,840	105,600	96,775	105,600	93,885	5
6	Real Estate Transfer Tax	27,900	25,971	29,700	26,504	31,100	27,037	6
7	Transfer from Charitable Gaming/Pari-Mutuel	1,281	1,300	3,600	900	3,700	900	7
8	Transfer from Lottery	70,000	66,200	77,000	66,200	85,000	67,500	8
9	Tobacco Settlement	40,000	40,000	40,000	40,000	40,000	40,000	9
10	Utility Property Tax	28,000	28,000	29,000	28,000	29,000	28,000	10
11	State Wide Property Tax	363,600	363,000	363,100	363,000	363,100	363,000	11
12	<b>Total</b>	<b>\$ 827,581</b>	<b>\$ 810,625</b>	<b>\$ 852,900</b>	<b>\$ 811,149</b>	<b>\$ 875,400</b>	<b>\$ 815,652</b>	12
13								13
14	House Revenue estimates - HR11 as passed by the House on 02/09/11.							14

	A	B	C	D	E	F	G	
1	<b>State of New Hampshire</b>							1
2	<b>Statement of Undesignated Fund Balance - Highway Fund</b>							2
3	(dollars in thousands)							3
4								4
5		<b>FY 2011 House Finance</b>		<b>FY 2012 House Finance</b>		<b>FY 2013 House Finance</b>		5
6		OPERATING	CAPITAL	OPERATING	CAPITAL	OPERATING	CAPITAL	6
7	<b>Balance, July 1 (Budgetary)</b>	\$ 45,837	\$ 226,044	\$ 19,236	\$ 146,044	\$ 28,259	\$ 31,044	7
8								8
9	<b>Additions:</b>							9
10	Gasoline Road Toll	\$ 124,500		\$ 124,500		\$ 124,500		10
11	Motor Vehicle Fees	\$ 129,500		\$ 108,300		\$ 108,300		11
12	Miscellaneous	\$ 40,800		\$ 24,500		\$ 23,500		12
13	Additional Proceeds from I-95 Sale - Expedited Schedule			\$ 20,100		\$ 20,100		13
14	HB 277 (UCRS Fees)			\$ 1,320		\$ 1,320		14
15	HB 540 (Biennial MV Inspections)			\$ 2,178		\$ -		15
16	<b>Total Additions</b>	\$ 294,800	\$ -	\$ 280,898	\$ -	\$ 277,720	\$ -	16
17								17
18	<b>Deductions:</b>							18
19	Appropriations	\$ 312,668	\$ 8,500	\$ 300,192	\$ 8,500	\$ 301,276	\$ 8,500	19
20	Appropriations (GARVEE Bond Proceeds)		\$ 80,000		\$ 115,000		\$ -	20
21	Less: DOT HWY Fund Appropriation Reduction (HB 1 section)			\$ (20,140)		\$ (25,240)		21
22	Less: DOS HWY Fund Appropriation Reduction (HB 1 section)			\$ (4,199)		\$ (4,085)		22
23	Less: HB 231 Estimated Savings (Retiree Health)			\$ (6,164)		\$ (8,266)		23
24	Less: HB 580 Estimated Savings (Retirement Contribution)			\$ (4,000)		\$ (4,000)		24
25	Less: Local Block Grant Aid Recalculation Savings					\$ (5,200)		25
26	Less: Lapses	\$ (6,144)		\$ (5,314)		\$ (5,090)		26
27								27
28	Net Appropriations	\$ 306,524	\$ 88,500	\$ 260,375	\$ 123,500	\$ 249,395	\$ 8,500	28
29								29
30	Other Debits	\$ 6,377		\$ 3,000		\$ 3,000		30
31	<b>Total Deductions</b>	\$ 312,901	\$ 88,500	\$ 263,375	\$ 123,500	\$ 252,395	\$ 8,500	31
32								32
33	Current Year Balance	\$ (18,101)	\$ (88,500)	\$ 17,523	\$ (123,500)	\$ 25,325	\$ (8,500)	33
34								34
35	Transfer to Capital Account	\$ (8,500)	\$ 8,500	\$ (8,500)	\$ 8,500	\$ (8,500)	\$ 8,500	35
36	Transfer (to) from General Fund							36
37								37
38	Balance, June 30 (Budgetary)	\$ 19,236	\$ 146,044	\$ 28,259	\$ 31,044	\$ 45,084	\$ 31,044	38
39								39
40	GAAP Adjustments	\$ (13,000)	\$ (163,000)	\$ (13,000)	\$ (48,000)	\$ (13,000)	\$ (48,000)	40
41								41
42	Balance, June 30 (GAAP)	\$ 6,236	\$ (16,956)	\$ 15,259	\$ (16,956)	\$ 32,084	\$ (16,956)	42



	A	B	C	D	
1	State of New Hampshire				1
2	<b>Statement of Undesignated Fund Balance - Fish and Game Fund</b>				2
3	(dollars in thousands)				3
4					4
5		FY 2011 House Finance	FY 2012 House Finance	FY 2013 House Finance	5
6					6
7	<b>Balance, July 1 (Budgetary)</b>	\$ 5,031	\$ 3,837	\$ 2,721	7
8					8
9	<b>Additions:</b>				9
10	Unrestricted Revenue	\$ 10,400	\$ 10,100	\$ 10,100	10
11	Other Credits	\$ 1,500	\$ 1,500	\$ 1,500	11
12	Reduce Saltwater Fishing License Fees (HB 2)		\$ (250)	\$ (500)	12
13	Redirect Fish and Game Court Fines to the General Fund (HB 2)		\$ (140)	\$ (140)	13
14	<b>Total Additions</b>	\$ 11,900	\$ 11,210	\$ 10,960	14
15					15
16	<b>Deductions:</b>				16
17	Appropriations	\$ 13,499	\$ 13,868	\$ 14,189	17
18	Less: F&G Fund Appropriation Reduction (HB 1 section)		\$ (390)	\$ (640)	18
19	Less: HB 231 Savings (Retiree Health)		\$ (462)	\$ (655)	19
20	Less: HB 580 Savings (Retirement Contributions)		\$ (300)	\$ (300)	20
21	Less: Lapses	\$ (405)	\$ (390)	\$ (387)	21
22					22
23	<b>Total Deductions</b>	\$ 13,094	\$ 12,326	\$ 12,207	23
24					24
25	Current Year Balance	\$ (1,194)	\$ (1,116)	\$ (1,247)	25
26					26
27					27
28	Balance, June 30 (Budgetary)	\$ 3,837	\$ 2,721	\$ 1,474	28
29					29
30	GAAP Adjustments	\$ (1,000)	\$ (800)	\$ (1,000)	30
31					31
32	Balance, June 30 (GAAP)	\$ 2,837	\$ 1,921	\$ 474	32