

Bill as Introduced

HB 1664-FN - AS INTRODUCED

2010 SESSION

10-2565
09/10

HOUSE BILL **1664-FN**

AN ACT making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.

SPONSORS: Rep. Packard, Rock 3; Rep. Kurk, Hills 7

COMMITTEE: Finance

ANALYSIS

This bill makes appropriations reductions for fiscal year 2011.

This bill also:

I. Requires the recording surcharge assessed by the register of deeds to be deposited in the general fund for fiscal year 2011.

II. Increases the state retirement system member contribution rate for fiscal year 2011, reduces the municipal normal contribution rate, and increases the retiree health insurance premium contribution.

III. Reduces the amount distributed as juvenile diversion incentive funds.

IV. Suspends the catastrophic illness program for fiscal year 2011.

V. Requires the commissioner of the department of health and human services to submit a Medicaid state plan amendment to terminate the provision of direct and indirect graduate medical education payments to hospitals.

VI. Requires reimbursement rates paid to critical access hospitals for outpatient services to be at 85 percent of Medicare allowable costs for fiscal year 2011.

VII. Abolishes vacant and unfunded positions.

VIII. Requires the commissioner of the department of resources and economic development to solicit lease proposals for the Cannon Mountain ski area. The bill establishes a legislative committee to develop the proposal and review responses, and requires the capital budget overview committee to approve any lease agreement. The bill also repeals the Cannon Mountain capital improvement fund.

IX. Amends the procedure for calculating eligibility for the federal free and reduced-price meal program.

X. Requires certain executive branch departments and the judicial branch to reduce general fund appropriations for fiscal year 2011.

Explanation: Matter added to current law appears in **bold italics**.
 Matter removed from current law appears ~~(in brackets and struckthrough.)~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Ten

AN ACT making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 2011 Operating Budget. Amend the following classes and estimated sources of funds for
2 accounting unit 01, 04, 04, 042010, 1180 for fiscal year 2011 to read as follows:

3		<u>FY 2011</u>
4	01 GENERAL GOVERNMENT	
5	04 LEGISLATIVE BRANCH	
6	04 LEGISLATIVE BRANCH	
7	042010 HOUSE	
8	1180 HOUSE	
9	080 Out-Of State Travel Reimb	[125,000] <u>40,000</u>
10	TOTAL	[4,107,624] <u>4,022,624</u>
11	ESTIMATED SOURCE OF FUNDS FOR	
12	HOUSE	
13	GENERAL FUND	[4,107,624] <u>4,022,624</u>
14	TOTAL	[4,107,624] <u>4,022,624</u>

15 2 2011 Operating Budget. Amend the following classes and estimated sources of funding for
16 accounting unit 01, 04, 04, 043010, 1160 for fiscal year 2011 to read as follows:

17		<u>FY 2011</u>
18	01 GENERAL GOVERNMENT	
19	04 LEGISLATIVE BRANCH	
20	04 LEGISLATIVE BRANCH	
21	043010 GENERAL COURT JOINT EXPENSES	
22	1160 MAINTENANCE/OTHER	
23	026 Organizational Dues	[219,029] <u>100,000</u>
24	TOTAL	[878,383] <u>759,354</u>
25		
26	ESTIMATED SOURCE OF FUNDS FOR	
27	MAINTENANCE/OTHER	
28	003 Revolving Funds	91,211
29	GENERAL FUND	[787,172] <u>668,143</u>
30	TOTAL	[878,383] <u>759,354</u>

1 3 2011 Operating Budget. Amend the following classes and estimated sources of funds for
2 accounting unit 01, 14, 14, 140010, 1302 for fiscal year 2011 to read as follows:

3 FY 2011

4 01 GENERAL GOVERNMENT
5 14 DEPT ADMINISTRATIVE SERVICES
6 14 ADMINISTRATIVE SERV, DEPT OF
7 140010 COMMISSIONER'S OFFICE
8 1302 SPECIAL DISBURSEMENTS
9 213 Concord Fire & Municipal Svcs

[125,000] 85,000

10 TOTAL

[249,136] 209,136

11 ESTIMATED SOURCE OF FUNDS FOR
12 SPECIAL DISBURSEMENTS

13 GENERAL FUND

[249,136] 209,136

14 TOTAL

[249,136] 209,136

15 4 2011 Operating Budget. Amend the estimated sources of funds for accounting unit 01, 14, 14,
16 140010, 1356 for fiscal year 2011 to read as follows:

17 FY 2011

18 01 GENERAL GOVERNMENT
19 14 DEPT ADMINISTRATIVE SERVICES
20 14 ADMINISTRATIVE SERV, DEPT OF
21 140010 COMMISSIONER'S OFFICE
22 1356 RETIREES HEALTH INSURANCE
23 ESTIMATED SOURCE OF FUNDS FOR
24 RETIREES HEALTH INSURANCE

25 001 Transfer from Other Agencies

25,512,984

26 008 Agency Income

14,577,238

27 009 Agency Income

[2,541,240] 3,909,600

28 GENERAL FUND

[42,399,599] 41,031,230

29 TOTAL

85,031,052

30 5 2011 Operating Budget. Amend the following classes and estimated sources of funds for
31 accounting unit 01, 34, 34, 340010, 6990 for fiscal year 2011 to read as follows:

32 FY 2011

33 01 GENERAL GOVERNMENT
34 34 DEPT OF CULTURAL RESOURCES
35 34 CULTURAL RESOURCES, DEPT OF
36 340010 OFFICE OF THE COMMISSIONER
37 6990 NH FILM COMMISSION

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1	010 Personal Services-Perm. Classi	[50,666] 0
2	020 Current Expenses	[6,723] 0
3	026 Organizational Dues	[1,750] 0
4	060 Benefits	[33,282] 0
5	069 Promotional - Marketing Expenses	[10,000] 0
6	070 In-State Travel Reimbursement	[800] 0
7	102 Contracts for program services	[10,300] 0
8	TOTAL	[113,221] 0

9 ESTIMATED SOURCE OF FUNDS FOR

10 NH FILM COMMISSION

11 GENERAL FUND [113,221] 0

12 TOTAL [113,221] 0

13 6 2011 Operating Budget. Amend the following classes and estimated sources of funds for
14 accounting unit 01, 34, 34, 341010, 1250 for fiscal year 2011 to read as follows:

15 FY 2011

16 01 GENERAL GOVERNMENT

17 34 DEPT OF CULTURAL RESOURCES

18 34 CULTURAL RESOURCES, DEPT OF

19 341010 DIVISION OF THE ARTS

20 1250 STATE ARTS DEVELOPMENT

21 065 Board Expenses

22 070 In-State Travel Reimbursement [428,000] 0

23 073 Grants-Non Federal 1

24 080 Out-Of State Travel Reimb [618,197] 190,197

25 TOTAL

26 ESTIMATED SOURCE OF FUNDS FOR

27 STATE ARTS DEVELOPMENT

28 GENERAL FUND [618,197] 190,197

29 TOTAL [618,197] 190,197

30 7 2011 Operating Budget. Amend the following classes and estimated sources of funds for
31 accounting unit 01, 38, 38, 382010, 1390 for fiscal year 2011 to read as follows:

32 FY 2011

33 01 GENERAL GOVERNMENT

34 38 STATE TREASURY

35 38 TREASURY- DEPT OF

36 382010 LCHIP

37 1390 LCHIP

1	076 LCHIP	[1,721,579] 0
2	TOTAL	[1,721,579] 0
3	ESTIMATED SOURCE OF FUNDS FOR	
4	LCHIP	
5	009 Agency Income	[1,721,579] 0
6	TOTAL	[1,721,579] 0

7 8 2011 Operating Budget. Amend the following classes and estimated sources of funds for
8 accounting unit 01, 59, 59, 590510, 1052 for fiscal year 2011 to read as follows:

9 FY 2011

10	01 GENERAL GOVERNMENT	
11	59 NH RETIREMENT SYSTEM	
12	59 NH RETIREMENT SYSTEM	
13	590510 STATE CONTRIBUTIONS	
14	1052 STATE CONTRIBUTIONS	
15	064 Ret-Pension Bene-Health Ins	[46,837,853] <u>37,470,277</u>
16		
17	TOTAL	[46,837,853] <u>37,470,277</u>

18	ESTIMATED SOURCE OF FUNDS FOR	
19	STATE CONTRIBUTIONS	
20	GENERAL FUND	[46,837,853] <u>37,470,277</u>
21	TOTAL	[46,837,853] <u>37,470,277</u>

22 9 2011 Operating Budget. Amend the following classes and estimated sources of funds for
23 accounting unit 02, 07, 07, 070010, 1098 for fiscal year 2011 to read as follows:

24 FY 2011

25	02 ADMIN OF JUSTICE AND PUBLIC PRTN	
26	07 JUDICIAL COUNCIL	
27	07 JUDICIAL COUNCIL	
28	070010 JUDICIAL COUNCIL	
29	1098 CIVIL LEGAL SERVICES FUND	
30	108 Provider Payments-Legal Services	[1,470,000] <u>1,000,000</u>
31		
32	TOTAL	[1,470,000] <u>1,000,000</u>

33	ESTIMATED SOURCE OF FUNDS FOR	
34	CIVIL LEGAL SERVICES FUND	
35	GENERAL FUND	[1,470,000] <u>1,000,000</u>
36	TOTAL	[1,470,000] <u>1,000,000</u>

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1	010 Personal Services-Perm. Classi	[653,273] 0
2	011 Personal Services-Unclassified	[74,060] 0
3	018 Overtime	[36,900] 0
4	019 Holiday Pay	[25,950] 0
5	020 Current Expenses	[360,000] 0
6	022 Rents-Leases Other Than State	[294,000] 0
7	023 Heat- Electricity - Water	[1,100,000] 0
8	024 Maint.Other Than Build.- Grnds	[60,000] 0
9	026 Organizational Dues	[35,000] 0
10	027 Transfers To DOIT	[24,531] 0
11	030 Equipment New/Replacement	[75,000] 0
12	042 Additional Fringe Benefits	[79,995] 0
13	044 Debt Service Other Agencies	[85,406] 0
14	047 Own Forces Maint.-Build.-Grnds	[29,000] 0
15	049 Transfer to Other State Agencies	[559] 0
16	050 Personal Service-Temp/Appointe	[730,551] 0
17	059 Temp Full Time	[277,937] 0
18	060 Benefits	[688,224] 0
19	061 Unemployment Compensation	[25,000] 0
20	062 Workers Compensation	[70,000] 0
21	069 Promotional - Marketing Expenses	[310,000] 0
22	070 In-State Travel Reimbursement	[2,500] 0
23	080 Out-Of State Travel Reimb	[8,500] 0
24	TOTAL	[5,046,346] 0
25	ESTIMATED SOURCE OF FUNDS FOR	
26	CANNON MOUNTAIN	
27	009 Agency Income	[5,046,346] 0
28	TOTAL	[5,046,346] 0
29	13 2011 Operating Budget. Amend the following classes and estimated sources of funds for	
30	accounting unit 03, 44, 44, 440010, 1002 for fiscal year 2011 to read as follows:	
31		<u>FY 2011</u>
32	03 RESOURCE PROTECTION & DEVELOPMENT	
33	44 DEPT OF ENVIRONMENTAL SERVICES	
34	44 DES:ENVIRONMENTAL SERV,DEPT OF	
35	440010 DEPT. ENVIRONMENTAL SERVICES	
36	1002 ADMINISTRATION - SUPPORT	
37	102 Contracts for program services	[220,000] 0
38	TOTAL	[3,149,555] 2,929,555

1 ESTIMATED SOURCE OF FUNDS FOR
2 ADMINISTRATION - SUPPORT
3 001 Transfer from Other Agencies 929,422
4 GENERAL FUND [2,220,133] 2,000,133
5 TOTAL [3,149,555] 2,929,555

6 14 2011 Operating Budget. Amend the following classes and estimated sources of funds for
7 accounting unit 05, 95, 40, 403010, 5857 for fiscal year 2011 to read as follows:

8 FY 2011
9 05 HEALTH AND SOCIAL SERVICES
10 95 DEPT OF HEALTH AND HUMAN SVCS
11 40 HHS: CHILDREN AND YOUTH
12 403010 SERV FOR CHILD AND FAMILIES
13 5857 DCYF - PREVENTION PROGRAMS
14 073 Grants-Non Federal [2,344,517] 1,559,606
15 TOTAL [2,344,517] 1,559,606

16 ESTIMATED SOURCE OF FUNDS FOR
17 DCYF - PREVENTION PROGRAMS
18 GENERAL FUND [2,344,517] 1,559,606

19 15 2011 Operating Budget. Amend the following classes and estimated sources of funds for
20 accounting unit 05, 95, 40, 404010, 5847 for fiscal year 2011 to read as follows:

21 FY 2011
22 05 HEALTH AND SOCIAL SERVICES
23 95 DEPT OF HEALTH AND HUMAN SVCS
24 40 HHS: CHILDREN AND YOUTH
25 404010 FEDERAL GRANT PROGRAMS
26 5847 PROMOTING SAFE-STABLE FAMILIES
27 527 Family Resource Centers [120,000] 0
28 TOTAL [991,195] 871,195

29 ESTIMATED SOURCE OF FUNDS FOR
30 PROMOTING SAFE-STABLE FAMILIES
31 FEDERAL FUNDS 871,195
32 GENERAL FUND [120,000] 0
33 TOTAL [991,195] 871,195

34 16 2011 Operating Budget. Amend the following classes and estimated sources of funds for
35 accounting unit 05, 95, 40, 403010, 5855 for fiscal year 2011 to read as follows:

36 FY 2011
37 05 HEALTH AND SOCIAL SERVICES

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1 95 DEPT OF HEALTH AND HUMAN SVCS

2

FY 2011

3 40 HHS: CHILDREN AND YOUTH

4 403010 SERV FOR CHILD AND FAMILIES

5 5855 CHILD - FAMILY SERVICES

6 535 Out-Of-Home Placements

[28,684,647] 24,684,647

7 TOTAL

[63,881,759] 59,881,759

8 ESTIMATED SOURCE OF FUNDS FOR

9 CHILD - FAMILY SERVICES

10 007 Agency Income

3,038,378

11 FEDERAL FUNDS

[26,598,788] 24,598,788

12 GENERAL FUND

[34,244,593] 32,244,593

13 TOTAL

[63,881,759] 59,881,759

14 17 2011 Operating Budget. Amend the following classes and estimated sources of funds for
15 accounting unit 05, 95, 40, 403010, 6040 for fiscal year 2011 to read as follows:

16

FY 2011

17 05 HEALTH AND SOCIAL SERVICES

18 95 DEPT OF HEALTH AND HUMAN SVCS

19 40 HHS: CHILDREN AND YOUTH

20 403010 SERV FOR CHILD AND FAMILIES

21 6040 DOMESTIC VIOLENCE PROGRAMS

22 073 Grants-Non Federal

[671,000] 502,000

23 TOTAL

[1,506,339] 1,337,339

24 ESTIMATED SOURCE OF FUNDS FOR

25 DOMESTIC VIOLENCE PROGRAMS

26 009 Agency Income

352,275

27 FEDERAL FUNDS

835,339

28 GENERAL FUND

[318,725] 149,725

29 TOTAL

[1,506,339] 1,337,339

30 18 2011 Operating Budget. Amend the following classes and estimated sources of funds for
31 accounting unit 05, 95, 48, 481010, 9255 for fiscal year 2011 to read as follows:

32

FY 2011

33 05 HEALTH AND SOCIAL SERVICES

34 95 DEPT OF HEALTH AND HUMAN SVCS

35 48 HHS: ELDERLY - ADULT SERVICES

36 481010 GRANTS TO LOCALS

37 9255 SOCIAL SERVICES BLOCK GRANT

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1	543 Adult In Home Care	[4,485,970] <u>3,985,970</u>
2	TOTAL	[10,841,532] <u>10,341,532</u>

3 ESTIMATED SOURCE OF FUNDS FOR
4 SOCIAL SERVICES BLOCK GRANT

5	FEDERAL FUNDS	5,225,001
6	GENERAL FUND	[5,616,531] <u>5,116,531</u>
7	TOTAL	[10,841,532] <u>10,341,532</u>

8 19 2011 Operating Budget. Amend the following classes and estimated sources of funds for
9 accounting unit 05, 95, 48, 481010, 2202 for fiscal year 2011 to read as follows:

FY 2011

11	05 HEALTH AND SOCIAL SERVICES	
12	95 DEPT OF HEALTH AND HUMAN SVCS	
13	48 HHS: ELDERLY - ADULT SERVICES	
14	481010 GRANTS TO LOCALS	
15	2202 CATASTROPHIC ILLNESS	
16	010 Personal Services-Perm. Classi	[71,498] <u>0</u>
17	020 Current Expenses	[1,952] <u>0</u>
18	060 Benefits	[45,136] <u>0</u>
19	066 Employee Training	[315] <u>0</u>
20	070 In-State Travel Reimbursement	[1,050] <u>0</u>
21	102 Contracts for program services	[489,049] <u>0</u>
22	TOTAL	[609,000] <u>0</u>

24 ESTIMATED SOURCE OF FUNDS FOR
25 CATASTROPHIC ILLNESS

26	GENERAL FUND	[609,000] <u>0</u>
27	TOTAL	[609,000] <u>0</u>

28 20 2011 Operating Budget. Amend the following classes and estimated sources of funds for
29 accounting unit 05, 95, 90, 902010, 5530 for fiscal year 2011 to read as follows:

FY 2011

31	05 HEALTH AND SOCIAL SERVICES	
32	95 DEPT OF HEALTH AND HUMAN SVCS	
33	90 HHS: DIVISION OF PUBLIC HEALTH	
34	902010 BUREAU OF COMM & HEALTH SERV	
35	5530 FAMILY PLANNING PROGRAM	
36	102 Contracts for program services	[2,219,133] <u>1,494,133</u>
37	TOTAL	[2,371,097] <u>1,646,097</u>

1 ESTIMATED SOURCE OF FUNDS FOR
2 FAMILY PLANNING PROGRAM
3 FEDERAL FUNDS 1,417,073
4 GENERAL FUND [954,024] 229,024
5 TOTAL [2,371,097] 1,646,097

6 21 2011 Operating Budget. Amend the following classes and estimated sources of funds for
7 accounting unit 05, 95, 90, 902010, 2223 for fiscal year 2011 to read as follows:

8 FY 2011
9 05 HEALTH AND SOCIAL SERVICES
10 95 DEPT OF HEALTH AND HUMAN SVCS
11 90 HHS: DIVISION OF PUBLIC HEALTH
12 902010 BUREAU OF COMM & HEALTH SERV
13 2223 BOSTON EMA TITLE I
14 568 Ti Hiv Care Boston Ema [1,024,586] 624,586
15 TOTAL [1,028,362] 628,362

16 ESTIMATED SOURCE OF FUNDS FOR
17 BOSTON EMA TITLE I
18 005 Private Local Funds 448,362
19 GENERAL FUND [580,000] 180,000
20 TOTAL [1,028,362] 628,362

21 22 2011 Operating Budget. Amend the following classes and estimated sources of funds for
22 accounting unit 05, 95, 93, 930010, 7100 for fiscal year 2011 to read as follows:

23 FY 2011
24 05 HEALTH AND SOCIAL SERVICES
25 95 DEPT OF HEALTH AND HUMAN SVCS
26 93 HHS:DEVELOPMENTAL SERV- DIV OF
27 930010 DIV OF DEVELOPMENTAL SVCS
28 7100 DEVELOPMENTAL SERVICES
29 557 Medicaid Waiver Services [163,188,657] 161,943,992
30 558 Waitlist [20,000,000] 0
31 TOTAL [185,253,748] 164,009,083

32 ESTIMATED SOURCE OF FUNDS FOR
33 FY 2011
34 DEVELOPMENTAL SERVICES
35 001 Transfer from Other Agencies 50,000
36 FEDERAL FUNDS [93,066,082] 82,443,750
37 GENERAL FUND [92,137,666] 81,515,333
38 TOTAL [185,253,748] 164,009,083

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1 23 2011 Operating Budget. Amend the following classes and estimated sources of funds for
2 accounting unit 05, 95, 93, 930010, 7016 for fiscal year 2011 to read as follows:

3 FY 2011

4 05 HEALTH AND SOCIAL SERVICES

5 95 DEPT OF HEALTH AND HUMAN SVCS

6 93 HHS:DEVELOPMENTAL SERV- DIV OF

7 930010 DIV OF DEVELOPMENTAL SVCS

8 7016 ACQUIRED BRAIN DISORDER SERVIC

9 041 Audit Fund Set Aside

[11,227] 9,927

10 558 Waitlist

[2,600,000] 0

11 TOTAL

[20,165,406] 17,564,106

12 ESTIMATED SOURCE OF FUNDS FOR

13 ACQUIRED BRAIN DISORDER SERVIC

14 FEDERAL FUNDS

[10,357,631] 9,056,331

15 GENERAL FUND

[9,807,775] 8,507,775

16 TOTAL

[20,165,406] 17,564,106

17 24 2011 Operating Budget. Amend the following classes and estimated sources of funds for
18 accounting unit 05, 95, 95, 956010, 6147 for fiscal year 2011 to read as follows:

19 FY 2011

20 05 HEALTH AND SOCIAL SERVICES

21 95 DEPT OF HEALTH AND HUMAN SVCS

22 95 HHS:COMMISSIONER

23 956010 OFF MEDICAID & BUSINESS POLICY

24 6147 PROVIDER PAYMENTS

25 041 Audit Fund Set Aside

[169,635] 168,235

26 101 Medical Payments to Providers

[248,781,885] 246,780,230

27 559 Catastrophic Aid

[2,800,000] 0

28 565 Outpatient Hospital

[81,485,398] 78,699,398

29 TOTAL

[333,236,918] 325,647,863

30 ESTIMATED SOURCE OF FUNDS FOR

31 PROVIDER PAYMENTS

32 FY 2011

33 FEDERAL FUNDS

[167,334,549] 162,989,035

34 GENERAL FUND

[165,902,369] 162,658,828

35 TOTAL

[333,236,918] 325,647,863

36 25 2011 Operating Budget. Amend the following classes and estimated sources of funds for
37 accounting unit 05, 95, 95, 958410, 1388 for fiscal year 2011 to read as follows:

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FY 2011

1
2 05 HEALTH AND SOCIAL SERVICES
3 95 DEPT OF HEALTH AND HUMAN SVCS
4 95 HHS: COMMISSIONER
5 958410 DCBCS TREATMENT & PREVENTION
6 1388 GOVERNOR
7 102 Contracts for program services [3,800,000] 2,800,000
8 TOTAL [3,800,000] 2,800,000
9 ESTIMATED SOURCE OF FUNDS FOR
10 GOVERNOR [3,800,000] 2,800,000
11 GENERAL FUND [3,800,000] 2,800,000
12 TOTAL

13 26 2011 Operating Budget. Amend the following classes and estimated sources of funds for
14 accounting unit 06, 56, 56, 561010, 6019 for fiscal year 2011 to read as follows:

FY 2011

15
16 06 EDUCATION
17 56 DEPARTMENT OF EDUCATION
18 56 EDUCATION, DEPT OF
19 561010 FINANCIAL AID TO DISTRICTS
20 6019 OTHER STATE AID
21 606 Dropout Prevention [1,750,000] 0
22 609 Local Ed Improvement [500,000] 0
23 TOTAL [41,650,807] 39,400,807
24 ESTIMATED SOURCE OF FUNDS FOR
25 OTHER STATE AID
26 GENERAL FUND [41,650,807] 39,400,807
27 TOTAL [41,650,807] 39,400,807

28 27 2011 Operating Budget. Amend the following classes and estimated sources of funds for
29 accounting unit 06, 56, 56, 560010, 7550 for fiscal year 2011 to read as follows:

FY 2011

30
31 06 EDUCATION
32 56 DEPARTMENT OF EDUCATION
33 56 EDUCATION, DEPT OF
34 560010 OFFICE OF THE COMMISSIONER
35 7550 ADEQUATE EDUCATION GRANTS
36 079 Adequate Education Aid - State [780,018,220] 760,834,153
37 TOTAL [957,346,783] 938,162,716

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1	ESTIMATED SOURCE OF FUNDS FOR	
2	ADEQUATE EDUCATION GRANTS	
3	FEDERAL FUNDS	80,078,217
4	OTHER FUNDS	[877,268,566] <u>858,084,499</u>
5	TOTAL	[957,346,783] <u>938,162,716</u>

6 28 2011 Operating Budget. Amend the following classes and estimated sources of funds for
7 accounting unit 06, 57, 57, 570010, 6076 for fiscal year 2011 to read as follows:

8		<u>FY 2011</u>
9	06 EDUCATION	
10	57 POSTSECONDARY EDUCATION COMM.	
11	57 POSTSECONDARY EDUC COMM	
12	570010 POSTSECONDARY EDUCATION COMM	
13	6076 SPEC'L STUDENT GRANT-DARTMOUTH	
14	107 Scholarships & Grants	[175,000] 0
15	TOTAL	[175,000] 0

16	ESTIMATED SOURCE OF FUNDS FOR	
17	SPEC'L STUDENT GRANT-DARTMOUTH	
18	GENERAL FUND	[175,000] 0
19	TOTAL	[175,000] 0

20 29 Recording Surcharge. Amend 2009, 144:232 to read as follows:

21 144:232 Recording Surcharge. Notwithstanding the provisions of RSA 478:17-g, II(c), for the
22 fiscal year ending June 30, 2011, ~~[50 percent of]~~ the funds received by the treasurer for the recording
23 surcharge assessed by registers of deeds under RSA 478:17-g, II(a) shall be deposited in the ~~{trust~~
24 ~~fund for the land and community heritage investment program under RSA 227-M:7 and 50 percent of~~
25 ~~funds received for such surcharge shall be deposited in the]~~ general fund. ~~[The funds collected under~~
26 ~~this section shall remain in the custody of the land and community heritage investment program~~
27 ~~during the fiscal year ending June 30, 2011 and shall be transferred to the general fund at the end of~~
28 ~~such fiscal year.]~~

29 30 New Hampshire Retirement System; Member Contribution Rates; Fiscal Year 2011. Amend
30 RSA 100-A:16, I(a) to read as follows:

31 (a) The member annuity savings fund shall be a fund in which shall be accumulated the
32 contributions deducted from the compensation of members to provide for their member annuities
33 together with any amounts transferred thereto from a similar fund under one or more of the
34 predecessor systems. Such contribution shall be, for each member, dependent upon the member's
35 employment classification at the rate determined in accordance with the following table:

36	Employees [of employers other than the state 5.00] 7.00
37	[Employees of the state hired on or before June 30, 2009 5.00]

1 ~~Employees of the state hired after June 30, 2009 7.00]~~

2 Teachers ~~[5.00]~~ **7.00**

3 Permanent Policemen ~~[9.30]~~ **11.00**

4 Permanent Firemen ~~[9.30]~~ **11.00**

5 The board of trustees shall certify to the proper authority or officer responsible for making up the
6 payroll of each employer, and such authority or officer shall cause to be deducted from the
7 compensation of each member, except group II members with creditable service in excess of 40 years
8 as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer
9 for each and every payroll period, the percentage of earnable compensation applicable to such
10 member. No deduction from earnable compensation under this paragraph shall apply to any group
11 II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and
12 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining
13 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable
14 by a member in a payroll period, the board may consider the rate of compensation payable to such
15 member on the first day of a payroll period as continuing throughout the payroll period and it may
16 omit deduction from compensation for any period less than a full payroll period if such person was
17 not a member on the first day of the payroll period, and to facilitate the making of deductions it may
18 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one
19 percent of the annual earnable compensation upon the basis of which such deduction is made. The
20 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,
21 shall be paid to the retirement system at such times as may be designated by the board of trustees
22 and credited to the individual account, in the member annuity savings fund, of the member from
23 whose compensation the deduction was made.

24 31 New Hampshire Retirement System; Member Contribution Rates; Fiscal Year 2012. Amend
25 RSA 100-A:16, I(a) to read as follows:

26 (a) The member annuity savings fund shall be a fund in which shall be accumulated the
27 contributions deducted from the compensation of members to provide for their member annuities
28 together with any amounts transferred thereto from a similar fund under one or more of the
29 predecessor systems. Such contribution shall be, for each member, dependent upon the member's
30 employment classification at the rate determined in accordance with the following table:

31 Employees ~~[7.00]~~ **5.00**

32 Teachers ~~[7.00]~~ **5.00**

33 Permanent Policemen ~~[11.00]~~ **9.30**

34 Permanent Firemen ~~[11.00]~~ **9.30**

35 The board of trustees shall certify to the proper authority or officer responsible for making up the
36 payroll of each employer, and such authority or officer shall cause to be deducted from the
37 compensation of each member, except group II members with creditable service in excess of 40 years

1 as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer
 2 for each and every payroll period, the percentage of earnable compensation applicable to such
 3 member. No deduction from earnable compensation under this paragraph shall apply to any group
 4 II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and
 5 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining
 6 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable
 7 by a member in a payroll period, the board may consider the rate of compensation payable to such
 8 member on the first day of a payroll period as continuing throughout the payroll period and it may
 9 omit deduction from compensation for any period less than a full payroll period if such person was
 10 not a member on the first day of the payroll period, and to facilitate the making of deductions it may
 11 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one
 12 percent of the annual earnable compensation upon the basis of which such deduction is made. The
 13 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,
 14 shall be paid to the retirement system at such times as may be designated by the board of trustees
 15 and credited to the individual account, in the member annuity savings fund, of the member from
 16 whose compensation the deduction was made.

17 32 New Hampshire Retirement System. State Share of Municipal Normal Contribution.
 18 Amend RSA 100-A:16, II(b)-(c) to read as follows:

19 (b) The contributions of each employer for benefits under the retirement system on
 20 account of group II members shall consist of a percentage of the earnable compensation of its
 21 members to be known as the "normal contribution," and an additional amount to be known as the
 22 "accrued liability contribution;" provided that any employer, other than the state, shall pay 70
 23 percent of such total contributions for state fiscal year 2010, and 30 percent thereof shall be paid by
 24 the state for state fiscal year 2010, and that beginning with state fiscal year 2011 any employer,
 25 other than the state, shall pay ~~[75]~~ 80 percent of such total contributions, and ~~[25]~~ 20 percent thereof
 26 shall be paid by the state, and that beginning with state fiscal year 2012, and every state fiscal year
 27 thereafter, any employer, other than the state, shall pay 65 percent of such total contributions, and
 28 35 percent thereof shall be paid by the state; and provided that, in the case of compensation
 29 attributable to extra or special duty, the employer shall pay the full amount of such total
 30 contributions; and provided further that, in case of group II members employed by the state, the
 31 state shall pay both normal and accrued liability contributions. The rate percent of such normal
 32 contribution, including contributions on behalf of group II members whose group II creditable service
 33 is in excess of 40 years, in each instance shall be fixed on the basis of the liabilities of the system
 34 with respect to the particular members of the various member classifications as shown by actuarial
 35 valuations, except as provided in subparagraphs (h) and (i).

36 (c) The contributions of each employer for benefits under the retirement system on
 37 account of group I members shall consist of a percentage of the earnable compensation of its
 38 members to be known as the "normal contribution," and an additional amount to be known as the
 39 "accrued liability contribution;" provided that, in the case of teachers, any employer, other than the

1 state, shall pay 70 percent of such total contributions for state fiscal year 2010, and 30 percent
 2 thereof shall be paid by the state for state fiscal year 2010, and that beginning with state fiscal year
 3 2011 any employer, other than the state, shall pay ~~[75]~~ 80 percent of such total contributions, and
 4 ~~[25]~~ 20 percent thereof shall be paid by the state, and that beginning with state fiscal year 2012,
 5 and every state fiscal year thereafter, any employer, other than the state, shall pay 65 percent of
 6 such total contributions, and 35 percent thereof shall be paid by the state; and provided further that
 7 in case of teacher members employed by the state the state shall pay both normal and accrued
 8 liability contributions. The rate percent of such normal contribution in each instance shall be fixed on
 9 the basis of the liabilities of the system with respect to the particular members of the various member
 10 classifications as shown by actuarial valuation, except as provided in subparagraphs (h) and (i).

11 33 New Hampshire Retirement System; Recalculation of Employer Rates. Amend 2009, 144:56
 12 to read as follows:

13 144:56 Retirement System; Recalculation of Employer Rates; Recertification. Notwithstanding
 14 the notice requirements of RSA 100-A:16, III, the board of trustees of the retirement system shall
 15 recalculate employer contribution rates for the state fiscal ~~[years 2010 and]~~ year 2011 to reflect the
 16 requirements of RSA 100-A:16, II(b) and (c) as amended by this act. *The retirement system shall*
 17 *utilize the sums attributable to the increase in member contribution rates under RSA 100-*
 18 *A:16, I(a) as amended by this act to reduce previously certified employer contribution rates*
 19 *for state fiscal year 2011.* Notwithstanding the notice requirements of RSA 100-A:16, III, such
 20 employer contribution rates shall be effective for the ~~[biennium]~~ fiscal year beginning July 1, ~~[2009]~~
 21 2010, and the recertification of employer contribution percentages, applicable beginning July 1,
 22 ~~[2009]~~ 2010, shall be provided to each employer within a reasonable period of time not to exceed 30
 23 days from the effective date of this section. The exception to the notice requirements of RSA 100-
 24 A:16, III in this section shall be limited to the applicable employer contribution rates for the
 25 ~~[biennium]~~ fiscal year beginning July 1, ~~[2009]~~ 2010.

26 34 New Hampshire Retirement System; Retiree Health Insurance Premium Contribution.
 27 Amend RSA 100-A:54, III to read as follows:

28 III. The retirement system shall deduct from the monthly retirement allowance of retired
 29 state employees under the age of 65 years receiving medical and surgical benefits provided pursuant
 30 to RSA 21-I:30, the premium contribution amounts of ~~[\$65]~~ \$100 per month for each such retiree and
 31 ~~[\$65]~~ \$100 per month for each applicable spouse; provided that the charge to each household shall
 32 not exceed ~~[\$130]~~ \$200 per month. Deducted amounts, which shall be in addition to and
 33 notwithstanding any amounts payable by the retirement system pursuant to RSA 100-A:52,
 34 RSA 100-A:52-a, and RSA 100-A:52-b, shall be deposited in the employee and retiree benefit risk
 35 management fund. In the event the retiree's monthly allowance is insufficient to cover the certified
 36 contribution amount, the retirement system shall so notify the department of administrative
 37 services, which shall invoice and collect from the retiree the remaining contribution amount.

38 35 Department of Health and Human Services; Services for Children, Youth and Families;
 39 Diversion Incentive Funds. Amend RSA 170-G:4, XVI to read as follows:

1 XVI. Encourage cities, towns and counties to develop and maintain prevention programs,
2 court diversion programs and alternative dispositions for juveniles other than placements outside of
3 the home through the use of a formula which shall allow for the transfer of funds to cities, towns and
4 counties which have, or are developing, prevention programs or alternatives for juvenile care. The
5 amount to be distributed for this program shall be not less than [4.5] 3 percent of the annual amount
6 appropriated to the department of health and human services for placement costs. The method of
7 distribution shall be based upon rules adopted under RSA 541-A by the commissioner. For purposes
8 of this paragraph, prevention programs shall include programs or activities for the prevention of
9 child abuse and neglect.

10 36 Department of Health and Human Services; Catastrophic Illness Program. For the fiscal
11 year ending June 30, 2011, the formula for establishing the catastrophic illness program established
12 in RSA 137-G:1 through RSA 137-G:6 shall be suspended.

13 37 Department of Health and Human Services; Direct and Indirect Graduate Education
14 Payments. 2009, 144:24 is repealed and reenacted to read as follows:

15 144:24 Department of Health and Human Services; Direct and Indirect Graduate Medical
16 Education. The commissioner shall submit a Title XIX Medicaid state plan amendment to the
17 federal Centers for Medicare and Medicaid Services to cease the provision of direct and indirect
18 graduate medical education payments to hospitals as contemplated at 42 U.S.C. section
19 1396a(a)(30)(A) to be effective July 1, 2010. Upon approval of said state plan amendment, and as of
20 the effective date of said state plan amendment, any obligations for payment of direct and indirect
21 graduate medical education are terminated.

22 38 Outpatient Hospital Rates for Critical Access Hospitals. Notwithstanding any provisions of
23 law to the contrary, for the fiscal year ending June 30, 2011, reimbursement rates paid to critical
24 access hospitals for outpatient services shall be at 85 percent of Medicare allowable costs.

25 39 Vacant Positions Resulting From Layoffs Abolished. All positions vacant as a result of a
26 layoff that occurs during the period July 1, 2009 through June 30, 2011 are hereby abolished. The
27 department of administrative services shall report to the fiscal committee of the general court and
28 governor and council on or before September 1, 2011 the total number of positions abolished. The
29 report shall include, but not necessarily be limited to, the number of positions so abolished by
30 position title and number and the salary and benefit savings attributable to each position by funding
31 source. If there are specific positions deemed crucial to the functioning of state government,
32 individual exceptions may be requested by any department in writing to the governor, if submitted
33 prior to June 30, 2011. Any exceptions granted by the governor shall be transmitted to the fiscal
34 committee of the general court.

35 40 Unfunded Positions Abolished. The general court hereby finds that the practice of
36 maintaining positions that are unfunded is contrary to sound budgeting and fiscal management. All
37 positions that are unfunded and vacant on July 1, 2010 are hereby abolished. The department of
38 administrative services shall report to the fiscal committee of the general court and governor and
39 council on or before September 1, 2010 the total number of positions so abolished. The report shall

1 include but not necessarily be limited to the number of positions abolished by position title and
2 number. If the department chooses to reallocate funds from funded to unfunded positions, the
3 positions from which funding is taken shall be abolished on July 1, 2010.

4 41 Cannon Mountain; Request for Proposals.

5 I. Notwithstanding any other provision of law, the commissioner of the department of
6 resources and economic development shall, in consultation with the committee established in section
7 42 of this act, develop and issue a request for proposals to include, but not be limited to, a lease,
8 concession agreement, or management contract for the Cannon Mountain ski area operations.

9 II. The request for proposals shall include, but not be limited to, the following terms,
10 conditions, and provisions:

11 (a) Length of the agreement.

12 (b) Assets to be included.

13 (c) Outline of master plan.

14 (d) Environmental regulation and controls, including:

15 (1) Soils.

16 (2) Water quality.

17 (3) Wetlands.

18 (4) Wildlife habitat.

19 (5) Scenic and aesthetic qualities.

20 (6) Multi-seasonal recreational opportunities.

21 (7) Forestry issues.

22 (e) Expansion limitations.

23 (f) State and local regulatory authority.

24 (g) Operational responsibilities remaining with the state.

25 (h) Requirement of performance bonds.

26 (i) Past practices and agreements.

27 (j) Repurchase.

28 (k) Federal agency requirements, conditions, and regulations.

29 (l) Consideration of state employees.

30 III. All responses to a request for proposals developed under this act shall be reviewed by
31 the committee established in section 42 of this act in cooperation with the commissioner of resources
32 and economic development.

33 42 Committee Established.

34 I. There is established a committee for the purpose of advising the commissioner of resources
35 and economic development, pursuant to section 41 of this act, on the creation of a request for
36 proposals and the review of any responses to a request for proposals and the review of any responses
37 to a request for proposals. The committee shall consist of the following members:

38 (a) Nine members of the house of representatives, appointed by the speaker of the house of
39 representatives, at least 4 of whom shall be members of the minority party, and 3 of whom shall be

1 members of the resources, recreation, and development committee, 3 of whom shall be members of the
2 public works and highways committee, and 3 of whom shall be members of the finance committee.

3 (b) Three members of the senate, at least one of whom shall be a member of the minority
4 party, appointed by the president of the senate.

5 II. The members of the committee shall elect a chairperson from among its members.
6 Members shall receive mileage at the legislative rate when attending to the duties of the committee.

7 43 Review by Capital Budget Overview Committee; Public Comments. Any agreement or
8 contract recommended pursuant to section 42 of this act shall be submitted to the capital budget
9 overview committee established in RSA 17-J for review and approval. No agreement or contract
10 shall take effect until such approval is obtained. The capital budget overview committee shall
11 receive written public comments submitted prior to the time the committee votes on a recommended
12 agreement or contract.

13 44 Report on Future Status of Ski Area Employees. The commissioner of the department of
14 resources and economic development shall provide along with any agreement or contract submitted
15 under section 43 of this act, a report on the disposition of employees of the ski areas at Cannon
16 Mountain and any appropriate statutory changes to RSA 216-A as a result of the lease agreement.
17 An employee of Cannon Mountain on the effective date of this act shall be offered an appropriate
18 position within the state park system.

19 45 Cannon Mountain Capital Improvement Fund; Lapse of Funds. All funds in the Cannon
20 Mountain capital improvement fund, established under RSA 12-A:29-c, as of the effective date of this
21 act shall lapse to the general fund.

