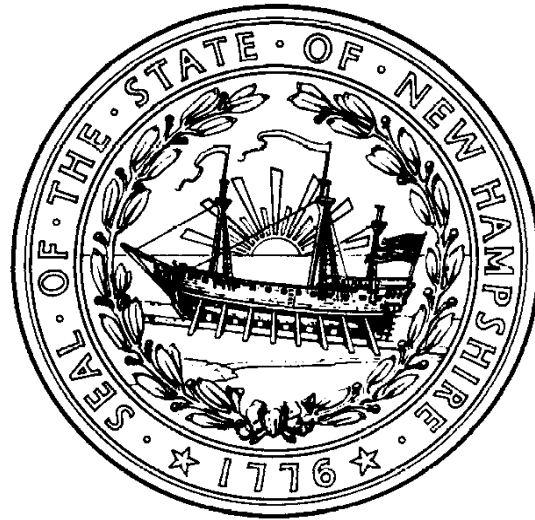


HOUSE FINANCE COMMITTEE

BUDGET BRIEFING - HOUSE BILL 1 & 2

APRIL 3, 2017



**OPERATING BUDGET FOR FISCAL YEARS ENDING
JUNE 30, 2018 AND 2019**

2017-2018 SESSION
HOUSE FINANCE COMMITTEE

CHAIRMAN – Neal M. Kurk
VICE CHAIRMAN – Lynne M. Ober
CLERK – Kenneth L. Weyler

I. GENERAL GOVERNMENT; ADMINISTRATION OF JUSTICE AND PUBLIC PROTECTION;
RESOURCE PROTECTION AND DEVELOPMENT

CHAIRMAN – Lynne M. Ober
VICE CHAIRMAN – Tracy J. Emerick
CLERK – Peter R. Leishman
Gerald Griffin William A. Hatch
Neal M. Kurk Patricia Lovejoy
Peter J. Spanos Robert M. Walsh
Timothy L. Twombly

II. DEPARTMENT OF SAFETY; FISH AND GAME; TRANSPORTATION; EDUCATION

CHAIRMAN – Karen Umberger
VICE CHAIRMAN – Kenneth L. Weyler
CLERK – Marjorie M. Smith
Mary M. Allen Thomas L. Buco
Neal M. Kurk Daniel A. Eaton
Steve Vaillancourt

III. HEALTH & SOCIAL SERVICES

CHAIRMAN – Frank A. Byron
VICE CHAIRMAN – Betsy McKinney
CLERK – Katherine D. Rogers
David Bates Sharon L. Nordgren
David Danielson Cindy Rosenwald
Erin Hennessey Mary Jane Wallner
Neal M. Kurk



State of New Hampshire

HOUSE OF REPRESENTATIVES

CONCORD, NH 03301-6328

TDD Access: Relay NH 1-800-735-2964

(603) 271-3164

COMMITTEE ON FINANCE

March 30, 2017

To the Honorable Members of the House of Representatives:

This briefing document summarizes the House Finance Committee recommendations for the state budget for the FY 2018/19 biennium. It is a balanced budget, with no new or increased taxes or fees, and it is based on the unanimous House Ways and Means revenue estimates. Some of the programs and changes were suggested by the Governor in HB 1-A as introduced. Other programs and changes were the result of careful review by the Finance Committee, after listening to public comments at three public hearings and accepting input from state departments and agencies.

HB 1-A is the state budget. It establishes what the state will do in the next two years. It sets the direction, priorities and limits for state agencies. HB 2-FN-A-L contains the necessary statutory changes to support the budget.

The budget appropriates \$11.9 billion in total funds for the next biennium, up 4.9% from the \$11.3 billion appropriated in the current biennium. Included in that total are \$5.0 billion in general and education trust funds, up 5.8% from the \$4.8 billion appropriated in the current biennium, due in part to an additional \$50 million in municipal aid provided to cities and towns for property tax relief, and almost \$14 million for the Department of Safety to relieve pressure on the highway fund due to lagging gas tax revenue growth.

This budget provides the services the people of this state need for the next two years: better roads, education for our children, a pro-business atmosphere and care for the neediest among us. It represents a careful compromise between what we wanted to do and what we were able to do.

But it is more than a "business as usual" budget. It also provides increased funding to bring more workers into our economy through child care grants and workforce training, it provides more resources to battle addiction, it transforms how we deal with juvenile offenders, it improves our infrastructure, and it lowers local property taxes.

The Finance Committee worked hard to build a budget that reflects the views and values of the people who elected us to represent them.

A handwritten signature in cursive script that reads "Neal M. Kurk".

Representative Neal M. Kurk
Chairman

**HOUSE FINANCE COMMITTEE
BUDGET BRIEFING – HOUSE BILL 1 & 2
FY 2018 - FY 2019**

TABLE OF CONTENTS

Page #

Section I BUDGET HIGHLIGHTS

A. Overall Highlights-----	4
B. Graph and Charts – Appropriations -----	7
C. Agency Highlights -----	12

Section II FINANCIAL DATA

A. Surplus Statements	
1. General and Education Trust Fund -----	23
2. Highway Fund -----	29
3. Fish & Game Fund -----	30
B. Schedule of State Aid to Cities, Towns, and School Districts -----	31

**State of New Hampshire
House Finance Committee Budget Highlights
FY 2018-2019**

OVERALL HIGHLIGHTS

In General

- The committee amendment is a balanced budget that provides \$11.9 billion from all funds, including \$5.0 billion in general and education trust funds, for the FY 2018-2019 biennium.
- The committee amendment will result in a balance in the Revenue Stabilization Reserve Account (“rainy day” fund) of \$84.3 million at the end of the biennium.

Revenues

- The revenue projections from existing sources are those estimated unanimously by the House Ways and Means Committee.
- The House Finance Committee recommendation balances the budget using existing revenue sources and funds, as well as keno revenue and mobile lottery ticket sales revenue, but proposes no new or increased taxes or fees.

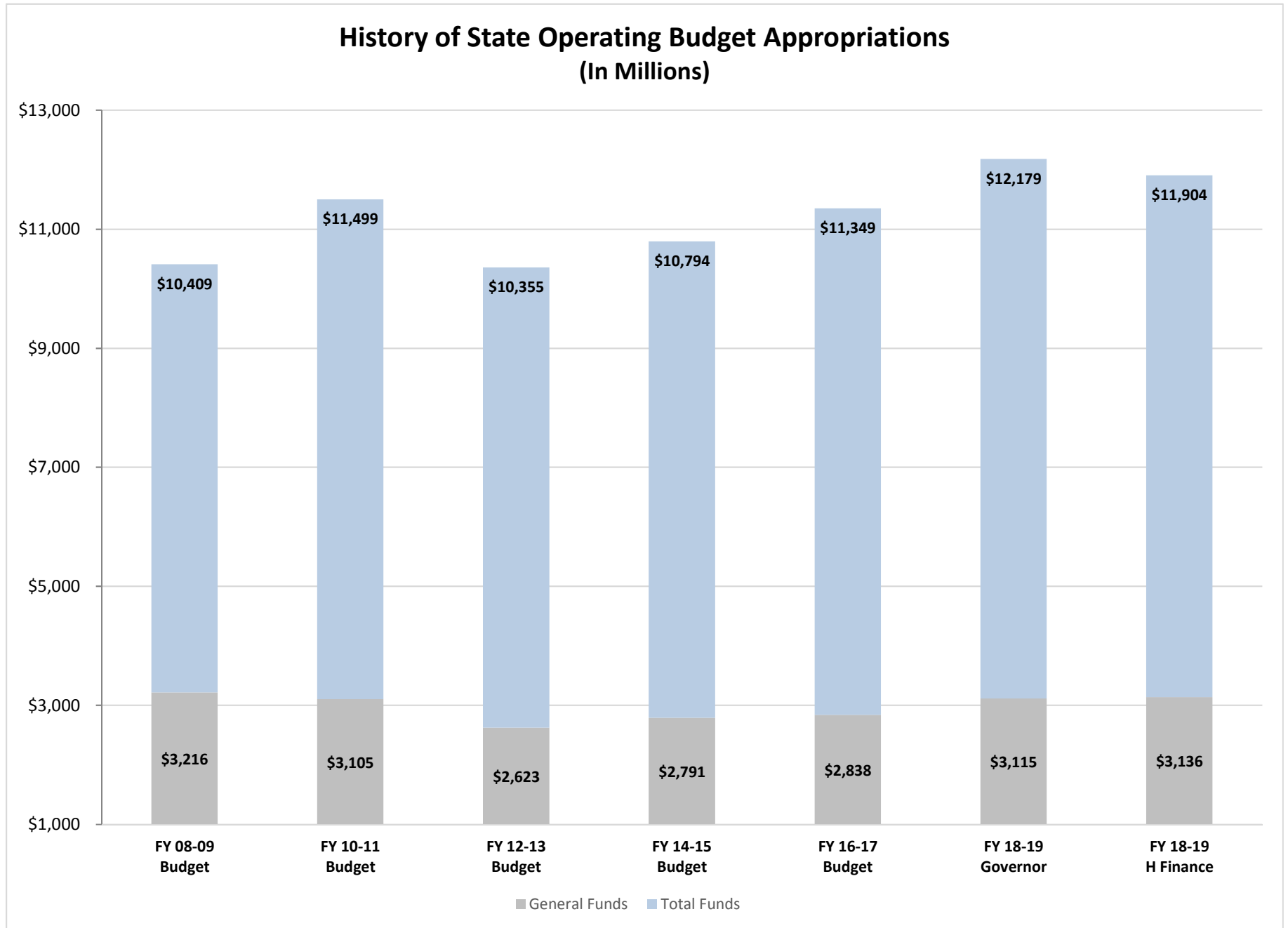
Appropriations

- Provides \$40 million in FY 2017 for the purpose of local infrastructure projects including \$15 million for municipal bridges, \$15 million for additional highway block grants, and \$10 million for school building aid, as well as \$5 million for highway betterment and \$18 million to deal with alternative heating plants for 26 state buildings in Concord.
- Provides \$3.3 million in FY 2017 for a multi-jurisdictional, regionally-coordinated effort to interdict drugs coming into the State.
- Provides \$50 million over the biennium for municipal aid to cities and towns to provide local property tax relief.
- Provides \$13.8 million over the biennium to fully fund water pollution control and public water system grants.

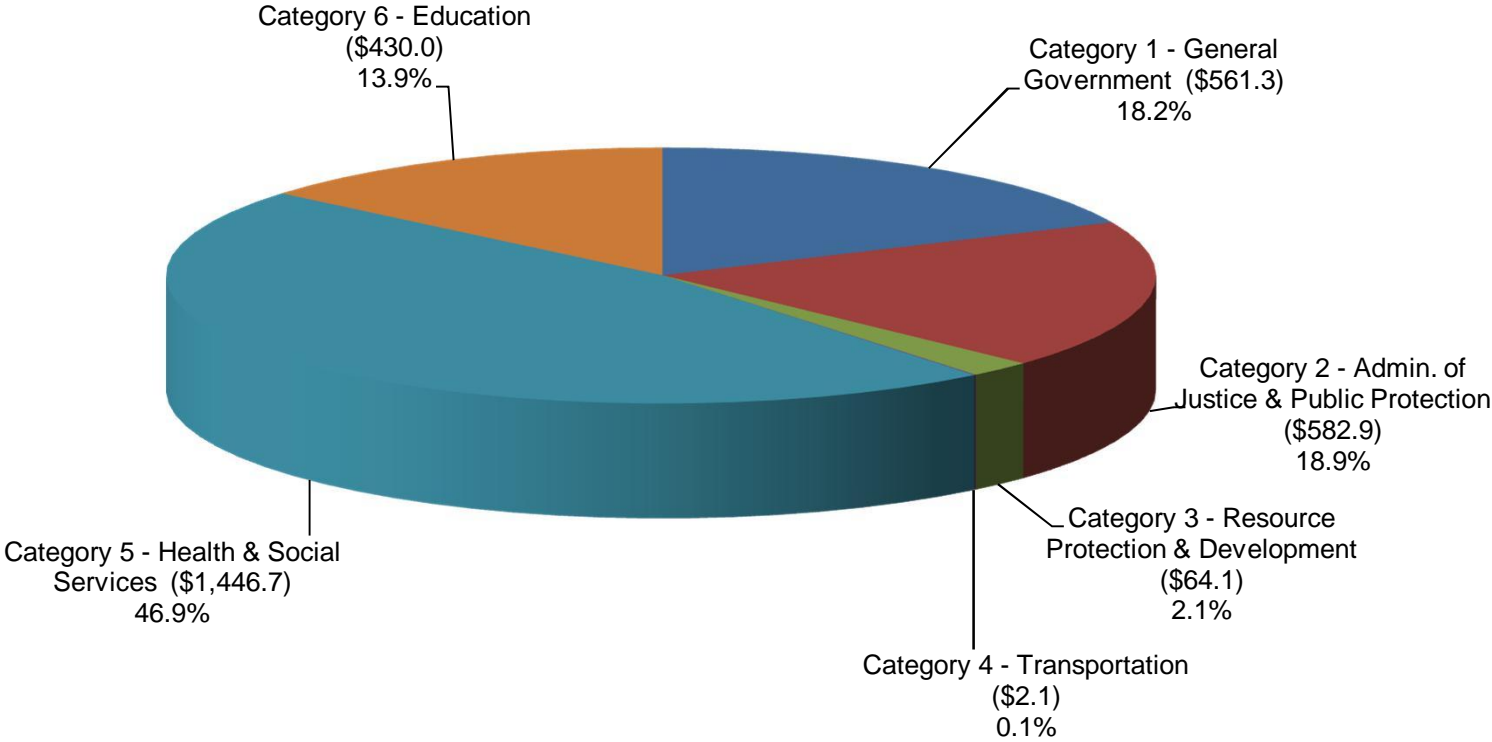
- Provides an additional \$2.5 million, for a total of \$80.7 million in general funds, for retired state employees' health care.
- Fully funds flood control payments to cities and towns.
- Funds the opening of the new women's prison in Concord, offering educational and medical programming equivalent to those in the men's prison.
- Provides approximately \$11.7 million in the FY 2018-2019 biennium to promote travel and tourism, up from \$11.5 million in the FY 2016-2017 biennial budget.
- Funds a N.H. National Guard scholarship program.
- Provides \$4.3 million to maintain and improve the state's highway welcome centers.
- Adequately funds transportation and highways. Due to slowly-growing gas tax revenues, this required an infusion of \$14 million of general funds to the Department of Safety, freeing up \$14 million of highway funds for transportation.
- Up to \$22 million of Volkswagen settlement funds were appropriated to the Department of Transportation to replace old equipment.
- Provides \$2.3 million for additional per pupil payments to public charter schools.
- Provides an additional \$6 million to the Community College System and level funds the University System.
- Provides \$28.2 million for direct care support staff and providers in mental health center, developmental services, children's residential services and elderly and adult care, some of which have not received rate increases in a decade.
- Provides \$1.43 billion to fully fund Medicaid managed care.
- Provides an additional \$8.7 million for community mental health services, including an additional \$3 million for Assertive Community Treatment teams, which are the first line of care for our mentally ill.
- Appropriates \$11.5 million for a workforce development pilot program to serve 600-800 individuals.
- Increases resources for alcohol and drug abuse prevention, treatment and recovery, including drug courts and prescription data monitoring, by \$33.8 million to \$54.8 million
- Provides an additional \$57 million for services for the developmentally disabled.
- Provides an additional \$14.6 million for child care services.

Other changes

- Improves efficiencies in the Secretary of State's Office and the Department of Administrative Services.
- Reorganizes Department of Resources and Economic Development and the Department of Cultural Affairs into the Department of Business and Economic Affairs and the Department of Natural and Cultural Resources.
- Protects 7,353 retired state employees over 68 from having to contribute to the cost of their health care plan. Those between 65 and 68 will make a small contribution, and those under 65 will see their contribution increase from 17.5% to 20.0% of the monthly premium cost.
- Establishes a college scholarship program and a high school/college dual/concurrent enrollment program funded at \$1 with the expectation of additional funding should state revenues improve before the budget is finalized in June.
- Transforms the juvenile justice system so that children who are not dangerous to themselves or others will receive treatment more appropriately in the community and only the most violent and dangerous are committed to the Sununu Youth Services.
- Increases the county cap on long-term care costs by the usual 2% each year, less than the health care inflation index.
- Defers putting county long-term care services under Medicaid managed care for two years.
- Establishes a future review of the progress made by the Division of Children, Youth and Families in correcting the deficiencies found in the recent independent review of the organization.