22 46 Repeal. The following are repealed:

23 I. RSA 6:12, I(b)(104), relative to the Cannon Mountain capital improvement fund.

24 II. RSA 12-A:29-c, relative to the Cannon Mountain capital improvement fund.

25 47 Cannon Mountain Advisory Committee. Amend RSA 12-A:29-b, V to read as follows:

26 V. The commission shall make recommendations for capital improvements for the ski area
27 and related state park facilities at Cannon Mountain to the commissioner of resources and economic
28 development. The commission shall review the servicing of debt obligations relating to [the] Cannon
29 Mountain [~~capital improvement fund~~] prior to making any such recommendations.
30 Recommendations approved by the commissioner shall be submitted by the commissioner to the
31 capital budget overview committee. Recommendations approved by the capital budget overview
32 committee shall be submitted to the governor and council for final approval. Notwithstanding any
33 other provision of law, recommendations may be implemented upon final approval, pursuant to
34 solicited requests for proposals. [~~Funding for capital improvements shall be from the Cannon
35 Mountain capital improvement fund established by RSA 12-A:29-c.~~]

36 48 School Money; Cost of an Opportunity for an Adequate Education. Amend RSA 198:40-a, I to
37 read as follows:

1 I. Beginning July 1, [2009] 2011, and for every biennium thereafter, the annual cost of
 2 providing the opportunity for an adequate education as defined in RSA 193-E:2-a shall be \$3,450 per
 3 pupil attending a public school, plus any applicable differentiated aid for which a pupil is eligible.
 4 Differentiated aid shall be calculated as follows:

5 (a) An additional \$431 per pupil in kindergarten through grade 12 eligible for the federal
 6 free and reduced-price meal program who attends a public school in which less than 12 percent of the
 7 pupils reported in the school's ADMA in the determination year are eligible for the federal free and
 8 reduced-price meal program.

9 (b) An additional \$863 per pupil *eligible for the federal free or reduced-price meal*
 10 *program* in a public school in which at least 12 percent but less than 24 percent of pupils reported
 11 in the school's ADMA in the determination year, are eligible for the federal free or reduced-price
 12 meal program.

13 (c) An additional \$1,725 per pupil *eligible for the federal free or reduced-price meal*
 14 *program* in a public school in which at least 24 percent but less than 36 percent of pupils reported
 15 in the school's ADMA in the determination year, are eligible for the federal free or reduced-price
 16 meal program.

17 (d) An additional \$2,588 per pupil *eligible for the federal free or reduced-price meal*
 18 *program* in a public school in which at least 36 percent but less than 48 percent of the pupils
 19 reported in the school's ADMA in the determination year, are eligible for the federal free or reduced-
 20 price meal program.

21 (e) An additional \$3,450 per pupil *eligible for the federal free or reduced-price meal*
 22 *program* in a public school in which 48 percent or more of the pupils reported in the school's ADMA
 23 in the determination year, are eligible for the federal free or reduced-price meal program.

24 49 Adequate Education Grants. Adequate education grants made prior to January 1, 2011 shall
 25 be calculated using the provisions of RSA 198:40-a, I which were in effect prior to the effective date of
 26 section 48 of this act.

27 50 Operating Budget; Department of Environmental Services. The department of
 28 environmental services shall reduce state general fund appropriations by \$2,000,000 for the fiscal
 29 year ending June 30, 2011. The department shall provide a quarterly report of reductions made
 30 under this section to the fiscal committee of the general court and the governor and council.

31 51 Operating Budget; Department of Justice. The department of justice shall reduce state
 32 general fund appropriations by \$456,599 for the fiscal year ending June 30, 2011. The department
 33 shall provide a quarterly report of reductions made under this section to the fiscal committee of the
 34 general court and the governor and council.

35 52 Operating Budget; Department of Corrections. The department of corrections shall reduce
 36 state general fund appropriations by \$3,717,635 for the fiscal year ending June 30, 2011. The
 37 department shall provide a quarterly report of reductions made under this section to the fiscal
 38 committee of the general court and the governor and council.

1 53 Operating Budget; Department of Information Technology. Notwithstanding 2009, 143:12,
2 the department, in consultation with the department of administrative services, shall reduce class
3 lines of the department by an amount that will result in additional reductions of \$5,617,263 for the
4 fiscal year ending June 30, 2011. The appropriation reductions required under this section shall be
5 allocated based on statewide prioritization recommended by the department of information
6 technology and approved by the fiscal committee of the general court and governor and council.

7 54 Operating Budget; Governor's Office. The governor's office shall reduce state general fund
8 appropriations by \$23,417 for the fiscal year ending June 30, 2011. The governor's office shall
9 provide a quarterly report of reductions made under this section to the fiscal committee of the
10 general court and the governor and council.

11 55 Operating Budget; University System of New Hampshire. The university system of New
12 Hampshire shall reduce state general fund appropriations by \$10,000,000 after January 1, 2011 but
13 prior to June 30, 2011. The university system shall provide a quarterly report of reductions made
14 under this section to the fiscal committee of the general court and the governor and council.

15 56 Operating Budget; Community College System of New Hampshire. The community college
16 system of New Hampshire shall reduce state general fund appropriations by \$3,544,599 after
17 January 1, 2011 but prior to June 30, 2011. The community college system shall provide a quarterly
18 report of reductions made under this section to the fiscal committee of the general court and the
19 governor and council.

20 57 Operating Budget; Judicial Branch. In addition to any other sums reduced in 2009, 143:18,
21 the judicial branch shall reduce state general fund appropriations by \$4,787,793 for the fiscal year
22 ending June 30, 2011, with \$2,565,000 of that reduction coming from the closure of the Hillsborough
23 Superior Court - North. The accounting unit 02-10-10-100010-1880, class 049, transfer to the
24 department of administrative services for court facilities, shall not be reduced unless the reduction is
25 agreed to by the commissioner of administrative services and the chief justice for the supreme court.
26 The director of the administrative office of the courts shall submit to the fiscal committee of the
27 general court and the commissioner of the department of administrative services an itemization of
28 the reductions in expenditure classes made to implement this section on or before June 15, 2011.

29 58 Effective Date.

30 I. Section 31 of this act shall take effect July 1, 2011.

31 II. Section 48 of this act shall take effect January 1, 2011.

32 III. The remainder of this act shall take effect July 1, 2010.

LBAO
10-2565
12/16/09

HB 1664-FN - FISCAL NOTE

AN ACT **making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.**

FISCAL IMPACT:

Due to time constraints, the Office of Legislative Budget Assistant is unable to provide a fiscal note for this bill at this time. When completed, the fiscal note will be forwarded to the House Clerk's Office.

LBAO
10-2565
Revised 01/26/10

HB 1664 FISCAL NOTE

AN ACT making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.

FISCAL IMPACT:

The Office of Legislative Budget Assistant states this bill will have an indeterminable fiscal impact on state, county, and local revenue and expenditures in FY 2011 and each fiscal year thereafter.

METHODOLOGY:

Sections 1 and 2 - The Legislative Branch states sections 1 of this bill will decrease House out-of-state travel by \$85,000 and section 2 of this bill will decrease General Court joint expenses by \$119,029 for a total general fund reduction of \$204,029 in FY 2011.

Section 3 - This section reduces the Department of Administrative Services general fund appropriation for Concord Fire and Municipal Services by \$40,000 in FY 2011.

Sections 4 and 34 - The Department of Administrative Services states due to increasing the retiree and spouse premium contribution from \$65 per month per individual to \$100 per month per individual, the state general fund appropriation will decrease and agency income will increase by \$1,368,360 in FY 2011 and each year thereafter.

Section 5 - The Department of Cultural Resources states this section would eliminate the \$113,221 general fund appropriation to the NH Film Commission in FY 2011. The net savings associated with this reduction is \$86,221, as it is estimated that \$27,000 will be expended for employee termination payout.

Section 6 - The Department of Cultural Resources states this section would reduce the state general fund appropriation for states art development grants by \$428,000 in FY 2011. Additionally, federal funds would be reduced by approximately \$303,892 due to match requirements. The Department would decrease the amount of grants it awards by 90 percent as a result of the reduction in funding.

Sections 7 and 29 - The Treasury Department and LCHIP state these sections would direct all recording surcharge fees from the LCHIP dedicated fund to the general fund. This will result in an increase in general fund unrestricted revenue and decrease LCHIP restricted revenue and expenditures by \$1,721,579 in FY 2011.

Section 8 and Sections 30 through 33 - The Retirement System states sections 30, 31, and 33 will increase member contribution rates and require increased member contributions be used to reduce previously certified employer contribution rates for FY 2011. Member contribution rates for all Group I employees would increase from 5% to 7% for FY 2011 only. Currently state employees hired on or after July 1, 2009 contribute 7% and therefore would not be impacted by this change. Further, this bill would increase member contributions for Group II employees from 9.3% to 11% for FY 2011 only. The System's actuary estimates the change in member contribution rates will decrease contributions in FY 2011 for state and political subdivision employers as follows (in millions) -

Impact of Change in Member Contribution Rates

	State	Political Subdivisions
Employees	\$(9.13)	\$(10.65)
Teachers	(4.95)	(14.85)
Police	(1.82)	(2.15)
Fire	<u>(0.51)</u>	<u>(1.38)</u>
Total	\$(16.41)	\$(29.03)

Section 8 and 32 would change the political subdivision/state cost sharing of employer contributions for teachers, police and fire members from 75%/25% to 80%/20%. Section 8 of the proposed bill reduces the FY 2011 state general fund appropriation by \$9,367,576 as a result of this change. Assuming the proposed change in member contribution rates, the System's actuary estimates the proposed changes to the political subdivision/state cost sharing arrangement will increase local expenditures and decrease state expenditures in FY 2011 as follows (in millions) -

Impact of Change to Political Subdivision/State Cost Sharing Arrangement

	State	Political Subdivisions
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HB 1664-FN – AS INTRODUCED

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Teachers	\$(4.89)	\$4.89
Police	(1.82)	1.82
Fire	<u>(1.30)</u>	<u>1.30</u>
Total	\$(8.01)	\$8.01

The combined impact of the proposed changes will result in state expenditures decreasing by approximately \$24,420,000, and political subdivision expenditures decreasing by approximately \$21,020,000 in FY 2011.

Section 9 - The Judicial Council states this section would reduce the state general fund appropriation to the Civil Legal Services by \$470,000. This will result in the layoff of lawyers, paralegals and secretaries throughout the legal service offices in the State.

Section 10 - The Department of Resources and Economic Development states this section would eliminate the \$505,000 state general fund appropriation for the industrial research center in FY 2011. In addition to the loss of general funds, the Department states there would also be a decrease in \$505,000 of matching funds.

Section 11 - The Department of Resources and Economic Development states this section would eliminate the \$280,000 state general fund appropriation for the small business development center in FY 2011. In addition to the loss of general funds, the Department states there would also be a decrease in \$280,000 of matching funds.

Section 12 - The Department of Resources and Economic Development states this section would decrease state restricted expenditures and revenue for Cannon Mountain by \$5,046,346 in FY 2011. Sections 41 through 47 relates to the leasing of Cannon Mountain. The Department states there would also be an indeterminable increase in general fund revenue that would be associated with the leasing of Cannon Mountain.

Section 13 - The Department of Environmental Services states this section would decrease the \$220,000 state general fund appropriation for regional planning commissions in FY 2011.

Sections 14 and 35 – The Department of Health and Human Services (DHHS), Division for Children Youth and Families (DCYF) states this section would reduce the state general fund appropriation for Division for Children, Youth, and Families (DCYF) diversion incentive programs by \$784,911 in FY 2011, which is based on program funding calculated at 3 percent of out-of-home placement programs (see section 35).

Section 15 - DHHS, DCYF states this section would reduce the state general fund appropriation for family resource centers by \$120,000 in FY 2011.

Section 16 - DHHS, DCYF states this section would reduce expenditures for DCYF out of home placements by \$4,000,000 in FY 2011, of which \$2,000,000 would be federal funds and \$2,000,000 would be state general funds.

Section 17 - DHHS, DCYF states this section would reduce the state general fund appropriation for domestic violence programs by \$169,000 in FY 2011.

Section 18 - DHHS, Bureau of Elderly and Adult Services (BEAS) states this section proposes a \$500,000 general fund reduction to the FY 2011 operating budget of 05-95-48-481010-9255-543 Adult in Home Care (AIHC). There are federal block grant funds in the operating budget, however there is no state match requirement, therefore the entire reduction can be general funds. AIHC has two types of service units, regular and protective. In FY 2010, allocation of the appropriation between the two types of service was 90.5% for regular units and 9.5% for protective units. BEAS assumes the same ratios would apply to the FY 2011 appropriations and the proposed budget reduction. The proposed reduction would result in a decrease of approximately 36,100 units of service. On average each client receives between four to six units of service per week. This reduction could impact between 115 to 173 clients.

Sections 19 and 36 - DHHS, BEAS states these sections propose to eliminate state general fund appropriations of \$609,000 in FY 2011 for the Catastrophic Illness Program (CIP). The CIP is supported solely with state general funds. The CIP provides payment assistance to low-income New Hampshire residents who have one of the following conditions; cancer, hemophilia, end-stage renal disease, spinal cord injury, cystic fibrosis or multiple sclerosis. Assistance is limited to an annual maximum of \$2,500 and is used to pay for medication, medical treatment, mileage or transportation. The program serves approximately 1,000 adults annually throughout the state.

Section 20 - DHHS, Division of Public Health Services (DPHS) states this section reduces the state general fund appropriation for family planning services in the amount of \$725,000. This requirement would create a reduction in family planning contracts and services. There are currently 11 Title X family planning agencies. In 2009 these agencies served 28,154 clients. The reduction in funding in this appropriation would reduce family planning contracts by 30%

overall, as well as reduce access to family planning/reproductive health services to approximately 9,000 NH citizens.

Section 21 – DHHS, DPHS states this section reduces the state general fund appropriation for Boston EMA Title I HIV care and supportive services in the amount of \$400,000. This requirement would create a reduction in HIV care grants and services. Current services provided by these grants and administered by 5 local AIDS Services Organizations (ASO's) for reimbursement when no other funding source is available are case management, mental health services, substance abuse services, food pantry and nutritional counseling, housing assistance and transportation. The loss of general funds in the amount of \$400,000 would no longer be available to contract for HIV care and supportive services through the 5 ASO's. In addition, if these services are terminated, clients may seek assistance through local welfare programs for housing assistance, transportation and other services. This could lead to a significant drain to cities and towns welfare budgets. However, that cost is indeterminable. A reduction in funding for HIV care and supportive services would substantially eliminate grants to the ASO's for the 460 HIV and AIDS clients that are currently being served. If this reduction in grants were to occur, some ASO's would not be able to maintain their HIV care and support services, which then would further impact the number of NH citizens living with HIV disease who could access needed services.

Section 22 and 23 – DHHS, Bureau of Developmental Services (BDS) states section 22 would remove \$20,000,000 of Wait List funding for 630 individuals with developmental disabilities. Of the 630 individuals who would lose service funding, 435 are receiving Wait List Funding during FY 2010 and an additional 195 individuals are scheduled to receive Wait List funding during FY 2011. Additionally, the reduction in the Developmental Services Waiver of \$1,244,665 would result in the loss of day services funding for approximately 28 individuals, and independent living/community support services for approximately 80 individuals. Section 23 would remove Wait List funding of \$2,601,300 for 50 individuals with acquired brain disorders (ABD). The budgeted amounts assume a 50/50 state- federal share.

Section 24, 37 and 38 – DHHS, Office of Medicaid and Business Policy (OMBP) states these sections do three things: eliminates catastrophic payments to hospitals from the Medicaid program (sections 24); eliminates indirect medical education payments to teaching hospitals (sections 24 and 37); and reduces Medicaid rates paid to critical access hospitals (sections 24 and 38). These sections of the bill take effect on July 1, 2010. Catastrophic aid payments were funded at \$2,800,000 in FY 2011. Accordingly, elimination of the payments will reduce state general fund expenditures by \$1,400,000 and reduce state restricted expenditures (federal

funds) by \$1,400,000. Indirect Medical Education payments were funded at \$2,001,655 in FY 2011. Accordingly, elimination of the payments will reduce state general fund expenditures by \$793,541 and reduce state restricted expenditures (federal funds) by \$1,208,114. These provisions are assumed to apply starting in FY 2011 and continuing thereafter. Section 24 and 34 reduce outpatient hospital payments as a result of the proposed rate reduction by \$2,786,000, of which \$1,050,000 are state general funds. The Department states the reduction of rates to critical access hospitals to 85% of Medicare will reduce expenditures by 6 percentage points, and will reduce total expenditures by \$1,400,000, of which the state general fund share would be \$700,000.

Section 25 - DHHS, Bureau of Drug and Alcohol Services (BDAS) states this section decreases appropriations to the Governor's Commission by \$1,000,000 for FY 2011. Governor's Commission funds are used by the Department to augment general funds and federal block grant funds to contract for alcohol and other drug treatment and prevention services for NH citizens. The federal block grant requires a state maintenance of effort (MOE) in non-federal funding. A reduction in state revenues will reduce the state's MOE and as a result could incur a dollar for dollar penalty reduction in block grant funds if a waiver was not granted by the Substance Abuse and Mental Health Services Administration (SAMHSA). The potential reduction in funding will be \$1,952,609 (which includes the reduction contained in this section). A reduction in funds will result in a reduction in the number of individuals served in BDAS funded treatment and prevention contracts. The average cost for treatment services is approximately \$1,985 per client. During FY 2009 approximately 4,622 individuals (unduplicated count) were served. The potential decrease in revenue will require reductions in funding of treatment and prevention contracts thus reducing the number of clients served.

Section 26 - The Department of Education states this section eliminates the state general fund appropriation for dropout prevention and local education improvement. Dropout prevention funding eliminated is \$1,750,000 and local education improvement funding eliminated is \$500,000 for a total general fund reduction of \$2,250,000. Local revenue will decrease by \$2,250,000.

Sections 27, 48, and 49 - The Department of Education states these sections amend the cost of an opportunity for an adequate education by changing the differentiated aid for school's concentration of pupils eligible for a free and reduced-priced meal. This section would not go into effect until January 1, 2011. The Department estimates state education trust fund expenditures for FY 2011 will decrease by \$19,184,118 (\$31,973,530 for full fiscal year savings * 60% to account for the effective date). The Department anticipates the decrease in state

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education trust fund expenditures related to the changes to the free and reduced-price meal aid for FY 2012 and each year thereafter to be \$133,773,966. The Department states local revenue will decrease by \$19,184,118 in FY 2011 and \$133,773,966 in FY 2012 and each year thereafter.

Section 28 - The Postsecondary Education Commission states this section eliminates \$175,000 of state general funds appropriated for the special student grant program – Dartmouth in FY 2011. The Commission states these funds are used to assist New Hampshire residents with pursuing a medical education at Dartmouth Medical School or the University of New England's College of Osteopathic Medicine. The elimination of the funding may result in the elimination of the program.

Sections 30 through 33 - See section 8 for discussion of fiscal impact.

Section 34 – See section 4 for discussion of fiscal impact.

Section 35 – See section 14 for discussion of fiscal impact.

Section 36 – See section 19 for discussion of fiscal impact.

Section 37 and 38 – See section 24 for discussion of fiscal impact.

Section 39 and 40 – This section will have no fiscal impact. The Department of Health and Human Services and the Department of Environmental Services state the abolishing of unfunded positions may adversely impact the ability of state agencies to respond to service demands and impact the ability to meet required deliverables for federal funds. The result may be a loss of federal funds. Additionally the Department of Health and Human Services states Section 40 of this bill could also lead to federal sanctions and litigation.

Sections 41 through 47 - The Department of Resources and Economic Development states these sections mandate the leasing of Cannon Mountain. The Department is not able to estimate the potential increase in general fund revenue that would be associated with the leasing of Cannon Mountain.

Sections 48 and 49 - Sections relate to changes to free and reduced lunch used in adequacy calculation. See section 27 for discussion of fiscal impact.

Section 50 - The Department of Environmental Services states this section would decrease the Department's state general fund appropriation by \$2,000,000 in FY 2011. The Department assumes it has discretion on how to meet the general fund reduction. The Department assumes \$1,000,000 of the reduction will come from state aid grant appropriations and \$1,000,000 will come from layoffs. The Department estimates it would need to eliminate approximately 25 positions to achieve a reduction of \$1,000,000. Eliminating general funded positions may impact the solid waste program, lakes and rivers management programs, dam program, wetlands program, public water systems, geological surveys as well as a number of agency administrative functions. Additionally, a reduction in state aid grants will decrease local revenue by \$1,000,000.

Section 51 - The Department of Justice states this section would decrease the Department's state general fund appropriation by \$456,599 in FY 2011. Due to assistant attorney generals receiving a commission with fixed terms, reducing these positions would not be cost effective as the obligations of the existing terms would need to be fulfilled. The Department states to meet the required reduction in general funds, 9-10 support staff (classified employees) would need to be laid off.

Section 52 - The Department of Corrections states this section would decrease the Department's state general fund appropriation by \$3,717,635 in FY 2011. The Department estimates to meet this reduction it may need to layoff 53 positions.

Section 53 - The Department of Information Technology states this section would decrease state general fund expenditures by \$5,617,263 in FY 2011. The Department assumes only agencies funded in whole or in part with general funds will be impacted by this bill. The Department states the reductions will be based on the class 27 general fund percent for each agency. The Department states federal fund expenditures will decrease by \$3,245,958 and other fund expenditures will decrease by \$408,474. The Department estimates reductions in the following agencies:

Department/Agency	Share of Reduction	General Fund Reduction	Federal Fund Reduction	Other Funds	Total Reduction
Health and Human Services	68.86%	\$3,867,950	\$2,800,929	\$0	\$6,668,879
Revenue Administration	9.11%	\$511,643	\$0	\$0	\$511,643
Administrative Services	6.86%	\$385,222	\$0	\$0	\$385,222
Corrections	5.53%	\$310,813	\$0	\$0	\$310,813

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Education	3.01%	\$169,341	\$171,515	\$9,675	\$350,531
Environmental Services	2.69%	\$151,114	\$247,663	\$308,023	\$706,800
Justice	0.71%	\$39,631	\$5,838	\$19,108	\$64,577
Cultural Resources	0.70%	\$39,044	\$0	\$0	\$39,044
Resources and Economic Development	0.64%	\$36,057	\$4,438	\$33,347	\$73,842
All other agencies	1.90%	\$106,448	\$15,575	\$38,321	\$160,344
Total		\$5,617,263	\$3,245,958	\$408,474	\$9,271,695

The Department of Administrative Services states it is not able to determine the impact of any reductions allocated to the Department as a result of Section 53 on the integrated financial system and government human resources system.

Section 54 - The Legislative Budget Assistant's Office states this section would decrease the Governor's Office state general fund appropriation by \$23,417 in FY 2011.

Section 55 - The University System of New Hampshire states this section would decrease the System's state general fund appropriation by \$10,000,000 in FY 2011. The System states it would need to raise the gross tuition level by \$12,392,775 to net \$10,000,000. This would result in tuition rates increasing by approximately \$1,292 at the University of New Hampshire and by \$657 at Keene State College and Plymouth State University.

Section 56 - The Community College System of New Hampshire states this section would decrease the CCSNH state general fund appropriation by \$3,544,599 in FY 2011.

Section 57 - The Judicial Branch states this section would decrease the Branch's state general fund appropriation by \$4,787,793, with \$2,565,000 of the reduction coming from the closure of the Hillsborough Superior Court - North in FY 2011. The Branch assumes it will need to use a combination of layoffs (with approximately 24 coming from the closure of the Hillsborough Superior Court - North), voluntary furloughs, mandatory furloughs, and reduced hours of court operations to meet the reduction.

The Department of Administrative Services states it is not able to determine the fiscal impact of Section 57 on the Department because it is not known if the Judicial Branch will propose any reductions from class 49, transfers to Department of Administrative Services for court facilities.

Various Sections - The New Hampshire Association of Counties states this bill makes changes to the member and employer retirement contributions. The bill increases the member contribution rates for all employees and directs the sums attributable to the increase in member contribution rates be used to reduce the previously certified employer contribution rates for FY 2011. Additionally, this bill decreases the state share of municipal contribution.

The Association states the changes in this bill will result in employer retirement rates increasing at a slower but indeterminable rate. Additionally, other sections of this bill may have a fiscal impact on the counties which cannot be determined at this time..

Various Sections - The New Hampshire Municipal Association states this bill will have an indeterminable fiscal impact on local expenditures and revenue in FY 2011 and each year thereafter.

Amendments



Amendment to HB 1664-FN

1 Amend the bill by replacing all after the enacting clause with the following:

2

3 1 2011 Operating Budget. Amend the estimated sources of funds for accounting unit 01, 14, 14,
4 140010, 1356 for fiscal year 2011 to read as follows:

5

FY 2011

6 01 GENERAL GOVERNMENT

7 14 DEPT ADMINISTRATIVE SERVICES

8 14 ADMINISTRATIVE SERV, DEPT OF

9 140010 COMMISSIONER'S OFFICE

10 1356 RETIREES HEALTH INSURANCE

11 101 Medical Payments to Providers

[45,301,895] 44,301,895

12 TOTAL

[85,031,052] 84,031,052

13 ESTIMATED SOURCE OF FUNDS FOR

14 RETIREES HEALTH INSURANCE

15 001 Transfer from Other Agencies

25,512,984

16 008 Agency Income

14,577,238

17 009 Agency Income

2,541,240

18 GENERAL FUND

[42,399,590] 41,399,590

19 TOTAL

[85,031,052] 84,031,052

20 2 2011 Operating Budget. Amend the following classes and estimated sources of funds for
21 accounting unit 01, 34, 34, 340010, 6990 for fiscal year 2011 to read as follows:

22

FY 2011

23 01 GENERAL GOVERNMENT

24 34 DEPT OF CULTURAL RESOURCES

25 34 CULTURAL RESOURCES, DEPT OF

26 340010 OFFICE OF THE COMMISSIONER

27 6990 NH FILM COMMISSION

28 010 Personal Services-Perm. Classi

[50,666] 0

29 020 Current Expenses

[6,723] 1

30 026 Organizational Dues

[1,750] 0

31 060 Benefits

[33,282] 0

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1	069 Promotional - Marketing Expenses	[10,000] 0
2	070 In-State Travel Reimbursement	[800] 0
3	102 Contracts for program services	[10,300] 0
4	TOTAL	[113,221] 1

5 ESTIMATED SOURCE OF FUNDS FOR
6 NH FILM COMMISSION

7	GENERAL FUND	[113,221] 1
8	TOTAL	[113,221] 1

9 3 2011 Operating Budget. Amend the following classes and estimated sources of funds for
10 accounting unit 01, 34, 34, 341010, 1250 for fiscal year 2011 to read as follows:

11 FY 2011

12 01 GENERAL GOVERNMENT
13 34 DEPT OF CULTURAL RESOURCES
14 34 CULTURAL RESOURCES, DEPT OF
15 341010 DIVISION OF THE ARTS
16 1250 STATE ARTS DEVELOPMENT

17	073 Grants-Non Federal	[428,000] 1
18	TOTAL	[618,197] 190,198

19 ESTIMATED SOURCE OF FUNDS FOR
20 STATE ARTS DEVELOPMENT

21	GENERAL FUND	[618,197] 190,198
22	TOTAL	[618,197] 190,198

23 4 2011 Operating Budget. Amend the following classes and estimated sources of funds for
24 accounting unit 01, 38, 38, 382010, 1390 for fiscal year 2011 to read as follows:

25 FY 2011

26 01 GENERAL GOVERNMENT
27 38 STATE TREASURY
28 38 TREASURY- DEPT OF
29 382010 LCHIP
30 1390 LCHIP

31	076 LCHIP	[1,721,579] 721,579
32	TOTAL	[1,721,579] 721,579

33 ESTIMATED SOURCE OF FUNDS FOR
34 LCHIP

35	009 Agency Income	[1,721,579] 721,579
36	TOTAL	[1,721,579] 721,579

37 5 2011 Operating Budget. Amend the following classes and estimated sources of funds for

Amendment to HB 1664-FN

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1 accounting unit 01, 59, 59, 590510, 1052 for fiscal year 2011 to read as follows:

2 FY 2011

3 01 GENERAL GOVERNMENT

4 59 NH RETIREMENT SYSTEM

5 59 NH RETIREMENT SYSTEM

6 590510 STATE CONTRIBUTIONS

7 1052 STATE CONTRIBUTIONS

8 064 Ret-Pension Bene-Health Ins [46,837,853] 37,470,277

9

10 TOTAL [46,837,853] 37,470,277

11 ESTIMATED SOURCE OF FUNDS FOR

12 STATE CONTRIBUTIONS

13 GENERAL FUND [46,837,853] 37,470,277

14 TOTAL [46,837,853] 37,470,277

15 6 2011 Operating Budget. Amend the following classes and estimated sources of funds for
16 accounting unit 03, 44, 44, 440010, 1002 for fiscal year 2011 to read as follows:

17 FY 2011

18 03 RESOURCE PROTECTION & DEVELOPMENT

19 44 DEPT OF ENVIRONMENTAL SERVICES

20 44 DES:ENVIRONMENTAL SERV,DEPT OF

21 440010 DEPT. ENVIRONMENTAL SERVICES

22 1002 ADMINISTRATION - SUPPORT

23 102 Contracts for program services [220,000] 0

24 TOTAL [3,149,555] 2,929,555

25 ESTIMATED SOURCE OF FUNDS FOR

26 ADMINISTRATION - SUPPORT

27 001 Transfer from Other Agencies 929,422

28 GENERAL FUND [2,220,133] 2,000,133

29 TOTAL [3,149,555] 2,929,555

30 7 2011 Operating Budget. Amend the following classes and estimated sources of funds for
31 accounting unit 05, 95, 40, 403010, 5857 for fiscal year 2011 to read as follows:

32 FY 2011

33 05 HEALTH AND SOCIAL SERVICES

34 95 DEPT OF HEALTH AND HUMAN SVCS

35 40 HHS: CHILDREN AND YOUTH

36 403010 SERV FOR CHILD AND FAMILIES

37 5857 DCYF - PREVENTION PROGRAMS

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1	073 Grants-Non Federal	[2,344,517] <u>1,559,606</u>
2	TOTAL	[2,344,517] <u>1,559,606</u>

3 ESTIMATED SOURCE OF FUNDS FOR
4 DCYF - PREVENTION PROGRAMS

5	GENERAL FUND	[2,344,517] <u>1,559,606</u>
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6 8 2011 Operating Budget. Amend the following classes and estimated sources of funds for
7 accounting unit 05, 95, 40, 404010, 5847 for fiscal year 2011 to read as follows:

FY 2011

9 05 HEALTH AND SOCIAL SERVICES
10 95 DEPT OF HEALTH AND HUMAN SVCS
11 40 HHS: CHILDREN AND YOUTH
12 404010 FEDERAL GRANT PROGRAMS
13 5847 PROMOTING SAFE-STABLE FAMILIES

14	527 Family Resource Centers	[120,000] 0
15	TOTAL	[991,195] <u>871,195</u>

16 ESTIMATED SOURCE OF FUNDS FOR
17 PROMOTING SAFE-STABLE FAMILIES

18	FEDERAL FUNDS	871,195
19	GENERAL FUND	[120,000] 0
20	TOTAL	[991,195] <u>871,195</u>

21 9 2011 Operating Budget. Amend the following classes and estimated sources of funds for
22 accounting unit 05, 95, 40, 403010, 5855 for fiscal year 2011 to read as follows:

FY 2011

24 05 HEALTH AND SOCIAL SERVICES
25 95 DEPT OF HEALTH AND HUMAN SVCS
26 40 HHS: CHILDREN AND YOUTH
27 403010 SERV FOR CHILD AND FAMILIES

28	5855 CHILD - FAMILY SERVICES	
29	535 Out-Of-Home Placements	[28,684,647] <u>24,684,647</u>
30	TOTAL	[63,881,759] <u>59,881,759</u>

31 ESTIMATED SOURCE OF FUNDS FOR
32 CHILD - FAMILY SERVICES

33	007 Agency Income	3,038,378
34	FEDERAL FUNDS	[26,598,788] <u>24,598,788</u>
35	GENERAL FUND	[34,244,593] <u>32,244,593</u>
36	TOTAL	[63,881,759] <u>59,881,759</u>

37 10 2011 Operating Budget. Amend the following classes and estimated sources of funds for

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1 accounting unit 05, 95, 48, 481010, 9255 for fiscal year 2011 to read as follows:

2 FY 2011
3 05 HEALTH AND SOCIAL SERVICES
4 95 DEPT OF HEALTH AND HUMAN SVCS
5 48 HHS: ELDERLY - ADULT SERVICES
6 481010 GRANTS TO LOCALS
7 9255 SOCIAL SERVICES BLOCK GRANT
8 543 Adult In Home Care [4,485,970] 3,985,970
9 TOTAL [10,841,532] 10,341,532

10 ESTIMATED SOURCE OF FUNDS FOR
11 SOCIAL SERVICES BLOCK GRANT

12 FEDERAL FUNDS 5,225,001
13 GENERAL FUND [5,616,531] 5,116,531
14 TOTAL [10,841,532] 10,341,532

15 11 2011 Operating Budget. Amend the following classes and estimated sources of funds for
16 accounting unit 05, 95, 90, 902010, 2223 for fiscal year 2011 to read as follows:

17 FY 2011
18 05 HEALTH AND SOCIAL SERVICES
19 95 DEPT OF HEALTH AND HUMAN SVCS
20 90 HHS: DIVISION OF PUBLIC HEALTH
21 902010 BUREAU OF COMM & HEALTH SERV
22 2223 BOSTON EMA TITLE I
23 568 Ti Hiv Care Boston Ema [1,024,586] 624,586
24 TOTAL [1,028,362] 628,362

25 ESTIMATED SOURCE OF FUNDS FOR
26 BOSTON EMA TITLE I

27 005 Private Local Funds 448,362
28 GENERAL FUND [580,000] 180,000
29 TOTAL [1,028,362] 628,362

30 12 2011 Operating Budget. Amend the following classes and estimated sources of funds for
31 accounting unit 05, 95, 93, 930010, 7100 for fiscal year 2011 to read as follows:

32 FY 2011
33 05 HEALTH AND SOCIAL SERVICES
34 95 DEPT OF HEALTH AND HUMAN SVCS
35 93 HHS:DEVELOPMENTAL SERV- DIV OF
36 930010 DIV OF DEVELOPMENTAL SVCS
37 7100 DEVELOPMENTAL SERVICES

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1	558 Waitlist	[20,000,000] <u>14,000,000</u>
2	TOTAL	[185,253,748] <u>179,253,748</u>
3	ESTIMATED SOURCE OF FUNDS FOR	
4	DEVELOPMENTAL SERVICES	
5	001 Transfer from Other Agencies	50,000
6	FEDERAL FUNDS	[93,066,082] <u>90,066,082</u>
7	GENERAL FUND	[92,137,666] <u>89,137,666</u>
8	TOTAL	[185,253,748] <u>179,253,748</u>

9 13 2011 Operating Budget. Amend the following classes and estimated sources of funds for
 10 accounting unit 05, 95, 93, 930010, 7016 for fiscal year 2011 to read as follows:

11 FY 2011

12	05 HEALTH AND SOCIAL SERVICES	
13	95 DEPT OF HEALTH AND HUMAN SVCS	
14	93 HHS:DEVELOPMENTAL SERV- DIV OF	
15	930010 DIV OF DEVELOPMENTAL SVCS	
16	7016 ACQUIRED BRAIN DISORDER SERVIC	
17	558 Waitlist	[2,600,000] <u>1,200,000</u>
18	TOTAL	[20,165,406] <u>18,765,406</u>
19	ESTIMATED SOURCE OF FUNDS FOR	
20	ACQUIRED BRAIN DISORDER SERVIC	
21	FEDERAL FUNDS	[10,357,631] <u>9,657,631</u>
22	GENERAL FUND	[9,807,775] <u>9,107,775</u>
23	TOTAL	[20,165,406] <u>18,765,406</u>

24 14 2011 Operating Budget. Amend the following classes and estimated sources of funds for
 25 accounting unit 05, 95, 95, 956010, 6147 for fiscal year 2011 to read as follows:

26 FY 2011

27	05 HEALTH AND SOCIAL SERVICES	
28	95 DEPT OF HEALTH AND HUMAN SVCS	
29	95 HHS:COMMISSIONER	
30	956010 OFF MEDICAID & BUSINESS POLICY	
31	6147 PROVIDER PAYMENTS	
32	041 Audit Fund Set Aside	[169,635] <u>168,235</u>
33	101 Medical Payments to Providers	[248,781,885] <u>246,780,230</u>
34	559 Catastrophic Aid	[2,800,000] <u>0</u>
35	565 Outpatient Hospital	81,485,398
36	TOTAL	[333,236,918] <u>328,433,863</u>
37	ESTIMATED SOURCE OF FUNDS FOR	



1	PROVIDER PAYMENTS	
2	FEDERAL FUNDS	[167,334,549] <u>164,725,035</u>
3	GENERAL FUND	[165,902,360] <u>163,708,828</u>
4	TOTAL	[333,236,918] <u>328,433,863</u>

5 15 2011 Operating Budget. Amend the following classes and estimated sources of funds for
6 accounting unit 05, 95, 95, 958410, 1388 for fiscal year 2011 to read as follows:

7		<u>FY 2011</u>
8	05 HEALTH AND SOCIAL SERVICES	
9	95 DEPT OF HEALTH AND HUMAN SVCS	
10	95 HHS: COMMISSIONER	
11	958410 DCBCS TREATMENT & PREVENTION	
12	1388 GOVERNOR	
13	102 Contracts for program services	[3,800,000] <u>3,610,000</u>
14	TOTAL	[3,800,000] <u>3,610,000</u>
15	ESTIMATED SOURCE OF FUNDS FOR	
16	GOVERNOR	[3,800,000] <u>3,610,000</u>
17	GENERAL FUND	[3,800,000] <u>3,610,000</u>
18	TOTAL	

19 16 2011 Operating Budget. Amend the following classes and estimated sources of funds for
20 accounting unit 06, 56, 56, 561010, 6019 for fiscal year 2011 to read as follows:

21		<u>FY 2011</u>
22	06 EDUCATION	
23	56 DEPARTMENT OF EDUCATION	
24	56 EDUCATION, DEPT OF	
25	561010 FINANCIAL AID TO DISTRICTS	
26	6019 OTHER STATE AID	
27	606 Dropout Prevention	[1,750,000] <u>750,000</u>
28	609 Local Ed Improvement	[500,000] <u>250,000</u>
29	TOTAL	[41,650,807] <u>40,400,807</u>
30	ESTIMATED SOURCE OF FUNDS FOR	
31	OTHER STATE AID	
32	GENERAL FUND	[41,650,807] <u>40,400,807</u>
33	TOTAL	[41,650,807] <u>40,400,807</u>

34 17 Recording Surcharge. Amend 2009, 144:232 to read as follows:

35 144:232 Recording Surcharge. Notwithstanding the provisions of RSA 478:17-g, II(c), for the
36 fiscal year ending June 30, 2011, ~~[50 percent of]~~ **\$2,721,579** of the funds received by the treasurer
37 for the recording surcharge assessed by registers of deeds under RSA 478:17-g, II(a) shall be

1 deposited in the ~~[trust fund for the land and community heritage investment program under~~
2 ~~RSA 227-M:7 and 50 percent of funds received for such surcharge shall be deposited in the]~~ general
3 fund. ~~[The funds collected under this section shall remain in the custody of the land and community~~
4 ~~heritage investment program during the fiscal year ending June 30, 2011 and shall be transferred to~~
5 ~~the general fund at the end of such fiscal year.]~~

6 18 New Hampshire Retirement System; Member Contribution Rates; Fiscal Year 2011. Amend
7 RSA 100-A:16, I(a) to read as follows:

8 (a) The member annuity savings fund shall be a fund in which shall be accumulated the
9 contributions deducted from the compensation of members to provide for their member annuities
10 together with any amounts transferred thereto from a similar fund under one or more of the
11 predecessor systems. Such contribution shall be, for each member, dependent upon the member's
12 employment classification at the rate determined in accordance with the following table:

13 Employees ~~[of employers other than the state 5.00]~~ **7.00**

14 ~~[Employees of the state hired on or before June 30, 2009 5.00]~~

15 ~~Employees of the state hired after June 30, 2009 7.00]~~

16 Teachers ~~[5.00]~~ **7.00**

17 Permanent Policemen ~~[9.30]~~ **11.00**

18 Permanent Firemen ~~[9.30]~~ **11.00**

19 The board of trustees shall certify to the proper authority or officer responsible for making up the
20 payroll of each employer, and such authority or officer shall cause to be deducted from the
21 compensation of each member, except group II members with creditable service in excess of 40 years
22 as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer
23 for each and every payroll period, the percentage of earnable compensation applicable to such
24 member. No deduction from earnable compensation under this paragraph shall apply to any group
25 II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and
26 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining
27 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable
28 by a member in a payroll period, the board may consider the rate of compensation payable to such
29 member on the first day of a payroll period as continuing throughout the payroll period and it may
30 omit deduction from compensation for any period less than a full payroll period if such person was
31 not a member on the first day of the payroll period, and to facilitate the making of deductions it may
32 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one
33 percent of the annual earnable compensation upon the basis of which such deduction is made. The
34 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,
35 shall be paid to the retirement system at such times as may be designated by the board of trustees
36 and credited to the individual account, in the member annuity savings fund, of the member from
37 whose compensation the deduction was made.