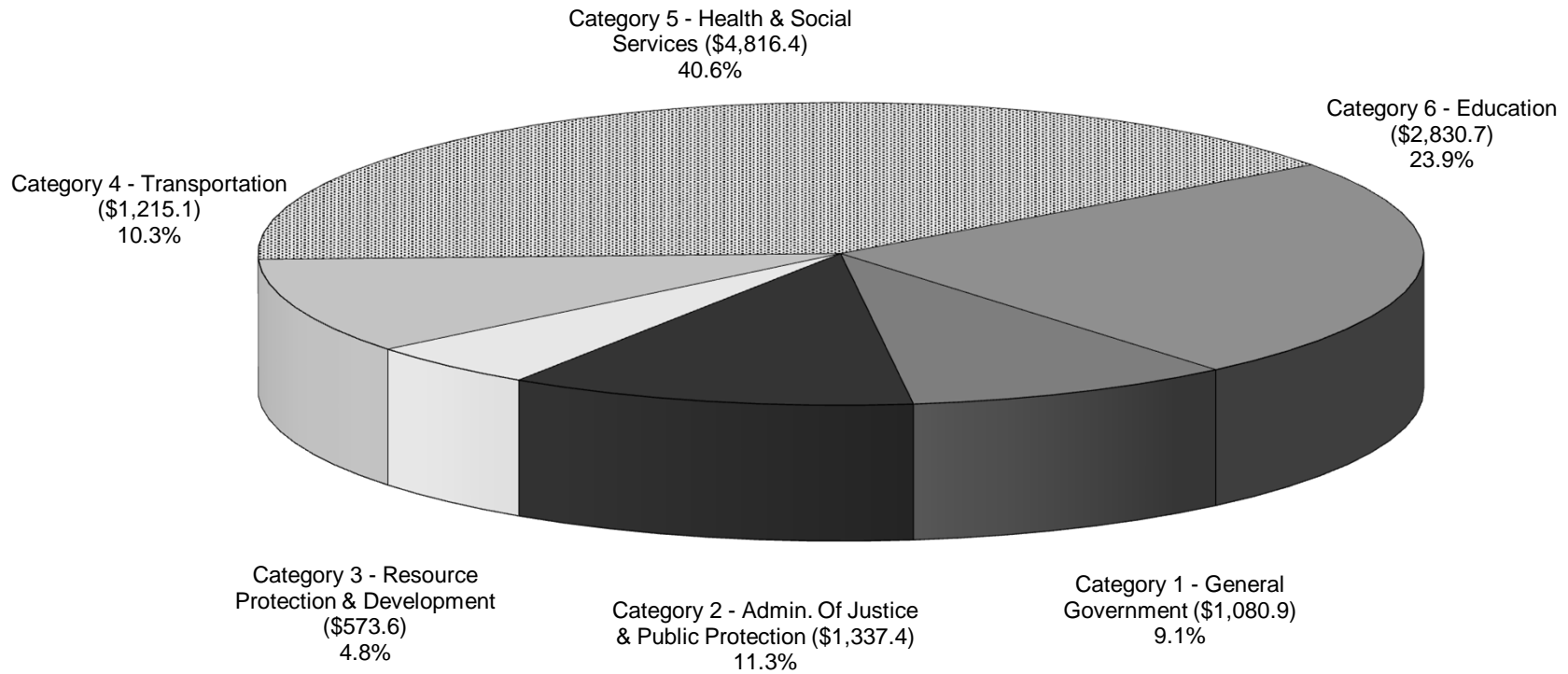


HB 1, AS AMENDED BY THE HOUSE FINANCE COMMITTEE
THE OPERATING BUDGET FOR FY 18/19 (APPROPRIATIONS BY CATEGORY)
GENERAL FUNDS - \$3,087.1



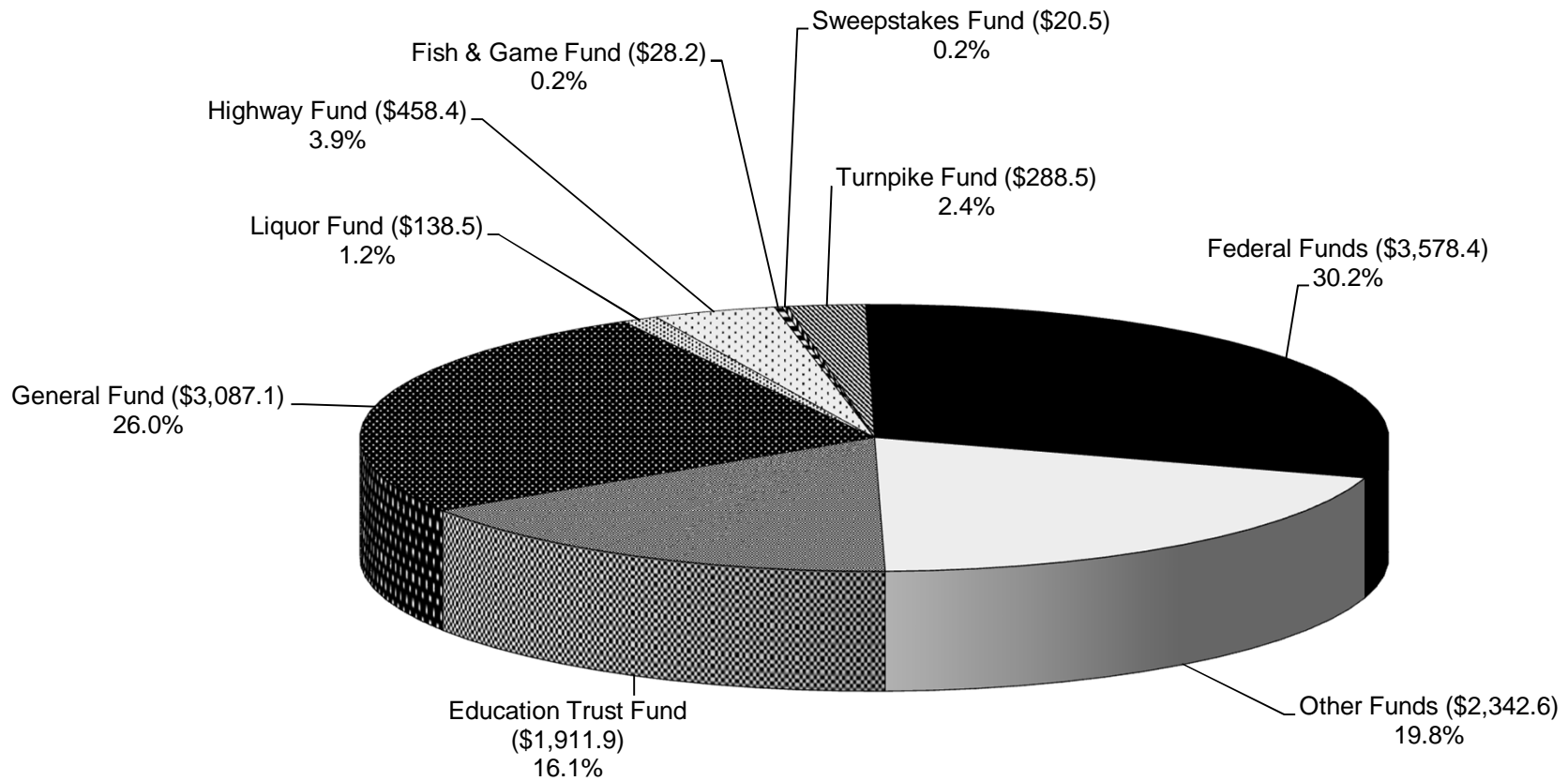
Section 1 Only
Source of Funds in Millions
LBA
March 30, 2017

**HB 1, AS AMENDED BY THE HOUSE FINANCE COMMITTEE
THE OPERATING BUDGET FOR FY 18/19 (APPROPRIATIONS BY CATEGORY)
TOTAL FUNDS - \$11,854.1**



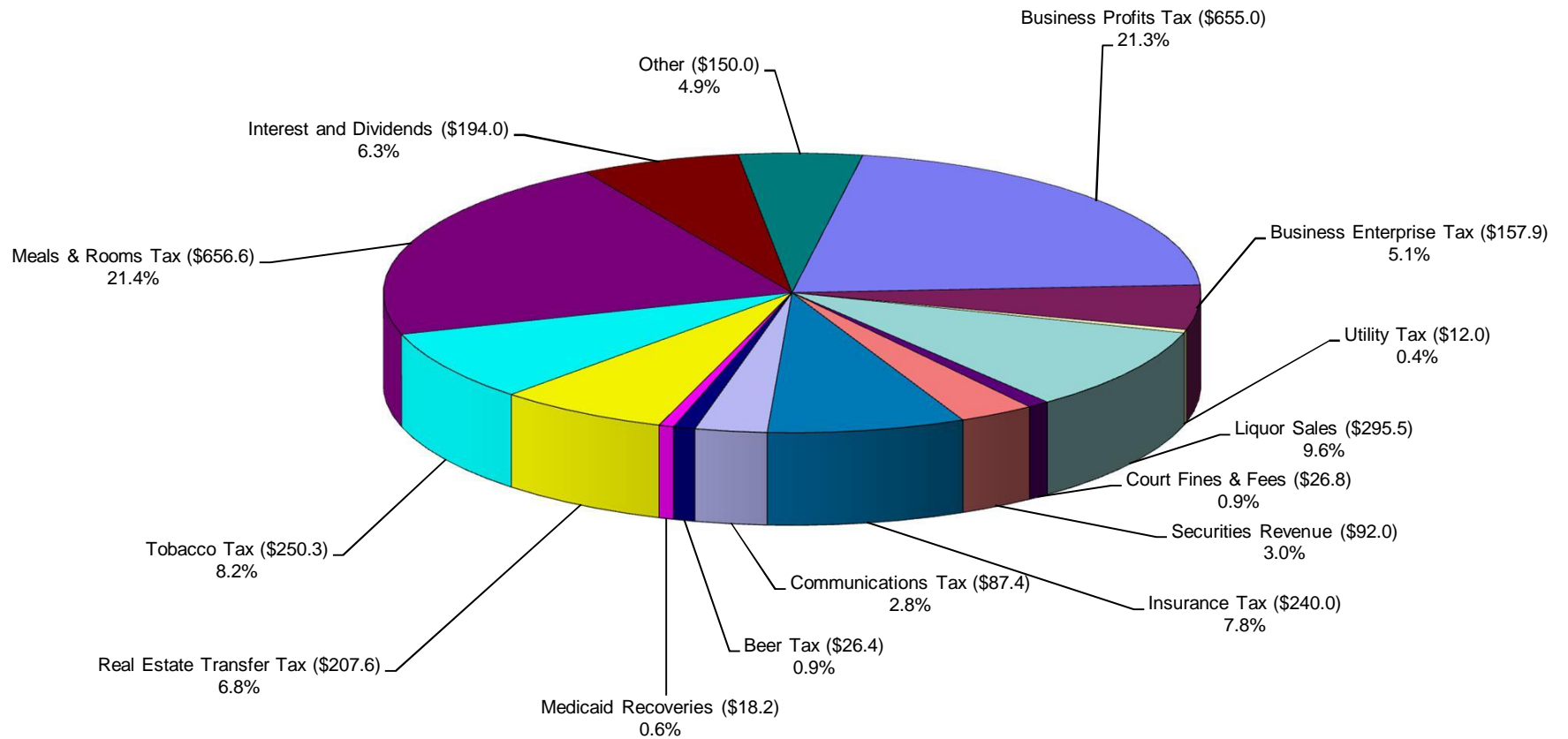
Section 1 Only
Amounts in Millions
LBA
March 30, 2017

**HB 1, AS AMENDED BY THE HOUSE FINANCE COMMITTEE
THE OPERATING BUDGET FOR FY 18/19 (APPROPRIATIONS BY SOURCE)
TOTAL FUNDS - \$11,854.1**



Section 1 Only
Amounts in Millions
LBA
March 30, 2017

HB 1, AS AMENDED BY THE HOUSE FINANCE COMMITTEE THE OPERATING BUDGET FOR FY 18/19 (UNRESTRICTED REVENUE) GENERAL FUNDS - \$3,069.7



Amounts in Millions
LBA
March 30, 2017

DIVISION I

Department of Administrative Services

- There is an overall reduction of staff. Several changes were approved to enhance operations and financial reporting processes. Establishes a Deputy Comptroller position. Relieves the Financial Reporting Division of duties to assist the DOT, Liquor Commission and Lottery Commission in the completion of separate, stand-alone financial statements. Institutes possible penalties for agencies that fail to submit timely preliminary financial statements. Suspends requirements and obligations for energy efficiency projects imposed by Executive Order due to inadequate funding and staffing resources.
- Caps sheriff reimbursements at the amount of funds appropriated on an annual basis and prohibits billing or reimbursements for costs associated with video arraignments. Costs associated with such custody and control of prisoners shall be the responsibility of the county in which the video arraignment occurs.
- Aligns the language pertaining to the sale of the Laconia State School property with HB 340 as passed by the House and includes annual, not quarterly, reporting requirements.
- Retirees age 68 and over (7,353 with D.O.B. on or before 12/31/48) will continue to receive health coverage at no cost to them. Retirees age 65-67 will be assessed a premium of 10%. Retirees younger than age 65 will pay a premium of 17.5%, that will increase to 20%, if approved by the Fiscal Committee, in January of 2018. \$2.5 million in additional general funds plus contributions from other funds and the under age 65 premium increase offset these changes and keep the total appropriation the same over the biennium, \$171 million. The Governor's recommended budget applied the 10% premium to all those age 65 and over.

Department of Revenue Administration

- Funds two (2) additional multi-state auditor positions and one (1) collection position, generating \$3.5 million in revenue without raising taxes.
- Fully funds flood control programs.

State Treasury

- Provides \$137.6 million to cities and towns for meals and rooms distribution over the biennium.
- Provides an additional \$50 million to cities and towns in municipal aid on a per capita basis over the biennium.

Office of Professional Licensure and Certification

- Adds the Prescription Drug Monitoring Program budget of \$900,000 in other funds for the biennium. These grant funds currently reside in the budget for the Dept. of Justice.

Office of Energy and Planning

- Reduces the appropriation for the new proposed scholarship program to \$1 for each year of the biennium while maintaining the program and fund.
- Changes the name of the Office of Energy and Planning to Office of Strategic Initiatives.

Department of State

- Abolishes seven (7) vacant positions and adds positions in Corporations and Records Management Divisions pursuant to HB 595 as passed by the House, for a small overall net savings.

Judicial Branch

- Funds drug court grants to counties at approximately \$6.9 million over the biennium.
- Requires a \$2.4 million general fund back of the budget cut for the biennium ending June 30, 2019.
- Adds approximately \$1 million of general funds over the biennium to pay for Judicial Branch retiree health care costs.

Department of Corrections

- Abolishes and defunds 20 new vacant positions at the new women's prison to save approximately \$2.6 million of general funds over the biennium.
- Adds general funds to pay for three essential programs not fully funded due to budgeting errors that include:
 - \$720,000 – electronic health records system
 - \$110,000 – two canine units
 - \$412,000 – psychiatric care contract
- Requires a back of the budget cut of approximately \$1.0 million in FY 2018 and \$1.6 million in FY 2019.
- Funds three (3) new probation parole officers to address high caseload rates and abolishes and unfunds three (3) new probation parole officers which results in a net general fund decrease of \$550,000 over the biennium.

Judicial Council

- Appropriates funding for indigent defense at the level necessary to meet constitutional responsibilities.
- Appropriates an additional \$320,000 to pay for drug related caseload increases. Additionally, amends state law to require 20 percent of any grant funding received or supplemental appropriations made for the purpose of conducting law enforcement activities outside of the budget, to be transferred to the judicial council to pay for any increased indigent defense costs resulting from such activities.

Department of Justice

- Adequately funds the Consumer Protection Bureau to promote a fair, open, and honest business climate for consumers and businesses and protect the public through investigations and prosecutions as it relates to professional misconduct and elder abuse and fraud cases.
- Converts eight (8) existing filled positions from full-time permanent to full-time temporary.
- Appropriates \$75,000 in FY 2018 and \$100,000 in FY 2019 to the Department of Justice to fund the Internet Crimes Against Children Task Force.

Adjutant General

- Provides \$25,000 each year for the New Hampshire National Guard Scholarship fund, consistent with HB 435 of the 2017 Legislative Session, and amends statute to ensure future budgets include a scholarship appropriation.
- Funds a new maintenance mechanic position in FY 2019 to adequately staff the new Pembroke facility.

Department of Agriculture

- Funds one (1) new agricultural inspector with non-general funds in the Division of Regulatory Services to better ensure agricultural products are compliant with industry standards and appropriate action is taken against unsafe or adulterated products.
- Provides \$80,000 over the biennium for promotional marketing expenses to enhance market development opportunities that result in increased sales for agricultural producers and to increase access to locally produced foods and other farm products and services.

Liquor Commission

- Decreases debt service expenditures by \$1 million over the biennium to account for two capital budget requests that were withdrawn.
- Abolishes and un-funds nine (9) new positions and un-funds 18 existing positions to decrease Liquor expenditures by approximately \$1.3 million in FY 2018 and \$1.3 million in FY 2019.
- Transfers a \$240,000 grant for breathalyzer training to the Department of Safety.
- Abolishes and un-funds three (3) sergeant and two (2) lieutenant positions to reduce expenditures by almost \$1.2 million over the biennium. Transfers the individuals from these positions to existing trooper positions in the Department of Safety, Division of State Police.
- Reduces current expenses in the Merchandising-Advertising account by \$1 million in both FY 2018 and FY 2019 to budget current expenses at the FY 2016-17 level of \$2.3 million annually.