1 19 New Hampshire Retirement System; Member Contribution Rates; Fiscal Year 2012. Amend
2 RSA 100-A:16, I(a) to read as follows:

3 (a) The member annuity savings fund shall be a fund in which shall be accumulated the
4 contributions deducted from the compensation of members to provide for their member annuities
5 together with any amounts transferred thereto from a similar fund under one or more of the
6 predecessor systems. Such contribution shall be, for each member, dependent upon the member's
7 employment classification at the rate determined in accordance with the following table:

8 Employees [~~7.00~~] 5.00

9 Teachers [~~7.00~~] 5.00

10 Permanent Policemen [~~11.00~~] 9.30

11 Permanent Firemen [~~11.00~~] 9.30

12 The board of trustees shall certify to the proper authority or officer responsible for making up the
13 payroll of each employer, and such authority or officer shall cause to be deducted from the
14 compensation of each member, except group II members with creditable service in excess of 40 years
15 as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer
16 for each and every payroll period, the percentage of earnable compensation applicable to such
17 member. No deduction from earnable compensation under this paragraph shall apply to any group
18 II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and
19 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining
20 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable
21 by a member in a payroll period, the board may consider the rate of compensation payable to such
22 member on the first day of a payroll period as continuing throughout the payroll period and it may
23 omit deduction from compensation for any period less than a full payroll period if such person was
24 not a member on the first day of the payroll period, and to facilitate the making of deductions it may
25 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one
26 percent of the annual earnable compensation upon the basis of which such deduction is made. The
27 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,
28 shall be paid to the retirement system at such times as may be designated by the board of trustees
29 and credited to the individual account, in the member annuity savings fund, of the member from
30 whose compensation the deduction was made.

31 20 New Hampshire Retirement System. State Share of Municipal Normal Contribution.
32 Amend RSA 100-A:16, II(b)-(c) to read as follows:

33 (b) The contributions of each employer for benefits under the retirement system on
34 account of group II members shall consist of a percentage of the earnable compensation of its
35 members to be known as the "normal contribution," and an additional amount to be known as the
36 "accrued liability contribution," provided that any employer, other than the state, shall pay 70
37 percent of such total contributions for state fiscal year 2010, and 30 percent thereof shall be paid by

1 the state for state fiscal year 2010, and that beginning with state fiscal year 2011 any employer,
2 other than the state, shall pay ~~[75]~~ 80 percent of such total contributions, and ~~[25]~~ 20 percent thereof
3 shall be paid by the state, and that beginning with state fiscal year 2012, and every state fiscal year
4 thereafter, any employer, other than the state, shall pay 65 percent of such total contributions, and
5 35 percent thereof shall be paid by the state; and provided that, in the case of compensation
6 attributable to extra or special duty, the employer shall pay the full amount of such total
7 contributions; and provided further that, in case of group II members employed by the state, the
8 state shall pay both normal and accrued liability contributions. The rate percent of such normal
9 contribution, including contributions on behalf of group II members whose group II creditable service
10 is in excess of 40 years, in each instance shall be fixed on the basis of the liabilities of the system
11 with respect to the particular members of the various member classifications as shown by actuarial
12 valuations, except as provided in subparagraphs (h) and (i).

13 (c) The contributions of each employer for benefits under the retirement system on
14 account of group I members shall consist of a percentage of the earnable compensation of its
15 members to be known as the "normal contribution," and an additional amount to be known as the
16 "accrued liability contribution;" provided that, in the case of teachers, any employer, other than the
17 state, shall pay 70 percent of such total contributions for state fiscal year 2010, and 30 percent
18 thereof shall be paid by the state for state fiscal year 2010, and that beginning with state fiscal year
19 2011 any employer, other than the state, shall pay ~~[75]~~ 80 percent of such total contributions, and
20 ~~[25]~~ 20 percent thereof shall be paid by the state, and that beginning with state fiscal year 2012,
21 and every state fiscal year thereafter, any employer, other than the state, shall pay 65 percent of
22 such total contributions, and 35 percent thereof shall be paid by the state; and provided further that
23 in case of teacher members employed by the state the state shall pay both normal and accrued
24 liability contributions. The rate percent of such normal contribution in each instance shall be fixed
25 on the basis of the liabilities of the system with respect to the particular members of the various
26 member classifications as shown by actuarial valuation, except as provided in subparagraphs (h) and
27 (i).

28 21 New Hampshire Retirement System; Recalculation of Employer Rates. Amend 2009, 144:56
29 to read as follows:

30 144:56 Retirement System; Recalculation of Employer Rates; Recertification. Notwithstanding
31 the notice requirements of RSA 100-A:16, III, the board of trustees of the retirement system shall
32 recalculate employer contribution rates for the state fiscal ~~[years 2010 and]~~ year 2011 to reflect the
33 requirements of RSA 100-A:16, II(b) and (c) as amended by this act. *The retirement system shall*
34 *utilize the sums attributable to the increase in member contribution rates under RSA 100-*
35 *A:16, I(a) as amended by this act to reduce previously certified employer contribution rates*
36 *for state fiscal year 2011.* Notwithstanding the notice requirements of RSA 100-A:16, III, such
37 employer contribution rates shall be effective for the ~~[biennium]~~ fiscal year beginning July 1, ~~[2009]~~



1 2010, and the recertification of employer contribution percentages, applicable beginning July 1,
2 [2009] 2010, shall be provided to each employer within a reasonable period of time not to exceed 30
3 days from the effective date of this section. The exception to the notice requirements of RSA 100-
4 A:16, III in this section shall be limited to the applicable employer contribution rates for the
5 [biennium] fiscal year beginning July 1, [2009] 2010.

6 22 Savings from Changes to State Retiree Health Plan. For the fiscal year ending June 30,
7 2011, the department of administrative services shall, in consultation with the State Employees
8 Association of New Hampshire, implement benefit changes to the state retiree health plan resulting
9 in general fund savings of \$1,000,000.

10 23 Department of Health and Human Services; Services for Children, Youth and Families;
11 Diversion Incentive Funds. Amend RSA 170-G:4, XVI to read as follows:

12 XVI. Encourage cities, towns and counties to develop and maintain prevention programs,
13 court diversion programs and alternative dispositions for juveniles other than placements outside of
14 the home through the use of a formula which shall allow for the transfer of funds to cities, towns and
15 counties which have, or are developing, prevention programs or alternatives for juvenile care. The
16 amount to be distributed for this program shall be not less than [4-5] 3 percent of the annual amount
17 appropriated to the department of health and human services for placement costs. The method of
18 distribution shall be based upon rules adopted under RSA 541-A by the commissioner. For purposes
19 of this paragraph, prevention programs shall include programs or activities for the prevention of
20 child abuse and neglect.

21 24 Department of Health and Human Services; Direct and Indirect Graduate Education
22 Payments. 2009, 144:24 is repealed and reenacted to read as follows:

23 144:24 Department of Health and Human Services; Direct and Indirect Graduate Medical
24 Education. The commissioner shall submit a Title XIX Medicaid state plan amendment to the
25 federal Centers for Medicare and Medicaid Services to cease the provision of direct and indirect
26 graduate medical education payments to hospitals as contemplated at 42 U.S.C. section
27 1396a(a)(30)(A) to be effective July 1, 2010. Upon approval of the state plan amendment, and as of
28 the effective date of the state plan amendment, any obligations for payment of direct and indirect
29 graduate medical education are suspended for the fiscal year ending June 30, 2011.

30 25 Operating Budget; Department of Environmental Services. The department of
31 environmental services shall reduce state general fund appropriations by \$2,000,000 for the fiscal
32 year ending June 30, 2011. The department shall not reduce the general fund appropriations for
33 state aid programs to meet this required reduction. The department shall provide a quarterly report
34 of reductions made under this section to the fiscal committee of the general court and the governor
35 and council.

36 26 Department of Justice; General Fund Appropriation Reductions. The department of justice
37 shall reduce state general fund appropriations by \$600,000 for the fiscal year ending June 30, 2011.



1 The consumer protection bureau, accounting unit 02-20-20-2005-2611, shall not contribute a
2 disproportionate share of the state general fund appropriation reduction required by this section.
3 The department shall provide a quarterly report of reductions made under this section to the fiscal
4 committee of the general court and the governor and council.

5 27 Operating Budget; Department of Corrections. The department of corrections shall reduce
6 state general fund appropriations by \$1,858,818 for the fiscal year ending June 30, 2011. The
7 department shall provide a quarterly report of reductions made under this section to the fiscal
8 committee of the general court and the governor and council.

9 28 Operating Budget; Department of Information Technology. Notwithstanding 2009, 143:12,
10 the department, in consultation with the department of administrative services, shall reduce class
11 lines of the department by an amount that will result in additional general fund reductions of
12 \$5,617,263 for the fiscal year ending June 30, 2011. The appropriation reductions required under
13 this section shall be allocated based on statewide prioritization recommended by the department of
14 information technology and approved by the fiscal committee of the general court and governor and
15 council.

16 29 Operating Budget; Judicial Branch. In addition to any other sums reduced in 2009, 143:18,
17 the judicial branch shall reduce state general fund appropriations by \$4,787,793 for the fiscal year
18 ending June 30, 2011. The accounting unit 02-10-10-100010-1880, class 049, transfer to the
19 department of administrative services for court facilities, shall not be reduced unless the reduction is
20 agreed to by the commissioner of administrative services and the chief justice for the supreme court.
21 The director of the administrative office of the courts shall submit to the fiscal committee of the
22 general court and the commissioner of the department of administrative services an itemization of
23 the reductions in expenditure classes made to implement this section on or before June 15, 2011.

24 30 Adjustment of Totals. The legislative budget assistant is authorized to adjust any totals as
25 made necessary by the passage of this act.

26 31 Effective Date.

27 I. Section 19 of this act shall take effect July 1, 2011.

28 II. The remainder of this act shall take effect July 1, 2010.



2010-1078h

AMENDED ANALYSIS

This bill makes appropriations reductions for fiscal year 2011.

This bill also:

1. Requires a portion of the recording surcharge assessed by the register of deeds to be deposited in the general fund for fiscal year 2011.
2. Increases the state retirement system member contribution rate for fiscal year 2011 and reduces the municipal normal contribution rate.
3. Reduces the amount distributed as juvenile diversion incentive funds.
4. Suspends the catastrophic illness program for fiscal year 2011.
5. Requires the commissioner of the department of health and human services to submit a Medicaid state plan amendment to suspend the provision of direct and indirect graduate medical education payments to hospitals.
6. Requires certain executive branch departments and the judicial branch to reduce general fund appropriations for fiscal year 2011.

Committee Minutes

HOUSE FINANCE COMMITTEE

Legislative Office Building, Rooms 210-211

Concord, NH

Tuesday, January 19, 2010

HOUSE BILL 1664-FN, AN ACT making appropriations reductions in the operating budget for Fiscal Year 2011 and relative to state revenues and expenditures.

TESTIMONY OF:

Rep. David Hess.	Pg. 2	Nina Gardner.	Pg. 37
Rep. Neal Kurk	Pg. 3	Howard Wilson	Pg. 39
Sen. John "Jack" Barnes	Pg. 10	John Wallace.	Pg. 39
Rep. Kathleen Taylor	Pg. 12	Dennis Hill.	Pg. 43
Howard Zibel	Pg. 13	Wendy LeBlanc	Pg. 44
Rep. Barbara French.	Pg. 17	Gina Balkus	Pg. 46
John Devivo.	Pg. 19	Peter Ames.	Pg. 47
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CHAIRMAN SMITH: I'd like to call Finance Committee to order and the first bill on our agenda for this afternoon is House Bill 1664. I would like to note that through a scheduling glitch or at least an absence of information this bill was scheduled for today, but the prime sponsor is not able to be here today.

We'll close the hearing at the end of today. We have ensured that we've scheduled a work session for a time when the prime sponsor can be here and that was his suggestion rather than ours, just

keeping the hearing open. And the prime has asked that Representative Hess introduce the bill on his behalf. So the Chair recognizes Representative Hess.

DAVID W. HESS, State Representative, Merrimack County, District #09: Thank you very much again, Madam Chair.

For the record, my name is David Hess. I represent Merrimack District 9, Town of Hooksett, and I'm here as a representative of the prime sponsor, Representative Sherman Packard, as well as House Republican Leadership, to urge the Committee to look at 1664 an act -- on 1664 and 1672 as a package. 1664 accomplishes the first step. It reduces the budget that was passed six and a half months ago by a substantial amount. The budgetary reduction is designed to bring our spending into line with our revenues and also to restore a number of cuts or revenue increases or reductions in aid to our towns and cities and school districts that were adopted last June.

I am not going to get into the details of this bill, of the specific spending cuts. I will just simply state that it was a detailed, thorough, and arduous process by knowledgeable and experienced members of the Republican party to try and find places where spending could be curtailed without a reduction in essential government services. We think we have accomplished that, but we don't think this is the total answer. We think this is a starting point for continuing work on this objective and this goal. And we feel that with the diligent efforts of the entire Committee membership that we will -- you will be able to find significantly greater reductions in spending that will be achievable over the next 16 months or 15 months without a reduction in essential state

services.

So with that introduction, Madam Chair, I will conclude my comments on this bill.

CHAIRMAN SMITH: Thank you very much, Representative Hess. The Chair recognizes Representative Kurk.

NEAL KURK, State Representative, Hillsborough County, District #07: Good afternoon, Madam Chairman, and Members of the Committee. For the record, I'm Neal Kurk representing Hillsborough, District 7, the towns of Goffstown and Weare. And with the Chair's permission, I would like to have the Legislative Budget Assistant distribute some documents that will make understanding this bill and working on it, I hope, significantly easier. Would that be all right?

CHAIRMAN SMITH: Certainly.

REP. KURK: I think they --

CHAIRMAN SMITH: And Representative Kurk, while LBA is distributing these documents, are there any other documents that you would like to distribute at the same time?

REP. KURK: Yes, they will be distributing a fiscal analysis of the bill which is something that many of us are familiar with because it's something like the one distributed in connection with the budget. Also, a draft Amendment 0088.

CHAIRMAN SMITH: Thank you.

REP. KURK: And also a graph that was prepared by the New Hampshire Center for Public Policy Studies.

CHAIRMAN SMITH: Why don't we just take a minute to have all of these documents distributed. I apologize to the media here that we've used the media table to spread out the documents and I think every one is taken care of. If not, please let me know. Representative Kurk.

REP. KURK: Thank you, Madam Chairman. First, if you would turn to the draft Amendment 2010-0088h, Lines 1 and 2. This removes sections 10 and 11 of the bill. Section 10 -- and both of these appear on Page 5 -- Section 10 deals with the reduction to the Industrial Research Center, which is removed. And Section 11 deals with the reduction to the Small Business Development Center which is removed. So as one of the sponsors we are amending our proposal so that we do not reduce the amount of money for either of those two organizations.

The balance of the Amendment deals with technical corrections that the LBA has proposed in a variety of ways, in a variety of areas, and do not change the substance of the bill. This bill is -- oh, one other thing.

This document, as I said, is designed to give you a section by section easy reference sheet as to what is being reduced and what is remaining. So that the sometimes confusing budget language that we find in the document itself, the bill itself, can be more readily addressed through the use of this document.

CHAIRMAN SMITH: Thank you.

REP. KURK: This bill was introduced because we have a current budget problem and because we are facing a very severe budget problem for 2012-2013. No one knows for certain how large or, indeed, if

there will be a deficit for the current biennium, but the estimates based on revenues for the first six months vary from, oh, fifty to \$100 million.

We balanced the current budget by using, by my count, approximately \$407 million of one-time money. Others have suggested with a variety of other adjustments that number could be somewhere between five hundred and seven hundred million dollars. Much of this money, of course, is federal stimulus money. Some of it, obviously, came from other sources, the JUA money, for example.

If we are to deal with what could be a very significant problem in two years, it's the sponsors' suggestion that we start to do this responsibly and earlier rather than in one-felt swoop and later. In other words, a downward glide path to a more sustainable budget for our state.

It is possible that the federal government will decide, once again, to provide some transitional aid to the states. We know it's happening in California. The Governor has requested over \$6 billion of federal aid to balance a \$21 billion deficit. In that state I find his argument interesting. He says we're a net contributor to the federal government. That is to say, California pays more in than it gets returned in federal benefits which, of course, is true for New Hampshire. But I don't understand how you operate a country and expect every single state to put in the same amount that they get out. In other words, the whole concept of a country and a community is that you share and sharing is not necessarily done equally.

In any event, the federal government may decide to provide some sort of transition assistance for the states in our Fiscal '12 and '13 and perhaps beyond, but in any event, it's the sponsors' belief

that we need to recognize that our current level of spending is not sustainable based on our current level of revenues. Most folks tell us that this is not likely to be a recession from which recovery is rapid, and quickly resumes the very significant revenue increases that we were getting in the early 2000s. It's likely to be slow and long, even if it doesn't go into a double dip recession.

I think it's probably not good public policy for us to consider significantly raising revenues when people are out of work, the economy is not doing well, and business is struggling. The kinds of things that we are looking for, increased employment, new jobs, and things like that, are harmed, not hurt, when revenue is increased. And so the focus of this bill for those reasons is on reducing current expenditure levels.

If you look at this document and turn to the next to last page, you'll see that the appropriation reduction in general funds is \$77 million. This is on Line 95 on Page 7. If you look at Line 109 you'll see that there is a slight increase in revenue, 1,700,000, for a net on Page 8, Line 125, of \$76,250,000. So the financial impact on the State is to reduce our current budget by approximately \$76 million. The way in which this is done is set forth in this eight-page document; and frankly, it's rather painful. There is no way to reduce what we're doing, to reduce the money the State is spending, without taking money away from organizations and from people whom over the years we have decided should receive State money.

Some of you know that I have been a very long, staunch, supporter of LCHIP. And you'll see on Page 1, Line 16, that this proposal would eliminate LCHIP's funding for 2011. Oh, incidentally, this bill only covers Fiscal Year 2011, not 2010.

I'd be pleased to go through the particular sections if the Chair thinks that would be helpful. I think there are many people who will come and testify before the Committee as to the impact of this bill on them and that might be a more expeditious way to proceed. And, of course, the Committee will obviously look at the entire document when it has its work session.

One other comment I would make. When we were working on this bill, we had intended to meet with Commissioner Toumpas to go over some additional reductions that could be made in the health and human services area. And for a variety of reasons, including his own problems in trying to make his budget balance for this biennium, that did not happen. So were the Committee to be of a mind to make further reductions, the health and human services area is one that we have not fully explored.

If I may ask you to turn to this chart, the one by the Public Policy Institute. There are three items that are graphed here. Total appropriations is the top line, property taxes is the middle line, and the bottom line is general fund and education trust fund revenues. The percentages on the left-hand side indicate the percentage of the State gross product that these items represent. For my purposes, the absolute level is not the important thing, but the relative stability and change is very important. You'll notice that between 2000, 2001, 2002, there was a significant jump due to education funding changes that we made at that time. You'll notice also that the State General and Education Trust Fund Revenue, the bottom line is relatively stable from 2000 on, going up slightly. I had originally thought that this would be the key thing to look at, but after consulting with Mr.

Norton, it seems that the All Fund Appropriations is better. Because the All Fund Appropriations includes both Stimulus money and some of the changes that we've made in budgeting. For example, the Liquor Commission going off the general fund and into an enterprise fund, is one of the reasons why the general and education trust fund line, the bottom line, is relatively stable, and one of the reasons why the All Fund Appropriations line at the top goes up in the last year. Now I know that doesn't reflect Liquor, but those kinds of adjustments are what causes that to happen.

I bring this to your attention because I'm concerned that the bottom line is going to spike dramatically in 2012-2013, even as the top line, the total spending, stays roughly the same. And that is because we would be substituting some new general fund money for -- and general fund expenditures for federal money.

The purpose of this bill is to make sure that doesn't happen, that this line, the State General Education Trust Fund Revenue as a percentage of the gross state product goes down so that we find ourselves in an economy that's affordable and one which will generate new jobs.

There's one other factor that I think members should be aware of. The healthcare bill, and I know we have an election in Massachusetts today, but I believe regardless of the outcome of that election some version of healthcare will go forward in Washington. The healthcare bill at the moment throws a great burden on Medicaid Program as a way to increase the number of people in this country who are insured. And it does it in two ways.

Number one, a major promotion campaign will be undertaken so that people who are eligible under

current standards will immediately be encouraged to sign up. Should that happen, and should even 50 percent of those who are currently eligible under New Hampshire standards but are not in the program sign up, that would cost the State General Fund approximately \$30 million a year.

The other thing about Medicaid is changing eligibility standards, whether it goes to 133 percent of poverty or 150 percent of poverty will be worked out in Washington. But that will take effect in 2000 -- in 2014 or 2015 and is different from the numbers that I just mentioned. I don't know what that will cost the state, although a former commissioner John Stephen has made some estimates as to what that might be. The point is that latter money is what the Senator Nelson Nebraska corn husker amendment or whatever we're calling it holds them harmless from. The second kind of Medicare increase. It's my understanding that everyone, including Nebraska, will have to bear the cost for those additional Medicare eligible individuals who decide to sign up as a result of this promotion.

With that, Madam Chairman, I've concluded my testimony and I'd be pleased to answer any questions that members may have.

CHAIRMAN SMITH: Thank you very much, Representative Kurk. And I will announce now that the work session on this bill is scheduled for February 2nd which will give all of us a time to focus on a rather complex issues and also to ensure that the prime sponsor is able to participate.

REP. KURK: I appreciate that courtesy, Madam Chair.

CHAIRMAN SMITH: We try, Representative Kurk.

Does anyone have any questions now for Representative Kurk? I know there are many people who would like to testify on this bill. I'm sorry. Representative DeJoie.

REP. DEJOIE: That's all right, Madam Chair. Thank you, Representative, for taking my question. I was glad to hear you talk about the jobs and the need for jobs. Do you know sitting here today with the bill as you've presented it how many jobs are eliminated?

REP. KURK: No.

REP. DEJOIE: Could you prepare that for the work session so we know how many jobs are being eliminated potentially?

REP. KURK: I certainly will try.

CHAIRMAN SMITH: Any other questions? No. Thank you very much, Representative Kurk. Senator Barnes.

JOHN "JACK" S. BARNES, JR., State Senator, District 17: Thank you, Madam Chair, and Members of the Committee. For the record, I'm Senator Jack Barnes, Jr., representing Senate District 17. The reason I'm here today is probably a little different than most of the folks behind me so I'll make it brief. I am concerned about Roman numeral VIII on the front page of the bill as introduced, and it's talking about the Commissioner of the Department of Resources and Economic Development to solicit lease proposals for the Cannon Mountain Ski Area. The bill establishes a legislative committee to develop the proposal and review responses and requires the Capital Budget Overview Committee to approve any lease agreement. The bill also repeals the Cannon Mountain Capital Improvement Fund.

Well, to put it in a nutshell what I'm concerned about, and what I hope as you folks move forward, that some of you might know that there's a veterans' memorial up there that was put up there in 1928. I don't know if any of you know that but it's there. And on an overcast September day in 1928 a huge crowd gathered at Profile Lake to celebrate the opening of the Franconia Notch State Forest Reservation and Park and it talks about contributions from all over the country and money from this legislature to put that up there and it was for the World War I folks who served from the State of New Hampshire.

To me, I will leave this paperwork here if you like. There's a picture of it. And I understand there might be a couple of other memorials, veteran memorials up there in that area, and I would hate to see if this is sold or leased out that these are taken away and the public cannot appreciate what has been put over there over the years. So I just hope and pray that if that happens, and I'm not sitting here for or against it, but I am saying whatever you come up with, please consider asking the Commissioner and the Committee to please preserve somehow so the public isn't going to have to pay to come in and see those three veterans monuments that are up there. And I'll leave it at that. That's where I'm coming from. And I hope that's short enough for you. And if anybody has any questions, I'll be happy to answer them. If anybody wants to know who's going to win the World Series this year, it's the Boston Red Sox.

CHAIRMAN SMITH: Thank you, Senator. As usual, we are in perfect agreement. And I thank you for bringing this matter to our attention. Does anyone have any questions for Senator Barnes? How many days until the pitchers' report?

SEN. BARNES: Well, you and I are going down to load the truck up, aren't we? I think it's February 10th. I'll see you down at Fenway. We can send the truck up for you and I. We might even hitchhike if there's room in the back of it.

CHAIRMAN SMITH: Sounds good to me.

SEN. BARNES: Bring your husband along, if you want.

CHAIRMAN SMITH: Thank you. He appreciates that, too. Thank you very much, Senator.

SEN. BARNES: Thank you, Madam Chair.

CHAIRMAN SMITH: Representative Kathleen Taylor.

KATHLEEN TAYLOR, State Representative, Grafton County, District #02: Thank you, Madam Chair, and Committee. For the record, I'm Kathleen Taylor, representing Grafton, District 2, the home of beautiful Franconia Notch State Park and Cannon Mountain.

I'm here today to testify against the leasing of Cannon Mountain. Cannon is having another successful year in a down economy. We have made many improvements. We are putting in a chair lift for next season at Mittersill and we have already opened the Tram. I implore you to ITL this attempt to lease Cannon Mountain. Thank you.

CHAIRMAN SMITH: Thank you, Representative. Does anyone have any questions? Thank you very much.

I have a healthy stack of cards here which pleases me and I think the Committee because we like to hear from as many people as possible. In order for us to do that, however, I would ask each

of you to not to read testimony. If you have written testimony, to distribute it, to speak for no more than three minutes and if -- and not to repeat. So that if someone before you has said what you plan to say, all you have to do is stand up, say your name, and say you agree with that testimony. That will make it possible for us to hear as many views as possible within a time that permits us all to do the work we have to do. So the next card setting the pace for perfect testimony, the Chair recognizes Howard Zibel.

HOWARD ZIBEL, General Counsel, Judicial Branch:
Thank you, Madam Chair, and good afternoon, Members of the Committee. For the record, Howard Zibel, General Counsel to the Supreme Court and the Judicial Branch.

I call your attention to the last section of the bill before the effective date which is Section 57. Under that section the Judicial Branch would be called upon to reduce its general fund appropriations by 4.787 million in Fiscal Year '11 with 200 -- 2,565,000 of that coming from the closure of Hillsborough Superior Court North. I would say that Hillsborough Superior Court North has not closed. It is still operating. It's just operating in a different location. It's operating in Nashua. If this bill were to pass, I think the Judicial Branch -- in its current form, the Judicial Branch would take the legislative intent, 'cause that number of 2.565 million, is the operating cost for Hillsborough North, primarily made up of employees. There are 24 employees of Hillsborough North as well as the judge time, et cetera. We cannot reduce judges, but we would take that as the closing of Hillsborough North Superior Court which, of course, would have the impact of any criminal case pending, not being tried, and probably having to be dismissed for speedy trial

grounds, would take the form of civil cases stopping, and of course, subjecting the State to potential liability under Part 1, Article 14, of the Constitution which gives the right to a remedy.

If that were eliminated and it just be reduced by 4.787 million as just a general number, that amounts to approximately 6%, 7% of our annual appropriation. We have very little left other than people. I mean, we're at the bone other than people and we're at the bone with people. We do the best we can with the appropriation we get. And in some circumstances right now that best we can is not very good. And it's not us that's suffering, it's your constituents that suffer. And in fact, the Chief Justice about two weeks ago received an e-mail, and I won't cite what District Court, I won't cite the name of the business, but it was from a small businessman who relies on the small claims in the District Court to collect from people who give him insufficient fund checks and otherwise won't pay their bills. And he wrote the Chief Justice and said the District Court involved, he said he used to get wonderful service. He said starting about 18 months ago it started to deteriorate. And right now it is just not good, and he's not able to get timely action. That's the ones you're hurting when budgets get cut.

We had to cut the number of our -- increase the number of vacant positions, unfunded vacant positions in order for the Governor to fill judgeships. We're operating as best we can. But to put it in perspective, 4,787,000 if taken from people is approximately 100 Judicial Branch jobs. Thank you.

CHAIRMAN SMITH: Thank you very much, Mr. Zibel. Any questions for Mr. Zibel? Representative Ober.

REP. OBER: Thank you, Madam Chairman. Pleasure seeing you again.

MR. ZIBEL: Same here.

REP. OBER: Refresh my poor memory. When you appeared before Division I on your budget, the Governor had made significant cuts. Division I added money back into your budget and I should have brought my budget book, Mr. Zibel, but I can't remember the amount we added back into your budget. Could you refresh my memory?

MR. ZIBEL: About 3 million over the Governor's. Somewhere in the vicinity of three, a little bit more than 3 million over what the Governor would have done.

REP. OBER: Thank you.

CHAIRMAN SMITH: Representative Scamman.

REP. SCAMMAN: Thank you, Madam Chairman. Mr. Zibel, I think the number one reduction that you people recommended if we had to make reductions in the last budget was to reduce municipal courts or district courts. And I think a lot of that in my mind is how much would electronic arraignments cost us and how do -- would electronic arraignment -- arraignments work to the degree that we could close-up some of these. I'm not asking for the answer now. I know we have another bill coming in a day or two. I would be interested in what, you know, you people or the District Court -- Chief District Court Judge felt about those electronic arraignments and I ask that because over the New Year's I think there was a major problem in Portsmouth and the Hampton District Court did it by electronic arraignment from Portsmouth jail. So I'm just asking that question ahead of time.

MR. ZIBEL: Just so -- and if I may respond briefly. About 15 courts are capable of electronic arraignment right now. Of course, there would be the investment to have every court hooked up to allow electronic arraignments. The prime savings in electronic arraignments, while there may be some to the Judicial Branch, is primarily to county and local governments for not having to transport people.

CHAIRMAN SMITH: Representative Baroody.

REP. FOOSE: Thank you, Madam Chairman.

REP. BAROODY: Mr. Zibel, you mentioned the Manchester courthouse. Those 24 employees there, they're mostly working in Nashua now?

MR. ZIBEL: They're all working in Nashua.

REP. BAROODY: They're all working in Nashua. What would happen to them if they continue to work in Nashua and the second part would be what would we do with the building in Manchester?

MR. ZIBEL: Well, the first part, if you pass it in current form, Section 57, we would take that as a legislative intent not to fund the court. And I think those people would have to be laid off and the Court would cease to operate. So those people, I think, would be laid off if it passed in its current form.

As for what would happen to with the courthouse in Manchester, in the Capital Budget last year 17 million was appropriated for asbestos removal and gut and build the -- rebuild the inside. I believe the contract is being approved for the asbestos removal and hopefully be approved at the next

Governor and Council meeting. We don't -- the Bureau of Court Facilities handles that from Department of Administrative Services. So I may not have all my facts right, but I believe it's going to be improved in early February that's scheduled to start. And by the way, as a sign of the times, the amount was much under what had been budgeted for it. That seems to be happening with construction contracts. We're about ready -- they're about ready to go with the final design to Governor and Council for the rebuilding of the inside. That work is, hopefully, going to start at the beginning of May so you could wind up with a building all built and nobody to occupy it.

CHAIRMAN SMITH: Thank you very much. Any other questions for Mr. Zibel? Thank you for your testimony. The Chair recognizes Representative French.

BARBARA FRENCH, State Representative, Merrimack County, District #05: Good afternoon, Madam Chairman, and Members of the Committee. For the record, my name is Representative Barbara French. I'm from Merrimack 5, Henniker and Hillsborough. I mean, Henniker and Bradford. Pardon me.

One general comment I wanted to make after listening to a few comments and that is that I never hear anything about talking about the structural deficit. Ever since I've been in the legislature, which is in 1992, we have never had enough money to cover what we must cover. So with that, I'm going to talk about something you all know I care very much about, and that is the Family Resource Centers and that is item 27 which also relates to number -- that's on Page 7. And on Page 8 it relates to number six, Out-of-Home Placements.

Now, I'm not going to go into the philosophical

and the humane reason that we have Family Resource Centers. I'd like to point out some of the financial concerns. And I have a copy that I'm going to give you, but I do want you all to know we've been tracking for a few years what's happened to our families. And in 2006 we had 684 they call graduating children. They completed the program. And of those, 91 8/10th percent continue avoiding DCYF services. 2007 we had 1,186 graduating children. 91 9/10th percent continue avoiding DCYF services. I'm going to be a bit more specific.

TANF, if you have a family of one that would be a mother and a child. It's \$539 a month in unsubsidized housing. That amounts to \$64,681 a year. If you are in subsidized housing for a month, it would be \$464 and that would be -- I think I maybe gave you the wrong -- I think that would be 6,468. Sorry about that.

CHAIRMAN SMITH: That's correct.

REP. FRENCH: I'm not a mathematician. I'm a nurse. However, and in the subsidized housing, that 464 a month amounts to 5,568 a year. Now, if you place a child in foster care, it's 900 a month, which amounts to 10,800 a year. If you have someone in YDC, that's 12,000 a month. That is more than what we are now giving to the Family Resource Centers as a total. We put in \$120,000 a year, \$10,000 for 12 centers. It doesn't seem very much of a stretch to figure out the benefit that the Family Resource Centers are providing for the state and what we are saving. And the reason I hooked up the Out-of-Home Placements, I wanted you to recognize that if you close -- if you stop your funding for the Family Resource Centers, which prevents children and families from going in to DCYF, and into foster care, and then you're going to cut the money for Out-of-Home Placement, you're

going to -- it seems to me that's backwards. It's exacerbating the situation. You have an instant where you need -- where you're preventing and then you're not even going to have the placement for them when you're going to stop preventing what we're doing. So in any event, that's my testimony.

CHAIRMAN SMITH: Thank you very much, Representative French. Does anyone have any questions? Thank you for taking the time to come. John DeVivo.

JOHN DEVIVO, General Manager, Cannon Mountain, Franconia Notch State Park, Department of Resources and Economic Development: Good afternoon, Madam Chair, Members of the Committee. For the record, my name is John DeVivo. I'm the General Manager at Cannon Mountain in Franconia Notch State Park. I do have written testimony, 30 copies which I will leave.

In 2007 as a result of the Tuck Business School report, we set about on a five-year rebuilding plan at Cannon to make it a profitable company. We're charged with the following tasks: Improve upon our financial performance, create a business plan and a mission statement, streamline and integrate our products and pricing, improve upon and grow our management team, improve upon our marketing and rebrand the company.

CHAIRMAN SMITH: Mr. DeVivo, I don't want to interrupt you. Are you reading your testimony? I would ask you not to do that.

MR. DEVIVO: Yes.

CHAIRMAN SMITH: We will read your testimony.

MR. DEVIVO: Sure.

CHAIRMAN SMITH: If you could just give us the key points that you want us to remember. That would be great.

MR. DEVIVO: Sure. I'll save time and skip directly to the financials.

CHAIRMAN SMITH: That's what we're here for.

MR. DEVIVO: If Fiscal Year 2007, Cannon reported losses of \$493 million bringing its seven-year net total to negative 1.5 million. In Fiscal Year 2008, Cannon reported a net profit of 438,000, 38 percent of the total revenue of the Division of Parks and Recreation that year. We also contributed 504,000 to state residents in goods and services, primarily New Hampshire-based. In Fiscal Year '09, we reported a net profit of 424,000, 35% of the net total revenue in the Division of Parks and Recreation. Fiscal year 2010, effective January 12th, the capital projects are completed on time and budget. Season pass sales are over \$1 million for the first time. Our junior development programs are at a record high. Franconia Ski Club is at a record high. The family commitments that we're seeing will equal long-term infusion of capital and help the local economy. It also means families are choosing Cannon because they like what we're doing.

Our 2010 revenues are well ahead of budget and ahead of 2009 actuals. Our expenses are well under budget and under 2009 actuals. Our net total in 2010 is well ahead of budget and 2009 actuals. We are expecting that by the end of this Fiscal Year we will have wiped out 90% of our 7-year debt within three years which is two years head of schedule. We believe we are doing things well. We know that we are doing things well, and we ask that

you allow us to continue to run as a very soon to be profitable company within the division.

CHAIRMAN SMITH: Thank you very much --

MR. DEVIVO: Thank you.

CHAIRMAN SMITH: -- for your testimony. Does anyone have any questions?

REP. SCAMMAN: I have one.

CHAIRMAN SMITH: Representative Scamman.

REP. SCAMMAN: Thank you, Chairman Smith. Mr. DeVivo, I appreciate people telling me you do a great job. I have one question. That is, how much of your capital costs, that is your interest and bond repayment, is included in your operation budget?

MR. DEVIVO: They are actually separate. What happens with our net profit at the end of each Fiscal Year, I do not know whether that pays off strictly the operating deficit or if that also covers a portion of the Cannon Mountain Capital Improvement Fund once it travels down state, so to speak.

CHAIRMAN SMITH: Thank you very much. You might want to look into that matter.

MR. DEVIVO: Hm-hum.

CHAIRMAN SMITH: Thank you. Any other questions? Thank you very much for coming down. I hope --

MR. DEVIVO: Thank you.

CHAIRMAN SMITH: -- that you have good skiing.

Representative Ober.

REP. OBER: Could we try to get the answer to Representative Scamman's question by our work session?

CHAIRMAN SMITH: I did just ask for that.

MR. DEVIVO: Sure.

REP. OBER: I just want to be sure by our work session.

CHAIRMAN SMITH: Thank you very much.

MR. DEVIVO: Thank you.

CHAIRMAN SMITH: John Tobin. Excuse me. Do those have three-hole punches in them?

JOHN TOBIN, Executive Director, New Hampshire Legal Assistance: They don't.

CHAIRMAN SMITH: Could you please give that back. Thank you.

MR. TOBIN: Sure. Good afternoon, Madam Chairman, and Members of the Committee. For the record, my name is John Tobin. I'm the Executive Director of New Hampshire Legal Assistance, and I'm here because Section 9 on page -- at the bottom of Page 6, beginning of Page 7, proposes a cut of \$470,000 in the State appropriation for New Hampshire Legal Assistance, which would amount to a 27 percent reduction in the State appropriation and that would come at a time when, as you all know, there are many people in the state who are hurting, who are facing foreclosures, evictions, unemployment, and homelessness and our program helps them resolve those problems and stabilize

their lives. And the other important point I would make about the money that you appropriate for us is that that money has a very positive impact on state and local public assistance budgets.

In March of this year, Division I of House Finance asked me if we could look at our files to quantify that, and a good portion of the short testimony that I've given you gives you that information. About 90% of the people that we have represented and gained money for in child support cases, in SSI and Social Security disability cases, were people who otherwise would be receiving APTD from the state. In the disability cases when we win Medicare coverage, we relieve the State of Medicaid expenses. There are 126 of those cases where essentially we helped the State send that caseload elsewhere.

So the money that you give us makes a big difference in individual lives and family lives. It also has a positive impact on the state budget. It also has a positive impact on municipal budgets. Almost every one of these clients for whom we collected child support or disability benefits at one time was eligible for or receiving town and city assistance. So with that, I would simply say making this cut will decimate our ability to help needy people in this recession. It will also hurt the state and county governments. With that, I'll conclude.

CHAIRMAN SMITH: Thank you very much, Mr. Tobin. Does anyone have any questions for Mr. Tobin? Not seeing any, thank you very much for taking the time to testify.

MR. TOBIN: Thank you.

CHAIRMAN SMITH: I have Tim Dining or Dinning,

is it? And I wonder if Mary Collins would like to come up at the same time.

Could we have another chair? Somebody bring a chair. That would be great. Thank you.

MARY COLLINS, Director, Small Business Development Center: Thank you. Good afternoon, Madam Chairwoman, and Members of Finance Committee. For the record, my name is Mary Collins, and I'm the State Director for the Small Business Development Center, and I'm joined by Tim Dining who is Chairman of our Board and CEO of Greenerd Press and Machine in Nashua. At the moment, I guess I would ask if it is appropriate for me to speak to the Amendment 0088?

CHAIRMAN SMITH: Yes. That amendment is before this Committee.

MS. COLLINS: If so, we are in favor of Amendment 0088 which restores the funding of the Small Business Development Center back into the budget. If I may, I would like to make two points here.

CHAIRMAN SMITH: Certainly.

MS. COLLINS: Last year we -- the funding for the Small Business Development Center, the \$280,000, leverages 627 from the federal government -- Rick Jones from the SBA is also here today -- and it also allows us to seek other federal funds. The other part, last year we assisted 3,000 businesses in the state, 700 for 101 Management Consulting; but the point I'd really like to leave you with is that the SBDC provides a critical life line to New Hampshire businesses that generate approximately 3.1 million in tax revenue, BET, BPT, Rooms and Meals, and so forth on a \$280,000

investment. Therefore, we'd be very grateful if you would consider that amendment. Tim.

TIM DINING, President and CEO, Greenerd Press and Machine Company: Good afternoon, Madam Chairwoman, and Representatives. My name is, as Mary said, is Tim Dining. I'm president and CEO of Greenerd Press Machine Company. It's a small business, a manufacturing company in Nashua that's in our 127th year of business. I'm also -- excuse me -- Chairman of the Board of Advisors for the New Hampshire SBDC. And I support the testimony that Mary has just presented. If I can add one additional comment.

For those of you who might be less familiar with the services of the SBDC, you might rightly so look at the benefits in these difficult financial times that the counselors offer many small business entrepreneurs. But one other great benefit that I'd like to point out is the fine service that the council's office offer both in safety management, workplace safety, and environmental management. Those are both things that in the long run helped save the State money and improved the forecast for a lot of employees in the state. Thank you for your time.

CHAIRMAN SMITH: Thank you very much for your testimony. And thank you for the detailed information that I believe you sent to each member of the Committee which gives us some solid background. We appreciate that.

MS. COLLINS: I did. And I also brought with me today a handout for each member of the Committee with a second page attachment as to our -- to our impact in 2009. And I believe that was in a red folder that I gave to someone earlier today.

CHAIRMAN SMITH: Thank you.

MS. COLLINS: Thank you.