Department of Business and Economic Affairs

- Funds Highway Safety Rest Area operations with an additional \$415,000 over the originally budgeted amounts during the biennium ending June 30, 2017.
- Provides approximately \$11.7 million to the Division of Travel and Tourism to market and promote New Hampshire as a visitor destination through various advertising programs, compared to the \$11.5 million appropriated in the FY 2016-2017 biennial budget.

Department of Environmental Services

- Fully funds existing state aid grant project obligations and the 12 new state aid projects included in HB 119 of the 2017 Legislative Session with funds from the NH Drinking Water and Groundwater Trust Fund in lieu of general funds. This action decreases general fund expenditures by approximately \$11.6 million over the biennium.
- Adds approximately \$412,000 of MTBE settlement funds to correct a budgeting error to fully fund five (5) temporary-full time filled positions.

DIVISION II

Department of Safety

- For the 2018-19 biennium, total highway fund appropriations (including costs of collection and administration road toll and motor vehicle fee revenue) for the Department are less than 19 percent of total estimated road toll and motor vehicle fines and fees, well below the RSA 9:9-b cap of 26 percent.
- Provides \$3.34 million to the Department for the Drug Interdiction Task Force Program (“Granite Shield”), a multi-jurisdictional, regionally coordinated effort to interdict drugs coming into New Hampshire. \$2.4 million of this sum would pass-through as grants to county and local enforcement agencies.
- Addressed Fire Standards and Emergency Medical Services Fund (“Fire Fund”) concerns by infusing \$700,000 in general funds over the biennium to support Division of Fire Safety (“Fire Marshal’s Office”) and Division of Fire Standards and Training and Emergency Medical Services (“Fire Academy”).
- Reduced highway funds in the Division of State Police by supplanting \$14 million in general funds over the biennium.
- Establishes two (2) new full-time Criminalist positions in the forensic laboratory to address backlogs.
- Transferred five (5) existing liquor enforcement officers to vacant state police positions, who would be assigned as traditional troopers.

Fish and Game Department

- Provides approximately \$1.5 million in general funds over the biennium to support the fish and game fund.
- Requires off-highway recreation vehicle (OHRV) and snowmobile revenue used for overtime and equipment only be expended on direct OHRV and snowmobile costs.

Department of Transportation

- For the 2018-19 biennium, highway fund appropriations (including the highway and bridge betterment program and “SB 367” revenue) for the Department are nearly 87 percent of total estimated road toll and motor vehicle fines and fees, well above the RSA 9:9-b minimum of 73 percent.
- Provides an additional \$35 million for road and bridge work; \$15 million for the municipal bridge aid program, \$15 million in additional highway block grants to municipalities (apportionment A), and \$5 million to the highway and bridge betterment program.
- Appropriates up to \$22 million of New Hampshire’s share of the Volkswagen Mitigation Trust Agreement to the Department for the purchase of equipment deemed eligible for replacement in accordance with the state’s beneficiary mitigation plan created under the agreement. The use of the funds is subject to approval of a funding request by the appointed trustee.
- Eliminated the use of highway funds to support highway safety rest areas and directly appropriates general funds to the Division of Travel and Tourism to cover operating costs.

Department of Education

- Fully funds the current adequate education formula.
- Provides additional per pupil aid to charter public schools (except for the Virtual Learning Academy Charter School (VLACS)) of \$250 in FY 2018 and \$375 in FY 2019 compared to the current aid amount. Also, clarifies the definition for a full-time or full-time equivalent student for VLACS payments and provides VLACS an annual Consumer Price Index (CPI) adjustment to their aid amount.
- Revises traditional district school and charter public school enrollment estimates based on historical trends to more accurately budget for anticipated expenditures in an effort to reduce the amount unexpended appropriations at the end of the biennium.
- Provides \$10 million for new school building aid projects and fully funds payments for previously approved projects.
- Provides \$14.8 million in career and technical education (CTE) tuition and transportation aid to schools districts.

- Renames the “catastrophic aid” special education aid program to “special education aid”, while making no changes to the funding formula. This program will provide approximately \$45 million to districts over the biennium.
- Provides funding to enhance the Department’s data reporting system to improve efficiency and reduce error risks, and to upgrade to a more user friendly website to improve transparency and make information easier to obtain.
- Provides funding to contract with an outside vendor for reading specialist services to enable the Department to provide school districts with the support and resources necessary to assist students with dyslexia and related disorders.

University System of New Hampshire

- Makes no changes to the Governor’s recommended budget providing the same funding in the next biennium as was provided in the current biennium.

Community College System of New Hampshire

- Increases state funding for the Community College System of New Hampshire by \$6 million over the current biennium.

Lottery Commission

- Authorizes the Lottery Commission to sell lottery games through mobile devices, which will generate an estimated \$13 million in additional education trust fund revenue over the biennium.
- Incorporates the House passed Keno bill (HB 560), with an amendment requiring guidelines for licensees to set daily/weekly/monthly transaction limits for individual players, which will generate an estimated \$16.5 million in additional education trust fund revenue over the biennium.
- Authorizes the Lottery Commission to construct or purchase a new building to serve as its headquarters.

Police Standards and Training Council

- Makes no changes to the Governor’s recommended budget providing approximately \$3.5 million each year.

DIVISION III

Department of Health and Human Services (DHHS)

- Funds the Department of Health and Human Services at \$4.7 billion in total funds, and \$1.4 billion in general funds, over the biennium.
- Allocates more than \$28 million over the biennium to the following service providers in the form of rate increases:
 - \$1.8 million in salary increases for clinical staff across the 10 community mental health centers;
 - \$7.2 million in the form of a 4 percent increase for direct service providers serving the developmentally disabled;
 - \$1.6 million for rate increases for public guardians;
 - \$6.2 million for rate increases for providers of elderly and adult Medicaid services (Choices for Independence, Mid-Level Care, and Case Management);
 - \$4.2 million for rate increases for providers of elderly and adult non-Medicaid services;
 - \$1 million for rate increases for foster care families; and
 - \$4.4 million for rate increases for residential service providers serving clients of the Division of Children, Youth, and Families.
- In accordance with current law, allows the New Hampshire Health Protection Program to sunset on December 31, 2018.
- Addresses the Department's budget shortfall by appropriating \$36.5 million in FY 2017 and requiring the commissioner to make quarterly reports to the governor, speaker of the house, and senate president on the status of estimated Medicaid payments in relation to actual costs.

DHHS – Division of Human Services

- Provides for the conversion of the Sununu Youth Services Center to a 36-bed facility (down from the current 72 beds). Adds \$8.7 million over the biennium for increased provider rates and additional bed capacity so that youth may be placed in the community instead. These changes will result in a net general fund savings of \$1.3 million over the biennium.

- Saves \$8 million in general funds over the biennium by reducing general funds and budgeting federal Temporary Assistance to Needy Families (TANF) funds instead.
- Provides funding for 20 additional child protective services workers, implementing recommendations made by the independent assessor's DCYF report issued in December 2016.
- Appropriates \$100,000 for the purpose of funding a follow-up study to the independent assessor's DCYF report issued in December 2016, and establishes a legislative committee to examine the report's findings and make recommendations for proposed legislation.
- Establishes a Granite Workforce pilot program to end the dependency of needy parents and low-income childless adults on governmental programs by promoting job and work preparation and placing them into high labor-need jobs.
- Provides \$82 million over the biennium for child development programs.

DHHS – Office of Medicaid Business and Policy

- Appropriates \$705.3 million in FY 2018 and \$727.1 million in FY 2019 for Medicaid managed care and fee-for-service, fully funding Medicaid payments on an actuarially sound basis.
- Delays implementation of step two of Medicaid managed care (county and private nursing home services, home- and community-based long-term care services, and developmental services), and appropriates \$100,000 (to be matched by the counties) for the purpose of funding a county-state Partnership for Long-Term Care plan.

DHHS – Elderly and Adult Services

- Appropriates \$798.5 million over the biennium in total funds, including \$21.1 million in state general funds for nursing home services and Choices for Independence services that serve the elderly in home and community settings.
- Directs that if nursing home rates paid to providers are less than the rates established by DHHS, any appropriations for nursing home services unspent at the end of each fiscal year shall be distributed as a lump-sum payment to providers of said services.

DHHS – Division of Public Health

- Appropriates \$174.7 million to the Division of Public Health, to provide rural health and primary care services, food protection functions, oral health services, maternal and child health care, supplemental nutrition for women, infants, and children (WIC), public health laboratories, and more.

DHHS – Division of Behavioral Health

- Preserves the Alcohol Fund, and appropriates an additional \$2.5 million per year to the Governor's Commission on Alcohol and Drug Abuse, Prevention, Treatment, and Recovery. Total funding for the Governor's Commission equals \$5.95 million in FY 2018 and \$6.14m in FY 2019.
- Appropriates \$54.8 million over the biennium to the Bureau of Drug and Alcohol Services, including the addition of \$6.2 million in federal grant funds to address the opioid crisis, an increase of 62 percent over the FY16 actual and FY17 adjusted authorized amounts.
- Increases funding for Assertive Community Treatment (ACT) teams by \$3 million over the previous biennium.

DHHS – Developmental Services

- Appropriates \$250.1 million in FY 2018 and \$260.9 million in FY 2019 for developmental services, an increase of \$57 million over FY 2016 actual expenditures and the FY 2017 adjusted authorized amounts.

DHHS – New Hampshire Hospital

- Appropriates \$71.1 million in FY 2018 and \$73.1 million in FY 2019 to NH Hospital, allowing for the provision of treatment to over 2,000 patients per year who suffer from major mental illnesses.

NH Veterans Home

- Provides that any funds unspent by the Veterans Home in FY 2018 may be used to fund a salary enhancement of up to 15 percent for licensed nursing assistants working at the Home in order to allow the Home to open additional beds now vacant due to a lack of staff.

NH Office of Veterans Services

- Appropriates \$637,000 in FY 2018 and \$672,000 in FY 2019 to the Office of Veterans Services.

STATE OF NEW HAMPSHIRE								
COMPARATIVE STATEMENT OF UNDESIGNATED SURPLUS								
COMBINED GENERAL AND EDUCATION TRUST FUND								
(Dollars in Thousands)								
	FY 2017		FY 2018		FY 2019			
	Governor	H Finance	Governor	H Finance	Governor	H Finance		
1	Beginning Balance, July 1	\$ 88,489	\$ 88,489	\$ -	\$ -	\$ (3,372)	\$ (18,831)	1
2								2
3	<u>Revenues:</u>							3
4	Base Revenue Estimates	2,418,100	2,390,200	2,464,100	2,436,700	2,507,000	2,475,600	4
5	Revenue Adjustments	-	-	-	11,196	-	29,008	5
6	Total Revenue	2,418,100	2,390,200	2,464,100	2,447,896	2,507,000	2,504,608	6
7								7
8	<u>Appropriations:</u>							8
9	HB 1, Section 1 Appropriations	(2,397,303)	(2,397,303)	(2,516,172)	(2,490,229)	(2,547,127)	(2,508,767)	9
10	Other Appropriations	(162,329)	(129,660)	-	(25,198)	-	(24,516)	10
11	Estimated Lapse	60,000	37,000	48,700	48,700	50,000	50,000	11
12	Total Net Appropriations	(2,499,632)	(2,489,963)	(2,467,472)	(2,466,727)	(2,497,127)	(2,483,283)	12
13								13
14	Current Year Balance	(81,532)	(99,763)	(3,372)	(18,831)	9,873	21,325	14
15								15
16	Cumulative Balance	6,957	(11,274)	(3,372)	(18,831)	6,501	2,494	16
17								17
18								18
19	Transfer (To)/From Rainy Day Fund	(6,957)	11,274	-	-	(6,501)	(2,494)	19
20	Ending Balance, June 30	\$ -	\$ -	\$ (3,372)	\$ (18,831)	\$ -	\$ -	20
21								21
22								22
23	Rainy Day Fund Balance	\$ 100,000	\$ 81,769	\$ 100,000	\$ 81,769	\$ 106,501	\$ 84,263	23
24								24
25	Rainy Day Fund Balance at 06/30/16 = \$93,043,000							25

STATE OF NEW HAMPSHIRE								
COMPARATIVE STATEMENT OF UNDESIGNATED SURPLUS								
GENERAL FUND								
(Dollars in Thousands)								
	FY 2017		FY 2018		FY 2019			
	Governor	H Finance	Governor	H Finance	Governor	H Finance		
1	Beginning Balance, July 1	\$ 88,489	\$ 88,489	\$ -	\$ -	\$ (3,372)	\$ (18,831)	1
2								2
3	Revenues:							3
4	Revenue - Schedule 1	1,501,200	1,476,000	1,538,700	1,519,400	1,572,700	1,550,300	4
5	Revenue Adjustments - Schedule 2	-	-	-	3,696	-	7,008	5
6	Total Additions	1,501,200	1,476,000	1,538,700	1,523,096	1,572,700	1,557,308	6
7								7
8	Appropriations:							8
9	Appropriations Net of Estimated Revenue	(1,425,678)	(1,425,678)	(1,542,074)	(1,528,663)	(1,573,149)	(1,558,400)	9
10	Appropriation Adjustments - Schedule 2	(162,329)	(129,660)	-	(25,198)	-	(24,516)	10
11	Less Lapse Estimate	47,000	22,000	48,700	48,700	50,000	50,000	11
12	Lapse Estimate %	-2.96%	-1.41%	-3.16%	-3.13%	-3.18%	-3.16%	12
13	Net Appropriations	(1,541,007)	(1,533,338)	(1,493,374)	(1,505,161)	(1,523,149)	(1,532,916)	13
14								14
15	Current Year Balance	(39,807)	(57,338)	45,326	17,935	49,551	24,392	15
16								16
17	Cumulative Ending Balance, June 30	48,682	31,151	45,326	17,935	46,179	5,561	17
18								18
19	Transfer (To)/From Education Trust Fund	(41,725)	(42,425)	(48,698)	(36,766)	(39,678)	(3,067)	19
20								20
21	Net Cumulative Ending Balance, June 30	6,957	(11,274)	(3,372)	(18,831)	6,501	2,494	21
22								22
23								23
24								24
25	Transfer (To)/From Rainy Day Fund	(6,957)	11,274	-	-	(6,501)	(2,494)	25
26	Fund Balance After Transfers, June 30	\$ -	\$ -	\$ (3,372)	\$ (18,831)	\$ -	\$ -	26
27								27
28								28
29	Rainy Day Fund Balance	\$ 100,000	\$ 81,769	\$ 100,000	\$ 81,769	\$ 106,501	\$ 84,263	29
30								30
31	Rainy Day Fund Balance at 06/30/16 = \$93,043,000							31

STATE OF NEW HAMPSHIRE		SCHEDULE 1						
COMPARATIVE STATEMENT OF REVENUE								
GENERAL FUND								
(Dollars in Thousands)								
		FY 2017		FY 2018		FY 2019		
		Governor	H Finance	Governor	H Finance	Governor	H Finance	
1	Business Profits Tax	\$ 323,900	\$ 316,200	\$ 333,700	\$ 324,400	\$ 340,200	\$ 330,600	1
2	Business Enterprise Tax	81,800	76,200	84,200	78,200	85,600	79,700	2
3	Subtotal	\$ 405,700	\$ 392,400	\$ 417,900	\$ 402,600	\$ 425,800	\$ 410,300	3
4	Meals & Rooms	307,300	304,700	324,200	320,300	340,400	336,300	4
5	Tobacco Tax	119,200	120,600	120,400	125,300	121,600	125,000	5
6	Interest & Dividends Tax	94,100	94,100	96,000	96,000	98,900	98,000	6
7	Insurance Tax	124,300	115,800	120,300	120,000	120,000	120,000	7
8	Communications Tax	49,100	49,000	46,600	45,400	44,300	42,000	8
9	Real Estate Transfer Tax	94,000	94,400	102,500	100,800	108,700	106,800	9
10	Court Fines & Fees	13,400	13,400	13,700	13,400	13,800	13,400	10
11	Securities Revenue	43,600	44,500	44,900	45,500	46,300	46,500	11
12	Utility Consumption Tax	6,000	6,000	6,000	6,000	6,000	6,000	12
13	Beer Tax	13,100	13,000	13,200	13,200	13,200	13,200	13
14	Other	78,300	75,000	79,900	75,000	80,600	75,000	14
15	Transfers from Liquor Sales	144,000	144,000	144,000	146,800	144,000	148,700	15
16	Tobacco Settlement	-	-	-	-	-	-	16
17	Medicaid Recovery	9,100	9,100	9,100	9,100	9,100	9,100	17
18	Subtotal	\$ 1,501,200	\$ 1,476,000	\$ 1,538,700	\$ 1,519,400	\$ 1,572,700	\$ 1,550,300	18