CHAIRMAN SMITH: Thank you very much. Does anyone have any questions? Yes, Representative Elliott.

REP. ELLIOTT: Thank you, Madam. Mrs. Collins, I received this letter probably two or three weeks ago, if I'm not mistaken.

MS. COLLINS: Yes, you did.

REP. ELLIOTT: My only criticism is that you're expecting us to give you \$280,000 and match that other \$280,000 which is a federal grant, I assume. And yet, this report is very general. If I were -- my question to you is could you be more specific when you say you have so many jobs saved, so many percentages of this and that? Could you give us in a report, or is it too much work, exactly where that money went, to which companies, how many companies, what they were, where they were? Because this is very general to me to ask for \$280,000, but it really doesn't tell me who got the money.

MS. COLLINS: Hum -- I can answer that in two parts. It was brief as requested that we present to you something very brief in a letter. I can backup all of the money. As you might be aware, we're federally funded. We document everything. I have backup for every single number that we provide. We are by federal statute not allowed to disclose the names of our companies that we work with because we're going in and providing confidential management assistance related to their financials. If a company gives us the permission, I can talk about it. On the second page that I gave you

today, we mentioned a couple companies. Right there. And on the examples that I used on the handout today, I also mentioned companies I did not give the names, but the type of company. We have the backup to all of that.

REP. ELLIOTT: This one?

MS. COLLINS: Yes. That is it. Batchelder Biodiesel is on front there. You see the company over in Portsmouth, the restaurant. We were able to help them over the years and get additional grant monies. That \$280,000 matches 627 and then additional federal dollars that we're able to bring into the state; last year another \$200,000. So through the program we are able to leverage additional federal dollars. Does that help?

REP. ELLIOTT: A little bit.

MS. COLLINS: I can provide -- believe me, I can provide you with numbers. I tried to spare you a little here.

CHAIRMAN SMITH: Thank you. Thank you very much. We appreciate you coming.

MS. COLLINS: Thank you.

CHAIRMAN SMITH: I just want to -- that's fine. Thank you.

MS. COLLINS: Thank you.

CHAIRMAN SMITH: We're, of course, running late on our next two bills, but there are a number of people who have travelled to come here for this bill. And if the Committee agrees, I would like to just keep on going and getting the testimony on this bill before we go to the next hoping that

people will be as brief as possible. Is that -- is that acceptable?

REP. BELVIN: So move.

CHAIRMAN SMITH: Thank you. Dr. Ed MacKay.

EDWARD MACKAY, Chancellor, University System of New Hampshire: Thank you, Madam Chair. Thank you for the opportunity to testify against House Bill 1664 which, if enacted, would reduce the Fiscal '11 appropriation to the University System by \$10 million or 10%. I have distributed written testimony, three-hole punched. It's available for you to read in detail, but I'll hit the high points as requested.

The University System has enormous economic impact on the state. We quantified it before as \$2 billion a year or equivalent to 4 percent of the state -- the gross state product. That's relied on consistent support from the University -- from the State of New Hampshire support our operations. We rely -- we need to attract and retain qualified students, faculty and staff. Sixty-seven percent of our operating revenue comes from students. So the message sent in 1664 is that we don't no longer sustain that relationship, that reliable partnership, and puts at risk our ability to continue to attract and retain those individuals and for perspective businesses that are seeking to locate here or to expand here.

We believe we've used your dollars well. If you look at the \$100 million appropriation we now provide and look at the increment from that, the return on investment, if you will, our price consciousness and our use of student financial aid to mitigate the impact on in-state students, I think you'll find it's the best bargain going.

Again, I know there's many financial pressures on the State, but as you look to what decisions you will make now and how the State will prosper in the future and over the next few years, these are critical. We all want to see New Hampshire emerge from this great recession stronger and we have the capacity to do it with continued investment in the University System and sustaining our partnership. And I look forward to you affirming the nature of that relationship. Thank you.

CHAIRMAN SMITH: Thank you very much, Dr. MacKay. Are there any questions? Thank you for your written testimony and thank you for taking the time to come. Mr. Fitch.

ORVILLE "BUD" FITCH, ESQ., Deputy Attorney General, Department of Justice: Thank you, Madam Chair. For the record, Bud Fitch, Deputy Attorney General, appearing primarily in my role as Deputy Attorney General to oppose the reduction in the Department of Justice budget that is proposed here. I'll be very brief. This would translate to between 10 and 15 jobs in the Department of Justice. Our budget is about 80 percent personnel costs and the balance are for things that really isn't any room left to cut. We have cut it over the last couple of budget cycles and the different cuts we have had to make. We are at a point where it would become necessary to reduce services if our budget needs to be cut further.

There are really three primary areas of the office that are funded by general funds, the Consumer Protection Bureau, the Criminal Bureau, and the Civil Bureau. Reductions in services in the Consumer Protection Bureau and the Criminal Bureau would have implications of cost-shifting to the counties. If we don't prosecute the cases in those offices, they are typically sufficiently serious,

they then would need to be prosecuted by the counties. It would not save the people of the state money. It would simply shift that burden from a state level to a county level.

In the Civil Bureau, as we've testified many times through the budget process, our concern is that the need for legal counsel through state departments has grown over time. In fact, the number of lawyers working for the State that don't work for the Department of Justice has grown over time as evidence of your judgment that those legal services are necessary.

I would end my testimony by pointing out that to the extent there are efforts to reduce funds being appropriated to the University System of New Hampshire, the Community College System of New Hampshire, we need to carefully evaluate their effect on the American Recovery and Reinvestment Act funds that have come to the state. Part of the assurances that have been provided to the federal government to get those funds which are a big -- large amount of money, 160 million going to the cost for an opportunity for an adequate education, is that we'll keep the level of support for higher education in the state at a specific level. Thank you, and happy to answer any questions.

CHAIRMAN SMITH: Thank you very much for your testimony. You have an opportunity to come to the Fiscal Committee if at any time you need additional funds in the criminal prosecution area. How would this cut relate to the opportunity that you have that is not afforded to other departments?

MR. FITCH: Madam Chair, we would come to you as we have in the past when there are extraordinary expenses and, clearly, it is your decision of the Joint Legislative Fiscal Committee whether or not

to fund those things. If we can't fund the proper prosecution of the cases, then either those cases go unprosecuted or the counties pick up the burden of those costs if they're shifted to the County Attorney Offices. I hope that's responsive to your question.

CHAIRMAN SMITH: Well, I guess my question is since you have a second bite at the apple, whereas no one else waiting here has that same second bite, would you not be able to shape these cuts in such a way that at the end of Fiscal Year '11 you would still remain whole?

MR. FITCH: Madam Chair, it would depend how the cuts are allocated within the office. Certainly, if we understood the direction of the legislature to reduce the overall level of services that we provide, the overall expense of the Department of Justice, we probably would be reducing services both in legal counsel through the Civil Bureau and in Consumer Protection through that bureau, as well as in the Criminal Bureau. You're correct that if we did it entirely in the Criminal Bureau and came back and were you willing to undo the reduction through that process, the law would permit you to do that. I wouldn't anticipate that's what you would expect from us.

CHAIRMAN SMITH: Thank you very much. Any other questions for the Attorney General? Thank you very much. Tricia Lucas.

TRICIA LUCAS, ESQ., Policy Director, New Futures, Exeter, NH: Good afternoon, Chairman Smith, and Members of the Finance Committee. My name is Tricia Lucas. I'm the Policy Director at New Futures. We're a nonprofit advocacy organization that works to reduce under-age alcohol problems and increase access to treatment.

My purpose in being here is to speak in opposition to 1664 and to specifically address for you the impact of Section 25 of the bill which is on Pages 11 and 12 and reduces funding for the Governor's Commission for Alcohol and Drug Abuse Prevention, Intervention, and Treatment by \$1 million in 2011. That reduction translates into a loss of treatment funding for between 450 and 800 residents who receive treatment through the publicly-funded treatment system. This at a time when the public treatment system serves less than 10% of the people who need addiction treatment, at a time when we know through current research that treatment for addiction as a chronic relapsing brain disease is actually more effective than treatment for other chronic diseases, such as diabetes, hypertension, and at a time when we know from current research that treatment is also cost-effective resulting in savings to both healthcare costs, criminal justice costs, as well as to allow people to maintain their jobs and remain productive in today's work world. Thank you very much for your time.

CHAIRMAN SMITH: Thank you very much. Miss Lucas, do you have copies of that, the data that you just referred to, to which you referred that we could look at in time for our February 2nd work session?

MS. LUCAS: I will do that.

CHAIRMAN SMITH: Thank you very much. Any other questions? If not, thank you again for coming. Commissioner Bald.

GEORGE M. BALD, Commissioner, Department of Resources and Economic Development: Madam Chair, Members of the Committee, I certainly agree with what Mary on the SBDC and the IRC. I'm appreciative

of Representative Kurk and Representative Scamman for this amendment. Both of those are -- help us to generate jobs and to increase business. And very quickly, I'd also like to say that I certainly agree with John DeVivo on the issue of not leasing Cannon Mountain. I think that they're doing a magnificent job following the plan that was actually laid out by the students at Dartmouth, the Tuck Study as it's commonly referred to. I think there's a lot of similarities of people try to put with Sunapee. Sunapee is a stand-alone mountain, very easy to subdivide away from the day-use park. Cannon Mountain is an integral part of Franconia Notch State Park and to take it away would cause great harm. And I believe that the people there are really working hard.

Some of the -- three years ago I met with a group of citizens in the Franconia-Littleton area who said to me we don't care who runs it. We just want it run well. And I think that the people there are doing that now. And the customers are enjoying it. The revenue is reflected in it and I think that they deserve another opportunity to continue to manage it well. Thank you very much.

CHAIRMAN SMITH: Thank you very much, Commissioner. Representative Scamman.

REP. SCAMMAN: Thank you, Madam Chairman. I would appreciate if you would send me a copy of the Tuck report, 'cause I had not --

MR. BALD: I certainly will.

REP. SCAMMAN: -- seen that.

CHAIRMAN SMITH: Thank you. Any other questions? Thank you very much for taking the time to be here.

MR. BALD: Thank you.

CHAIRMAN SMITH: Michael Walls.

MICHAEL J. WALLS, Assistant Commissioner,
Department of Environmental Services: Thank you,
Madam Chairman. Good afternoon, Members of the
Committee I'm Michael Walls. I'm the Assistant
Commissioner at the Department of Environmental
Services. I do have a letter of testimony that I
will leave with the Committee, and just to touch on
two of the points.

Paragraphs 39 and 40 of the bill would abolish
positions that are vacant because of due to the
recent lay-offs where they're unfunded as of a
certain date. And I would just ask the Committee to
take a close look at that particular provision from
the DES perspective, those -- we have 13 positions
that would fall into that category. Those positions
are not in our view deadwood. I know in years past
in budgets long ago, perhaps, positions were
carried, vacant, and unfunded from budget to budget
to budget and that clearly is not a good budgeting
practice or personnel practice. But in these times,
positions might be vacant and/or unfunded because
simple attrition. Positions become vacant and we
leave them vacant for budgeting purposes to control
our budget, to be effective managers, and at some
point that money is swept into the general fund for
various reasons. So they might be vacant and
unfunded not for -- not for thoughtful reasons, but
just for random reasons, really, so not all the
vacant and unfunded positions should necessarily be
abolished because they're unnecessary.

With respect to the agency as a whole,
Paragraph 50 proposes a \$2 million reduction in its
general fund appropriation in 2011 which is
approximately \$23 million. About 50 percent of that

is salaries and benefits. If we chose to effect that kind of \$2 million reduction through personnel reduction, that would be approximately 50 positions. We have approximately 137 general fund positions at the agency out of 550 roughly.

Let me just suggest two things. One is that, you know, the enormous disruptive effect of laying off 50 people out of these programs would be -- it would take up the whole year. We wouldn't get much done. We'd also be in a position of making policy decisions for the legislature. We would, in effect, be deciding not to do certain things that are general funded programs. For instance, many of our scientific programs, the solid waste regulation program, our DES laboratory, we would be, in effect, laying off all the people that do those things. We would be making the policy decision to no longer regulate solid waste or provide recycling assistance to the communities because we have no people to do that. So that in our view is the consequence of a massive reduction. So with that I'll leave the letter and be happy to try and answer questions.

CHAIRMAN SMITH: Thank you very much. Does anyone have any questions? Representative Scamman.

REP. SCAMMAN: Thank you, Madam Chairman. Assistant Commissioner Walls, it's difficult for me to understand why anyone would oppose abolishing positions that were not funded for two years because when the next budget comes out that Department has the opportunity after living two years without these positions, if they felt they needed one to ask for it as a new position. Can you tell me why you think that is not good policy for the legislature to pass at this point?

MR. WALLS: Well, we would have that

opportunity, of course. We'd have to re-establish the position, too. Put it back on the books and, you know, it's not an easy task to re-establish a position through the State process.

CHAIRMAN SMITH: Any other questions? Thank you very much. Oh, I'm sorry. Representative Casey.

REP. CASEY: Thank you, Madam Chairman, and thank you for your testimony. On the section number 50, the operating budget, 50 percent -- 50 positions would be eliminated approximately. Is that what you just said?

MR. WALLS: Yes, if we chose to take the entire \$2 million through personnel costs. In fact, some of that money -- some of our general fund money is grant money. You know, it's a very difficult choice. We could take this out of people. We could also, you know, attempt to tell communities that we are not going to pay 100% on the dollar of money we said we would give them in grant agreements. That seems very unpalatable, too.

REP. CASEY: So my question is what -- what percentage -- let's just be more conservative and say you eliminated 40 positions just because you could find some savings somewhere else. Okay. What percentage of your workforce is that?

MR. WALLS: It would be about 30% of the general fund workforce. It would be about a little less than 10% of our overall workforce.

CHAIRMAN SMITH: Thank you. Mr. Walls, one of the questions that has been raised by many legislators is the impact of decisions that we make here on municipalities. At the current time is your Department, I don't want to use the -- is your Department following through on all commitments

that have been made to cities and towns?

MR. WALLS: Yes. But we have chosen to do in this -- well, the legislature's chosen to do in this budget cycle, for instance, in our State Aid Grant Program, we are no longer issuing new grants but we are paying -- these grants are paid over time. So we are honoring our existing obligations but no longer entering into new agreements.

CHAIRMAN SMITH: So no one in the pipeline has been affected? Just that you're not permitting anybody new to enter the pipeline.

MR. WALLS: That's essentially correct. Some people thought -- the pipeline is very long. Some people thought they were in the pipeline. For us, the pipeline -- the important part of the pipeline is Governor and Council approval over grants or the agreements. So nothing that was approved by Governor and Council was -- we are abiding by all of our legal obligations that have been approved by Governor and Council.

CHAIRMAN SMITH: Thank you very much. Any other questions? If not, Nina Gardner.

NINA GARDNER, Executive Director, Judicial Council: Good afternoon, Madam Chairman, and Members of the Committee. For the record, my name is Nina Gardner. I'm the Executive Director of the New Hampshire Judicial Council, and I will not repeat anything that John Tobin has already said. I would just like to summarize two key points of his testimony.

One is that the money that the legislature provides for New Hampshire Legal Assistance is not about New Hampshire Legal Assistance. It's about the citizens of the State of New Hampshire. And

second of all, the money that New Hampshire Legal Assistance is able to recover, primarily from federal sources for the citizens of New Hampshire, really saves both the state government of New Hampshire and local government additional funds. So in my terms, these are general fund dollars that are leveraged for the good of the citizens of New Hampshire and for the good of the state and municipal budgets of the state. I think it would be imprudent of you to reduce these funds. And I thank you for the opportunity to testify.

CHAIRMAN SMITH: Thank you, Ms. Gardner. Representative Casey.

REP. CASEY: I have a question about specifics. How would the caseload for legal -- how would the caseload be increased from this reduction with the -- including then the commensurate reduction at the federal level?

MS. GARNDER: Maybe you're not understanding my testimony exactly. What I was trying to suggest is that the dollars we provide through your appropriation for legal assistance enables citizens in this state to get access to federal benefits that they're entitled to.

REP. CASEY: Okay.

MS. GARNDER: If they don't get those, that puts additional burdens on state government and/or local governments.

REP. CASEY: Not my division. I apologize, I misunderstood.

MS. GARNDER: That's okay. Thank you. I hope I clarified.

REP. CASEY: Yes.

CHAIRMAN SMITH: Any other questions? If not thank you very much. Howard Wilson. Mr. Wilson asks to testify in support of the bill.

HOWARD WILSON, Andover, NH: For the record, my name is Howard Wilson. I seem to be in a rare field being not a sponsor but support of the bill. Overall legislation, and all the people behind me and all the people that have left, generally opposed to one little piece or little pieces of the legislation. Okay. Sausage grinder. I used to be a cook.

Sadly, you're going to have to take into account what the federal government and the Federal Reserve have done to the dollar itself. Too many sources. There's a couple in the packet I'll leave you. Money isn't worth much. So everything has to go up just to reflect the difference between what theoretically is and what it actually does.

This legislation is very good. With this Committee -- this legislature contemplate continued practice of the legislation proposed to eventually reduce New Hampshire's business industries down to those few that are listed in the New Hampshire Constitution, or will we continue to have, like, Cannon Mountain, like, Sunapee, a lot of other places around the state, that are businesses but they're government businesses and that's not government's business. Thank you.

CHAIRMAN SMITH: Thank you very much, Mr. Wilson. Anyone have any questions? If not, thank you very much for coming. John Wallace.

JOHN WALLACE, Asst. Supt. Professional SE,

Department of Health and Human Services: Thank you, Madam Chair; John Wallace representing Department of Health and Human Services. I'm here briefly to talk about a parallel track the Department is on to deal with the deficits that we have recognized in our budget. Those are deficits that are made up of mandated reductions by -- that were in the budget to start with, as well as the number of cost increases that have come with a down economy. As you know, because we have reported on our dashboard which we've had in place since July of last year, the caseload increases that have -- we encountered significantly and the cost increases that come with that. And there are deficits that we are running in outpatient services, provider payments, children services, long-term care and mental health, et cetera, et cetera.

We are, as of last month, anyway, through the combinations of things, we were looking at about a \$38 million shortfall for the current Fiscal Year. And we have been working for some time on a plan to try to address that shortfall in this Fiscal Year, as well as to lay the foundation for projected shortfalls to address the predicted trends, those shortfalls that will come in the next Fiscal Year. That plan is one we have that obviously has been difficult to put together. It is one that Commissioner Toumpas has met with the Governor's Office on and is having a further meeting today to try to nail down elements of it. And then our expectation is that we would be -- come back before Legislative Fiscal Committee at its, I think, February 5th meeting with a detailed plan. Our expectation is after the meeting today we would have discussions with various -- in detail various legislative representatives and see all of you prior to the meeting on the 5th.

The -- that plan will include some items that

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we can do on our own, some items that will require administrative rule changes, some items that will involve legislative changes, and some items that will involve State Plan Amendments that we submit for Medicaid programs to the federal government and then others with some combination of those things.

As it is probably not surprising that some of the items that are in 1664 and 1672, they're simple overlap with the kinds of reductions that we're talking about, because I think those were probably built off the Building Block Budget proposal or approach that the Commissioner took in preparing -- in preparation of current biennial budget.

I am not prepared and I don't think you want to get into the details of these things, except to say that we are working on this. We will get to you very shortly as to what our particular issues are and attempt to work with you to try to figure out how we can live within the budget that you have appropriated for us in the current biennium.

CHAIRMAN SMITH: Thank you very much. Only one thing you said really confuses me.

MR. WALLACE: I probably misquoted.

CHAIRMAN SMITH: And that is why you're talking about the Fiscal Committee. If you have administrative rules, that's JLCAR. If there are things that you can do on your own, you can do them on your own, and there are 424 members of the legislature here ready, I don't know whether they're willing, and I hope they're able to address their legislative responsibilities here. And I would hope that -- I'm sure the Commissioner knows that it would not be appropriate to sidestep the regular legislative process by coming to Fiscal rather than to the appropriate legislative

committees in the House and the Senate. And I believe that there are vehicles in each body that could address at least some of the issues that you're talking about. The State Plan Amendments, you know, need some further evaluation, but the appropriate place to discuss cuts would be the legislative -- the pending legislation which we will next address in this Committee on the 2nd of February.

MR. WALLACE: Madam Chair, it was not my suggestion we sidestep anything. I don't think we could if we wanted to.

CHAIRMAN SMITH: I don't know about that.

MR. WALLACE: But we did wish at least in one point to make a comprehensive statement of what our approach is going to be, and that seemed the most appropriate forum in which to do that, recognizing we had many other places in which we'd have to go and deal with the specifics of it. That's all, just trying to make a coherent, comprehensive statement regarding our approach.

CHAIRMAN SMITH: Well, thank you very much; but I think the 25 of us are, or however many there are of us, immediately two and a half times the size of the Fiscal Committee. And the Fiscal Committee is not a policy committee, and it should not be acting in the space of a policy committee; and to the extent that it has administrative responsibilities, it's -- the boundaries get fuzzy. There's no question about that. But we would hope that the Department would recognize that there are a lot of people in the legislature interested in these issues. Thank you very much.

MR. WALLACE: A lot of people in and out of the legislature are interested.

CHAIRMAN SMITH: Yes. That's true. Anybody have any other question? Thank you very much for coming in. I know that the Commissioner did call to explain to me why he could not be here today, and we appreciate his asking you to come. Dennis Hill.

DENNIS HILL, Executive Director, Merrimack Valley Assistance Program: Good afternoon, Members of the Committee. For the record, my name is Dennis Hill. I am the Executive Director of Merrimack Valley Assistance Program. I am here to make a few comments in opposition to House Bill 1664; more specifically, item 19 dealing with the Division of Public Health and funding for HIV and AIDS services.

There are two philosophical issues, I think, that I would like to address. One of them is that this bill has been introduced largely on the premise that since there is a downturn in the economy, and there is not a sufficient amount of revenue coming in, that there ought to be some dramatic cuts made in the budget. One of the problems with that is that the population that my specific agency addresses, namely people with serious medical problems that are attendant to having an HIV or AIDS condition, are going to wind up with a problem getting the types of necessary services they need.

The second philosophical issue with the 1664 proposed bill is that there is, whether intentionally or otherwise, a fundamental cost-shifting. Mr. Fitch of the AG's Office has already made reference to this fact. In our particular case, the cost-shifting would be to the local welfare departments in the municipalities where our clients live. Our clients, unfortunately, require some very expensive treatments, medical treatments,

pharmaceutical drugs. Because of the incapacity for earning their own living in most cases, not all, there's insufficient money for things, like, rent, utilities, food, transportation to medical appointments. All of those types of services that our agency is currently providing would be in jeopardy. And for all of those reasons, philosophical and financial, I am here this afternoon to oppose this bill. Thank you.

CHAIRMAN SMITH: Thank you very much for your testimony. Any questions? Thank you again very much for coming. Wendy LeBlanc.

WENDY LEBLANC, Assistant Director, Southern New Hampshire HIV/AIDS Task Force: Thank you very much. My name is Wendy LeBlanc and I'm with the Southern New Hampshire HIV and AIDS Task Force and to expand a bit on what Mr. Hill just shared with you about the cost savings. And, of course, I could talk about all these humanitarian reasons why it's important to have these services living with this devastating disease; but the bottom line is, you know, we only have about 1500 people living with HIV in New Hampshire at this point that we know. And I attribute that directly to the fantastic work that's been done at the AID service organizations across the state in keeping that number low.

We're currently serving a low estimate, at least 400 clients at our agency, and these are the folks that are living in poverty and duly diagnosed primarily with mental illness and substance addiction as well. So if you even took that to mean that's a thousand dollars per person living with HIV that's being served at the AIDs service organizations, keeping in mind that one month of HIV medication costs in excess of \$1,000, then a person living with HIV can expect to cost at least three or \$400,000 over the course of their lifetime

in medical treatment and the benefits that folks may or may not be eligible for and the very tedious regiment and complexity of their disease cannot possibly be managed by folks that are in this socio-economic category, that the folks that we are serving deal with.

So in addition to the cost-shifting that we -- that Dennis mentioned, also what we heard from some of the other folks is it's very important to know that this \$400,000 reduction is a 100% reduction of the funding that comes through the AIDs service organizations. That's a 20 percent cut from last budget, and that million dollars that was put in last budget for HIV medications and for the services that we provide was to replace federal funding that was lost simply because the State had never put in any money towards services. So I think it's just important to recognize that that small investment is really saving not only lives but -- and I know HIV is a complicated disease and you guys don't know how it all works but when somebody is on HIV medication and adherent to it, they are much less virulent and much less likely to transmit the virus to others. So if we are even saving one infection by all the work we do at our agencies, we have already saved you your \$400,000. So please consider that cost benefit.

CHAIRMAN SMITH: Thank you very much for your testimony. Any questions?

MS. LEBLANC: And I do have something written, but I only made one copy because I'm very frugal and efficient at my agency.

CHAIRMAN SMITH: Thank you very much. You want us to absorb the cost to copy. I understand completely.

MS. LEBLANC: Or I could e-mail it, if that would be preferable.

CHAIRMAN SMITH: No, that's fine. Thank you very much. And thank you for coming. Gina Balkus.

GINA BALKUS, Director of Government Relations, Dartmouth Hitchcock: Good afternoon, Madam Chairman, and Members of the Committee. I'm Gina Balkus with Dartmouth-Hitchcock and here to oppose House Bill 1664. The reason for our opposition is that the Medicaid cuts in this bill disproportionately impact Dartmouth-Hitchcock and reduce our reimbursement to Dartmouth-Hitchcock by \$2.6 million in the coming year.

There's two sections in the bill that we are very concerned about. Section 24 in the bill reduces the funding for catastrophic aid to hospitals and that program pays for those highly acute cases, such as severely ill children in our pediatric intensive care units at CHaD for which the DRG reimbursement doesn't even come close to covering the cost of care. Also, Section 37 is of great concern to us and we are adamantly opposed. This bill would cease the provision -- call for a State Plan Amendment to cease the provision of direct and indirect graduate medical education payments and, once again, this disproportionately impacts Dartmouth-Hitchcock Medical Center.

CHAIRMAN SMITH: Excuse me. What section did you say for the direct?

MS. BALKUS: Section 37 of the bill on Page 17, Line 15.

CHAIRMAN SMITH: Okay.

MS. BALKUS: And Representative Kurk mentioned

that House Bill 1664 only deals with funding for FY 2011; but my read of this section is, in fact, that this bill would require a State Plan Amendment to cease provision of these funds effective July 1, 2010. It's not only for that particular year; in fact, there's no end date. It would -- the State Plan Amendment would cease provision going forward into future bienniums.

I think that many of you are aware that at DHMC we train over 350 new physicians each year. Since New Hampshire does not have state -- state-funded hospitals, public hospitals, or university programs for training, that the program at DHMC is critically important to training future physicians.

And, finally, I would just like to add that based on the cuts that were implemented last November, in November 2008 through Executive Order and then the cuts that were in the budget that we anticipate at Dartmouth-Hitchcock that our Medicaid loss in the coming year will be \$56 million. This bill would increase those cuts by another -- but by over \$2 million. And I do hope that -- I would urge you to find this bill inexpedient to legislate, and I do have written testimony that I'll submit. Thank you.

CHAIRMAN SMITH: Thank you very much, Miss Balkus. Any questions? If not, Peter Ames.

PETER AMES, Director of Government Relations and Advocacy, American Cancer Society: Good afternoon, Madam Chair, Members of the Committee. My name is Peter Ames. I'm the Director of Advocacy at the American Cancer Society here in New Hampshire. I'm here to testify in opposition to House Bill 1664, specifically provision Section 19, the catastrophic illness programs. Many of you will recall the individuals who came out during the

public hearing last year of the budget. Beneficiaries of the catastrophic illness program over the years and on their behalf I'm here to thank you for funding the program. It's proven, again, to be essential service for those beneficiaries, particularly in this difficult time.

Catastrophic illness program benefits over 700 cancer patients each year and this is an option of last resort for those folks. These are individuals living under margins who do not have another place to turn. So if this bill goes forward, the only options that will be left are, one, to go without that care, which is often medication and oral chemotherapy or, two, the cost would be shifted onto healthcare providers and so that's really the issue that is before you today.

With that, I thank you for your consideration and I do have written testimony and be happy to take any questions.

CHAIRMAN SMITH: Thank you very much, Mr. Ames. Are there any questions? Thank you very much. And if you could just pass your testimony on. Karen Irwin. Thank you. Miss Irwin, you asked for lots and lots of time, which we don't have.

KAREN IRWIN, Franconia, NH: Okay. Thank you, Madam Chair. For the record, my name is Karen Irwin, and I am here in regards to Section 8 of the front page regarding Cannon Mountain and leasing of that mountain.

I'm going to hand out a schedule, and I'm going to get more copies. This particular schedule deals with Representative Scamman's question regarding debt and the leasing. This is in regards to leasing of Sunapee. And what this schedule shows, when you see it, is that the general funds have been paying

portion of the debt that we took out. We took out \$6 million in revolving fund debt, which is the first time the State of New Hampshire has ever had a revolving fund debt. The lease that we have from Sunapee does not cover the cost of that debt. And when you put in -- generally, when you put in a middle man, which is basically what this bill is asking to do, you lose the opportunity to make as much money as you can, 'cause they have to make a profit as well.

Proponents of this bill in past years have looked at this making about \$500,000. The park system is already in deficit. This -- this area -- I mean, forget about the public trust, and all of the things that Senator Barnes talked about, memorials and all of that, if you look at the pure finances of this, it would be detrimental to the park system because Cannon brings in -- that whole park system brings in, I believe John DeVivo said, 38 percent of the profits for last year and of the whole park system. And so this would be, to not strike this at this portion of it out of this bill 1664, would be detrimental not only to the park system but to the quality that we enjoy today. Having a park system in there operating Cannon Mountain is much different than having this privatized out to a private entity. There is plenty of expansion with privately-held land right around the park system.

And also, additionally, I just wanted to point out on the schedule is this funding is all other funds. It's agency income. It's not general funds. So what's in the budget today has already been dealt with to the best of the ability by everybody that passed this budget in that there's a footnote in the budget that says in the event that the estimated revenue is less than budgeted, the total appropriation shall be reduced by that amount of

that shortfall in either actual or projected budgeted revenue. So this section of the bill doesn't even address general funds. The appropriation that's for Cannon Mountain does not even affect any general fund revenue. And it's up to the Commissioner to make sure if we're not going to surpass and have a profit, that he would cut expenses. And that's true on a lot of sections of his budget. And so I would look at that and I think you'll see LCHIP is the same way. And so I don't know that one, but I will send you the schedule out and so that you can see the whole schedule, everybody -- in case anybody didn't get it.

I have -- also, I have over 400 signatures in opposition. And I've seen nothing but support from the mountain up there. I mean, everybody is happy. You'll see it is many states, different states coming, New York, Massachusetts, Rhode island, Connecticut, they are coming to Cannon Mountain. They're not driving by anymore. They're coming to the mountain. And they love it. And it is different. It's a different flavor.

Sunapee, I'll be -- I think I'll be 78 years old when I have the privilege of skiing Sunapee as a -- possibly as a State-Run mountain again. Hum -- it's a long lease. It's a 20-year lease with two 10-year renewals at the company's option. So basically, unless they don't pay their -- their payments, they will -- they will have a 40-year lease on that property.

I also wanted to make note that, you know, the trend is happening. They're doing a good job. The present manager is doing a good job of turning this mountain around. So this is a profit center for you. It's not an expense that you need to reduce. I will leave -- I have written testimony and copies of all those signatures.

CHAIRMAN SMITH: Terrific. Thank you very, very much for your testimony. Any questions?
Representative Casey.

REP. CASEY: I just wanted -- it's not a question as much as a comment and I hope you'll appreciate it as one woman to another, but we are the Finance Committee. So with a little help from my other -- we figured out how old you are and I think that's a huge mistake when you testify in front of us.

CHAIRMAN SMITH: Thank you for that, Representative Casey. Of course, what I would add is 78, you know, really isn't old. It's younger and younger.

MS. IRWIN: I will be skiing still, so I would like the privilege of skiing Sunapee as a State park.

CHAIRMAN SMITH: Terrific. Spoken like a 38-year old. Roy Duddy.

ROY C. DUDDY, Interim Director, Division of Economic Development, Department of Resources and Economic Development: Thank you, Madam Chair, and Committee Members. My name is Roy Duddy. I'm the Interim Director for the Division of Economic Development, and I'm here to testify on the bill in regards to the Innovation Research Center and the Small Business Development Center.

With the amendment that was put forward this afternoon, I'm in favor of that. I did want to at least pass along my comments as far as from the Division of Economic Development. The synergy that those other organizations that we collaborate with on a regular basis, everything from the start-up

business and the entrepreneurial efforts and the innovation that goes on within the state that the state is well-known for, up through the Innovation Research Center, and the collaboration of the University System, and commercializing, doing the research, and really bringing some of those clients and ideas to fruition, and I just wanted to make sure that that was well understood. The synergy that the organizations bring together and the collaboration that we have been able to work with has been extremely well positioned over the last decade or so with those two organizations and the State Economic Development Division.

I have written testimony, too. But not to belabor the point, if there's been other comments and numbers passed on by previous presenters then I won't go through.

CHAIRMAN SMITH: Okay. Well, thank you very, very much. Any questions? Thank you very much, Mr. Duddy, for coming --

MR. DUDDY: Thank you very much.

CHAIRMAN SMITH: -- and for waiting here to be heard. Leslie Melby. Good afternoon.

LESLIE K. MELBY, Vice-President, State Government Relations, New Hampshire Hospital Association: Good afternoon. Thank you, Madam Chairman, Members of the Committee. My name is Leslie Melby. I'm the Vice-President for State Government Relations at the New Hampshire Hospital Association representing the State's 32 hospitals, both acute care and specialty hospitals. And in the interest of time, I will be as brief as I possibly can.

There are three sections to this bill that we

are specifically opposed to; Section 24, Section 37 and 38. And I know having heard the testimony from Gina Balkus from Dartmouth-Hitchcock that I won't belabor the point about the elimination of the graduate medical education. I just want to add that the Concord Hospital trains residents in family medicine at the community health center located in Concord. These are also Dartmouth residents, as well as several residents at Southern New Hampshire Medical Center in Nashua.

We are very concerned about the catastrophic aid line item being eliminated. That's 2.8 million as Gina stated, and there is a very high level of specialized care provided to Medicaid patients and this amount was reduced from previous years while the caseload is going up and certainly we're going to be seeing more patients in need. It's a small amount, but it does recognize the State's obligation and to the work that is done, no one is turned away and the care is provided. And there are other hospitals as well that applied for the catastrophic aid fund.

And, finally, the critical access hospital outpatient payments, this would reduce payments for outpatient services to the 13 critical access hospitals, that's half the hospitals in New Hampshire, for -- by two point -- \$2,786,000. Now, critical access hospitals are limited to 25 beds each. And as you can imagine, they are somewhat limited in terms of the level of care referrals are made to other hospitals. Most of the care these days is being provided in the outpatient setting due to changes in technology and the like. These hospitals in locations such as Colebrook, Berlin, Lancaster, Woodsville, to name a few, are serving areas with the highest proportion of low-income patients and often worse health status. And so it really deals a very harsh blow to those hospitals

and to the mission that they carry out on a daily basis. So I urge you to remove those sections, and I appreciate the opportunity to testify before you today. I'd be happy to take questions.

CHAIRMAN SMITH: Thank you very much. Are there any questions?

CHAIRMAN SMITH: Representative Leishman.

REP. LEISHMAN: Thanks for taking my question. Could you provide the Committee when you return for our work session the impact on each of those 13 critical care hospitals?

MS. MELBY: I'd be happy to.

REP. LEISHMAN: Thanks.

CHAIRMAN SMITH: Any other questions? Thank you very much.

MS. MELBY: Thank you.

CHAIRMAN SMITH: Kary Neal Jencks.

SABRINA JOHNSON, NH Citizens Alliance for Action: Kary had to step out to go to another hearing, but I have her written testimony.

CHAIRMAN SMITH: Thank you very much. And we'll make sure that everyone gets that testimony. Ms. Jencks is representing Planned Parenthood of Northern New England.

CHAIRMAN SMITH: Could you give us your name?

MS. JOHNSON: I'm Sabrina Johnson.

CHAIRMAN SMITH: Pat Remick.

PAT REMICK, Coalition Committee: Good afternoon, Madam Chair, and Members of the Finance Committee. I'm here and represent the Coalition Communities of 35 donor towns led by the City of Portsmouth. And I'm here to testify in opposition to the portion of this bill that would change the differentiated aid of free and reduced lunch factor. This came before you in the form of House Bill 521 last year which was soundly defeated, and I hope the House will do so again this year.

The provision acknowledges the poverty factor in the formula and it acknowledges that it cost more to educate a child comes from poverty and the impact on the entire classroom. For higher property valued communities like those in our Coalition, it is the one place where that acknowledges there are pockets of poverty, sometimes in high property value towns. For example, City of Portsmouth, half of our housing is rental and one-half of that is subsidized so one-quarter of our housing is subsidized. Almost 650 children in our school system are eligible for free and reduced lunch services, and we head our school with 33 percent percentage of children receiving those services. Other towns in our Coalition where this has an impact, even though they have high property values, are Lincoln, which has 28 percent of its children receiving free and reduced lunch, Pittsburg, 30 percent, and Sunapee one-fifth of its children are eligible. And so we urge you to reject that portion formula. Thank you.

CHAIRMAN SMITH: Thank you very much, Miss Remick. Any questions? Thank you very much for taking the time to come. Martha McLeod, our former colleague.

MARTHA MCLEOD, Franconia, NH: Thank you, Madam

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Chair, and Members of the Committee. It's nice to see everybody. I just want to -- actually there are three things I wanted to mention. And I should say I'm from Franconia, New Hampshire. And I'm here just on my own as a rural person.

The three things that I wanted to mention have just been all mentioned with Pat Remick mentioning the last one. But I'd like to just kind of tie it up in a little bow and mention and put it together as the impact on the rural areas of our state and that's really what my comments are about.

The bill is particularly harsh for rural areas. House Bill 1664, and I'd like you to -- and I oppose it and I hope that you will vote it as an ITL. Leslie Melby from the Hospital Association mentioned the critical access hospitals. I talked to Russ Keene from Androscoggin Valley Hospital a couple of times about this. He's very concerned. He said it will impact -- this portion of the bill would impact probably 200 to \$300,000 of his income. He's concerned that maybe the legislators who brought this in just don't really understand the impact on rural communities and the rural healthcare system.

The CEO of Connecticut Valley Hospital told me they will have close to a \$1 million deficit this year at their little hospital. And they're the ones -- that's really the closest to the brink up there. And so cutting the reimbursement for critical access hospitals is probably not a good idea if you -- if we -- if the legislature doesn't want to see hospital services in the most rural areas of our state. So it's a really bad bill for rural areas.

The Adequacy funding because our part of the state has a much higher rate of poverty, 20 to 30 percent below the average income compared to the

percent below the average income compared to the rest of the state, when you look at the median family income or you look at per capita income, the whole region is 20 to 30 percent lower than the rest of the state. So you can imagine that the children in our schools are also poorer and that we have a higher percentage of our communities that have children on free and reduced lunch so cutting that funding is going to impact our schools. And we look at outcome data for the North Country. We see that in Coos County only 12 percent of the population has a degree beyond high school. So you can see that our rural education system is already stressed and is not producing what we would like to see it produce. So that would have a huge impact on that.

And there are a number of things, I'm not going go into all of them, but please consider the impact on the rural parts of the state for this bill. It's not a good bill. It is particularly harsh. And then the last one is left over from my days as a state representative for the Town of Franconia and the leasing of Cannon Mountain that just keeps on coming back. And yes, I heard you on the floor the other day, Representative Scamman. I was listening to that, and you talked about leasing Cannon Mountain. This has come up -- gosh, I asked my husband -- since 1969, it was on the front page of the *Profile Magazine*, I believe. And it comes back year after year. But the people of New Hampshire have not decided to do this and they recognize Franconia Notch State Park as a flagship park in the system. It is an integrated park and to take out one piece of it that is actually the biggest revenue producer would not be a good idea for the people of New Hampshire.

For the Town of Franconia, there are over 400 people that work at Cannon Mountain in the

feeling in our community every time the legislature considers this. Our hearts go up and we are very worried. So please, that is a policy issue, by the way. First, you zero out -- the bill zeros out the revenue and expenses and then it sticks in the leasing language into that bill and so we would ask you to oppose that bill for that reason.

The town selectmen, I believe, have sent you a letter that the Town Board of Selectmen actually oppose this as well. So again, please consider -- if you need any information on the impact of this bill on rural communities, rural people, or rural health, please feel free to ask me. I'm certainly willing to come in and to get you the information on that impact. Thank you. It's nice to see everybody and sorry you're all here so long.

CHAIRMAN SMITH: Thank you very much.

REP. OBER: Nice to see you.

CHAIRMAN SMITH: And we are very glad to see you, too. Any questions? No. Thank you very much. Pete Stevens.