STATE OF NEW HAMPSHIRE		SCHEDULE 2						
ADJUSTMENTS - SCHEDULE 2								
GENERAL FUND								
(Dollars in Thousands)								
		FY 2017		FY 2018		FY 2019		
		Governor	H Finance	Governor	H Finance	Governor	H Finance	
1	REVENUE ADJUSTMENTS:							1
2	HB 1 - Liquor Net Profit Adjustment	-	-	-	3,283	-	3,879	2
3	HB 1 - Restaurant/Food Vendor License Fees	-	-	-	263	-	279	3
4	HB 1 - DRA Multi-State Auditors	-	-	-	400	-	3,100	4
5	HB 2 - Restrict Airways Toll Revenue (Jet Fuel Tax)	-	-	-	(250)	-	(250)	5
6	TOTAL REVENUE ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 3,696	\$ -	\$ 7,008	6
7								7
8	APPROPRIATION ADJUSTMENTS:							8
9	Legislative Specials	(12,300)	(14,700)	-	-	-	-	9
10	Statutory Appropriations	(600)	(6,000)	-	-	-	-	10
11	Fiscal Committee Authorizations	(3,800)	(3,800)	-	-	-	-	11
12	HB 354 - Adequacy Lawsuit Payments	(9,065)	-	-	-	-	-	12
13	HB 368 - Concord Stream Appropriation	-	(18,000)	-	-	-	-	13
14	SB 10 - Dairy Farmer Relief Appropriation	(2,000)	(2,000)	-	-	-	-	14
15	HB 1 - Judicial Branch Budget Reduction	-	-	-	1,200	-	1,200	15
16	HB 1 - Corrections Budget Reduction	-	-	-	1,021	-	1,557	16
17	HB 2 - DHHS Medicaid Shortfall Appropriation	(50,100)	(36,500)	-	-	-	-	17
18	HB 2 - Granite Shield Appropriation	-	(3,660)	-	-	-	-	18
19	HB 2 - Infrastructure Stabilization	(84,464)	(45,000)	-	-	-	-	19
20	HB 2 - Municipal Aid	-	-	-	(25,000)	-	(25,000)	20
21	HB 2 - Internet Crimes Against Children Appropriation	-	-	-	(75)	-	(100)	21
22	HB 2 - DRED Welcome Center Appropriation - D1	-	-	-	(500)	-	(500)	22
23	HB 2 - DRED Welcome Center Appropriation - D2	-	-	-	(1,644)	-	(1,673)	23
24	HB 2 - County Long Term Care System Study Appropriation	-	-	-	(100)	-	-	24
25	HB 2 - DCYF Study	-	-	-	(100)	-	-	25
26	TOTAL APPROPRIATION ADJUSTMENTS	\$ (162,329)	\$ (129,660)	\$ -	\$ (25,198)	\$ -	\$ (24,516)	26
27								27
28								28

STATE OF NEW HAMPSHIRE								
COMPARATIVE STATEMENT OF FUND BALANCE								
EDUCATION TRUST FUND								
(Dollars in Thousands)								
	FY 2017		FY 2018		FY 2019			
	Governor	H Finance	Governor	H Finance	Governor	H Finance		
1	Beginning Balance, July 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1
2								2
3	Revenues:							3
4	Revenue - Schedule 3	916,900	914,200	925,400	917,300	934,300	925,300	4
5	HB 2 - Keno Revenue	-	-	-	4,500	-	12,000	5
6	HB 2 - Mobile Lottery Games	-	-	-	3,000	-	10,000	6
7	Total Revenue	916,900	914,200	925,400	924,800	934,300	947,300	7
8								8
9	Appropriations:							9
10	Adequate Education Aid	(569,382)	(569,382)	(562,537)	(562,537)	(556,254)	(548,982)	10
11	State Property Tax raised & retained locally	(363,100)	(363,100)	(363,100)	(363,100)	(363,100)	(363,100)	11
12	Total Adequacy	(932,482)	(932,482)	(925,637)	(925,637)	(919,354)	(912,082)	12
13	Hardship Grants	(2,150)	(2,150)	(1,935)	(1,850)	(1,935)	(1,850)	13
14	Charter School Tuition	(36,993)	(36,993)	(37,526)	(34,079)	(43,689)	(36,435)	14
15	Kindergarten Aid	-	-	(9,000)	-	(9,000)	-	15
16	Total Appropriations	(971,625)	(971,625)	(974,098)	(961,566)	(973,978)	(950,367)	16
17	Less Lapse Estimate	13,000	15,000	-	-	-	-	17
18	Net Appropriations	(958,625)	(956,625)	(974,098)	(961,566)	(973,978)	(950,367)	18
19								19
20								20
21								21
22	Current Year Balance	(41,725)	(42,425)	(48,698)	(36,766)	(39,678)	(3,067)	22
23								23
24	Cumulative Ending Balance, June 30	(41,725)	(42,425)	(48,698)	(36,766)	(39,678)	(3,067)	24
25								25
26	Transfer (To)/From General Fund	41,725	42,425	48,698	36,766	39,678	3,067	26
27								27
28								28
29								29
30	June 30 Fund Balance After Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	30
31								31
32								32
33								33

STATE OF NEW HAMPSHIRE		SCHEDULE 3						
COMPARATIVE STATEMENT OF REVENUE								
EDUCATION TRUST FUND								
(Dollars in Thousands)								
		FY 2017		FY 2018		FY 2019		
		Governor	H Finance	Governor	H Finance	Governor	H Finance	
1	Business Profits Tax	\$ 68,200	\$ 64,800	\$ 70,300	\$ 66,500	\$ 71,600	\$ 67,700	1
2	Business Enterprise Tax	179,600	177,800	185,000	182,400	187,800	185,900	2
3	Subtotal	\$ 247,800	\$ 242,600	\$ 255,300	\$ 248,900	\$ 259,400	\$ 253,600	3
4	Meals & Rooms	9,400	9,300	9,900	9,400	10,400	9,900	4
5	Tobacco Tax	93,700	94,900	94,600	89,700	95,600	89,500	5
6	Real Estate Transfer Tax	44,500	44,600	48,500	50,200	51,400	53,200	6
7	Transfer from Charitable Gaming/Pari-Mutuel	2,600	2,700	2,000	3,000	2,000	3,000	7
8	Transfer from Lottery	75,000	75,000	75,000	75,000	75,000	75,000	8
9	Tobacco Settlement	39,000	40,000	35,000	35,000	35,000	35,000	9
10	Utility Property Tax	41,800	42,000	42,000	43,000	42,400	43,000	10
11	Statewide Property Tax	363,100	363,100	363,100	363,100	363,100	363,100	11
12	Total	\$ 916,900	\$ 914,200	\$ 925,400	\$ 917,300	\$ 934,300	\$ 925,300	12
13								13
14								14

STATE OF NEW HAMPSHIRE							
COMPARATIVE STATEMENT OF UNDESIGNATED SURPLUS							
HIGHWAY FUND							
(Dollars in Thousands)							
	FY 2017		FY 2018		FY 2019		
	Governor	H Finance	Governor	H Finance	Governor	H Finance	
1 Beginning Balance, July 1 (Budgetary)	\$ 60,265	\$ 60,265	\$ 54,465	\$ 40,992	\$ 44,535	\$ 35,040	1
2							2
3 Additions:							3
4 Revenue:							4
5 Road Toll	125,900	126,600	125,900	126,300	125,900	126,100	5
6 Motor Vehicle Fees & Fines	113,500	113,100	114,600	114,600	115,700	115,700	6
7 Miscellaneous	900	300	600	200	600	200	7
8 Total Revenue	240,300	240,000	241,100	241,100	242,200	242,000	8
9 Revenue Adjustments:							9
10 Dept. of Safety Costs of Collection/Administration (HB 1)	(29,700)	(30,085)	(28,000)	(30,523)	(28,700)	(31,282)	10
11 Dept. of Safety Costs of Coll./Admin. Net Adjust./Lapse	-	1,369	-	1,440	-	1,450	11
12 Total Revenue Adjustments	(29,700)	(28,716)	(28,000)	(29,083)	(28,700)	(29,832)	12
13 Other Credits	1,400	1,400	1,400	1,400	1,400	1,400	13
14 Total Additions	212,000	212,684	214,500	213,417	214,900	213,568	14
15							15
16 Deductions:							16
17 Appropriations (HB 1)	(222,964)	(222,964)	(233,230)	(227,721)	(237,344)	(230,698)	17
18 Appropriation Adjustments:							18
19 Employee Pay Raise (Ch. 274, Laws of 2015)	-	(2,162)	-	-	-	-	19
20 DOS Appropriation for SP Cruisers (Ch. 319, Laws of 2016)	-	(540)	-	-	-	-	20
21 DOT Appropriation from FY16 Excess (Ch. 324, Laws of 2016)	-	(8,634)	-	-	-	-	21
22 Termination Pay (RSA 94:9)	-	(12)	-	-	-	-	22
23 Transfers from Highway Surplus (RSA 228:12)	-	(9,106)	-	-	-	-	23
24 Retiree Health Changes (HB 2)	-	-	-	(148)	-	(460)	24
25 Other Appropriation Adjustments	(2,036)	-	-	-	-	-	25
26 Total Appropriation Adjustments	(2,036)	(20,454)	-	(148)	-	(460)	26
27 Lapse Percent	4.5%	5.9%	4.7%	4.7%	4.6%	4.6%	27
28 Less: Lapse	10,200	14,461	11,000	10,700	11,000	10,700	28
29 Net Appropriations	(214,800)	(228,957)	(222,230)	(217,169)	(226,344)	(220,458)	29
30 Other Debits	(3,000)	(3,000)	(2,200)	(2,200)	(2,200)	(2,200)	30
31 Total Deductions	(217,800)	(231,957)	(224,430)	(219,369)	(228,544)	(222,658)	31
32							32
33							33
34 Current Year Balance	(5,800)	(19,273)	(9,930)	(5,952)	(13,644)	(9,090)	34
35							35
36 Balance, June 30 (Budgetary)	54,465	40,992	44,535	35,040	30,891	25,950	36
37							37
38							38
39 GAAP Adjustments	(24,680)	(24,680)	(24,680)	(24,680)	(24,680)	(24,680)	39
40							40
41 Balance, June 30 (GAAP)	29,785	16,312	19,855	10,360	6,211	1,270	41