PETE STEVENS, Mittersill, NH: Thank you, Chairman Smith. Representative Casey, I will not give you my age, but I retired from the United States Marine Corps in 1987 on 30 years. I am presently an inhabitant and wonderful resident of Franconia, Mittersill. Been skiing Mittersill since I was in college at Bates College back in the early 1950s. Took my leave of absence, served my tour of duty. I now have retired and live at Mittersill and have since 1988. I work at the mountain as a volunteer, very happy volunteer. And I've seen leadership for 30 years in the Marine Corps, aggressive, tough, fair, rational, reasonable, and I see it now in John DeVivo and his staff. We are

doing well. We are enthusiastic up there. We've had monstrous crowds this year. The grooming, the snow making, the control of crowds, parking, at the lifts, the providing of food, the -- every single accessory we can possibly give of any possible nature in a ski area is now provided, an A-1 exposure.

I am against the leasing of Cannon Mountain. I'm against HB 1664. Please, let's go ahead and keep it as is. I believe that the veterans of world and I would say world wars have been mentioned in the Notch, Franconia Notch over the years. A dedication many, many years ago was given to us. Please, do not lease Cannon Mountain. We are a positive. We are part of the Notch. We are part of New Hampshire. And we love it up there. Thank you very much.

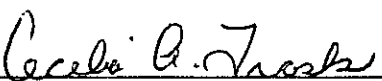
CHAIRMAN SMITH: Thank you very much. Are there any questions for Mr. Stevens? Thank you very much for coming.

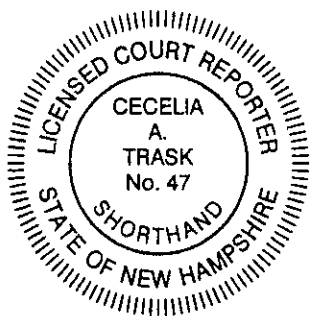
Is there anyone else who would like to testify on House Bill 1664? Not seeing anyone, at this point, I will close the hearing on 1664. The work session will be held on February 2nd. February 2nd will be work session. Let's take a five-minute break and then come back and we will move right into 1672.

{Hearing concluded}

CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.


Cecelia A. Trask, LSR, RMR, CRR
State of New Hampshire
License No. 47



HOUSE COMMITTEE ON FINANCE

WORK SESSION ON HB 1664-FN

BILL TITLE: making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.

DATE: March 15, 2010

LOB ROOM: 210-211 **Time Work Session Called to Order:** 1:00

Time Adjourned:

(please circle if present)

Committee Members: Reps. M. Smith, Nordgren, Foster, Eaton, Baroddy, Benn, Leishman, DeJoie, Bucco, Hoose, Mitchell, Kansas, Casey, Harris, Kurk, D. Scamman, E. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokmo, Bergin, Belvin and R. Elliott.

Alternates: Rep. J. Graham (Dokmo), Rep. G. Richardson (Foster) and Rep. K. Weyler (D. Scamman)

Bill Sponsors: Rep. Packard, Rock 3; Rep. Kurk, Hills 7

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Mr. Jeff Pattison, Director, Legislative Budget Assistant's Office (LBAO) distributed surplus statement (3/15/10). Predict deficit of \$131,950,000.

Open questions:

Department of Revenue Administration (DRA) thinks meals and rooms might be \$10 million less.

Question re: liquor.

Question re: Federal Medical Assistance Percentages (FMAP) - \$30 million +

Question re: Limited Liability Company (LLC) repeal

Question re: Health and Human Services (HHS) possibly owing feds money.

Question re: Clawback

Rep. DeJoie: What are estimates of additional FMAP?

Answer: \$4 million in FY 10 and \$2 million in FY 11.

Rep. Kurk: Not counting clawback and FY 11 last 2 quarters as well as LLC we would have add about \$30 million to shortfall, according to Mr. Pattison. What about lapses?

Mr. Pattison: 1) Effort to insure no double counting. 2) we should not change lapse situation.

Rep. L. Ober: Will new system better predict?

Mr. Pattison: Yes.

Rep. L. Ober: Re: HB 1355, would number change?

Mr. Michael Kane, LBAO: Only lines would change, not bottom line.

Rep. Wendelboe: Is there anything else out there that could cause problems?

Mr. Pattison: Several pending lawsuits listed in CAFR. (He will supply pages.)

LBA distributed 1/15/10 analysis of HB 1664, prepared for Rep. Kurk and 3/10/10 analysis prepared by Chairman Smith.

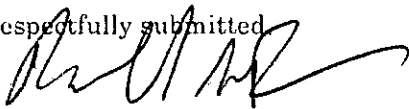
Atty. David Frydman, House Counsel: Re: line 16 and 70, regarding Land Conservation and Historic Preservation Program (LCHIP), fee has to be reasonably related to what funds will be used. Purpose is listed as state commitment to support property values.

Detailed discussion of HB 1664.

Discussed who should come tomorrow to answer questions.

Work session adjourned at 5:45.

Respectfully submitted



Rep. Randy Foose, Clerk

Motions: OTP, O'TP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

Motions: OTP, O'TP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

1 PM
3/15

Jeff Patison
distributed

surplus statement 3/15/10
predict deficit of \$131,950,000

~~Q~~ Open Questions

DAA thinks meals & rooms might be
\$10M less

Question re liquor

Question re FMFP - \$30M *

Question re LLC Repeal 3

Question re HHS possibly owing feds
money

Question re claw back

De Jolie [?] What are estimates of additional
FMFP [A] \$4 M in FY10 * 2M in FY 11

Kurk [?] Not counting claw back + FY11 last
2 qtrs. and as well as LLC we would
have add about \$30M to shortfall,
according to Mr Patison

Kurk: ~~to~~ what about lapses

Patison: 1) Effort to insure no
double counting, 2) We should not
change lapse situation

? Ober: will new system better predict

Pathson: yes

? Ober: Re HB 1355 would number change

Kane: only lines would change, not bottom line

? Wenzel: Is there anything else out there that could cause problems

Pathson: several pending lawsuits listed in CAER. He will supply pages

LBA distributed

11/5/10 analysis of HB 1664

prepared by for Rep Kirk

3/10/10 analysis prepared by Char

Smith.

David Frydman Re lin 16 + 70
Re LCHIP fee has to be
reasonably related to what
funds will be used

~~Purpose~~ Purpose of Fee
Purpose is listed as state
commitment to support property
values

Detailed discussion of HB 1664

Discuss who should come
tomorrow to answer questions

adjourn 5:45



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



GEORGE N. CAMPBELL, JR.
COMMISSIONER

File

JEFF BRILLHART, P.E.
ASSISTANT COMMISSIONER

March 15, 2010

The Honorable Marjorie Smith, Chairman
Finance Committee
Legislative Office Building, Room 210-211
Concord, NH 03301

Re: HB 1664-FN

Dear Chairman Smith and Committee Members:

I am writing to express the Department's concerns regarding pending HB 1664-FN, which as written, would abolish "all positions that are unfunded and vacant on July 1, 2010." This action will incrementally diminish our ability to meet our mission to maintain, operate and improve the state's transportation system.

The Department of Transportation continues to experience a decrease in the number of employees with ever greater responsibilities to a public traveling more and more vehicle miles (see enclosed Productivity chart). Unfunded and vacant positions do not result in a cost to the State; however, the current authorization provides the Department and the Legislature with flexibility to bring back or exchange positions as needed from one budget to the next.

If the positions are eliminated as proposed, in future budgets the Department's ability to institute new positions will incur the additional bureaucracy and delay inherent in creating new positions.

In the event that the Legislature feels it is necessary to abolish the unfunded and vacant positions, it would be more appropriate to take this action during the budgetary process. The new budget cycle provides the Department with an opportunity to re-assess the Department's program objectives, such as maintenance, construction, and other staffing needs. Currently, unfunded and vacant positions left in the FY 2010-2011 operating budget gives the Department the flexibility to reconsider staffing needs as needed in future budget cycles.

Thank you for your time and consideration.

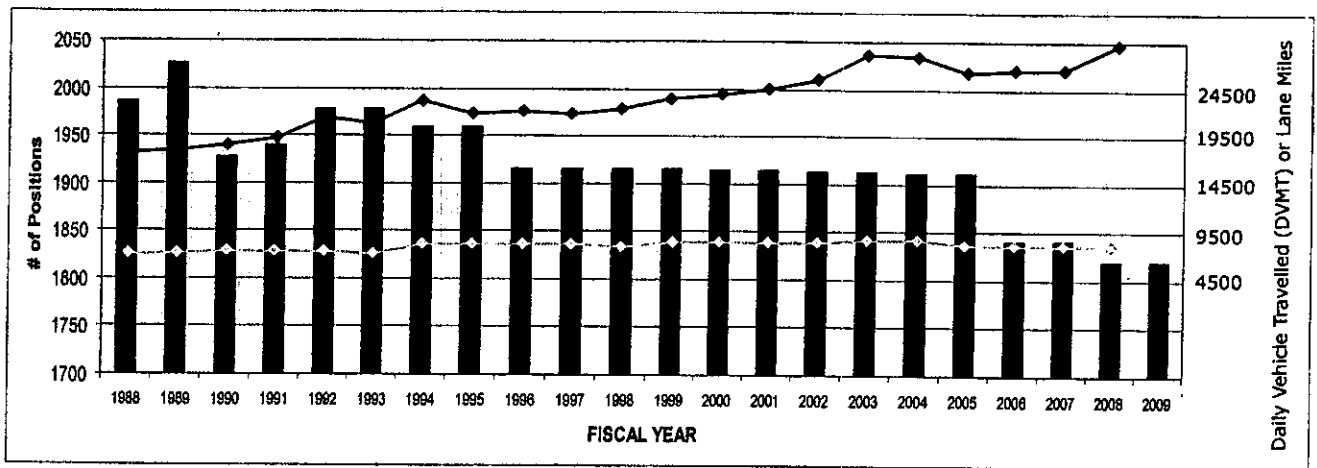
Sincerely,

David J. Brillhart
Assistant Commissioner, NHDOT

cc: George N. Campbell, Jr., Commissioner
Leonard Russell, Financial Reporting Administrator

Productivity

Positions vs. Lane Miles and Daily Vehicle Miles Traveled



Source: 1988-2007 SNH - Division of Personnel / 2008 - 2009 Approved Budget

- # of Positions
- - - Lane Miles
- ◆ DVMT

STATE OF NEW HAMPSHIRE					HOUSE POSITION		
COMPARATIVE STATEMENT OF UNDESIGNATED SURPLUS							
GENERAL FUND							
(Dollars in Thousands)							
		FY 2010			FY 2011		
		C of C	@ 3/15/10	Difference	C of C	@ 3/15/10	Difference
1	Beginning Balance, July 1	\$ -	\$ -	\$ -	\$ 1,525	\$ (84,318)	\$ (85,843)
2							
3	Additions:						
4	Revenue - Schedule 1	1,438,700	1,398,700	(40,000)	1,485,900	1,452,400	(33,500)
5	Revenue Adjustments - Schedule 2	124,122	92,200	(31,922)	116,873	84,951	(31,922)
6	Total Additions	1,562,822	1,490,900	(71,922)	1,602,773	1,537,351	(65,422)
7							
8	Less Appropriations:						
9	Appropriations Net of Estimated Revenue	(1,559,622)	(1,559,622)	-	(1,595,538)	(1,595,538)	-
10	Less Lapse Estimate	23,082	23,082	-	23,454	23,454	-
11	Lapse Percent	1.48%	1.48%	0.00%	1.47%	1.47%	0.00%
12	Net Appropriations	(1,536,540)	(1,536,540)	-	(1,572,084)	(1,572,084)	-
13							
14	Adjustments:						
15	Appropriation Adjustments - Schedule 2	31,787	11,000	(20,787)	32,435	36,997	4,562
16	2010 Legislative Specials - Schedule 2	-	-	-	-	(6,000)	(6,000)
17	Total Adjustments	31,787	11,000	(20,787)	32,435	30,997	(1,438)
18							
19							
20							
21	Current Year Balance (line 6+12+17)	58,069	(34,640)	(92,709)	63,124	(3,736)	(66,860)
22							
23	Cumulative Ending Balance, June 30 (line 1+21)	58,069	(34,640)	(92,709)	64,649	(88,054)	(152,703)
24							
25	Transfer (To)/From Revenue Stabilization	-	-	-	-	9,312	9,312
26	Transfer (To)/From Education Trust Fund	(56,544)	(49,678)	6,866	(54,369)	(53,208)	1,161
27							
28							
29							
30	June 30 Balance After Transfers (line 23+25+26)	\$ 1,525	\$ (84,318)	\$ (85,843)	\$ 10,280	\$ (131,950)	\$ (142,230)
31							
32							
33							
34	Revenue Stabilization Balance	\$ 20,064	\$ 9,312	\$ (10,752)	\$ 20,064	\$ -	\$ (20,064)
35							
36							
37	Actual Revenue Stabilization Balance at 6/30/2009 = \$9,312,000						

STATE OF NEW HAMPSHIRE		SCHEDULE 1			HOUSE POSITION		
COMPARATIVE STATEMENT OF REVENUE							
GENERAL FUND							
(Dollars in Thousands)							
		FY 2010			FY 2011		
		C of C	@ 3/15/10	Difference	C of C	@ 3/15/10	Difference
1	Business Profits Tax	\$ 257,800	\$ 257,800	\$ -	\$ 261,000	\$ 261,000	\$ -
2	Business Enterprise Tax	63,200	63,200	-	64,000	64,000	-
3	Subtotal	\$ 321,000	\$ 321,000	\$ -	\$ 325,000	\$ 325,000	\$ -
4	Meals & Rooms	243,300	232,700	(10,600)	245,100	242,000	(3,100)
5	Tobacco Tax	121,600	124,900	3,300	115,400	118,700	3,300
6	Liquor Sales	-	-	-	-	-	-
7	Interest & Dividends Tax	117,000	99,000	(18,000)	125,000	110,800	(14,200)
8	Insurance Tax	85,800	85,800	-	86,300	86,000	(300)
9	Communications Tax	82,000	75,000	(7,000)	85,000	78,000	(7,000)
10	Real Estate Transfer Tax	56,500	56,500	-	60,500	60,500	-
11	Court Fines and Fees	13,900	13,200	(700)	14,100	13,200	(900)
12	Securities Revenue	34,000	34,000	-	34,000	34,000	-
13	Utility Consumption Tax	6,000	6,000	-	6,000	6,000	-
14	Board and Care	19,900	19,700	(200)	20,500	20,200	(300)
15	Beer Tax	12,800	12,800	-	12,800	12,800	-
16	Horse and Dog Racing GOC	3,700	2,800	(900)	3,700	2,900	(800)
17	Other	67,000	65,400	(1,600)	69,000	68,800	(200)
18	Transfers from Lottery	-	-	-	-	-	-
19	Transfers from Pari-Mutuel	-	-	-	-	-	-
20	Transfers from Liquor Sales	117,300	117,300	-	127,900	127,900	-
21	Transfers from Beer Tax	-	-	-	-	-	-
22	Tobacco Settlement	9,400	9,400	-	10,000	10,000	-
23	Utility Property Tax	-	-	-	-	-	-
24	Estate Tax	-	-	-	-	-	-
25	Gaming	-	-	-	-	-	-
26	Gambling Winnings Tax	5,900	5,900	-	7,900	7,900	-
27	State Wide Property Tax	-	-	-	-	-	-
28	Subtotal	\$ 1,317,100	\$ 1,281,400	\$ (35,700)	\$ 1,348,200	\$ 1,324,700	\$ (23,500)
29	Medicaid Enhancement	99,300	98,800	(500)	114,600	108,500	(6,100)
30	Medicaid Recovery	22,300	18,500	(3,800)	23,100	19,200	(3,900)
31	Subtotal	\$ 121,600	\$ 117,300	\$ (4,300)	\$ 137,700	\$ 127,700	\$ (10,000)
32	Total	\$ 1,438,700	\$ 1,398,700	\$ (40,000)	\$ 1,485,900	\$ 1,452,400	\$ (33,500)

@ 3/15/10 Revenues as estimated by the Department of Administrative Services on January 15, 2010.

STATE OF NEW HAMPSHIRE		SCHEDULE 2			HOUSE POSITION		
ADJUSTMENTS - SCHEDULE 2							
GENERAL FUND							
(Dollars in Thousands)							
	FY 2010			FY 2011			
	C of C	@ 3/15/10	Difference	C of C	@ 3/15/10	Difference	
1 REVENUE ADJUSTMENTS:							1
2 Executive Orders (USNH,CCSNH,other)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2
3 FMAP Stimulus	91,200	91,200	-	53,951	53,951	-	3
4 JUA	22,500	-	(22,500)	22,500	-	(22,500)	4
5 Sale/Lease Liquor Assets	-	-	-	30,000	30,000	-	5
6 Unallocated State Fiscal Stabilization Fund	10,422	-	(10,422)	10,422	-	(10,422)	6
7 CCSNH reduction (see line 22 below)	-	1,000	1,000	-	1,000	1,000	7
8 TOTAL REVENUE ADJUSTMENTS	\$ 124,122	\$ 92,200	\$ (31,922)	\$ 116,673	\$ 84,951	\$ (31,922)	8
9							9
10 APPROPRIATION ADJUSTMENTS:							10
11 Pending Budget savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11
12 Building Aid bonding	-	-	-	-	-	-	12
13 Executive Order 2008-8	-	-	-	-	-	-	13
14 Executive Order 2008-9	-	-	-	-	-	-	14
15 Executive Order 2008-10	-	-	-	-	-	-	15
16 Executive Order 2008-11	-	-	-	-	-	-	16
17 Governors Additional Recommended savings (HB 30)	-	-	-	-	-	-	17
18 Retiree Healthcare savings	-	-	-	-	-	-	18
19 HB 30 reduction to highway fund transfer	-	-	-	-	-	-	19
20 Allenstown FEMA match (SB 10)	-	-	-	-	-	-	20
21 Board of Tax & Land Appeals position	-	-	-	-	-	-	21
22 CCSNH reduction (see line 7 above)	1,000	-	(1,000)	1,000	-	(1,000)	22
23 Department of Cultural Affairs reduction	150	150	-	150	150	-	23
24 DH&HS reduction (see SB 460)	7,359	-	(7,359)	12,200	19,559	7,359	24
25 DH&HS reduction - TANF utilization option	-	-	-	-	-	-	25
26 DCYF - Office of the Director reduction	-	-	-	-	-	-	26
27 Glenciff Home reduction	300	300	-	300	300	-	27
28 Department of Environmental Services - Subsurface & Subdivisions Plans	-	-	-	-	-	-	28
29 Executive Council lapse	-	-	-	-	-	-	29
30 Department of Information Technology reduction	1,300	1,300	-	1,300	1,300	-	30
31 Judicial Branch reduction	535	535	-	400	400	-	31
32 Judicial Branch technology (change in funding source)	-	-	-	-	-	-	32
33 Department of Justice reduction	-	-	-	-	-	-	33
34 Department of Labor - dedicated fund lapse	500	500	-	-	-	-	34
35 Legislative Branch reduction	478	478	-	-	-	-	35

STATE OF NEW HAMPSHIRE		SCHEDULE 2			HOUSE POSITION		
ADJUSTMENTS - SCHEDULE 2							
GENERAL FUND							
(Dollars in Thousands)							
		FY 2010			FY 2011		
		C of C	@ 3/15/10	Difference	C of C	@ 3/15/10	Difference
36	Liquor Commission lapse	-	-	-	-	-	-
37	Department of Revenue Administration reduction	460	460	-	250	250	-
38	Retirement System reduction Medical Subsidy	3,000	2,321	(679)	3,000	2,363	(637)
39	Health Insurance changes un/non-classified	-	-	-	-	-	-
40	Change retirement contribution from 5% to 7% for new hires	-	-	-	-	-	-
41	Change retirement contribution rates for all employees	-	-	-	-	-	-
42	Adjusted state share of municipal normal contribution	-	-	-	-	-	-
43	Reduce self-insurance 1 month reserve to 5% of annual claims	4,500	4,500	-	-	-	-
44	Across the board reduction	-	-	-	-	-	-
45	Continuation of Executive Order 2008-1 and 2008-8	-	-	-	-	-	-
46	State Revenue Sharing (\$1 each fiscal year)	-	-	-	-	-	-
47	Postsecondary Education Commission reduction	25	25	-	25	25	-
48	Statewide overtime 10% reduction	300	79	(221)	300	72	(228)
49	Medicaid to Schools Admin reimbursement	1,100	-	(1,100)	1,100	-	(1,100)
50	Police Standards & Training reimbursement	(1,500)	(1,500)	-	-	-	-
51	Statewide personnel reductions	12,500	8,072	(4,428)	12,500	18,668	6,168
52	Department of Rev Admin positions for gambling winning tax	(190)	(190)	-	(90)	(90)	-
53	Department of Justice position for Condo Act	(30)	(30)	-	-	-	-
54	Other appropriations not budgeted	-	(6,000)	(6,000)	-	(6,000)	(6,000)
55	TOTAL APPROPRIATION ADJUSTMENTS	\$ 31,787	\$ 11,000	\$ (20,787)	\$ 32,435	\$ 36,997	\$ 4,562
56							
57	HOUSE PASSED LEGISLATIVE SPECIALS:						
58	HB 1128 relative to the distribution of meals and rooms tax revenues to cities and towns.	\$ -	\$ -	\$ -	\$ -	\$ (5,000)	\$ (5,000)
59	HB 1445 eliminating the meals and rooms tax on campsites.	-	-	-	-	(1,000)	(1,000)
60	HB 1607 relative to the reasonable compensation deduction under the business profits tax.	-	-	-	-	-	-
61	TOTAL HOUSE PASSED LEGISLATIVE SPECIALS	\$ -	\$ -	\$ -	\$ -	\$ (6,000)	\$ (6,000)

STATE OF NEW HAMPSHIRE						HOUSE POSITION	
COMPARATIVE STATEMENT OF FUND BALANCE							
EDUCATION TRUST FUND							
(Dollars in Thousands)							
	FY 2010			FY 2011			
	C of C	@ 3/15/10	Difference	C of C	@ 3/15/10	Difference	
1	Beginning Balance, July 1	\$ -	\$ -	\$ -	\$ -	\$ -	1
2							2
3	Additions:						3
4	Revenue - Schedule 3	820,400	827,266	6,866	822,900	825,294	2,394
5	Stimulus - Education - SFSF	80,078	80,078	-	80,078	80,078	-
6	Total Additions	900,478	907,344	6,866	902,978	905,372	2,394
7							7
8	Appropriations:						8
9	Adequate Education Aid	(497,096)	(496,930)	166	(497,096)	(497,482)	(386)
10	State Property Tax raised & retained locally	(363,000)	(363,166)	(166)	(363,000)	(363,594)	(594)
11	Total Adequacy	(860,096)	(860,096)	-	(860,096)	(861,076)	(980)
12	Hardship Grants	(5,000)	(5,000)	-	(4,000)	(4,000)	-
13	Charter School Tuition	(4,831)	(4,831)	-	(5,778)	(5,778)	-
14	Fiscal Disparity - School Districts	(37,010)	(37,010)	-	(37,010)	(36,942)	68
15	Kindergarten Adequacy	(3,678)	(3,678)	-	(3,678)	(3,678)	-
16	Education Transition Aid	(43,657)	(43,657)	-	(43,491)	(43,812)	(321)
17	Fiscal Disparity - Charter Schools	(2,750)	(2,750)	-	(3,294)	(3,294)	-
18	Total Appropriations	(957,022)	(957,022)	-	(957,347)	(958,580)	(1,233)
19							19
20							20
21							21
22	Current Year Balance (row 6+18)	(56,544)	(49,678)	6,866	(54,369)	(53,208)	1,161
23							23
24	Cumulative Ending Balance, June 30 (row 1+22)	(56,544)	(49,678)	6,866	(54,369)	(53,208)	1,161
25							25
26	Transfer (To)/From General Fund	56,544	49,678	(6,866)	54,369	53,208	(1,161)
27							27
28							28
29							29
30	June 30 Fund Balance After Transfers(row 24+26)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31							31
32							32

STATE OF NEW HAMPSHIRE		SCHEDULE 3			HOUSE POSITION		
COMPARATIVE STATEMENT OF REVENUE							
EDUCATION TRUST FUND							
(Dollars in Thousands)							
		FY 2010			FY 2011		
		C of C	@ 3/15/10	Difference	C of C	@ 3/15/10	Difference
1	Business Profits Tax	\$ 55,300	\$ 55,300	\$ -	\$ 56,000	\$ 56,000	\$ -
2	Business Enterprise Tax	126,500	126,500	-	128,000	128,000	-
3	Subtotal	\$ 181,800	\$ 181,800	\$ -	\$ 184,000	\$ 184,000	\$ -
4	Meals & Rooms	7,800	7,700	(100)	8,100	8,000	(100)
5	Tobacco Tax	95,600	102,400	6,800	90,600	92,500	1,900
6	Real Estate Transfer Tax	28,200	28,200	-	30,200	30,200	-
7	Transfer from Charitable Gaming/Pari-Mutuel	1,300	1,300	-	1,300	1,300	-
8	Transfer from Lottery	74,700	74,700	-	77,700	77,700	-
9	Tobacco Settlement	40,000	40,000	-	40,000	40,000	-
10	Utility Property Tax	28,000	28,000	-	28,000	28,000	-
11	State Wide Property Tax	363,000	363,166	166	363,000	363,594	594
12	Total	\$ 820,400	\$ 827,266	\$ 6,866	\$ 822,900	\$ 825,294	\$ 2,394
@ 3/15/10 Revenues as estimated by the Department of Administrative Services on January 15, 2010.							

HOUSE COMMITTEE ON FINANCE

WORK SESSION ON HB 1664-FN

BILL TITLE: making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.

DATE: March 16, 2010

LOB ROOM: 210-211 **Time Work Session Called to Order:** 10:00 a.m.

Time Adjourned: 7:55 p.m.

(please circle if present)

Committee Members: Reps. M. Smith, Nordgren, Foster, Eaton, Baroody, Benn, Leishman, DeJoie, Buco, Foose, Mitchell, Keans, Casey, Harris, Kurk, D. Scamman, E. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokmo, Bergin, Belvin and R. Elliott.

Bill Sponsors: Rep. Packard, Rock 3; Rep. Kurk, Hills 7

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Chairman M. Smith introduced Mr. Richard Ingram, Executive Director, NH Retirement System.

Mr. Ingram: June 30 data suggests if we extend for new increase 15 basis for 2012 and 20 bp for 2013. If we extend increase to political subdivisions: police, teachers, fire, we further reduce 10 + 10 p 5 f in 12 shift 3-4 million contribution to members. Recalculate for FY 11 would have little impact.

Chairman Smith: Line 75? \$10 million.

Mr. Ingram: Yes if applied to all employees. Small increase in FY 11. Data on employees retiring under 65. 08 data - 20% < 6000, 45% < 12,000, 67% < 18,000. Proposal would reverse rates for new state hires from 7% to 5% and create an increase in rate. Several items in litigation. Projections based on \$2.5 billion payroll.

Rep. Weyler: Rte of return?

Mr. Ingram: 15-18%.

Chairman Smith: Check letter from Mr. Ingram.

Chairman Smith: Department of Administrative Services (DAS) - Line 8, section 4. Assistant Commissioner Joseph Bouchard and Ms. Monica Ciolfi.

Ms. Ciolfi: Other ideas for reducing cost of retirement.

Chairman Smith: Impact of increasing from 65 to 100.

Ms. Ciolfi: 195 thousand for each 5% total, 100 thousand for each 5% general.

Rep. Wendelboe: People have a multiple retirements. Could we implement a hardship program?

Ms. Ciolfi: Retirement system administrators.

Mr. Ingram: We administer. Administrative Services administers the whole program. Retirement system could administer.

Rep. Wendelboe: Which entity gives confidentiality?

Mr. Ingram: Both could do it.

Rep. DeJoie: Other funds, medical subsidy plus all other funds.

Ms. Ciolfi: Yes.

Rep. DeJoie: 2/3 make less than \$18,000. How many couldn't afford increase?

Ms. Ciolfi: Less than 6 today, hard to estimate.

Rep. Kurk: Could you break down between two groups? Are there municipal contributions?

Ms. Ciolfi: Probably 50% -50%. \$7 million - \$3 million.

Rep. L. Ober: When we see a retiree we don't know if spouse is covered.

Rep. DeJoie: Define early retirees.

Ms. Ciolfi: Two ways to reduce: decrease contribution, change design of plan. Plans are now in parity.

Mr. Ingram: Legislation should define hardship clearly; (directed to Rep. Wendelboe) should be quantifiable.

Assist. Comm. Bouchard: Sarah Willingham here to talk about bargaining.

Chairman Smith called on Kathryn Dodge, Executive Director, NH Postsecondary Education Commission.

Ms. Dodge: Should be called medical education. Dartmouth, University of New England created in 1979. Helps lakes region hospital.

Chairman Smith: Does any money end up in financial aid?

Ms. Dodge: Admission only in if students qualified.

Chairman Smith: Has program stimulated enrollment?

Ms. Dodge: This is a capitation program.

Rep. Kurk: Does this do what intended?

Ms. Dodge: Don't know.

Rep. Kurk: Are there conditions such as commitment to return to NH?

Ms. Dodge: No, just an expression of interest.

Rep. Bergin: History of program?

Rep. Harris: Explain capitation and how this program came about.

Ms. Dodge: Most states have medical schools. We pay schools for saving 5 slots. NH students would not have opportunity.

Chairman Smith: Students are qualified, why wouldn't they stay in state?

Rep. Casey: Are students going?

Ms. Dodge: You should ask me if there are any other underutilized – no.

Rep. Harris: 7000 applicants for 76 slots.

Rep. Emerton: Is there a commitment by student?

Rep. Harris: Not for this program – may be a federal program.

Chairman Smith called on Commissioner Wrenn, Department of Corrections (DOC) regarding line 80, section 52.

Chairman Smith: Done a good job on reducing prescription costs.

Comm. Wrenn: We can save some but not \$3.7 million. \$1.7 million might be doable.

Chairman Smith: We don't want to intrude on conversation with Governor.

Comm. Wrenn: In FY 11 – pharmacy, usual accounts. We've also saved \$2 million in 2010. We'd have to change the way we do business.

Chairman Smith: We applaud your efforts.

Rep. Baroody: I want to thank you.

Rep. Belvin: All your money from general fund? What happens if you're level funded?

This Document did not
include Page 4 of 19

Chairman Smith: Rep. Kurk intended this. We're only trying to cut overhead. Committee should have Cannon package.

Mr. John DeVivo, Executive Director, Cannon Mtn. and Franconia State Park, read answers from presentation.

Rep. L. Ober: Will you be in black in FY 11?

Mr. DeVivo: Yes. We currently expect net profit of \$500 k.

Rep. Emerton: When will you add Mittersill Resort?

Mr. DeVivo: We've had it for 6 months.

Rep. Kurk: Line 27 shows a savings of over \$5 million. LBA?

LBA: Anticipates lease revenue.

Rep. Kurk: HB 1664 has no impact on general fund from Cannon.

Chairman Smith: Mr. Clement, section 27, row 69. Could we tinker with adequacy?

Mr. Chris Clement, Office of Economic Stimulus: Clause would allow some reduction but not below FY 06 level. Same is true for higher education. Higher Ed - 24 million, Education - 25 million. Cuts must be proportional.

Rep. Graham: Describe proportional.

Mr. Clement: Same percentage.

Chairman Smith: Does that include all money, like drop-out prevention?

Mr. Clement: Don't know.

Rep. Kurk: Could you show us how you came up with numbers and timing? Stimulus program ends December 31. Is this the amount we could reduce before January 1, 2010?

Mr. Clement: Yes, but we can cut on our own after September 30.

Rep. Kurk: Proportionality might call for a 4% reduction.

Chairman Smith: Mr. Beardmore, LBA, make sure House Counsel is involved regarding ARRA and the Supreme Court.

Rep. Bergin: Can we understand where department budgets stand now?

Chairman Smith: Mr. Pattison can you answer the question?

Mr. Pattison, LBA: Some budgets haven't been finalized but I'll speak with DAS. It may be imperfect.

Chairman Smith: We want information.

Assist. Comm. Michael Walls and Ms. Susan Carlson, Department of Environmental Services (DES), line 78, section 50. We're working with the Governor on reductions that approximate what's intended in this bill.

Chairman Smith: We value your creativity but we want suggestions other than wholesale cuts. Is there anything you can discuss?

Assist. Comm. Walls: No.

Rep. Leishman: Describe local grant cuts.

Assist. Comm. Walls: We don't want to go back on our commitments. Please don't eliminate unfunded positions.

Rep. Kurk: From a budget position, shouldn't we eliminate positions so that we can consider new approaches when funds become available?

Assist. Comm. Walls: We think unfunded positions are necessary.

Rep. L. Ober: Described unfunded hypothetical to help Mr. Walls understand.

Rep. Belvin: 10% of your budget is general fund.

Rep. Weyler: Other agencies still overlap with DES, can it be reduced?

Assist. Comm. Walls: No overlap in my judgment.

Chairman Smith: Please review in next budget.

Chairman Smith: Mr. Bulkley, Division Director, Liquor Commission and Mr. Bailey, CIO, Office of Information Technology (OIT): Administrative Services of Liquor Commission; are information systems in place that we authorized?

Mr. Bulkley: Updated project list, some delays. We're addressing these issues with Governor's office. We gave back \$250 k two weeks ago.

Chairman Smith: Are you closing stores?

Mr. Bulkley: We've announced 2 stores on April 15.

Chairman Smith: How are your revenues?

Mr. Bulkley: We are on plan.

Chairman Smith: Is that reflected in DAS reports?

Mr. Bulkley: Our CFO isn't here.

Rep. Kurk: How are expenditures tracking?

Chairman Smith: Please check with LBA.

Rep. Baroody: Give me details on St. Mary's store closing.

Mr. Bulkley: We'll open another store.

Rep. Wendelboe: Please encourage your employees to be sales oriented.

Rep. L. Ober: Can we cut lines if we close stores?

Chairman Smith: Mr. Bailey, line 81, section 53.

Mr. Bailey: We've met Governor's target but to go higher would directly impact Health and Human Services (HHS) by tapping IT support. We would impact HHS efforts where we have greater general fund exposure. I have staff working on MMS.

Chairman Smith: Why 3 years?

Mr. Bailey: Vendor won on cost factor analysis. They took substantially longer but they bear cost. We're in testing. We do a through job of testing.

Rep. L. Ober: What can we do to cut software maintenance agreements cost? Can we do by April 10?

Mr. Bailey: We can do for big systems.

Chairman Smith: Thanks. Now, turning Chair to Vice Chairman Nordgren.

Vice Chairman Nordgren: HHS, row 34, section 15. How is money used?

Mr. Mosher and Mr. Wallace, DHHS: We began cost cutting on July 1. This represents step 3.

Gov. - 25 million

Feb 5 - 70 million between FY 10 and FY 11

Need 15 (8%) FY 10 and 70 (16%) FY 11

Many items being talked over with Governor.

Unclassified analysis:

88 total, 5 million per year

11 vacant

03 Federal

=74 unclassified

12 at hospital

=62 - 10% would be \$340k

Mr. Dave Clark, Division of Children, Youth and Families (DCYF) fund part of total budget. \$120 k = 9 %. Row 45, columns E - H don't agree.

LBA: A typo, \$400 k.

Row 49 needs more elaboration.

Mr. Mosher: Area agencies schedule integration of individual. Column I shows savings if we freeze. Any more would cause people to be removed.

Chairman Smith: Create language to suspend not eliminate.

Vice Chairman Nordgren: Re: 64 is there a maintenance of effort?

Mr. Wallace: Yes there could be some cut but proposed cut would trigger action.

Rep. Kurk: Was this made clear to Governor?

Mr. Wallace: Don't know.

Rep. DeJoie: Page 4, Developmental Disabilities (DD) waitlist – Acquired Brain Disorder (ABD) how many on lists currently? How many by end of FY 11?

Mr. Mosher: Nineteen on DD waitlist and zero on ABD.

Chairman Smith: Row 37 – What would be left after cuts?

Mr. Clark: Total funds from DCYF \$318k in general funds.

Rep. Emerton: What does alcohol program support?

Mr. Wallace: Many programs including prisoner.

Rep. Kurk: Is maintenance of effort dollar for dollar?

Mr. Wallace: Yes.

Rep. Leishman: Does this support residential programs?

Mr. Wallace: Yes but we have a problem that requires us to impact specific populations.

Rep. Leishman: Talk about Family Planning.

Mr. Mosher: \$750 k cut will have long term impact.

Rep. Kurk: Discuss impact of federal funds.

Mr. Wallace: ARRA requirements, Medicaid requirements.

Rep. Kurk: State currently provides above Medicaid minimums and after ARRA we have more requirements.

Mr. Mosher: Governor discussion covering every option.

Rep. Kurk: Can we get information on governor discussion?

Chairman Smith: We will continue our review when we get Senate bills.

Rep. DeJoie: Family Planning line not just family planning.

Mr. Mosher: Not sure.

Rep. DeJoie: Have we already cut all general funds?

Rep. Wendelboe: Can we change way in which assets are treated i.e., reverse mortgage? Are offices counseling spouses to shelter assets?

Ms. Ann Jones, Financial Officer, DHHS: We are not permitted to require spouse to take on debt.

Chairman Smith: Does your staff advise potential users how to avoid responsibility?

Mr. Jones: No, except to help with tax planning.

Rep. Wendelboe: How do you recover from my spouse?

Mr. Jones: Might be possible.

Chairman Smith: Mr. Ward, State Employees Association (SEA).

Mr. Jay Ward, SEA Political Director: Some items are in negotiation: higher co-payment for new employment, changes in health plan. Structured furloughs are unworkable. Look at outside contracts. Employees 18% of budget. 11,000 state employees. We should cut contracts so that contractors should cut their employee salaries.

Rep. Kurk: Look at savings in employee health payments. Look at reductions in outside contracts.

Mr. Ward: Yes.

Rep. DeJoie: Can LBA help?

Rep. L. Ober: Report was filed 2 years ago.

Chairman Smith: LBA can we get information? If anyone has changes please communicate with the LBA immediately. (After lunch break) at 2:30 we'll start at the beginning of bill.

The work session reconvened at 3:14.

Chairman Smith identified goal for HB 1664 to identify cuts in expenses. Votes today will only be straw votes.

Line 3, 4: House and Senate have returned more than other agencies. PEW grant a positive return on investment.

Rep. Eaton: Let Speaker and Senate President make cuts where they choose.

Rep. Kurk: Leave for another day.

Rep. Belvin: How much has been removed?

Rep. Eaton: I'll find out.

Consensus to eliminate.

Line 7: part of \$125k that Concord receives.

Rep. DeJoie: Leave on table.

Consensus to eliminate.

Line 8: Amendment to restrict contribution to 10% of AGI – suggested by Rep. Leishman.

Rep. DeJoie: Concerned about low pay grades.

Rep. Kurk: Asked for a new amendment.

Rep. DeJoie: With input from SEA with amendment.

Chairman Smith: Problem with Fiscal committee.

Rep. Kurk: We can revisit in April or May. Be specific about reduction size.

Chairman Smith: We have an obligation to support collective bargaining.

Rep. DeJoie: These are non bargaining individuals.
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Rep. Wendelboe: Talked to Administrative Services. Cost for retirees is high. Structure should be changed.

Rep. Bergin: We're paying more for retirees. We should study.

Rep. L. Ober: We're self insured. If we could modify House position; let's take Rep. Leishman's position.

Rep. Kurk: Consider three ideas: 1) increase contribution, 2) reduce level benefits, 3) eliminate spouses from coverage. Need to stake out for work after cross over

Chairman Smith: Let's put \$1 million on line and directed DAS take appropriate action to reduce level of benefits.

Rep. Benn: Can this be done?

Chairman Smith: Yes.

Consensus.

Line 12:

Rep. Harris: Should eliminate.

Rep. Belvin: Do we eliminate or do we keep it alive by including \$1?

Chairman Smith: Should we suspend?

LBA: Leave one dollar.

Consensus.

Line 13:

Chairman Smith: Leave one dollar.

Consensus.

Line 16:

Chairman Smith: Let's skip.

Line 19:

Chairman Smith: We should be in for full amount.

Rep. Baroody: Representing largest city in state this is a 28A issue. With this in we may not pass the House.

Rep. DeJoie: My city is lead plaintiff. I'll support Rep. Baroody.

Rep. Keans: I'll support Rep. Baroody.

Rep. Kurk: I'm preparing an amendment that will allow full choice for municipality without affecting the employee.

Rep. DeJoie: Don't see relevance of amendment.

Rep. Kurk: This language is germane.

Rep. Richardson: Need time to think about implications. What happens to money in system?

Rep. Benn: When does system become viable?

Rep. Kurk: System will be smaller – no impact on system viability.

Rep. Baroody: Magnitude of this amendment is too big to vote on.

Rep. Leishman: We need a hearing, can't support amendment.

Chairman Smith: Mr. Frydman, not a problem with germaneness but do we need a hearing?

Atty. David Frydman, House Counsel: Adding withdrawal provision changes bill substantially therefore you'd need a hearing.

Rep. Belvin: Should we ask employees for higher contribution?

Chairman Smith: That's later.

Smith/Baroody amendment?

Vote: 5 in support.

Kurk's amendment?

Rep. Kurk: Withdraw amendment.

Chairman Smith: Support cut?

Vote: 4 opposed.

Line 22:

Rep. Benn: Can't support.

Rep. Weyler: Keep it in.

Vote: Split vote

Consensus.

Rep. Elliott: What's your plan?

Chairman Smith: Tomorrow we will get a single bill.

Lines 25, 26:

Rep. Kurk: Please remove.

Rep. Elliott: I object.

Chairman Smith: Rep. Kurk is sponsor.

Consensus.

Line 26: Rep. Ober amendment. - Delete.

Rep. Kurk: Examined Cannon spreadsheet.

Rep. Graham: Debt service should be paid by lease.

Rep. Emerton: Cannon working well.

Rep. Baroody: Bright days ahead

Vote: 5 opposed.

Consensus.

Line 30:

Rep. Leishman: Include.

Consensus.

Lines 33, 34, 35, 36:

Keep in bill.

Line 37:

Rep. Eaton: Remove from bill

Rep. Emerton: Supports Rep. Eaton.

Vote: 7 opposed

Pull from bill

Line 40: Keep in bill.

Consensus.

Line 41:
Rep. DeJoie: Can't support.
Rep. Kurk: You'd prefer to cut Medicaid?
Rep. Baroody: Co-sponsor, remove.
Vote: 8 opposed.

Line 44:
Rep. Foose: Remove
Vote: 9 opposed.

Line 45:
No comments, keep in.

Line 48:
Chairman Smith: At this level people would be pulled from list. \$3,000,000 would create wait list.
Rep. Weyler: \$3 million.

Consensus.

Lines 50, 51:
Remove from bill.
Tight vote.

Lines 52, 53:
Change to 700,000.
Vote: yes

Lines 56, 57:
Leave in

Consensus.

Lines 58, 59:
Leave in but suspend. Does not appear anywhere. As a separate line so doesn't need a dollar.

Mike Kane, LBA: Budget reduction moves money from line to line.

Rep. Belvin: What are we doing?

Chairman Smith: Described impact of bill and that this is the first round.

Lines 60, 61:
Rep. DeJoie: Pull from bill to save North Country hospitals.

Lines 64, 67-69, 83-84:

Mr. Bud Fitch, Deputy Attorney General and Mr. Christopher Clement, Director, Office of Economic Stimulus, explain relationship among lines 69, 83 and 84. Passed out federal law and stimulus application. This section explains what we can and cannot do. We used ARRA funds to build budget at higher level than 2008. If we modified adequacy formula we negate pre 2008 formula.

Rep. Weyler: Did we supplement and as a consequence get locked in?

Mr. Fitch: ARRA funds intended to stabilize and supplement which is unusual.

Chairman Smith: Only to the extent that we had planned.

Mr. Fitch: If we change numbers then dollars go directly to Title I schools.

Rep. Kurk: Fiscal year is state fiscal year?

Mr. Fitch: Yes.

Rep. Kurk: If we introduced claw back could we do that?

Mr. Fitch: I don't think so.

Rep. Kurk: Can we amend in any way?

Mr. Fitch: Not without significant risk.

Rep. Kurk: How could we reduce contribution to UNH and Community College?

Mr. Fitch: No because proportionality forces adjustment to adequacy.

Rep. Kurk: Are there other actions in congress to help us?

Mr. Fitch: A number of pieces of legislation are in the hopper but nothing with more stabilization funding.

Chairman Smith: Mr. Frydman, anything else we need to know?

Mr. Frydman: Are lines 67, 68 ARRA sensitive?

Mr. Clement: No, not sensitive. Negative consequence for line 68.

Rep. Kurk: Are there law firms that specialize in challenging ARRA?

Back to Line 64:

Rep. Eaton: Remove.

Rep. Baroody: Remove.

Rep. Weyler: After cut there would be \$2.8 million left?

LBA: That is correct.

Rep. Eaton: Would this effect maintenance of effort?

HHS representative: Yes.

Rep. Eaton: Change line to \$190k.

Rep. Kurk: We've lost federal money on other actions.

Change to 190k.

Line 67: Reduce cut to \$750,000.

Line 68: Reduce cut to \$250,000.

Rep. Belvin: How much are we cutting?

Chairman Smith: Remove line 69.

Consensus.

Rep. Kurk: If we go ahead what is the penalty?

Line 72: Like to remove line.

Rep. Foose: Remove from list.

Rep. Baroody: Backs the New Hampshire student.

Rep. Belvin: Program very valuable but other options available through New England Board of Education (NEBE), suggest we replace eliminate with suspend.

Rep. Richardson: Supports pulling out.

Rep. Kurk: No more NH students than there are slots for last few years.

Rep. Bergin: Cheaper than medical school.

Consensus to remove.

Line 75: relates to line 19.

Rep. Kurk: Have an amendment that makes this fairer by increasing Group II rates. This reduces downshifting to communities.

Rep. Bergin: Financial consequence?

Rep. Kurk: I think it's about \$10 million.

Rep. Wendelboe: Group II not in social security.

Rep. Baroody: 55 is different from NH retirement. Let's put aside.

Line 78: Keep in amendment. Savings can't be taken out of aid to cities and towns.

Consensus.

Line 79: Increase reduction to \$600k.

Rep. Kurk: Don't want reduction to be disproportionate to one program.

Consensus.

Remove lines 76, 77.
Majority vote.

Line 80:
Chairman Smith suggests cutting cut in half.

Consensus.

Line 81: Support full cut and asks that language reflect cut to be in state general funds.

Line 82: Pull this line.

Consensus.

Rep. Eaton: Legislative cut will be \$846k.

Line 83, 84: Remove based on Fitch report.

Consensus.

Line 85: Keep dollar amount the same but leave decision to Judiciary as to how savings are affected.

Rep. Baroody amendment replaces \$4.6 with \$2 million. Tie vote fails by vote of the Chairman. Rep. Baroody amendment replaces \$4.6 with \$1.0 million. Amendment fails. Amendment removing reference to court.

Consensus.

Return to line 75 to discuss Rep. Kurk amendment.

Rep. DeJoie: don't support because we have outstanding study commissions.

Rep. Nordgren: Ask us to remove from list?

Rep. Eaton: Seems too dramatic.

Rep. Wendelboe: What are you objecting to?

Rep. Eaton: Amendment.

Rep. Wendelboe: Failure to act on this.

Rep. Kurk: Underlying bill is house policy. Amendment just intended to promote fairness.

Rep. DeJoie: Budget didn't include this.

Rep. Kurk: Budget compromise established. Vote in support of Rep. Kurk's amendment. Motion fails.

Line 75 without amendment.

Rep. DeJoie: Strike line 75.

LBA: This saves \$16 million not clear on general fund.

Rep. DeJoie: There are many moving parts.

Rep. Nordgren: We shouldn't insert ourselves in this issue.

- Recess -

Chairman Smith: Back on line 75.

Rep. Kurk: Strongly urge to retain part and parcel of line 19.

Chairman Smith: We should separate out downshifting.

Rep. DeJoie: Employees have a significant investment in what we do. Effort to fix COLA and Medicaid insurance subsidy rates are ongoing. This will send wrong signal. Let us act later.

Rep. Casey: I take Rep. DeJoie's words very seriously. This is the House position.

Chairman Smith: Line 75. Vote stands as it appears.

Line 87, 89:

Rep. Eaton: Asks to split the baby. Looking for a compromise. Remove \$1,000,000 and leaves \$721,579. LBA will work it out.

Chairman Smith: Now to amendments.

Rep. DeJoie: #1048h, should read non direct care officers cuts from classified position.

Rep. Graham: Why single out HHS?

Rep. DeJoie: I know HHS.

Rep. Kurk: How many people involved?

Rep. DeJoie: 62 people = \$340k.

Rep. Kurk: Troubled by focus on one department. Will work with you on action for later.

Rep. DeJoie: Removes amendment.

Rep. Wendelboe: Are these Red Book?

Chairman Smith: Rep. Kurk's amendment.

Rep. Kurk: I will offer and then withdraw it. It calls for 31/2% reduction in all general fund contracts.

Chairman Smith: Last amendment.

Rep. DeJoie: We'll pass out #1042. I'm concerned that we are privatizing state services but that decision should involve the legislature. Attempts to structure bid process.

Rep. Graham: Should work on it but with policy committee.


Rep. DeJoie: Could we add to a Senate bill?

Chairman Smith: Will review with Speaker. I'll suggest we hold a series of work sessions propose amendments and then schedule a hearing.

Rep. Wendelboe: This amendment relevant to work of our committee.

Rep. DeJoie: I will withdraw this for the moment.

Respectfully submitted,



Rep. Randy Foose, Clerk

I move that the Office of Legislative Budget Assistant be authorized to make technical and administrative corrections which are necessary to reflect the intent of the committee.

Foose
Kurt

show of hands UNANIMOUS

Amendment to HB 1664-FN

1 Amend the bill by replacing all after the enacting clause with the following:

2

3 1 2011 Operating Budget. Amend the estimated sources of funds for accounting unit 01, 14, 14,
4 140010, 1356 for fiscal year 2011 to read as follows:

5

FY 2011

6 01 GENERAL GOVERNMENT

7 14 DEPT ADMINISTRATIVE SERVICES

8 14 ADMINISTRATIVE SERV, DEPT OF

9 140010 COMMISSIONER'S OFFICE

10 1356 RETIREES HEALTH INSURANCE

11 ESTIMATED SOURCE OF FUNDS FOR

12 RETIREES HEALTH INSURANCE

13 001 Transfer from Other Agencies 25,512,984

14 008 Agency Income 14,577,238

15 009 Agency Income 2,541,240

16 GENERAL FUND [42,300,590] 41,399,590

17 TOTAL [85,031,052] 84,031,052

18 2 2011 Operating Budget. Amend the following classes and estimated sources of funds for
19 accounting unit 01, 34, 34, 340010, 6990 for fiscal year 2011 to read as follows:

20

FY 2011

21 01 GENERAL GOVERNMENT

22 34 DEPT OF CULTURAL RESOURCES

23 34 CULTURAL RESOURCES, DEPT OF

24 340010 OFFICE OF THE COMMISSIONER

25 6990 NH FILM COMMISSION

26 010 Personal Services-Perm. Classi [50,666] 0

27 020 Current Expenses [6,723] 1

28 026 Organizational Dues [1,750] 0

29 060 Benefits [33,282] 0

30 069 Promotional - Marketing Expenses [10,000] 0

31 070 In-State Travel Reimbursement [800] 0

Amendment to HB 1664-FN
- Page 2 -

1	102 Contracts for program services	[10,300] 0
2	TOTAL	[113,221] 1
3	ESTIMATED SOURCE OF FUNDS FOR	
4	NH FILM COMMISSION	
5	GENERAL FUND	[113,221] 1
6	TOTAL	[113,221] 1

7 3 2011 Operating Budget. Amend the following classes and estimated sources of funds for
8 accounting unit 01, 34, 34, 341010, 1250 for fiscal year 2011 to read as follows:

9 FY 2011

10	01 GENERAL GOVERNMENT	
11	34 DEPT OF CULTURAL RESOURCES	
12	34 CULTURAL RESOURCES, DEPT OF	
13	341010 DIVISION OF THE ARTS	
14	1250 STATE ARTS DEVELOPMENT	
15	073 Grants-Non Federal	[428,000] 1
16	TOTAL	[618,197] 190,198
17	ESTIMATED SOURCE OF FUNDS FOR	
18	STATE ARTS DEVELOPMENT	
19	GENERAL FUND	[618,197] 190,198
20	TOTAL	[618,197] 190,198

21 4 2011 Operating Budget. Amend the following classes and estimated sources of funds for
22 accounting unit 01, 38, 38, 382010, 1390 for fiscal year 2011 to read as follows:

23 FY 2011

24	01 GENERAL GOVERNMENT	
25	38 STATE TREASURY	
26	38 TREASURY- DEPT OF	
27	382010 LCHIP	
28	1390 LCHIP	
29	076 LCHIP	[1,721,579] 721,579
30	TOTAL	[1,721,579] 721,579
31	ESTIMATED SOURCE OF FUNDS FOR	
32	LCHIP	
33	009 Agency Income	[1,721,579] 721,579
34	TOTAL	[1,721,579] 721,579

35 5 2011 Operating Budget. Amend the following classes and estimated sources of funds for
36 accounting unit 01, 59, 59, 590510, 1052 for fiscal year 2011 to read as follows:

37 FY 2011

Amendment to HB 1664-FN
- Page 3 -



1	01 GENERAL GOVERNMENT	
2	59 NH RETIREMENT SYSTEM	
3	59 NH RETIREMENT SYSTEM	
4	590510 STATE CONTRIBUTIONS	
5	1052 STATE CONTRIBUTIONS	
6	064 Ret-Pension Bene-Health Ins	[46,837,853] <u>37,470,277</u>
7		
8	TOTAL	[46,837,853] <u>37,470,277</u>
9	ESTIMATED SOURCE OF FUNDS FOR	
10	STATE CONTRIBUTIONS	
11	GENERAL FUND	[46,837,853] <u>37,470,277</u>
12	TOTAL	[46,837,853] <u>37,470,277</u>

13 6 2011 Operating Budget. Amend the following classes and estimated sources of funds for
14 accounting unit 03, 44, 44, 440010, 1002 for fiscal year 2011 to read as follows:
15 FY 2011

16	03 RESOURCE PROTECTION & DEVELOPMENT	
17	44 DEPT OF ENVIRONMENTAL SERVICES	
18	44 DES:ENVIRONMENTAL SERV,DEPT OF	
19	440010 DEPT. ENVIRONMENTAL SERVICES	
20	1002 ADMINISTRATION - SUPPORT	
21	102 Contracts for program services	[220,000] <u>0</u>
22	TOTAL	[3,149,555] <u>2,929,555</u>
23	ESTIMATED SOURCE OF FUNDS FOR	
24	ADMINISTRATION - SUPPORT	
25	001 Transfer from Other Agencies	929,422
26	GENERAL FUND	[2,220,133] <u>2,000,133</u>
27	TOTAL	[3,149,555] <u>2,929,555</u>

28 7 2011 Operating Budget. Amend the following classes and estimated sources of funds for
29 accounting unit 05, 95, 40, 403010, 5857 for fiscal year 2011 to read as follows:
30 FY 2011

31	05 HEALTH AND SOCIAL SERVICES	
32	95 DEPT OF HEALTH AND HUMAN SVCS	
33	40 HHS: CHILDREN AND YOUTH	
34	403010 SERV FOR CHILD AND FAMILIES	
35	5857 DCYF - PREVENTION PROGRAMS	
36	073 Grants-Non Federal	[2,344,517] <u>1,559,606</u>
37	TOTAL	[2,344,517] <u>1,559,606</u>

1 ESTIMATED SOURCE OF FUNDS FOR

2 DCYF - PREVENTION PROGRAMS

3 GENERAL FUND [2,344,517] 1,559,606

4 8 2011 Operating Budget. Amend the following classes and estimated sources of funds for
5 accounting unit 05, 95, 40, 404010, 5847 for fiscal year 2011 to read as follows:

6 FY 2011

7 05 HEALTH AND SOCIAL SERVICES

8 95 DEPT OF HEALTH AND HUMAN SVCS

9 40 HHS: CHILDREN AND YOUTH

10 404010 FEDERAL GRANT PROGRAMS

11 5847 PROMOTING SAFE-STABLE FAMILIES

12 527 Family Resource Centers [120,000] 0

13 TOTAL [991,195] 871,195

14 ESTIMATED SOURCE OF FUNDS FOR

15 PROMOTING SAFE-STABLE FAMILIES

16 FEDERAL FUNDS 871,195

17 GENERAL FUND [120,000] 0

18 TOTAL [991,195] 871,195

19 9 2011 Operating Budget. Amend the following classes and estimated sources of funds for
20 accounting unit 05, 95, 40, 403010, 5855 for fiscal year 2011 to read as follows:

21 FY 2011

22 05 HEALTH AND SOCIAL SERVICES

23 95 DEPT OF HEALTH AND HUMAN SVCS

24 40 HHS: CHILDREN AND YOUTH

25 403010 SERV FOR CHILD AND FAMILIES

26 5855 CHILD - FAMILY SERVICES

27 535 Out-Of-Home Placements [28,684,647] 24,684,647

28 TOTAL [63,881,759] 59,881,759

29 ESTIMATED SOURCE OF FUNDS FOR

30 CHILD - FAMILY SERVICES

31 007 Agency Income 3,038,378

32 FEDERAL FUNDS [26,598,788] 24,598,788

33 GENERAL FUND [34,244,593] 32,244,593

34 TOTAL [63,881,759] 59,881,759

35 10 2011 Operating Budget. Amend the following classes and estimated sources of funds for
36 accounting unit 05, 95, 48, 481010, 9255 for fiscal year 2011 to read as follows:

37 FY 2011

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1 05 HEALTH AND SOCIAL SERVICES
2 95 DEPT OF HEALTH AND HUMAN SVCS
3 48 HHS: ELDERLY - ADULT SERVICES
4 481010 GRANTS TO LOCALS
5 9255 SOCIAL SERVICES BLOCK GRANT
6 543 Adult In Home Care [4,485,970] 3,985,970
7 TOTAL [10,841,532] 10,341,532
8 ESTIMATED SOURCE OF FUNDS FOR
9 SOCIAL SERVICES BLOCK GRANT
10 FEDERAL FUNDS 5,225,001
11 GENERAL FUND [5,616,531] 5,116,531
12 TOTAL [10,841,532] 10,341,532

13 11 2011 Operating Budget. Amend the following classes and estimated sources of funds for
14 accounting unit 05, 95, 90, 902010, 2223 for fiscal year 2011 to read as follows:

FY 2011

15
16 05 HEALTH AND SOCIAL SERVICES
17 95 DEPT OF HEALTH AND HUMAN SVCS
18 90 HHS: DIVISION OF PUBLIC HEALTH
19 902010 BUREAU OF COMM & HEALTH SERV
20 2223 BOSTON EMA TITLE I
21 568 Ti Hiv Care Boston Ema [1,024,586] 624,586
22 TOTAL [1,028,362] 628,362
23 ESTIMATED SOURCE OF FUNDS FOR
24 BOSTON EMA TITLE I
25 005 Private Local Funds 448,362
26 GENERAL FUND [580,000] 180,000
27 TOTAL [1,028,362] 628,362

28 12 2011 Operating Budget. Amend the following classes and estimated sources of funds for
29 accounting unit 05, 95, 93, 930010, 7100 for fiscal year 2011 to read as follows:

FY 2011

30
31 05 HEALTH AND SOCIAL SERVICES
32 95 DEPT OF HEALTH AND HUMAN SVCS
33 93 HHS:DEVELOPMENTAL SERV- DIV OF
34 930010 DIV OF DEVELOPMENTAL SVCS
35 7100 DEVELOPMENTAL SERVICES
36 558 Waitlist [20,000,000] 14,000,000
37 TOTAL [185,253,748] 179,253,748

1	ESTIMATED SOURCE OF FUNDS FOR	
2	DEVELOPMENTAL SERVICES	
3	001 Transfer from Other Agencies	50,000
4	FEDERAL FUNDS	[93,066,082] <u>90,066,082</u>
5	GENERAL FUND	[92,137,666] <u>89,137,666</u>
6	TOTAL	[185,253,748] <u>179,253,748</u>

7 13 2011 Operating Budget. Amend the following classes and estimated sources of funds for
 8 accounting unit 05, 95, 93, 930010, 7016 for fiscal year 2011 to read as follows:

9 FY 2011

10	05 HEALTH AND SOCIAL SERVICES	
11	95 DEPT OF HEALTH AND HUMAN SVCS	
12	93 HHS:DEVELOPMENTAL SERV- DIV OF	
13	930010 DIV OF DEVELOPMENTAL SVCS	
14	7016 ACQUIRED BRAIN DISORDER SERVIC	
15	558 Waitlist	[2,600,000] <u>1,200,000</u>
16	TOTAL	[20,165,406] <u>18,765,406</u>

17	ESTIMATED SOURCE OF FUNDS FOR	
18	ACQUIRED BRAIN DISORDER SERVIC	
19	FEDERAL FUNDS	[10,357,631] <u>9,657,631</u>
20	GENERAL FUND	[9,807,775] <u>9,107,775</u>
21	TOTAL	[20,165,406] <u>18,765,406</u>

22 14 2011 Operating Budget. Amend the following classes and estimated sources of funds for
 23 accounting unit 05, 95, 95, 956010, 6147 for fiscal year 2011 to read as follows:

24 FY 2011

25	05 HEALTH AND SOCIAL SERVICES	
26	95 DEPT OF HEALTH AND HUMAN SVCS	
27	95 HHS:COMMISSIONER	
28	956010 OFF MEDICAID & BUSINESS POLICY	
29	6147 PROVIDER PAYMENTS	
30	041 Audit Fund Set Aside	[169,635] <u>168,235</u>
31	101 Medical Payments to Providers	[248,781,885] <u>246,780,230</u>
32	559 Catastrophic Aid	[2,800,000] <u>0</u>
33	565 Outpatient Hospital	81,485,398
34	TOTAL	[333,236,918] <u>328,433,863</u>

35	ESTIMATED SOURCE OF FUNDS FOR	
36	PROVIDER PAYMENTS	
37	FEDERAL FUNDS	[167,334,549] <u>164,725,035</u>



1 GENERAL FUND [165,902,369] 163,708,828
 2 TOTAL [333,236,918] 328,433,863

3 15 2011 Operating Budget. Amend the following classes and estimated sources of funds for
 4 accounting unit 05, 95, 95, 958410, 1388 for fiscal year 2011 to read as follows:

5 FY 2011

6 05 HEALTH AND SOCIAL SERVICES
 7 95 DEPT OF HEALTH AND HUMAN SVCS
 8 95 HHS: COMMISSIONER
 9 958410 DCBCS TREATMENT & PREVENTION
 10 1388 GOVERNOR
 11 102 Contracts for program services [3,800,000] 3,610,000
 12 TOTAL [3,800,000] 3,610,000
 13 ESTIMATED SOURCE OF FUNDS FOR
 14 GOVERNOR [3,800,000] 3,610,000
 15 GENERAL FUND [3,800,000] 3,610,000
 16 TOTAL

17 16 2011 Operating Budget. Amend the following classes and estimated sources of funds for
 18 accounting unit 06, 56, 56, 561010, 6019 for fiscal year 2011 to read as follows:

19 FY 2011

20 06 EDUCATION
 21 56 DEPARTMENT OF EDUCATION
 22 56 EDUCATION, DEPT OF
 23 561010 FINANCIAL AID TO DISTRICTS
 24 6019 OTHER STATE AID
 25 606 Dropout Prevention [1,750,000] 750,000
 26 609 Local Ed Improvement [500,000] 250,000
 27 TOTAL [41,650,807] 40,400,807
 28 ESTIMATED SOURCE OF FUNDS FOR
 29 OTHER STATE AID
 30 GENERAL FUND [41,650,807] 40,400,807
 31 TOTAL [41,650,807] 40,400,807

32 17 Recording Surcharge. Amend 2009, 144:232 to read as follows:

33 144:232 Recording Surcharge. Notwithstanding the provisions of RSA 478:17-g, II(c), for the
 34 fiscal year ending June 30, 2011, ~~[50 percent of]~~ **\$2,721,579 of** the funds received by the treasurer
 35 for the recording surcharge assessed by registers of deeds under RSA 478:17-g, II(a) shall be
 36 deposited in the ~~[trust fund for the land and community heritage investment program under~~
 37 ~~RSA 227-M:7 and 50 percent of funds received for such surcharge shall be deposited in the]~~ general

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1 fund. ~~[The funds collected under this section shall remain in the custody of the land and community~~
2 ~~heritage investment program during the fiscal year ending June 30, 2011 and shall be transferred to~~
3 ~~the general fund at the end of such fiscal year.]~~

4 18 New Hampshire Retirement System; Member Contribution Rates; Fiscal Year 2011. Amend
5 RSA 100-A:16, I(a) to read as follows:

6 (a) The member annuity savings fund shall be a fund in which shall be accumulated the
7 contributions deducted from the compensation of members to provide for their member annuities
8 together with any amounts transferred thereto from a similar fund under one or more of the
9 predecessor systems. Such contribution shall be, for each member, dependent upon the member's
10 employment classification at the rate determined in accordance with the following table:

11 Employees ~~[of employers other than the state 5.00]~~ **7.00**

12 ~~[Employees of the state hired on or before June 30, 2009 5.00]~~

13 ~~[Employees of the state hired after June 30, 2009 7.00]~~

14 Teachers ~~[5.00]~~ **7.00**

15 Permanent Policemen ~~[9.30]~~ **11.00**

16 Permanent Firemen ~~[9.30]~~ **11.00**

17 The board of trustees shall certify to the proper authority or officer responsible for making up the
18 payroll of each employer, and such authority or officer shall cause to be deducted from the
19 compensation of each member, except group II members with creditable service in excess of 40 years
20 as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer
21 for each and every payroll period, the percentage of earnable compensation applicable to such
22 member. No deduction from earnable compensation under this paragraph shall apply to any group
23 II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and
24 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining
25 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable
26 by a member in a payroll period, the board may consider the rate of compensation payable to such
27 member on the first day of a payroll period as continuing throughout the payroll period and it may
28 omit deduction from compensation for any period less than a full payroll period if such person was
29 not a member on the first day of the payroll period, and to facilitate the making of deductions it may
30 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one
31 percent of the annual earnable compensation upon the basis of which such deduction is made. The
32 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,
33 shall be paid to the retirement system at such times as may be designated by the board of trustees
34 and credited to the individual account, in the member annuity savings fund, of the member from
35 whose compensation the deduction was made.

36 19 New Hampshire Retirement System; Member Contribution Rates; Fiscal Year 2012. Amend
37 RSA 100-A:16, I(a) to read as follows:

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1 (a) The member annuity savings fund shall be a fund in which shall be accumulated the
2 contributions deducted from the compensation of members to provide for their member annuities
3 together with any amounts transferred thereto from a similar fund under one or more of the
4 predecessor systems. Such contribution shall be, for each member, dependent upon the member's
5 employment classification at the rate determined in accordance with the following table:

6 Employees [~~7.00~~] **5.00**

7 Teachers [~~7.00~~] **5.00**

8 Permanent Policemen [~~11.00~~] **9.30**

9 Permanent Firemen [~~11.00~~] **9.30**

10 The board of trustees shall certify to the proper authority or officer responsible for making up the
11 payroll of each employer, and such authority or officer shall cause to be deducted from the
12 compensation of each member, except group II members with creditable service in excess of 40 years
13 as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer
14 for each and every payroll period, the percentage of earnable compensation applicable to such
15 member. No deduction from earnable compensation under this paragraph shall apply to any group
16 II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and
17 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining
18 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable
19 by a member in a payroll period, the board may consider the rate of compensation payable to such
20 member on the first day of a payroll period as continuing throughout the payroll period and it may
21 omit deduction from compensation for any period less than a full payroll period if such person was
22 not a member on the first day of the payroll period, and to facilitate the making of deductions it may
23 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one
24 percent of the annual earnable compensation upon the basis of which such deduction is made. The
25 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,
26 shall be paid to the retirement system at such times as may be designated by the board of trustees
27 and credited to the individual account, in the member annuity savings fund, of the member from
28 whose compensation the deduction was made.

29 20 New Hampshire Retirement System. State Share of Municipal Normal Contribution.
30 Amend RSA 100-A:16, II(b)-(c) to read as follows:

31 (b) The contributions of each employer for benefits under the retirement system on
32 account of group II members shall consist of a percentage of the earnable compensation of its
33 members to be known as the "normal contribution," and an additional amount to be known as the
34 "accrued liability contribution;" provided that any employer, other than the state, shall pay 70
35 percent of such total contributions for state fiscal year 2010, and 30 percent thereof shall be paid by
36 the state for state fiscal year 2010, and that beginning with state fiscal year 2011 any employer,
37 other than the state, shall pay [~~75~~] **80** percent of such total contributions, and [~~25~~] **20** percent thereof

1 shall be paid by the state, and that beginning with state fiscal year 2012, and every state fiscal year
2 thereafter, any employer, other than the state, shall pay 65 percent of such total contributions, and
3 35 percent thereof shall be paid by the state; and provided that, in the case of compensation
4 attributable to extra or special duty, the employer shall pay the full amount of such total
5 contributions; and provided further that, in case of group II members employed by the state, the
6 state shall pay both normal and accrued liability contributions. The rate percent of such normal
7 contribution, including contributions on behalf of group II members whose group II creditable service
8 is in excess of 40 years, in each instance shall be fixed on the basis of the liabilities of the system
9 with respect to the particular members of the various member classifications as shown by actuarial
10 valuations, except as provided in subparagraphs (h) and (i).

11 (c) The contributions of each employer for benefits under the retirement system on
12 account of group I members shall consist of a percentage of the earnable compensation of its
13 members to be known as the "normal contribution," and an additional amount to be known as the
14 "accrued liability contribution;" provided that, in the case of teachers, any employer, other than the
15 state, shall pay 70 percent of such total contributions for state fiscal year 2010, and 30 percent
16 thereof shall be paid by the state for state fiscal year 2010, and that beginning with state fiscal year
17 2011 any employer, other than the state, shall pay ~~[75]~~ 80 percent of such total contributions, and
18 ~~[25]~~ 20 percent thereof shall be paid by the state, and that beginning with state fiscal year 2012,
19 and every state fiscal year thereafter, any employer, other than the state, shall pay 65 percent of
20 such total contributions, and 35 percent thereof shall be paid by the state; and provided further that
21 in case of teacher members employed by the state the state shall pay both normal and accrued
22 liability contributions. The rate percent of such normal contribution in each instance shall be fixed
23 on the basis of the liabilities of the system with respect to the particular members of the various
24 member classifications as shown by actuarial valuation, except as provided in subparagraphs (h) and
25 (i).

26 21 New Hampshire Retirement System; Recalculation of Employer Rates. Amend 2009, 144:56
27 to read as follows:

28 144:56 Retirement System; Recalculation of Employer Rates; Recertification. Notwithstanding
29 the notice requirements of RSA 100-A:16, III, the board of trustees of the retirement system shall
30 recalculate employer contribution rates for the state fiscal ~~[years 2010 and]~~ year 2011 to reflect the
31 requirements of RSA 100-A:16, II(b) and (c) as amended by this act. *The retirement system shall*
32 *utilize the sums attributable to the increase in member contribution rates under RSA 100-*
33 *A:16, I(a) as amended by this act to reduce previously certified employer contribution rates*
34 *for state fiscal year 2011.* Notwithstanding the notice requirements of RSA 100-A:16, III, such
35 employer contribution rates shall be effective for the ~~[biennium]~~ fiscal year beginning July 1, ~~[2009]~~
36 2010, and the recertification of employer contribution percentages, applicable beginning July 1,
37 ~~[2009]~~ 2010, shall be provided to each employer within a reasonable period of time not to exceed 30

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1 days from the effective date of this section. The exception to the notice requirements of RSA 100-
2 A:16, III in this section shall be limited to the applicable employer contribution rates for the
3 [~~biennium~~] *fiscal year* beginning July 1, [~~2009~~] **2010**.

4 22 Savings from Changes to State Retiree Health Plan. For the fiscal year ending June 30,
5 2011, the department of administrative services shall, in consultation with the State Employees
6 Association of New Hampshire, implement benefit changes to the state retiree health plan resulting
7 in general fund savings of \$1,000,000.

8 23 Department of Health and Human Services; Services for Children, Youth and Families;
9 Diversion Incentive Funds. Amend RSA 170-G:4, XVI to read as follows:

10 XVI. Encourage cities, towns and counties to develop and maintain prevention programs,
11 court diversion programs and alternative dispositions for juveniles other than placements outside of
12 the home through the use of a formula which shall allow for the transfer of funds to cities, towns and
13 counties which have, or are developing, prevention programs or alternatives for juvenile care. The
14 amount to be distributed for this program shall be not less than [~~4-5~~] **3** percent of the annual amount
15 appropriated to the department of health and human services for placement costs. The method of
16 distribution shall be based upon rules adopted under RSA 541-A by the commissioner. For purposes
17 of this paragraph, prevention programs shall include programs or activities for the prevention of
18 child abuse and neglect.

19 24 Department of Health and Human Services; Direct and Indirect Graduate Education
20 Payments. 2009, 144:24 is repealed and reenacted to read as follows:

21 144:24 Department of Health and Human Services; Direct and Indirect Graduate Medical
22 Education. The commissioner shall submit a Title XIX Medicaid state plan amendment to the
23 federal Centers for Medicare and Medicaid Services to cease the provision of direct and indirect
24 graduate medical education payments to hospitals as contemplated at 42 U.S.C. section
25 1396a(a)(30)(A) to be effective July 1, 2010. Upon approval of the state plan amendment, and as of
26 the effective date of the state plan amendment, any obligations for payment of direct and indirect
27 graduate medical education are suspended for the fiscal year ending June 30, 2011.

28 25 Operating Budget; Department of Environmental Services. The department of
29 environmental services shall reduce state general fund appropriations by \$2,000,000 for the fiscal
30 year ending June 30, 2011. The department shall not reduce the general fund appropriations for
31 state aid programs to meet this required reduction. The department shall provide a quarterly report
32 of reductions made under this section to the fiscal committee of the general court and the governor
33 and council.

34 26 Department of Justice; General Fund Appropriation Reductions. The department of justice
35 shall reduce state general fund appropriations by \$600,000 for the fiscal year ending June 30, 2011.
36 The consumer protection bureau, accounting unit 02-20-20-2005-2611, shall not contribute a
37 disproportionate share of the state general fund appropriation reduction required by this section.

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1 The department shall provide a quarterly report of reductions made under this section to the fiscal
2 committee of the general court and the governor and council.

3 27 Operating Budget; Department of Corrections. The department of corrections shall reduce
4 state general fund appropriations by \$1,858,818 for the fiscal year ending June 30, 2011. The
5 department shall provide a quarterly report of reductions made under this section to the fiscal
6 committee of the general court and the governor and council.

7 28 Operating Budget; Department of Information Technology. Notwithstanding 2009, 143:12,
8 the department, in consultation with the department of administrative services, shall reduce class
9 lines of the department by an amount that will result in additional general fund reductions of
10 \$5,617,263 for the fiscal year ending June 30, 2011. The appropriation reductions required under
11 this section shall be allocated based on statewide prioritization recommended by the department of
12 information technology and approved by the fiscal committee of the general court and governor and
13 council.

14 29 Operating Budget; Judicial Branch. In addition to any other sums reduced in 2009, 143:18,
15 the judicial branch shall reduce state general fund appropriations by \$4,787,793 for the fiscal year
16 ending June 30, 2011. The accounting unit 02-10-10-100010-1880, class 049, transfer to the
17 department of administrative services for court facilities, shall not be reduced unless the reduction is
18 agreed to by the commissioner of administrative services and the chief justice for the supreme court.
19 The director of the administrative office of the courts shall submit to the fiscal committee of the
20 general court and the commissioner of the department of administrative services an itemization of
21 the reductions in expenditure classes made to implement this section on or before June 15, 2011.

22 30 Effective Date.

23 I. Section 19 of this act shall take effect July 1, 2011.

24 II. The remainder of this act shall take effect July 1, 2010.

2010-1060h

AMENDED ANALYSIS

This bill makes appropriations reductions for fiscal year 2011.

This bill also:

1. Requires a portion of the recording surcharge assessed by the register of deeds to be deposited in the general fund for fiscal year 2011.
2. Increases the state retirement system member contribution rate for fiscal year 2011 and reduces the municipal normal contribution rate.
3. Reduces the amount distributed as juvenile diversion incentive funds.
4. Suspends the catastrophic illness program for fiscal year 2011.
5. Requires the commissioner of the department of health and human services to submit a Medicaid state plan amendment to terminate the provision of direct and indirect graduate medical education payments to hospitals.
6. Requires certain executive branch departments and the judicial branch to reduce general fund appropriations for fiscal year 2011.

HB 1664-FN - As Amended by House Finance (Amendment 2010-1060h)						
Analysis of Fiscal Impact						
ROW	SECTION	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS
1		01-14-14	Department of Administrative Services			
2	Section 1	01-14-14-1400-1356	Retirees Health Insurance	G	(1,000,000)	Reduce state general fund appropriations for retiree health insurance. See Section 22 of the amendment.
3						
4		01-34-34	Department of Cultural Affairs			
5	Section 2	01-34-34-3400-6990	NH Film Commission	G	(113,220)	Reduce funding for NH Film Commission to \$1.
6	Section 3	01-34-34-3410-1250	State Arts Development Grants	G	(427,999)	Reduce funding for State Arts Development Grants (class 73) to \$1.
7						
8		01-38-38	Treasury Department			
9	Section 4	01-38-38-3820-1390	LCHIP (Appropriation)	O	(1,000,000)	Reduce LCHIP appropriations by \$1,000,000. Reduction will leave \$721,579 for the program in FY 2011. See Section 17 of the amendment.
10						
11		01-59-59	New Hampshire Retirement System			
12	Section 5	01-59-59-5905-1052	State Contributions	G	(9,367,576)	Decrease State Contributions towards Municipal Normal Contribution to 20% in FY 2011). See section 20 of the amendment.
13						
14		03-44-44	Department of Environmental Services			
15	Section 6	03-44-44-4400-1002	Regional Planning Commission Contracts	G	(220,000)	Remove funding for Regional Planning Commission contracts.
16						
17		05-95-40	Division for Children, Youth and Families			
18	Section 7	05-95-40-4030-5857	DCYF Diversion Incentive Funds	G	(784,911)	Fund diversion programs at Governor Recommended level of 3% of out-of-home placement appropriations. See section 23 of the amendment.

HB 1664-FN - As Amended by House Finance (Amendment 2010-1060h)						
Analysis of Fiscal Impact						
ROW	SECTION	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS
19	Section 8	05-95-40-4040-5847	Promoting Safe-Stable Families	G	(120,000)	Remove funding for family resource centers.
20	Section 9	05-95-40-4030-5855	Child - Family Services - Reduction in Out-of-Home/Residential Care	F	(2,000,000)	Reduce funding for out-of-home placements and residential care by \$4,000,000 total funds annually (50/50 state/federal match).
21		05-95-40-4030-5855	Child - Family Services - Reduction in Out-of-Home/Residential Care	G	(2,000,000)	See above.
22						
23		05-95-48	Bureau of Elderly & Adult Services			
24	Section 10	05-95-48-4810-9255	Social Services Block Grant	G	(500,000)	Reduce funding for social services block grant programs by \$500,000.
25						
26		05-95-90	Division of Public Health			
27	Section 11	05-95-90-9020-2223	Boston EMA Title I	G	(400,000)	Reduce general fund appropriation for AIDS Services Organizations (ASO's) by \$400,000.
28						
29		05-95-93	Division of Developmental Services			
30	Section 12	05-95-93-9300-7100	Developmental Services - DD Waitlist	F	(3,000,000)	Reduce DD waitlist funding by \$6,000,000 in total funds in FY 2011. Reduction will allow DHHS to continue to provide services to individuals currently receiving services, and will freeze the DD waitlist in FY 2011.
31		05-95-93-9300-7100	Developmental Services - DD Waitlist	G	(3,000,000)	See above.
32	Section 13	05-95-93-9300-7016	Acquired Brain Disorder Svcs - Waitlist	F	(700,000)	Reduce ABD waitlist funding by \$1,400,000 in total funds in FY 2011. Reduction will allow DHHS to continue to provide services to individuals currently receiving services, and will freeze the ABD waitlist in FY 2011.
33		05-95-93-9300-7016	Acquired Brain Disorder Svcs - Waitlist	G	(700,000)	See above.
34						

HB 1664-FN - As Amended by House Finance (Amendment 2010-1060h)						
Analysis of Fiscal Impact						
ROW	SECTION	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS
35		05-95-95-9560	Office of Medicaid and Business Policy			
36	Section 14	05-95-95-9560-6147	Provider Payments - Indirect Medical Education (Class 101)	F	(1,208,114)	Suspend funding for indirect medical education for FY 2011. See section 24 of the amendment.
37		05-95-95-9560-6147	Provider Payments - Indirect Medical Education (Class 101)	G	(793,541)	See above.
38		05-95-95-9560-6147	Provider Payments - Catastrophic Aid (Class 559)	F	(1,401,400)	Remove funding for catastrophic aid payments to hospitals.
39		05-95-95-9560-6147	Provider Payments - Catastrophic Aid (Class 559)	G	(1,400,000)	See above.
40						
41		05-95-95-9580	Division of Community Based Care Services			
42	Section 15	05-95-95-9584-1388	Governor's Commission on Alcohol & Drug Abuse Prevention	G	(190,000)	Reduce funding for Governor's Commission by \$190,000 in FY 2011 to \$3,610,000. Reduced appropriation amount would still allow the Department to meet maintenance of effort requirements and avoid the loss of federal funds.
43						
44		06-56-56	Department of Education			
45	Section 16	06-56-56-5610-6019	Dropout Prevention (Class 606)	G	(1,000,000)	Reduce funding for dropout prevention by \$1,000,000 in FY 2011. \$750,000 would remain for the program.
46		06-56-56-5610-6019	Local Education Improvement (Class 609)	G	(250,000)	Reduce funding for local ed improvement by \$250,000 in FY 2011. \$250,000 would remain for the program.
47						
48						
49		Sections	Various Agencies			
50	Section 17		LCHIP Recording Surcharge	G	Revenue	Section would require \$2,721,579 of funds received from the LCHIP recording surcharge to be deposited into the state general fund, which is \$1,000,000 more than current estimates. Corresponds with the appropriation reduction contained in section 4 of the amendment. <i>Additional general fund revenue not reflected in expenditure totals below.</i>

HB 1664-FN - As Amended by House Finance (Amendment 2010-1060h)						
Analysis of Fiscal Impact						
ROW	SECTION	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS
51	Sections 18, 19 & 21		Employee Retirement Contributions (Expenditure Impact)	G	(10,000,000)	Take House position relative to employee retirement contributions (Group 1 - 7%, Group 2 - 11%) for FY 2011. For purposes of this spreadsheet, fiscal impact is based on initial discussions during House budget deliberations. Exact fiscal impact has not yet been determined by NHRS.
52	Section 20		State Share of Municipal Normal Contribution	N/A	N/A	Section decreases State Contributions towards Municipal Normal Contribution to 20% in FY 2011. Appropriation reduction contained in section 5 of the amendment.
53	Section 22		State Retiree Health Plan Change	N/A	N/A	Section would require the Department of Administrative Services to work in consultation with the SEA to implement benefit changes to the state retiree health plan which will result in general fund savings of \$1,000,000. Appropriation reduction contained in section 1 of the amendment.
54	Section 23		Diversion Incentive Program (change to 3%)	N/A	N/A	Section would reduce diversion incentive program percentage from 4.5% to 3%. Appropriation reduction contained in section 7 of the amendment.
55	Section 24		Suspension of Indirect Medical Education Payments	N/A	N/A	Section would suspend payments for indirect medical education for FY 2011. Appropriation reduction contained in section 14 of the amendment.
56	Section 25		Department of Environmental Services Reduction	G	(2,000,000)	Require DES to reduce state general fund appropriations by \$2,000,000 in FY 2011. State aid programs would be exempt from this reduction.
57	Section 26		Department of Justice Reduction	G	(600,000)	Require Department of Justice to reduce state general fund appropriations by \$600,000 in FY 2011. The consumer protection bureau shall not contribute a disproportionate share of the reduction.
58	Section 27		Department of Corrections Reduction	G	(1,858,818)	Require Department of Corrections to reduce state general fund appropriations by \$1,858,818 in FY 2011.