Note: Beginning FY 2017 budgetary balance and GAAP adjustments do not include \$485,320,000 of bonds authorized and unissued

STATE OF NEW HAMPSHIRE								
COMPARATIVE STATEMENT OF UNDESIGNATED SURPLUS								
FISH AND GAME FUND								
(Dollars in Thousands)								
		FY 2017		FY 2018		FY 2019		
		Governor	H Finance	Governor	H Finance	Governor	H Finance	
1	Beginning Balance, July 1 (Budgetary)	\$ 2,326	\$ 2,326	\$ 2,126	\$ 1,984	\$ 3,768	\$ 1,869	1
2								2
3	Additions:							3
4	Revenue:							4
5	Unrestricted Revenue	11,400	11,400	11,400	11,400	11,400	11,400	5
6	Revenue Adjustments:							6
7	Unrefunded Road Toll and Other Credits	1,500	1,500	1,500	1,500	1,500	1,500	7
8	Agency Revised Revenue Estimate Adjustment	-	50	-	50	-	50	8
9	Transfer From General Fund	600	600	1,500	-	1,500	-	9
10	Total Additions	13,500	13,550	14,400	12,950	14,400	12,950	10
11								11
12	Deductions:							12
13	Appropriations (HB 1)	(14,500)	(14,500)	(13,158)	(13,908)	(13,572)	(14,322)	13
14	Appropriation Adjustments:							14
15	Employee Pay Raise (Ch. 274, Laws of 2015)	-	(209)	-	-	-	-	15
16	Transfers from Fish and Game Surplus (RSA 206:33-b)	-	(33)	-	-	-	-	16
17	Retiree Health Changes (HB 2)	-	-	-	(7)	-	(30)	17
18	Other Appropriation Adjustments	400	-	-	-	-	-	18
19	Total Appropriation Adjustments	400	(242)	-	(7)	-	(30)	19
20	Lapse Percent	2.8%	5.8%	3.0%	6.1%	2.9%	5.9%	20
21	Less: Lapse	400	850	400	850	400	850	21
22	Net Appropriations	(13,700)	(13,892)	(12,758)	(13,065)	(13,172)	(13,502)	22
23								23
24	Total Deductions	(13,700)	(13,892)	(12,758)	(13,065)	(13,172)	(13,502)	24
25								25
26								26
27	Current Year Balance	(200)	(342)	1,642	(115)	1,228	(552)	27
28								28
29	Balance, June 30 (Budgetary)	2,126	1,984	3,768	1,869	4,996	1,317	29
30								30
31								31
32	GAAP Adjustments	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	32
33								33
34	Balance, June 30 (GAAP)	926	784	2,568	669	3,796	117	34

AID BY CATEGORY	FY 2016 Actual	FY 2017 Budget	FY 2017 H Finance	FY 2018 Gov Rec	FY 2019 Gov Rec	FY 2018 H Finance	FY 2019 H Finance
EDUCATION							
1 Adequate Education Aid	933,258,769	932,482,099	932,482,099	925,637,420	919,354,037	925,637,420	912,081,734
2 Kindergarten Aid	-	-	-	9,000,000	9,000,000	-	-
3 Building Aid ¹	40,781,889	37,000,000	47,000,000	35,000,000	33,000,000	35,000,000	33,000,000
4 Court Ordered Placements	1,139,319	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
5 Dropout Prevention	350,346	600,000	600,000	600,000	600,000	600,000	600,000
6 School Breakfast	110,777	184,000	184,000	184,000	187,698	184,000	187,698
7 School Lunch	832,003	832,003	832,003	832,003	832,003	832,003	832,003
8 Catastrophic Aid (Special Education)	22,300,013	22,300,000	22,300,000	22,300,000	22,300,000	22,300,000	22,300,000
9 Tuition & Transportation	7,400,000	7,400,000	7,400,000	7,400,000	7,400,000	7,400,000	7,400,000
Education Total	1,006,173,116	1,002,298,102	1,012,298,102	1,002,453,423	994,173,738	993,453,423	977,901,435
ENVIRONMENTAL							
10 Flood Control	974,692	825,000	825,000	866,250	866,250	866,250	866,250
11 Landfill Closure Grants	792,116	776,245	776,245	658,249	476,036	658,249	476,036
12 Public Water System Grants	876,822	771,750	771,750	791,421	701,865	791,421	701,865
13 State Aid Grants - Pollution Control	5,711,222	5,705,957	5,705,957	5,883,058	4,205,815	6,997,404	5,320,161
14 Water Supply Land Protection Grants	-	-	-	-	-	-	-
Environmental Total	8,354,852	8,078,952	8,078,952	8,198,978	6,249,966	9,313,324	7,364,312
OTHER GEN. FUNDS							
15 Meals & Rooms Distribution	63,805,057	68,805,057	68,805,057	68,805,057	68,805,057	68,805,057	68,805,057
16 Railroad Tax - RSA 82:21 ²	132,187	132,187	132,187	132,187	132,187	132,187	132,187
17 Railroad Tax - RSA 288:69 ²	63,693	63,693	63,693	63,693	63,693	63,693	63,693
18 State Revenue Sharing ³	-	-	-	-	-	-	-
19 Block Grants Apportionment A ¹	-	-	15,000,000	-	-	-	-
20 State Bridge Aid ¹	-	-	15,000,000	-	-	-	-
21 Municipal Aid ⁴	-	-	-	-	-	25,000,000	25,000,000
Other General Funds Total	64,000,937	69,000,937	99,000,937	69,000,937	69,000,937	94,000,937	94,000,937
HIGHWAY FUNDS							
22 Block Grants Apportionment A	30,725,471	30,200,000	30,200,000	27,694,780	28,910,731	31,048,000	31,210,701
23 Highway Construction Aid	1,424,102	1,681,400	1,681,400	-	900,000	-	900,000
24 Block Grants Apportionment A - SB 367	4,118,110	4,131,094	4,131,094	4,131,094	4,131,094	4,147,500	4,136,016
25 State Bridge Aid	9,953,415	9,116,929	9,116,929	6,800,000	6,800,000	6,800,000	6,800,000
Highway Funds Total	46,221,098	45,129,423	45,129,423	38,625,874	40,741,825	41,995,500	43,046,717
GRAND TOTAL	1,124,750,003	1,124,507,414	1,164,507,414	1,118,279,212	1,110,166,466	1,138,763,184	1,122,313,401

NOTES: 1. HB2, as passed by House Finance, appropriates \$10,000,000 to school building aid (general funds), \$15,000,000 to additional apportionment A distributions (general funds), and \$15,000,000 to state bridge aid (general funds) for the fiscal year ending June 30, 2017. These additional amounts shall not lapse until June 30, 2019.
2. Amounts for FY 2017, FY 2018, and FY 2019 are estimated based on FY 2016 actual expenditures.
3. HB2, as passed by House Finance, suspends revenue sharing for the biennium ending June 30, 2019.
4. HB2, as passed by House Finance, directs \$25,000,000 of aid in FY 2018 and FY 2019 to municipalities.