HB 1664-FN - As Amended by House Finance (Amendment 2010-1060h)							
Analysis of Fiscal Impact							
ROW	SECTION	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS	
59	Section 28		Department of Information Technology Reduction	G	(5,617,263)	Require DoIT to reduce state general fund appropriations by \$5,617,263 in FY 2011. DoIT estimates the required general fund reduction amount above will result in corresponding reduction in federal (\$3,245,958) and other funds (\$408,474) due to funding matches at the impacted agencies.	
60	Section 29		Judicial Branch	G	(4,787,793)	Require Judicial Branch to reduce state general fund appropriations by an additional \$4,787,793 in FY 2011.	
61	Section 30		Effective Dates	N/A	N/A	Effective dates.	
62							
63			HB 1664 - TOTAL IMPACT ON EXPENDITURES				
64			Total Funds		(56,440,635)		
65							
66			General Funds		(47,131,121)		
67			Federal Funds		(8,309,514)		
68			Highway Funds		0		
69			Other Funds		(1,000,000)		

Smith
~~Program~~ Retirement - June 30 data extend for new
Increase 15 basis
12 20 bp for 13
if we extend increase to political subdivisions further
reduce 10 + 10 p 5 f in 12
shift 3-4 mil contribution to members
recalculate for FY 11 would have little impact

Smith

line 75? 10 mil

~~Program~~ Retirement

yes if applied to all employees
small increase in FY 11

Data on ee's retiring under 65

08 data 20% < 6000

45% < 12,000

67% < 18,000

proposal would reverse rates for new
state hires from 7% to 5%

and create an increase in rate

several items in litigation

projections based on \$2.5 bil payroll

Weyler Rate of Return

Ingram 15-18%

Smith - check letter from Ingram

Smith Dept Admins. Service line 8 station 4

Burchard, Colfi

Colfi - other ideas for reducing cost
of retirement

Smith impact of increasing from 65 to 100
Cioffi - 195k for each 5% total
100k for each 5% general

Wendle box - people have multiple retirements
could we implement a hardship program

Cioffi - Retirement system administrators

Ingram - we administer

Aman Sves Administers the whole program

Retire sys could administer

Wendle box - which entity given confidentially

Ingram - both could do it

DeJure - other funds medical subsidy plus
all other funds

Cioffi - yes

DeJure - $\frac{2}{3}$ make less than \$18,000

how many couldn't afford increase

Cioffi - less than 6 today hard to estimate

Kirk - how much does state pay for post
retirement

Cioffi - 570 mil in 09 10,000 retirees

Kirk - could you break down between two groups

Are there multiple contributions

Cioffi - probably 50% - 50% 570 mil - 53 mil

Ober - when we see a retiree we don't
know if spouse is covered

DeJure - define ^{early} retirees

Cioffi - 2 ways to reduce

decrease contribution

change design of plan

plans are ^{now} in parity
- legislature should define hardship
clearly (to Wendlebee)
should be quantifiable

Bouchard - Sarah willing here to talk
about bargaining

Smith - called Kathleen Dodge line 72 sect. 28

Dodge - should be called medical education
Dartmouth, University of New England
created '79

helps takes region hospital

Smith - does any money end up ⁱⁿ financial aid

Dodge - admission only if students qualified

Smith - has program stimulated enrollment

Dodge - this is a capitation program

Kirk - does this do what intended

Dodge - don't know

Kirk - Are there conditions such as
commitment to return to NH.

Dodge - no just an expression of interest

Bergin - how many years

Dodge - 4 years

Bergin - history of program?

Harris - explain capitation and how this
program came about

Dodge - most states have medical schools

we pay schools for saving 5 slots

NH students would not have opportunity

Smith: students are qualified why wouldn't they stay in state

Casey - Are students going

Dodge - You should ask me if there are any other underutilized - No

Harris - 7000 applicants for 76 slots

Emerton - is there a commitment by student

Harris - Not for this program - may be a federal program

Smith - Commissioner Wren like 80 sections

Smith - gave a good job on reducing prescription costs

Wren - We can save some but not \$3.7 mil
\$1.7 mil might be doable

Smith - we don't want to intrude on conversations with govern.

Wren - in FY 11 - pharmacy, usual accounts

We've also saved \$2 mil in 2010

We'd have to change the way we do business

Smith - we applaud your efforts

Baroudy - I want to thank you

Belvin - All your money from general fund
What happens if you're level funded

Wren - we'd impact justice reinvestment program and personnel

Smith how much has your budget been cut

Wren - \$8 mil closing

2 rounds of layoffs

Kurk - any savings from SB 500
can you save by starting more
aggressively

Wren - No this is a best case scenario
McGraw - SB must pass before we take
savings

Ober - weren't cuts made before budget
approved

Wren - No

Wendleboe - do you control lights at Lakes
Region

Wren - No Admin Services

Bergin - What is your current budget

Wren - don't have

Bergin - If you're operating on less
than \$105 mil now why not next
year

Wren - ~~the~~ 2011 has community justice
& reinvestment

Elliott - do you agree with justice reinvestment

Wren - Yes

Wren - last point don't abolish vacant positions
it would be devastating we currently
use O.T. on a daily basis

Smith - led's go to Commis Bald 1425 section 10
Introduced Megan Aki shadowing house council
From John Stark

Bald - ~~the~~ can IRC be reduced. I'm disagree
with UNH money comes to us add

We pass through to UNH and
is awarded to either UNH and Parkhurst
Smith - how much do you take
Bald - -0.

Wendleboe - Are we cutting this out
Smith - Rup Kurk intended that we're
~~line 27~~ only trying to cut O.H.
Smith - Committee should have Cannon
package -

John D. Vivo - ~~Are~~ Read answers from
presentation

Ober - Will ^{you} be in black in FY11

Divo - Yes we currently expect net profit
of 7500k

Emerston - When will you add M. Harsill ^{OK}

D. Vivo - We've had it for 6 months

Kurk - line 27 shows a savings of over
55mil LBA?

~~But~~ LBA - Anticipates lease revenue

Kurk 1684 has no impact on general fund
from Cannon

Smith - Mr Clement Sect 27 row 69
~~What~~ Could we tinker with adequacy

Clement - clause would allow some reduction
but not below FY06 level

same is true for higher education

higher ed 24 mil

education 25 mil

cuts must be proportional

Graham - describe proportional

Clement - same %

Smith - does that include all money
like drop out prevention

Clement - don't know

Kirk - could you show us how you
came up w/ numbers and timing
stimulus program ends Dec 31

Is this ^{the} amount we could reduce before
~~the~~ January 1 2010,

Clement - yes, but we can cut on our
own after Sept 30.

Kirk - Proportionality might all for a
4% reduction

Smith That can take place on July 1

Ober Can we ask LBA to work w/ Mr. Clement

Smith. Mr. Beardmore, make sure house
counsel is involved re ARBA and
the Supreme Court

Bergin - Can we understand where department
budgets stand now

Smith Mr. Patterson ~~do~~ ^{can} you answer the
question

LBA - Patterson - Some budgets haven't been finalized
but I'll speak with Adm. Sves, It may
be imperfect

Smith we want

Mr. Walls, Ms. Carlsson line 78 see 50

We're working with the governor on

reductions that approximate what's intended in this bill

Smith - We value your creativity but we want suggestions other than wholesale cuts.

Is there anything you can discuss Walls. No

Lishman - describe local grant cuts

Walls - We don't want to go back on our commitments

Please don't eliminate unfunded positions
Kirk - From a budget position shouldn't we eliminate positions so that we can consider new approaches when funds become available

Walls - We think unfunded positions are necessary

Ober - described unfunded hypothetical to help Mr Walls understand.

Belov - 10% of your budget is general fund

Weyer - other agencies still overlap with DES can it be reduced

Walls - No overlap in my judgement

Smith - Please review in next budget

Smith - Mr Bly - Mr Bailey

- Ann. Succes of Liquor Commission

Are information systems in place that we authorized

Bulkly - updated project list, some delays

We're addressing these issues with
governor's office We gave back
\$250k two weeks

Smith Are you closing stores

Bulky - We've announced 2 stores on
4/15

Smith - how are your revenues

Bulky - we are on plan

Smith - is that reflected in Admin Svcs reports

Bulky - our CFO isn't here

Kook - how are expenditures tracking

Smith - plz check with LBA

Baroody - give me details on St Mary's
store closing

Bulky - We'll open another store

WinkelGoe - plz encourage your employees
to be sales

Ober - can we ~~cut~~ cut lines if we close
stores

Smith Mr Bailey line 83 section 53

Bailey - we've met governor's target but
to go higher would ~~not~~ directly impact
HMS by tapping IT support we would
impact HMS efforts where we have
greater general fund exposure

I have staff working on MMS

Smith Why 3 years

Bailey - Vendor won on cost factor analysis
They took substantially longer but they

bear cost. We're in testing. We
do a thorough job of testing
over. What can we do to cut software
mfg agreements cost. Can we
do by April 10.

Baily: We can do for big systems

Smith: Thanks Turning chair to Nordgren
Nordgren HHS Row 34 section 15

How is it used

HHS Mosher - ^{Wallace} We began cost cutting on July 1

This represents step 3

Gov. 25 mil

Feb 5 70 mil between F10 - F11

Need 15 F10 - 70 F11

8%

16%

many items being talked over w/ gov. unclassified analysis

88 total 5 mil/yr

11 vacant

3 Fed

74 unclassified

12 at hospita

62 10% would be \$340k

Dave Clark DCYF fund part of total budget

\$120k = 9%

Row 45

Column E - H don't agree

LBA A typo \$400k

Row 49 Needs more elaboration

Mushier Area Agencies schedule integration
of individual - - -
column I shows savings if we
freeze

Any more would cause people to be
removed

~~Ed~~ Smith Put create language to
suspend not eliminate

No. 64 is there a maintain. of effort

Wallace yes there could be some cut
but proposed cut would trigger action

Kirk: was this made clear to governor?

Wallace: Don't know

De Jure: pg 4 DD waitlists - ABD

how many on lists currently,

how many by end of FY11

~~Wallace want to~~

Mushier 19 on DD wait list and 0 on ABD

Smith Row 37 what would be left

after cuts

Dave Clark - Total Funds from DEEF BIP in
general funds

Emerston - ^{what} does alcohol program supports

Wallace - many programs including prisoner

Kirk - is mtc of effort \$1 for \$1

Wallace Yes

Dorshman - does this support residential
programs

Wallace - yes but we have a problem
that requires us to impact specific
populations

Leishman - Talk about Family Planning
Misher - '750K cut will have long term
impact

Kirk - Discuss ^{impact of} Federal Funds

Wallace ARRA requirements, Medicaid
requirements

Kirk - state currently provides above Medicaid
minimums and after ARRA we have
more requirements

Misher - governor discussion covering
every option.

Kirk - can we get info on governor discussion

Smith - We will continue our review when
we get senate ~~budget~~ bills

DeJure - Family Planning line not just
family planning

Misher - Not sure

DeJure - have we already cut all general funds

Wendlebie - can we change way in which assets are
treated i.e. reverse mortgage

are offices counselling spouses to ~~take~~ shelter
assets

~~Wendlebie~~ Ave Jones: We are not permitted to
require spouses to take on debt

Smith does your staff advise potential users how to
avoid responsibilities

Jones No except to help w/tax planning
Wendleboe How do you recover from my
spouse

Jones: Might be possible

Smith: Mr Ward State Employees Association

Ward: Some items were in negotiation

Higher co payment for new employment

~~Increase~~ Changes in health plan

Structured Furloughs on workable

Look at outside contracts

EE's 18% of budget

11,000 state EE's

We should cut contracts so that contractors
should cut their employee salaries

Kirk: - look at savings in EE health payments

- look at reductions in outside contracts

Ward - Yes

DeJure - can LBA help

Ober - Report was filed 2 years ago

Smith - LBA can we get information

Smith - If anyone has changes please communicate
w/ LBA immediately.

Smith - At 2:30 we'll start at the beginning
of bill

3:14

Smith: Identified goal for 1664 to identify cuts in expenses

Votes today will only be straw votes

8

line 3,4 house & senate has returned more than other agencies

Few grant a positive return

Entow: let speaker and president make cuts where they choose

Kirk leave for another day

Belvin how much has been removed

Entow I'll find out

consensus to eliminate

line 7 part of 6125K that conceal receives

DeJure leave on table

consensus to eliminate

line 8 Amendment to restrict contribution to 10% of AGI - suggested by Krishnan

DeJure concerned about low priority

Kirk asked for a new amendment

DeJure with input from SEA

~~Krishnan~~ accept with amendment

Smith problem w/ fiscal committee

Kirk: we can revisit in April or
May be specific about reduction size
Smith: we have an obligation to support
collective bargaining

DeJure: These are now bargaining individuals
Wendleboe: Talked to Admin Svc's Cost
for retirees is high structure should
be changed

Bergin: We're paying more for retirees
We should study

Ober: We're self insured IF we could
modify house position lets take Leshman
position

Kirk: consider 3 ideas

~~consensus~~

1) increase contribution

2) reduce level benefits

3) eliminate spouses from coverage

Need to stake out for work after
cross over

Smith: lets put \$1mil on line and
directed dept of Admin services
take appropriate action to reduce level
of benefits

Benn: can this be done

Smith: Yes

Consensus

line 12

Harris: should eliminate
Belton: do we eliminate or
do we keep it alive by
including \$1
Smith: should we suspend
LBA: leave a \$1

CONSENSUS

line 13 Smith: leave a \$1

CONSENSUS

line 16 Smith: lets sleep

line 19 Smith: We should be in for for full
amount

Baroody: Representing largest city in
state this is a 22A issue with
this in we may not pass the house

DeJure: my city is lead plaintiff
I'll support Baroody,

Kenns: I'll support Baroody

Kerk: I'm preparing an amendment
that will allow full choice for
municipality w/e affecting the
employee

DeJoni: Don't see relevance of amendment

Kurk: This language is germane

Richardson: Need time to think about implications

What happens to $\$$ in system

Benn: When does system become not viable

Kurk: System will be smaller - no impact on system viability

Baroudy: Magnitude of this amendment is too big to vote on

Lieskman: We need a hearing can't support amendment

Smith: to Friedman Not a problem with germaneness but do we need a hearing

Friedman: Adding withdrawal provision changes bill substantially therefore you'd need a hearing

Benn: Should we ask employees for higher contribution

Smith: That's later

Smith Baroudy amendment
Kurk's amendment

5 in support

Kurk: withdraw amendment

Smith ~~change~~ support cut

4 opposed

22

Benn: can't support
Weyler: keep it in

split vote

consensus

Elliott: what's your plan

Smith: tomorrow we'll get a single bill

25, 28

Kirk: please remove

Elliott: I object

Smith: Kirk is sponsor

consensus

27

Ober: Amendment
delete

Kirk: examined Cannon spreadsheet

Grattan: debt service should be paid
by lessee

Emeritor: Cannon working well

Barouly: Bright days ahead

5
opposed

consensus

30

Leishman: include

consensus

33

keep in bill

34

keep in bill

35, 36

keep in bill

37 Entow: remove from bill 7 opposed
Emmerton support Entow

pull from bill

40 keep in bill

CONSENSUS

41 DeJure can't support
Kuck you'd prefer to cut Medicaid
Beroddy: co sponsor
remove 8 opposed

44 Fouse ~~pull~~ remove
remove 9 opposed

45 No comments
keep in

~~46~~

48 Smith: At this level
people would be pulled from list
\$3,000,000 would create
wait list

Wuyler \$3 mil

CONSENSUS

50, 51

remove from bill
~~can~~ tight vote

52, 53

change to 700,000
yes

56-57

leave it
consensus

58, 59

leave in but suspend
does not appear anywhere ~~at~~
AS A separate line
so doesn't need a \$1

Kane: budget reduction ~~time~~ moves
money from line to line

Smith: described impact of
bill and that this is the
first round

Belum: What are we doing

60, 61

DeJore
pull from bill to save 7 or 8
North Country hospitals

64

67-68

69

83, 84

Fitch - Clement explain relationship among 69, 83, 84 pass out federal law and stimulus application.

this section explains what we can and cannot do.

we used ARRA funds to build budget at higher level than 2008 if we modified Adequacy formula we negate pre 2008 formula

Weyler: did we supplement and as a consequence get locked in

Fitch: ^{ARRA} funds intended to stabilize and supplement which is unusual

Smith: only to the extent that we had planned

Fitch: IF we change #'s if there \$ go directly to title I schools

Kurk: fiscal year is state fiscal year

Fitch: Yes

Kurk: IF we introduced claw back could we do that

Fitch: I don't think so

Kurk: Can we amend in any way

Fitch: Not without significant risk

Kurk: How could we reduce contribution to UNH and Community College

Fitch: No because proportionality forces adjustment to adequacy

Kurk: Are there other actions in Congress to help us

Fitch: A number of pieces of legislation have ~~are~~ are in the hopper but nothing with more stabilization funding

Smith: Mr Fydman anything ^{else} we need to know.

Frydman: Are lines 67, 68 ARRA sensitive

Clement: No, not sensitive for line
Negative consequence ^{for line} 68

~~Kirk~~ Are Kirk: Are there law firms
that specialize in challenging ARRA

Back to line 64

Eaton remove

Barovsky remove

Weyler: After cut there would be \$2.8mil
left

LBA: that is correct

Eaton would this effect into of effect

HMS - yes

Eaton - change line to \$190k

Kirk - we've lost federal \$ on other
actions

change to 190k

67 ~~cut~~ reduce cut to ~~750,000~~⁷⁵⁰

68 reduce cut to 250,000

Foose suggest

Below how much are we cutting

Smith
Remove line 69

CONSENSUS

Kirk - if ^{we} go ahead what is the
penalty

line 72 - like to remove line

Foote - Remove from list

Baroody - Backs the New Hampshire student

Belvin - Program very valuable but other options
available through NEBE
suggest we replace ~~by~~ eliminate
with suspend

Richardson - supports pulling out

Kirk - Collins no more NH students than
there are slots for last few years

Bergin - cheaper than medical school

CONSENSUS to remove.

line 75 - relates to line 19

Kirk - have an amendment that
makes this fairer by increasing
Group II rates

This reduces downshifting to
communities

Bergin - financial consequence?

Kirk - I think its about \$10,000

Umwelleber - Group II not in Social Security

Baroody - SS is different from
NH retirement
lets put aside

9/10

line 78 keep in Amendment
CONSENSUS

sonings
can't be
taken out
of Aid to
cities & towns

line 79
increase reduction to \$600K
Kunk: don't want reduction to be
disproportionate to one program

CONSENSUS

remove lines 76, 77
majority vote

line 80
Smith suggests cutting out in half
CONSENSUS

line 81
Support full cut and asks that
language reflect cut to be in state general
funds

line 82
Pull this line
CONSENSUS

Estow: Legislative cut will be
\$896k

line ~~83~~ 84 - Remove based on Fitch Report
Consensus

line 85 - keep \$ amount the same
but leave decision to Judiciary
As to how savings are effected

tie vote
fails
by vote
of the
2 hrs

Barocodly amendment replaces 4.6 with
\$2 mil
→

Barocod Amendment replaces 4.6 with
\$ 1.0

FAILS

Amendment removing reference to
COURT
Consensus

~~line 75~~ Return to line 75 to discuss Kirk
Amendment

DeJaire - don't support because
we have outstanding study commissions

Norgren - ASK us to remove
from list

Estow - seems too dramatic

Wendleboe - what are you objecting to

Estow - amendment

Wendleboe ~~There~~ Failure to act on this
Kurk underlying bill is ^{house} policy
amendment just intended to promote
Fairness

DeJure - Budget didn't include this

Kurk - Budget compromise establish
Vote in support of Kurk's Amendment
Motion Fails

line 75 w/o amendment

DeJure - strike line 75

~~Smith since column~~

LBA this saves \$16 mil not clear
on gen fund

DeJure - There are many moving parts

Nordgren - We shouldn't insert ourselves
in this ~~for~~ issue

- Recess -

Smith back on time 75

Kurk - strongly urge to retain part and
parcel of line 18

~~DeJure~~

Smith - we should separate out downshift

DeJure - Employees have a significant
investment in what we do
Effort to fix COLA and medical insurance
subsidy rates are ongoing. This will
send wrong signal. Let us act
later

Casey: I take DeJaire's words very seriously. This is the horse pasture
Smith - line 75
Vote stands as it appears

line 87, 89

Eaton asked to split the baby,
Looking for a compromise
Remove \$1,000,000 ~~instead of~~ and
leaves \$721,579
Eaton LBA will work it out

~~Now~~ Smith Now to amendments

DeJaire 1048h

should read non-direct. comm. officers
cuts from classified position

Graham -

Why single out HMS

DeJaire

I know HMS

Kirk

How many people involved

DeJaire

62 people = \$340k

Kirk

Troubled by focus on one department
will work with you on action for late

DeJaire - removes amendment

Wendlebee - Are these Red Book

Smith Reg Kirk's amendment

Kirk I will offer and then withdraw
it It ~~causes~~ calls for a 3 1/2%
reduction in all general fund contracts

Smith: last amendment

De Jure - Well pass out 1042

I'm concerned that we are
privatizing state services but that
decision should involve the legislature
Attempts to structure bid process

Graham - should work on it but
with policy committees

De Jure - could we add to a Senate bill

Smith - Will review w/speaker I'll suggest
we hold a series of work sessions
propose amendments and then schedule
a hearing

Wendlebee This amendment relevant to
work of our committee

De Jure I will withdraw this for the moment

Adjourn
7:55 PM

Draft Amendment to HB 1664-FN

1 Amend the bill by replacing section 30 with the following:

2

3 30 New Hampshire Retirement System; Member Contribution Rates; Fiscal Year 2011. Amend
4 RSA 100-A:16, I(a) to read as follows:

5 (a) The member annuity savings fund shall be a fund in which shall be accumulated the
6 contributions deducted from the compensation of members to provide for their member annuities
7 together with any amounts transferred thereto from a similar fund under one or more of the
8 predecessor systems. Such contribution shall be, for each member, dependent upon the member's
9 employment classification at the rate determined in accordance with the following table:

10 Employees [~~of employers other than the state 5.00~~] **7.00**

11 [~~Employees of the state hired on or before June 30, 2009 5.00~~

12 ~~Employees of the state hired after June 30, 2009 7.00]~~

13 Teachers [~~5.00~~] **7.00**

14 Permanent Policemen [~~9.30~~] **13.00**

15 Permanent Firemen [~~9.30~~] **13.00**

16 The board of trustees shall certify to the proper authority or officer responsible for making up the
17 payroll of each employer, and such authority or officer shall cause to be deducted from the
18 compensation of each member, except group II members with creditable service in excess of 40 years
19 as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer
20 for each and every payroll period, the percentage of earnable compensation applicable to such
21 member. No deduction from earnable compensation under this paragraph shall apply to any group
22 II member with creditable service in excess of 40 years, as provided in RSA 100-A:5, II(b) and
23 RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining
24 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable
25 by a member in a payroll period, the board may consider the rate of compensation payable to such
26 member on the first day of a payroll period as continuing throughout the payroll period and it may
27 omit deduction from compensation for any period less than a full payroll period if such person was
28 not a member on the first day of the payroll period, and to facilitate the making of deductions it may
29 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one
30 percent of the annual earnable compensation upon the basis of which such deduction is made. The
31 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,
32 shall be paid to the retirement system at such times as may be designated by the board of trustees

Draft Amendment to HB 1664-FN

- Page 2 -

1 and credited to the individual account, in the member annuity savings fund, of the member from
2 whose compensation the deduction was made.

Rep. L. Ober, Hills. 27
March 16, 2010
2010-1024h
09/03

Draft Amendment to HB 1664-FN

- 1 Amend the bill by deleting sections 12 and 41-47.

Draft Amendment to HB 1664-FN
- Page 2 -

2010-1024h

AMENDED ANALYSIS

Paragraph VIII relative to leasing Cannon Mountain ski area is deleted.

Draft Amendment to HB 1664-FN

1 Amend the bill by replacing section 57 with the following:

2

3 57 Operating Budget; Judicial Branch. In addition to any other sums reduced in 2009, 143:18,
4 the judicial branch shall reduce state general fund appropriations by \$2,000,000 for the fiscal year
5 ending June 30, 2011. The accounting unit 02-10-10-100010-1880, class 049, transfer to the
6 department of administrative services for court facilities, shall not be reduced unless the reduction is
7 agreed to by the commissioner of administrative services and the chief justice for the supreme court.
8 The director of the administrative office of the courts shall submit to the fiscal committee of the
9 general court and the commissioner of the department of administrative services an itemization of
10 the reductions in expenditure classes made to implement this section on or before June 15, 2011.

Rep. Baroody, Hills. 17
Rep. Buco, Carr. 1
Rep. DeJoie, Merr. 11
March 16, 2010
2010-1042h
09/04

Amendment to HB 1664-FN

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT making appropriations reductions in the operating budget for fiscal year 2011 and
4 relative to state revenues and expenditures and regulating privatization contracts
5 for public service.
6

7 Amend the bill by replacing all after section 57 with the following:

8

9 58 Findings and Intent. The general court finds and declares that using private contractors to
10 provide public services formerly provided by public employees does not always promote the public
11 interest. To ensure that citizens of this state receive high quality public services at low cost, with
12 due regard for the taxpayers of this state, the service recipients, and the needs of public and private
13 workers, the general court finds it necessary to regulate such privatization contracts, and to protect
14 those workers who report conditions and practices which impact on the efficiency and quality of
15 public services provided by private contractors. The general court further finds it necessary to
16 ensure that access to public information guaranteed by the Freedom of Information Act is not in any
17 way hindered by the fact that public services are provided by private contractors.

18 59 New Chapter; Public Oversight and Accountability of Privatization Contracts. Amend
19 RSA by inserting after chapter 96 the following new chapter:

20

CHAPTER 96-A

21

PUBLIC OVERSIGHT AND ACCOUNTABILITY OF PRIVATIZATION CONTRACTS

22

96-A:1 Definitions. In this chapter:

23

I. "Agency" means any executive office, department, division, board, commission, or other
24 office or officer in the executive branch of the government.

25

II. "Employee of a private contractor" means a worker directly employed by a private
26 contractor, as defined in this section, as well as an employee of a subcontractor or an independent
27 contractor that provides supplies or services to a private contractor. Such term includes former
28 employees of a private contractor or subcontractor and former independent contractors.

29

30

III. "Discrimination or retaliation" means a threat, intimidation, or any adverse change in
an employee's wages, benefits, or terms or conditions of employment. In the case of a person who is
31 not an employee of the private contractor, such term includes any adverse action taken against the

1 person or the person's employer, including the cancellation of or refusal to renew a contract with the
2 person or the person's employer.

3 IV. "Person" means an individual, institution, federal, state, or local governmental entity, or
4 any other public or private entity.

5 V. "Privatization contract" means an agreement or combination or series of agreements by
6 which a non-governmental person or entity agrees with an agency to provide services, valued at
7 \$100,000 or more, which are substantially similar to and in lieu of, services heretofore provided, or
8 that could have been provided, in whole or in part, by regular employees of an agency.

9 VI. "Private contractor" means any entity which enters into a privatization contract as
10 defined in paragraph V.

11 VII. "Public employee" means an employee as defined in RSA 281-A:2, VII.

12 VIII. "Public record" means all public records pursuant to RSA 91-A, and also includes any
13 document relating to the privatization contract or performance under the contract, prepared,
14 received, or retained by a contractor or subcontractor whether such document is handwritten, typed,
15 tape-recorded, printed, photocopied, photographed, or recorded by any other method.

16 IX. "Services" means, with respect to a private contractor, all aspects of the provision of
17 services provided by a private contractor pursuant to a privatization contract, or any services
18 provided by a subcontractor of a private contractor.

19 X. "Subcontractor" means a subcontractor of a private contractor for work under a
20 privatization contract or an amendment to a privatization contract.

21 96-A:2 Privatization Contracts; Requirements.

22 I. No agency shall make any privatization contract and no such contract shall be valid
23 unless the agency and the contractor comply with the requirements of this section and RSA 96-A:3
24 through RSA 96-A:6 and include the specified provisions in the privatization contract.

25 II. The agency shall prepare a specific written statement of the services proposed to be the
26 subject of the privatization contract, including the specific quantity and standard of quality of the
27 subject services. The agency shall solicit competitive sealed bids for the privatization contracts
28 based upon this statement. The day designated by the agency upon which it will accept these sealed
29 bids shall be the same for any and all parties. This statement shall be a public record, shall be filed
30 in the agency, and available for public inspection not later than 30 business days prior to the date on
31 which bids are due.

32 III. Every bid shall detail:

33 (a) The length of continuous employment of current employees with the contractor by job
34 classification without identifying employee names. In addition, the contractor may submit
35 information detailing the relevant prior experience of employees within each job classification. If the
36 positions identified by the bidder shall be newly created, the bid shall identify the minimum
37 requirements for prospective applicants for each such position.

1 (b) The annual rate of current staff turnover.

2 (c) The number of hours of training planned for each employee in subject matters
3 directly related to providing services to state residents and clients.

4 (d) Any legal complaints issued by an enforcement agency for alleged violations of
5 applicable federal, state, or local rules, regulations or laws, including laws governing employee safety
6 and health, labor relations, and other employment requirements, and any citations, court findings,
7 or administrative findings for violations of such federal, state, or local rules, regulations, or laws.
8 The information shall include the date, enforcement agency, the rule, law, or regulation involved,
9 and any additional information the contractor may wish to submit.

10 (e) Any collective bargaining agreements or personnel policies covering the employees to
11 provide services to the state.

12 (f) Political contributions made by the bidder or any employee in a management position
13 with the bidding company, to any elected officer of the state or member of the state legislature,
14 during the 4 years prior to the due date of the bid.

15 IV. For each position in which a contractor will employ any person pursuant to the
16 privatization contract, the minimum compensation to be paid for said position shall be the greater of
17 the wage rate paid at step one of the grade or classification under which an agency employee whose
18 duties are most similar is paid, plus the cash value of health and other benefits provided to such
19 state employees, or the average private sector compensation rate, including the value of health and
20 other benefits, for the position as determined by the state department of labor.

21 V. The term of any privatization contract shall not exceed 2 years. No amendment to a
22 privatization contract shall be valid if it has the purpose or effect of avoiding any requirement of any
23 section of this chapter.

24 VI. Every privatization contract shall contain provisions requiring the contractor to offer
25 available employee positions pursuant to the contract to qualified regular employees of the agency
26 whose state employment is terminated because of the privatization contract. Every such contract
27 shall also contain provisions requiring the contractor to comply with a policy of nondiscrimination
28 and equal opportunity for all persons, and to take affirmative steps to provide such equal
29 opportunity for all such persons.

30 VII. State funds shall not be used to support or oppose unionization, including but not
31 limited to:

32 (a) Preparation and distribution of materials which advocate for or against unionization;

33 (b) Hiring or consulting legal counsel or other consultants to advise the contractor about
34 how to assist, promote, or deter union organizing or how to impede a union which represents the
35 contractor's employees from fulfilling its representational responsibilities;

36 (c) Holding meetings to influence employees about unionization;

37 (d) Planning or conducting activities by supervisors to assist, promote, or deter union

1 activities; or

2 (e) Defending against unfair labor practice charges brought by federal or state
3 enforcement agencies.

4 96-A:3 Review of Contract Costs.

5 I. Any agency considering whether to enter into a privatization contract shall prepare a
6 comprehensive written estimate of the costs of regular agency employees providing the subject
7 services in the most cost-efficient manner. The estimate shall include all direct and indirect costs of
8 regular agency employees providing the subject services, including but not limited to, pension,
9 insurance, and other employee benefit costs. For the purpose of this estimate, any employee
10 organization may, at any time before the final day for the agency to receive sealed bids pursuant to
11 RSA 96-A:2, II, propose amendments to any relevant collective bargaining agreement to which it is a
12 party. Any such amendments shall take effect only if necessary to reduce the cost estimate pursuant
13 to this paragraph below the contract cost. Such estimate shall remain confidential until after the
14 final day for the agency to receive sealed bids for the privatization contract at which time the
15 estimate shall become a public record, shall be filed in the agency, and shall be published in the state
16 register.

17 II. After soliciting and receiving bids, the agency shall publicly designate the bidder to which
18 it proposes to award the privatization contract. In selecting a contractor, the agency shall consider
19 the contractor's past performance and its record of compliance with federal, state, and local laws,
20 including the disclosures as required in RSA 96-A:2, III. The agency shall prepare a comprehensive
21 written analysis of the contract cost based upon the designated bid, specifically including the costs of
22 transition from public to private operation, of additional unemployment and retirement benefits, if
23 any, and of monitoring and otherwise administering contract performance.

24 III. The head of the agency shall certify in writing that:

25 (a) He or she has complied with all provisions of this chapter and of all other applicable
26 laws.

27 (b) The quality of the services to be provided by the designated bidder is likely to satisfy
28 the quality requirements of the statement prepared pursuant to RSA 96-A:2, II, and to equal or
29 exceed the quality of services which could be provided by regular agency employees.

30 (c) The contract cost will be at least 10 percent less than the estimated cost pursuant to
31 RSA 96-A:3, I, taking into account all comparable types of costs and all the additional costs of the
32 contract as specified in RSA 96-A:3, II.

33 (d) The proposed privatization contract is in the public interest, in that it meets the
34 applicable quality and fiscal standards set forth in this chapter.

35 IV. Any privatization contract entered into by a state agency and the agency certification
36 described in paragraph III shall be public records subject to disclosure pursuant to RSA 91-A.

37 96-A:4 Monitoring and Enforcement of Privatization Contracts.

1 I.(a) No contractor shall award a subcontract for work under a contract or for work under an
2 amendment to a contract without the approval of the agency head, or his or her designee, of:

3 (1) The selection of the subcontractor;

4 (2) The provisions of the subcontract.

5 (b) Each such contractor shall file a copy of each executed subcontract or amendment to
6 the subcontract with the agency, which shall maintain the subcontract or amendment as a public
7 record, pursuant to RSA 91-A.

8 II. Any private contractor awarded a privatization contract, and any subcontractor to a
9 private contractor subject to this chapter, shall file with the agency head copies of financial audits of
10 the private contractor prepared at least annually during the course of the contract term.

11 III. All privatization contracts shall include a contract provision specifying that in order to
12 determine compliance with these principles as well as the contract, the private contractor shall be
13 required to provide the state or its agents, except where prohibited by federal or state laws,
14 regulations, or rules, reasonable access, through representatives of the private contractor, to
15 facilities, records, and employees that are used in conjunction with the provisions of contract
16 services.

17 IV. The private contractor shall submit a report, not less than annually during the term of
18 the privatization contract, detailing the extent to which the contractor has achieved the specific
19 quantity and standard of quality of the subject services as specified by the agency pursuant to
20 RSA 96-A:2, II and its compliance with all federal, state, and local laws, including any complaints,
21 citations, or findings issued by administrative agencies or courts.

22 V. The agency may seek contractual remedies for any violation of a privatization contract.
23 In addition, if a contractor fails to comply with RSA 96-A:2, IV, VI, or VII, any person or entity
24 aggrieved by the violation may bring a claim for equitable and other relief, including backpay. In
25 such a suit, an aggrieved person or entity shall be entitled to costs and attorney fees.

26 96-A:5 Compliance with Freedom of Information Act, Privacy Provisions.

27 I.(a) No contractor or subcontractor, or employee or agent of a contractor or subcontractor,
28 shall have any ownership rights or interest in any public records which the contractor,
29 subcontractor, employee, or agent possesses, modifies, or creates pursuant to a contract, subcontract,
30 or amendment to a contract or subcontract.

31 (b) No contractor or subcontractor, or employee or agent of a contractor or subcontractor,
32 shall impair the integrity of any public records which the contractor, subcontractor, employee, or
33 agent possesses or creates.

34 (c) Public records which a contractor, subcontractor, or employee, or agent of a
35 contractor or subcontractor, possesses, modifies, or creates pursuant to a contract or subcontract
36 shall at all times and for all purposes remain the property of the state.

37 II.(a) Any public record which a state agency provides to a contractor or subcontractor or



1 which a contractor or subcontractor creates shall be and remain a public record for the purposes of
2 RSA 91-A, and the enforcement provisions of that law shall apply to any failure to disclose records
3 under this section.

4 (b) With regard to any public record, the state agency and the contractor or
5 subcontractor shall have a joint and several obligation to comply with the obligations of the state
6 agency under RSA 91-A, as amended, provided the determination of whether or not to disclose a
7 particular record or type of record shall be made solely by such state agency.

8 (c) No contractor or subcontractor, or employee or agent of a contractor or subcontractor,
9 shall disclose to the public any public records:

10 (1) Which it possesses, modifies, or creates pursuant to a contract, subcontract, or
11 amendment to a contract or subcontract; and

12 (2) Which the state agency:

13 (A) Is prohibited from disclosing pursuant to state or federal law in all cases;

14 (B) May disclose pursuant to state or federal law only to certain entities or
15 individuals or under certain conditions; or

16 (C) May withhold from disclosure pursuant to state or federal law.

17 (d) Subparagraph II(c)(2) shall not be construed to prohibit any such contractor from
18 disclosing such public records to any of its subcontractors to carry out the purposes of its
19 subcontract.

20 (e) No contractor or subcontractor, or employee or agent of a contractor or subcontractor,
21 shall sell, market, or otherwise profit from the disclosure or use of any public records which are in its
22 possession pursuant to a contract, subcontract, or amendment to a contract or subcontract, except as
23 authorized in the contract, subcontract, or amendment.

24 (f) Any contractor or subcontractor, or employee or agent of a contractor or
25 subcontractor, which learns of any violation of the provisions of this section act shall, no later than 7
26 calendar days after learning of such violation, notify the agency head and the attorney general of
27 such violation.

28 III.(a) If any person violates this section, the attorney general may bring an action against
29 such person seeking:

30 (1) Damages on behalf of the state for such violations;

31 (2) Restitution for damages suffered by any person as a result of the violation; or

32 (3) Imposition and recovery of a civil penalty of not more than \$50,000 for the
33 violation.

34 (b) In addition to the remedies under the preceding subparagraph, any person aggrieved
35 by a violation of this section may bring an action in any state court to recover any damages suffered
36 as a result of such violation.

37 (c) In any action brought under this paragraph, the court may:

1 (1) Order disgorgement of any profits or other benefits derived as a result of a
2 violation of this section.

3 (2) Award punitive damages, costs, and reasonable attorneys fees.

4 (3) Order injunctive or other equitable relief.

5 (d) Proof of public interest or public injury shall not be required in any action brought
6 under this paragraph. No action may be brought under this paragraph more than 3 years after the
7 occurrence of such violation.

8 (e) Any person who knowingly and willfully violates this section shall, for each such
9 violation, be fined not more than \$5,000 or imprisoned not less than one year nor more than 5 years,
10 or be both fined and imprisoned.

11 96-A:6 Prohibition Against Discrimination or Retaliation for Disclosure of Information;
12 Enforcement.

13 I. No person shall retaliate or discriminate in any manner against any public employee or
14 employee of a private contractor because that employee, or any person acting on behalf of the
15 employee, in good faith:

16 (a) Engaged in any disclosure of information relating to the services provided by a
17 private contractor pursuant to a privatization contract.

18 (b) Advocated on behalf of service recipients with respect to the care or services provided
19 by the private contractor.

20 (c) Initiated, cooperated, or otherwise participated in any investigation or proceeding of
21 any governmental entity relating to the services provided pursuant to a privatization contract.

22 II. No person shall retaliate or discriminate in any manner against any public employee or
23 employee of a private contractor because the employee has attempted or has an intention to engage
24 in an action described in paragraph I.

25 III. No person shall by contract, policy, or procedure prohibit or restrict any employee of a
26 private contractor from engaging in any action for which a protection against discrimination or
27 retaliation is provided under paragraph I.

28 IV. This section does not protect disclosures that would violate federal or state law or
29 diminish or impair the rights of any person to the continued protection of confidentiality of
30 communications provided by state or federal law.

31 V. With respect to the conduct described in paragraph I, an employee of a private contractor
32 shall be considered to be acting in good faith if the employee reasonably believes that:

33 (a) The information is true; and

34 (b) The information disclosed by the employee:

35 (1) Evidences a violation of any law, rule, or regulation, or of a generally recognized
36 professional or clinical standard; or

37 (2) Relates to the care, services, or conditions which potentially endanger one or



1 more recipients of service or employees pursuant to a privatization contract.

2 VI. The identity of an employee of a private contractor who complains in good faith to a
3 government agency or department or any member or employee of the state legislature about the
4 quality of services provided by a private contractor shall remain confidential and shall not be
5 disclosed by any person except upon the knowing written consent of the employee of the private
6 contractor and except in the case in which there is imminent danger to health or public safety or an
7 imminent violation of criminal law.

8 VII.(a) Any current or former public employee or employee of a private contractor who
9 believes that he or she has been retaliated or discriminated against in violation of this section may
10 file a civil action in any state court of competent jurisdiction.

11 (b) If the court determines that a violation of this section has occurred, the court shall
12 award such damages which result from the unlawful act or acts, including compensatory damages,
13 reinstatement, reimbursement of any wages, salary, employment benefits, or other compensation
14 denied or lost to such employee by reason of the violation, as well as punitive damages, attorneys'
15 fees, and costs, including expert witness fees. The court shall award interest on the amount of
16 damages awarded at the prevailing rate.

17 (c) The court may issue temporary, preliminary, and permanent injunctive relief
18 restraining violations of this law, including the restraint of any withholding of the payment of wages,
19 salary, employment benefits, or other compensation, plus interest, found by the court to be due and
20 the restraint of any other change in the terms and conditions of employment and may award such
21 other equitable relief as may be appropriate, including employment, reinstatement, and promotion.

22 (d) An action may be brought under this paragraph not later than 2 years after the date
23 of the last event constituting the alleged violation for which the action is brought.

24 (e) Any person who violates this section may be subject to a civil penalty not to exceed
25 \$10,000 for each violation. In determining the amount of any penalty, the appropriateness of such
26 penalty to the size of the business of the person charged and the gravity of the violation shall be
27 considered. The amount of any penalty when finally determined, may be:

28 (1) Deducted from any sums owing by the state to the person charged.

29 (2) Ordered by the court, in an action brought for a violation of this section by the
30 employee, or employees, who suffered retaliation or discrimination.

31 VIII. In any civil action brought under this chapter, the complainant shall have the initial
32 burden of making a prima facie showing that any behavior described in paragraphs I, II, or III was a
33 contributing factor in the adverse action or inaction alleged in the complaint. A prima facie case
34 shall be established if the complainant shows that:

35 (a) The respondent knew of the complainant's protected activities at the time that the
36 alleged unfavorable action or inaction was taken.

37 (b) The discriminatory action occurred within a period of time that a reasonable person



1 could conclude that an activity protected by paragraph I was a contributing factor in the
2 discriminatory treatment.

3 IX. Once the complainant establishes a prima facie case, the burden shifts to the respondent
4 to demonstrate, by clear and convincing evidence, that the respondent would have taken the same
5 adverse action or inaction in the absence of such behavior.

6 X. Each private contractor shall post, in conspicuous places on its premises where notices to
7 employees and applicants for employment are customarily posted, a notice, to be prepared or
8 approved by the attorney general, setting forth excerpts from, or summaries of, the pertinent
9 provisions of this chapter and information pertaining to the filing of a charge under this section.
10 Any employer that willfully violates this paragraph may be assessed a civil penalty not to exceed
11 \$100 for each separate offense.

12 96-A:7 Nonpreemption. Nothing in this chapter preempts any other law, and nothing in this
13 chapter shall be construed or interpreted to impair or diminish in any way the authority of any
14 locality, municipality, or subdivision to enact and enforce any law which provides, equivalent or
15 greater protections for its employees.

16 96-A:8 Severability. If any provision of this chapter or the application thereof to any person or
17 circumstance is held invalid, the invalidity does not affect other provisions or applications of the
18 chapter which can be given effect without the invalid provisions or applications, and to this end the
19 provisions of this chapter are severable.

20 60 Effective Date.

21 I. Section 31 of this act shall take effect July 1, 2011.

22 II. Sections 48 and 59 of this act shall take effect January 1, 2011.

23 III. The remainder of this act shall take effect July 1, 2010.

2010-1042h

AMENDED ANALYSIS

This bill makes appropriations reductions for fiscal year 2011.

This bill also:

I. Requires the recording surcharge assessed by the register of deeds to be deposited in the general fund for fiscal year 2011.

II. Increases the state retirement system member contribution rate for fiscal year 2011, reduces the municipal normal contribution rate, and increases the retiree health insurance premium contribution.

III. Reduces the amount distributed as juvenile diversion incentive funds.

IV. Suspends the catastrophic illness program for fiscal year 2011.

V. Requires the commissioner of the department of health and human services to submit a Medicaid state plan amendment to terminate the provision of direct and indirect graduate medical education payments to hospitals.

VI. Requires reimbursement rates paid to critical access hospitals for outpatient services to be at 85 percent of Medicare allowable costs for fiscal year 2011.

VII. Abolishes vacant and unfunded positions.

VIII. Requires the commissioner of the department of resources and economic development to solicit lease proposals for the Cannon Mountain ski area. The bill establishes a legislative committee to develop the proposal and review responses, and requires the capital budget overview committee to approve any lease agreement. The bill also repeals the Cannon Mountain capital improvement fund.

IX. Amends the procedure for calculating eligibility for the federal free and reduced-price meal program.

X. Requires certain executive branch departments and the judicial branch to reduce general fund appropriations for fiscal year 2011.

XI. Regulates the process by which the state may use private contractors to perform state functions.

Draft Amendment to HB 1664-FN

1 1 Retirement System; Membership. Amend the introductory paragraph of RSA 100-A:3, I(a) to
2 read as follows:

3 I.(a) Any person who becomes an employee *of the state, or is a political subdivision*
4 *employee*, teacher, permanent policeman, or permanent fireman [~~after the date of establishment~~]
5 *for an employer that has not withdrawn from the retirement system*, working in a position for
6 an employer under this chapter as determined by common law standards, shall become a member of
7 the retirement system as a condition of employment; except that membership shall be optional in the
8 case of elected officials, officials appointed for fixed terms, unclassified state employees, or those
9 employees of the general court who are eligible for membership in the retirement system. Elected
10 officials and officials appointed for fixed terms shall, however, be eligible for membership in the
11 retirement system only under the following conditions:

12 2 Retirement System; Withdrawal from Participation. Amend RSA 100-A:43 to read as follows:

13 100-A:43 Withdrawal Authorized. Notwithstanding any [~~governing board, or authority which,~~
14 ~~pursuant to RSA 100:20 or 30, RSA 100:49 or 50 or any governing board or authority which,~~
15 ~~pursuant to RSA 100-A:20 or RSA 100-A:29 or 30, elected to have its officers and employees become~~
16 ~~eligible to participate under the respective systems, such officers and employees are]~~ *other*
17 *provision of RSA 100-A, the governing body of any employer is* hereby authorized to withdraw
18 *either all employees, teachers, permanent policemen, and permanent firemen or all non-*
19 *vested employees, teachers, permanent policemen, and permanent firemen* from the
20 retirement system on the next anniversary date of their participation provided notice is filed with
21 the board of trustees, on a form prescribed by the board, no less than 120 days prior to the
22 withdrawal date. The right of an employer to withdraw from the retirement system under this
23 section shall be subject to the condition that prior to withdrawal, the employer shall present to the
24 board of trustees a [~~certified~~] report [~~from an enrolled actuary~~] which states that [~~the~~] alternative
25 benefits [~~which~~] shall be provided to *all* its employees [~~shall be at least equal to the benefits which~~
26 ~~the employees currently receive from the retirement system; provided, however,~~] that *are members*
27 *of the retirement system prior to the date of withdrawal and who will no longer be*
28 *members after the withdrawal, provided such alternative benefits comply with applicable*
29 *federal law*. An employer which has an established unfunded accrued liability at the time which it
30 elects to withdraw from the retirement system under this section, and whose officers and employees
31 have elected to and are receiving retirement benefits or have filed for a vested deferred retirement
32 allowance, shall pay the balance of the unfunded accrued liability on a prorated basis as determined

1 by the retirement system actuary for any such officers or employees.

2 3 Retirement System; Withdrawal Procedure. RSA 100-A:43-a is repealed and reenacted to read
3 as follows:

4 100-A:43-a Withdrawal Procedure.

5 I. The withdrawal authorized by RSA 100-A:43 may occur when the governing body submits
6 written notice of the request to withdraw to the board of trustees of the New Hampshire retirement
7 system and after the governing body submits payment or a plan for payment of its unfunded accrued
8 liability.

9 II. The board of trustees may not refuse to allow an employer to withdraw from the system
10 unless the employer refuses to or is unable to pay its unfunded accrued liability to the retirement
11 system.

12 III. The retirement system shall return all employee and employer contributions, including
13 interest, on behalf of those employees who will be withdrawn from the system, for the purposes of
14 funding the alternative retirement benefits.

15 4 Effective Date. This act shall take effect 60 days after its passage.

2010-1045h

AMENDED ANALYSIS

This bill allows political subdivisions in the retirement system to withdraw all employees, teachers, permanent policemen, and permanent firemen or all non-vested employees, teachers, permanent policemen, and permanent firemen from the retirement system, and makes changes to the procedure for withdrawal of participation.

			FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Cannon Mountain - WINTER OPERATIONS													
Cannon/Ski Ops	Income		\$1,769,554.00	\$1,713,937.00	\$2,393,242.81	\$2,288,957.78	\$2,438,242.26	\$2,208,516.05	\$2,337,115.10	\$2,062,149.12	\$2,204,763.25	\$3,339,205.08	\$3,434,077.16
	Expense		\$1,896,735.00	\$2,016,168.00	\$2,223,077.75	\$2,472,110.74	\$2,551,723.32	\$2,475,641.74	\$2,520,571.93	\$2,629,667.16	\$2,731,965.14	\$2,904,289.09	\$1,979,450.23
	Net		(\$127,181.00)	(\$302,231.00)	\$170,165.06	(\$183,152.96)	(\$113,481.06)	(\$267,125.69)	(\$183,456.83)	(\$567,518.04)	(\$527,201.89)	\$434,815.99	\$1,454,626.93
Cannon/Ski School	Income		\$208,997.00	\$221,362.00	\$272,438.16	\$272,496.37	\$283,221.45	\$275,532.10	\$283,226.11	\$335,529.98	\$329,462.88	\$413,514.17	\$369,603.64
	Expense		\$186,886.00	\$234,910.00	\$266,286.32	\$260,299.28	\$313,180.16	\$417,651.92	\$251,563.07	\$272,309.08	\$328,411.92	\$548,765.69	\$468,722.77
	Net		\$22,311.00	(\$13,548.00)	\$6,151.84	\$12,197.09	(\$29,958.71)	(\$142,119.82)	\$31,663.04	\$63,220.90	\$1,050.96	(\$135,251.52)	(\$98,919.13)
Cannon/Retail Shop	Income		\$265,480.00	\$215,825.00	\$265,392.67	\$244,948.75	\$273,997.37	\$256,158.73	\$255,602.81	\$228,650.39	\$246,799.87	\$270,821.00	\$246,149.15
	Expense		\$134,901.00	\$150,593.00	\$166,942.24	\$188,214.86	\$196,975.37	\$258,953.31	\$203,961.22	\$189,524.05	\$212,988.33	\$315,094.05	\$225,300.95
	Net		\$130,579.00	\$65,232.00	\$98,450.43	\$56,733.89	\$77,022.00	(\$2,794.58)	\$51,641.59	\$29,126.34	\$33,811.54	(\$44,273.05)	\$20,848.20
Cannon/Rental Shop	Income		\$243,870.00	\$242,608.00	\$365,644.52	\$369,720.31	\$353,666.78	\$355,345.89	\$306,661.28	\$282,383.93	\$266,111.19	\$364,724.87	\$376,032.68
	Expense		\$126,152.00	\$222,572.00	\$154,420.27	\$178,058.19	\$221,252.21	\$264,331.09	\$201,908.55	\$166,902.96	\$115,424.25	\$253,733.07	\$285,871.69
	Net		\$117,818.00	\$20,036.00	\$211,224.25	\$191,662.12	\$132,414.55	\$91,014.80	\$104,752.73	\$115,480.97	\$150,686.94	\$110,991.80	\$90,160.99
CANNON - WINTER NET GAIN (LOSS)			\$143,527.00	(\$230,613.00)	\$485,991.58	\$77,440.14	\$65,996.78	(\$321,023.28)	\$4,600.53	(\$389,686.83)	(\$341,662.46)	\$366,343.22	\$1,468,716.99
Cannon Mountain - SUMMER OPERATIONS													
Tram & Beach Ops	Income		\$903,122.00	\$874,958.00	\$962,552.79	\$991,511.27	\$935,394.79	\$739,497.74	\$752,165.03	\$676,350.84	\$791,742.16	\$892,886.49	\$1,073,199.69
	Expense		\$1,167,502.00	\$1,075,899.00	\$1,045,829.95	\$920,883.02	\$1,415,880.67	\$846,717.17	\$1,024,208.32	\$1,179,292.50	\$1,026,348.22	\$1,049,925.15	\$2,174,150.01
	Net		(\$264,380.00)	(\$200,941.00)	(\$83,277.16)	\$70,628.25	(\$480,485.88)	(\$207,219.43)	(\$272,043.29)	(\$502,941.66)	(\$234,606.06)	(\$57,038.66)	(\$1,100,950.32)
Cannon/Beach Store	Income		\$44,290.00	\$42,272.00	\$35,184.76	\$41,938.25	\$36,964.09	\$26,480.34	\$22,584.52	\$24,283.67	\$24,258.58	\$24,078.48	\$22,249.39
	Expense		\$20,958.00	\$33,811.00	\$29,428.33	\$37,519.93	\$30,283.29	\$23,948.16	\$14,905.12	\$23,448.75	\$13,372.67	\$13,854.41	\$19,382.08
	Net		\$23,334.00	\$8,461.00	\$5,756.43	\$4,418.32	\$6,680.80	\$2,534.18	\$7,679.40	\$834.92	\$10,885.91	\$10,224.07	\$2,867.31
Cannon/Profile Store	Income		\$152,169.00	\$153,370.00	\$166,629.68	\$162,019.49	\$168,838.29	\$113,661.07	\$71,282.42	\$49,894.68	\$39,915.90	\$0.00	\$0.00
	Expense		\$85,599.00	\$102,890.00	\$90,329.97	\$116,776.44	\$89,789.72	\$117,132.16	\$64,683.79	\$31,563.52	\$20,082.94	\$80.62	\$0.00
	Net		\$66,570.00	\$50,380.00	\$76,299.71	\$45,243.05	\$79,048.57	(\$3,471.09)	\$6,598.63	\$18,311.16	\$19,832.96	(\$80.62)	\$0.00
Cannon/Tram Store	Income		\$281,125.00	\$258,212.00	\$239,852.26	\$229,424.28	\$232,881.52	\$206,392.57	\$181,140.22	\$177,402.19	\$181,868.11	\$215,261.85	\$233,059.78
	Expense		\$197,639.00	\$146,461.00	\$150,479.07	\$187,527.66	\$102,252.85	\$158,006.95	\$93,219.34	\$144,117.66	\$125,356.69	\$85,572.79	\$211,429.44
	Net		\$83,486.00	\$111,751.00	\$89,373.19	\$41,896.62	\$130,628.67	\$48,385.62	\$87,920.88	\$33,284.53	\$56,511.42	\$119,689.06	\$21,630.32
Cannon/Tram Store	Income		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,888.85	\$56,818.84	\$0.00
	Expense		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28,874.48	\$57,119.67	\$3,223.99
	Net		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$3,985.63)	(\$300.83)	(\$3,223.99)
CANNON - SUMMER NET GAIN (LOSS)			(\$90,890.00)	(\$30,349.00)	\$88,162.17	\$162,166.24	(\$264,127.84)	(\$159,770.72)	(\$169,344.38)	(\$460,511.05)	(\$161,181.40)	\$72,493.02	(\$1,079,676.68)
CANNON - TOTAL NET GAIN (LOSS)			\$52,637.00	(\$260,862.00)	\$574,143.75	\$239,606.38	(\$198,131.06)	(\$480,794.01)	(\$165,243.85)	(\$610,200.88)	(\$492,313.86)	\$438,736.24	\$387,040.31
Note: LBAO updated FY 2009 information on 2/8/10 using income/expenditure reports obtained from DRED on 2/5/10. FY 1999 through FY 2008 was prepared by DRED in previous years.													

Rep. DeJoie, Merr. 11
March 16, 2010
2010-1048h
10/01

Draft Amendment to HB 1664-FN

1 1 Salary Reductions; Department of Health and Human Services. Notwithstanding any
2 provision of RSA 94:1-a, for the fiscal year ending June 30 2011, the department of health and
3 human services shall reduce expenditures for salaries of unclassified officers of the department by 10
4 percent.

Draft Amendment to HB 1664-FN
- Page 2 -

2010-1048h

AMENDED ANALYSIS

Requires the department of health and human services to reduce expenditures for salaries of unclassified officers by 10 percent.

HB 1664-FN - As Introduced								
Fiscal Analysis of Appropriations and Revenues								
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ROW	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS	HOUSE or GOVERNOR POSITION?	ADDITIONAL COMMENTS FOR THE CHAIR (From 1/15/10 Spreadsheet)	COMMENTS FOR THE CHAIR (3/10/10)
1	APPROPRIATIONS							
2	01-04-04	Legislative Branch						
3	01-04-04-0420	House (Section 1)	G	(85,000)	Reduce out of state travel (Class 80) to 04-05 levels			
4	01-04-04-0430	General Court Joint Expenses (Section 2)	G	(119,029)	Reduce organizational dues (class 26) to \$100,000.			
5								
6	01-14-14	Department of Administrative Services						
7	01-14-14-1400-1302	Concord Fire and Municipal Services (Section 3)	G	(40,000)	Reduce class line 213.			
8	01-14-14-1400-1356	Retirees Health Insurance (Section 4)	G	(1,368,360)	Increase under 65 contribution from \$65 to \$100 for retiree and spouse resulting in a decrease in general funds and increase in agency income. See section 34 of proposed bill.	Governor	Originally proposed in Governor's Recommended Budget. Proposal not adopted by the Legislature.	
9	01-14-14-1400-1356	Retirees Health Insurance (Section 4)	O	1,368,360	See above.			
10				944,169				
11	01-34-34	Department of Cultural Affairs						
12	01-34-34-3400-6990	NH Film Commission (Section 5)	G	(113,221)	Eliminate funding for NH Film Commission.			
13	01-34-34-3410-1250	State Arts Development Grants (Section 6)	G	(428,000)	Intent of section is to eliminate funding for state arts development grants (class 73). ERROR IN CLASS DESCRIPTION AND APPROPRIATION AMOUNTS.			
14								
15	01-38-38	Treasury Department						
16	01-38-38-3820-1390	LCHIP (Sections 7)	O	(1,721,579)	Eliminate LCHIP appropriation in FY 2011. See section 29 of proposed bill.		Elimination of funding and shifting of surcharge revenue to the state general fund was a Republican proposal (blue sheets) during the House Finance Committee budget deliberations. Committee did not adopt proposal. See rows 87 and 88 below.	
17								
18	01-59-59	New Hampshire Retirement System						
19	01-59-59-5905-1052	State Contributions (Section 8)	G	(9,367,576)	Decrease class line 64 (Municipal Normal Contribution reduced further to 20% in FY11). See section 32 of proposed bill.		This item was a Republican proposal (blue sheets) during the House Finance Committee budget deliberations. Committee did not adopt proposal.	On Monday, March 8, 2010, a lawsuit was filed against the State, organized by the LGC and backed by 294 political subdivision members of the NHRS, claiming that the reduction of the state portion of the municipal normal contribution for local teachers, police, and fire members passed during the FY 2010-2011 budget process, represents an unfunded mandate and is therefore unconstitutional.
20								

HB 1664-FN - As Introduced								
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21	02-07-07	Judicial Council						
22	02-07-07-0700-1098	Civil Legal Services Fund (Section 9)	G	(470,000)	Reduce class line 108.			
23								
24	03-35-35	Department of Resources and Economic Development						
25	03-35-35-3505-3615	Industrial Research Center (Section 10)	G	(505,000)	Eliminate funding for Industrial Research Center		Representative Kurk will propose to remove this reduction with amendment 2010-0088h.	
26	03-35-35-3505-2084	Small Business Development Center (Section 11)	G	(280,000)	Eliminate funding for Small Business Development Center		Representative Kurk will propose to remove this reduction with amendment 2010-0088h.	
27	03-35-35-3515-3703	Cannon Mountain (Section 12)	O	(5,046,346)	Eliminate state funding relative to Cannon Mountain. See sections 41 through 47 of proposed bill.			
28								
29	03-44-44	Department of Environmental Services						
30	03-44-44-4400-1002	Regional Planning Commission Contracts (Section 13)	G	(220,000)	Eliminate funding for Regional Planning Commission contracts.			Funding for regional planning commission contracts were eliminated from the budget in FY 2010 only. No reductions were made in FY 2011.
31								
32	05-95-40	Division for Children, Youth and Families						
33	05-95-40-4030-5857	DCYF Diversion Incentive Funds (Section 14)	G	(784,911)	Fund diversion programs at Governor Recommended level of 3% of out-of-home placement appropriations. See section 35 of proposed bill.	Governor	Diversion funding is used for programs that aim to reduce the number of out-of-home placements. It could be argued that a reduction in Diversion funding could potentially increase the number of out-of-home placements. Included on Page 4, lines 118 and 119 on DHHS Potential Cost Reduction worksheet prepared January 5, 2010. General fund figures contained on DHHS worksheet vary slightly (approximately \$15,000) from HB 1664 amounts. HB 1664 amounts based on budgeted amounts.	Included on page 5, row 85 of 2/5/10 DHHS Cost Reduction Document. DHHS plans to use reduction to address projected FY11 budget shortfalls in other areas of the Department's budget through transfer of funds. Language contained in Section 35 of HB 1664 is necessary for the Department to achieve savings.
34	05-95-40-4040-5847	Promoting Safe-Stable Families (Section 15)	G	(120,000)	Remove funding for family resource centers.		Family resource centers work to reduce crisis intervention and other costly services. Reduction proposed by DHHS in response to budget cut request by Senator Sgambati during Senate Finance Committee budget deliberations. Senate Finance Committee did not adopt proposal. Included on Page 4, line 120 of DHHS Potential Cost Reduction Worksheet prepared January 5, 2010.	Not contained in 2/5/10 DHHS Cost Reduction Document. Item could be used for budget reductions in FY11 if the Committee deems appropriate.
35	05-95-40-4030-5855	Child - Family Services - Reduction in Out-of-Home/Residential Care (Section 16)	F	(2,000,000)	Reduce funding for out-of-home placements and residential care by \$4,000,000 total funds annually (50/50 state/federal match).		During the summer/fall, DCYF expressed concern in the press over the current funding levels for out-of-home placements. Further reduction to this line may create a considerable risk that some children will not be able to receive the residential services deemed necessary.	Related items are contained on page 2, row 12 and page 5, row 81 of the 2/5/10 DHHS Cost Reduction Document at varying amounts. DHHS plans to use reductions to address projected FY10 and FY11 budget shortfalls in other areas of the Department's budget through transfer of funds.
36	05-95-40-4030-5855	Child - Family Services - Reduction in Out-of-Home/Residential Care (Section 16)	G	(2,000,000)	See above.			

HB 1664-FN - As Introduced								
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37	05-95-40-4030-6040	Domestic Violence (Section 17)	G	(169,000)	Reduce general fund support for domestic violence programs to FY 2009 level.		Funding is passed through to local domestic violence agencies. Reduction proposed by DHHS in response to budget cut request by Senator Sgambati during Senate Finance Committee budget deliberations. Senate Finance Committee did not adopt proposal. Included on Page 4, line 117 of DHHS Potential Cost Reduction Worksheet prepared January 5, 2010.	Not contained in 2/5/10 DHHS Cost Reduction Document. Item could be used for budget reductions in FY11 if the Committee deems appropriate.
38								
39	05-95-48	Bureau of Elderly & Adult Services						
40	05-95-48-4810-9255	Social Services Block Grant (Section 18)	G	(500,000)	Reduce funding for social services block grant programs by \$500,000.		\$1,000,000 annual reduction proposed by DHHS in response to budget cut request by Senator Sgambati during Senate Finance Committee budget deliberations. Senate Finance Committee eventually agreed to \$500,000 annual reduction. HB 1664, section 18 would remove the remaining \$500,000.	Included as part of item on page 4, row 59 of 2/5/10 DHHS Cost Reduction Document. Action already taken by DHHS relative to these funds as DHHS will fund SSBG services at FY09 levels for FY10 and FY11. As a result, FIS 10-061 was approved by the Fiscal Committee on February 5, 2010 which transferred \$124,000 in unobligated SSBG general funds in FY10 to address the BEAS Nursing Services Provider Payment shortfall. DHHS plans to use reductions to address projected FY11 budget shortfalls through transfer of funds.
41	05-95-48-4810-2202	Catastrophic Illness (Section 19)	G	(609,000)	Eliminate Catastrophic Illness Program. See section 36 of proposed bill.	Governor	Originally proposed in Governor's Budget, and proposed by DHHS in response to budget cut request by Senator Sgambati during Senate Finance Committee budget deliberations. Senate Finance Committee did not adopt proposal. Included on Page 3, line 94 of DHHS worksheet prepared January 5, 2010. DHHS worksheet figures vary from HB 1664 figures which are based on actual budgeted amounts.	Item to suspend the catastrophic illness program not contained in 2/5/10 DHHS Cost Reduction Document. DHHS did receive Fiscal Committee approval (FIS 10-061) on February 5, 2010 to transfer unobligated funds (see page 4, row 60 of 2/5/10 DHHS Cost Reduction Document) to address the BEAS Nursing Services Provider Payment shortfall. However, this action did not suspend the catastrophic illness program in FY11 as is proposed in HB 1664. Suspension or elimination of the program was contained on previous DHHS Cost Reduction Documents (see additional comments for the chair), and, according to the Department, would be used to address projected FY11 budget shortfalls through transfer of funds if implemented. Language contained in Section 36 of HB 1664 is necessary to achieve savings.
42								
43	05-95-90	Division of Public Health						
44	05-95-90-9020-5530	Family Planning Program (Section 20)	G	(725,000)	Reduce funding for family planning program by \$725,000.	Governor	Originally proposed in Governor's Budget and proposed by DHHS in response to budget cut request by Senator Sgambati during Senate Finance Committee budget deliberations. Senate Finance Committee did not adopt proposal.	Not contained in 2/5/10 DHHS Cost Reduction Document. Item could be used for budget reductions in FY11 if the Committee deems appropriate.

HB 1664-FN - As Introduced								
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45	05-95-90-9020-2223	Boston EMA Title I (Section 21)	G	(400,000)	Reduce general fund appropriation for AIDS Services Organizations (ASO's) by \$400,000.	Governor	Governor Recommended budget removed general fund appropriations of \$500,000 per fiscal year. The House restored this reduction, and the Senate reduced this amount to \$400,000 annually. This reduction would remove the remaining \$100,000 for this purpose.	Not contained in 2/5/10 DHHS Cost Reduction Document. Item could be used for budget reductions in FY11 if the Committee deems appropriate.
46								
47	05-95-93	Division of Developmental Services						
48	05-95-93-9300-7100	Developmental Services - DD Waitlist (Section 22, class 557)	F	(10,000,000)	Eliminate DD Waitlist funding in FY 2011.	House and Governor	Governor Recommended budget contained no funding for the DD Waitlist in FY 2010 or FY 2011. The House Budget contained total funding of \$16,000,000 in FY 2010 and \$0 in FY 2011 for the DD waitlist, however FY 2010 appropriations were non-lapsing. Final budget provided total funding of \$16,000,000 in FY 2010 and \$20,000,000 in FY 2011 for the DD waitlist and made appropriations non-lapsing until the end of FY 2011.	Not contained in 2/5/10 DHHS Cost Reduction Document. Item could be used for budget reductions in FY11 if the Committee deems appropriate. DHHS states that eliminating \$20M total funds from DD waitlist in FY11 would result in individuals currently receiving services losing such services. DHHS estimates freezing the DD waitlist in FY11 would save approximately \$6M in total funds, and would maintain services for those individuals who are currently receiving them. Legislative language would be necessary to freeze the DD waitlist for FY11.
49	05-95-93-9300-7100	Developmental Services - DD Waitlist (Section 22, class 557)	G	(10,000,000)	See above.			
50	05-95-93-9300-7100	Developmental Services - Medicaid Waiver Services (Section 22, class 558)	F	(622,332)	Fund total DD services at FY 2009 Adjusted Authorized Level (Medicaid Waiver Services plus Waitlist).		This reduction was discussed during House Finance Division 3 budget deliberations, and offered originally by Representative Wendelboe. This proposal was not adopted by the House Finance Committee.	Not contained in 2/5/10 DHHS Cost Reduction Document. Would result in individuals currently receiving services losing such services.
51	05-95-93-9300-7100	Developmental Services - Medicaid Waiver Services (Section 22, class 558)	G	(622,333)	See above.			
52	05-95-93-9300-7016	Acquired Brain Disorder Svcs - Waitlist (Section 23)	F	(1,301,300)	Eliminate funding for acquired brain disorder (ABD) waitlist services.	Governor	Governor Recommended budget provided no funding for the ABD waitlist in FY 2010 or FY 2011. House Passed budget provided total funds of \$1,195,154 in FY 2010 and \$1,238,593 for the ABD waitlist, and funded this by making a corresponding reduction to the regular DD waiver services appropriations resulting in no net gain in appropriations in this PAU. Final budget provided total funding of \$2,600,000 in both FY 2010 and FY 2011 for the ABD waitlist and made appropriations non-lapsing until the end of FY 2011.	Not contained in 2/5/10 DHHS Cost Reduction Document. Item could be used for budget reductions in FY11 if the Committee deems appropriate. DHHS states that eliminating \$2.6M total funds from ABD waitlist in FY11 would result in individuals currently receiving services losing such services. DHHS estimates freezing the ABD waitlist in FY11 would save approximately \$1.3M in total funds, and would maintain services for those individuals who are currently receiving them. Legislative language would be necessary to freeze the ABD waitlist for FY11.
53	05-95-93-9300-7016	Acquired Brain Disorder Svcs - Waitlist (Section 23)	G	(1,300,000)	See above.			
54								
55	05-95-95-9560	Office of Medicaid and Business Policy						

HB 1664-FN - As Introduced

**Fiscal Analysis of Appropriations and Revenues
(Including Impact of Proposed Amendment 2010-0088h)**

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56	05-95-95-9560-6147	Provider Payments - Catastrophic Aid (Section 24, class 559)	F	(1,401,400)	Eliminate funding for catastrophic aid payments to hospitals.		Reduction proposed by DHHS in response to budget cut request by Senator Sgambati during Senate Finance Committee budget deliberations. Senate Finance Committee did not adopt proposal. Included on Page 2, line 62 of DHHS Potential Cost Reduction Worksheet prepared January 5, 2010. General fund figures contained on DHHS worksheet vary from HB 1664 amounts. HB 1664 amounts based on budgeted amounts which do not incorporate enhanced FMAP amounts.	Included on page 3, row 44 of 2/5/10 DHHS Cost Reduction Document. DHHS plans to use reductions to address projected FY10 and FY11 budget shortfalls in Provider Payments. Catastrophic Aid funding is already contained in Provider Payments line (class 101) and therefore no transfer authority would be necessary. DHHS is preparing a state plan amendment (SPA) for implementation on April 1, 2010.
57	05-95-95-9560-6147	Provider Payments - Catastrophic Aid (Section 24, class 559)	G	(1,400,000)	See above.			
58	05-95-95-9560-6147	Provider Payments - Indirect Medical Education (Section 24, class 101)	F	(1,208,114)	Suspend funding for indirect medical education. See section 37 of proposed bill.		Included on Page 2, line 65 of DHHS Potential Cost Reduction Worksheet prepared January 5, 2010. General fund figures contained on DHHS worksheet vary from HB 1664 amounts. HB 1664 amounts based on budgeted amounts which were based on Department errata containing enhanced FMAP estimates at the time.	Included on page 3, row 46 of 2/5/10 DHHS Cost Reduction Document. DHHS plans to use reductions to address projected FY10 and FY11 budget shortfalls in Provider Payments. IME funding is already contained in Provider Payments line (class 101) and therefore no transfer authority would be necessary. DHHS is preparing a state plan amendment (SPA) for implementation on April 1, 2010. Section 37 of HB 1664 could be used to clarify Legislative intent.
59	05-95-95-9560-6147	Provider Payments - Indirect Medical Education (Section 24, class 101)	G	(793,541)	See above.			
60	05-95-95-9560-6147	Provider Payments - Outpatient Hospital rates for Critical Access Hospitals (Section 24, class 565)	F	(1,736,000)	Reduce outpatient rates for critical access hospitals from 91.25% to 85% of cost. See section 38 of proposed bill.		May be included on Page 2, line 64 of DHHS Potential Cost Reduction Worksheet prepared January 5, 2010 titled "Reduce interim rates for hospital outpatient". General fund figures contained on DHHS worksheet vary from HB 1664 amounts. HB 1664 amounts based on amounts proposed by DHHS in response to budget cut request by Senator Sgambati during Senate Finance Committee budget deliberations. Senate Finance Committee did not adopt proposal.	Not contained in 2/5/10 DHHS Cost Reduction Document. Item could be used for budget reductions in FY11 if the Committee deems appropriate. DHHS has concerns on Federal allowance of such reduction, and the impact this reduction may have on Medicaid access in critical access areas. Section 38 of HB 1664 would be necessary if the Committee deems the reduction appropriate.
61	05-95-95-9560-6147	Provider Payments - Outpatient Hospital rates for Critical Access Hospitals (Section 24, class 565)	G	(1,050,000)	See above.			
62								
63	05-95-95-9580	Division of Community Based Care Services						
64	05-95-95-9584-1388	Governor's Commission on Alcohol & Drug Abuse Prevention (Section 25)	G	(1,000,000)	Reduce funding for Governor's Commission.	Governor	Reduction would bring appropriation to Governor Recommended level. Reduction proposed by DHHS in response to budget cut request by Senator Sgambati during Senate Finance Committee budget deliberations. Senate Finance Committee did not adopt proposal.	Not contained in 2/5/10 DHHS Cost Reduction Document. Item could be used for budget reductions in FY11 if the Committee deems appropriate.
65								
66	06-56-56	Department of Education						
67	06-56-56-5610-6019	Dropout Prevention (Section 26, class 606)	G	(1,750,000)	Eliminate funding for dropout prevention.			
68	06-56-56-5610-6019	Local Education Improvement (Section 26, class 609)	G	(500,000)	Eliminate funding for local ed improvement.			

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69	06-56-56-5600-7550	Adequate Education Grants (Section 27, class 079)	O	(19,184,067)	Reduce funding for adequate education grants based on amendments contained in sections 48 and 49 of this bill relative to how free and reduced lunch information is used in grant calculation. See sections 48 and 49 of proposed bill.		Originally proposed in HB 521 of the 2009 Session (Sponsored by Representative Stiles). Bill voted ITL by the House.	
70								
71	06-57-57	Postsecondary Education Commission						
72	06-57-57-57000-6076	Spec'l Student Grant - Dartmouth (Section 28)	G	(175,000)	Eliminate funding for special student grants which are used to assist NH residents with pursuing medical education at Dartmouth Medical School or the University of New England's College of Osteopathic Medicine.			
73								
74	Sections	Various Agencies						
75	Sections 30, 31 & 33	Employee Retirement Contributions	G	(10,000,000)	Take House position relative to employee retirement contributions (Group 1 - 7%, Group 2 - 11%). For purposes of this spreadsheet, fiscal impact is based on initial discussions during House budget deliberations. Exact fiscal impact has not yet been determined by NHRS.	House		
76	Section 39	Vacant Positions-Layoffs	N/A	0	Abolish positions vacant as a result of layoffs that occur from July 1, 2009 through June 30, 2011.			
77	Section 40	Unfunded Vacant Positions	N/A	0	Abolish positions that are unfunded and vacant as of July 1, 2010.			
78	Section 50	Environmental Services	G	(2,000,000)	Require DES to reduce state general fund appropriations by \$2,000,000.		This item was a Republican proposal (blue sheets) during the House Finance Committee budget deliberations. Committee did not adopt proposal.	
79	Section 51	Department of Justice	G	(456,599)	Require Department of Justice to reduce state general fund appropriations by \$456,599.	House	General fund reduction contained in House Passed Budget.	
80	Section 52	Corrections	G	(3,717,635)	Require Department of Corrections to reduce state general fund appropriations by \$3,717,635.	House	General fund reduction contained in House Passed Budget.	
81	Section 53	Department of Information Technology	G	(5,617,263)	Require DoIT to reduce state general fund appropriations by \$5,617,263 in FY 2011. DoIT estimates the required general fund reduction amount above will result in corresponding reduction in federal (\$3,245,958) and other funds (\$408,474) due to funding matches at the impacted agencies. LANGUAGE CHANGE NECESSARY TO SPECIFY THAT REQUIRED REDUCTION AMOUNT REPRESENTS THE STATE GENERAL FUND SHARE.	House	General fund reduction contained in House Passed Budget.	
82	Section 54	Governor's Office	G	(23,417)	Require Governor's Office to reduce state general fund appropriations by \$23,417. Reduction percentage of 1.28% is equal to percent reduction required of Legislative Branch.			

HB 1664-FN - As Introduced								
Fiscal Analysis of Appropriations and Revenues								
(Including Impact of Proposed Amendment 2010-0088h)								
Shaded Rows indicate that action is currently being taken by Department/Agency								
A	B	C	D	E	F	G	H	I
ROW	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS	HOUSE or GOVERNOR POSITION?	ADDITIONAL COMMENTS FOR THE CHAIR (From 1/15/10 Spreadsheet)	COMMENTS FOR THE CHAIR (3/10/10)
83	Section 55	USNH	G	(10,000,000)	Require USNH to reduce state general fund appropriations by \$10,000,000. Reduction would be required after 1/1/11 but before 6/30/11 to avoid conflicts with ARRA requirements.			
84	Section 56	Community Technical Colleges	G	(3,544,599)	Require Tech College System to reduce state general fund appropriations by \$3,544,599. Reduction would be required after 1/1/11 but before 6/30/11 to avoid conflicts with ARRA requirements. Reduction amount based on funding System at FY 2009 level.			
85	Section 57	Judicial Branch	G	(4,787,793)	Require Judicial Branch to reduce state general fund appropriations by an additional \$4,787,793, with \$2,565,000 of the reduction coming from the close of the Hillsborough Superior Court- North.		\$2,222,793 of this required reduction would bring Judicial Branch general fund appropriations back to Governor Recommended levels. The remaining \$2,565,000 of this reduction is a new proposal by Representative Kurk.	Chapter 143:18, Laws of 2009 (HB 1) currently contains a back of the budget reduction for the Judicial Branch of \$535,000 in FY 2010 and \$400,000 in FY 2011. SB 460 of the 2010 Session (which was recommended OTPA by the House Finance Committee) would require the Judicial Branch to lapse \$3.1M in general funds by the end of the FY10-11 biennium. The \$3.1M reduction represents the Judicial Branch share of the \$25M personnel reduction requirement contained in Chapter 144:289, Laws of 2009 (HB 2). The Branch is anticipating using approximately \$500,000 in fuel savings, and furloughs to meet the reduction requirement in SB 460. The reduction proposed in section 57 of HB 1664 would be in addition to the two amounts stated above.
86	REVENUES							
87	Section 29	LCHIP Surcharge to General Fund	G	1,721,579	Section 29 would shift the deposit of the \$25 surcharge from LCHIP Trust Fund to the state general fund.		This item was a Republican proposal (blue sheets) during the House Finance Committee budget deliberations. Committee did not adopt proposal. See row 16 above.	
88	Section 29	LCHIP Surcharge to General Fund	O	(1,721,579)	See above.		See above.	
89	Sections 41-47	Leasing of Cannon Mountain	G	Indeterminable	Sections would require the lease of Cannon Mountain, and require lease proceeds from Mount Sunapee to be deposited into the state general fund rather than the Cannon Mountain Capital Improvement Fund. Lease proceeds from Cannon Mountain would also be deposited into the state general fund. The exact fiscal impact cannot be determined at this time.		Originally contained in SB 101 of the 2009 Session. Bill was voted ITL by the Senate.	
90								
91		HB 1664 - APPROPRIATION & EXPENDITURE IMPACT						
92		Total Funds		(119,895,055)				
93								
94		General Funds		(77,042,277)				
95		Federal Funds		(18,269,146)				
96		Highway Funds		0				
97		Other Funds		(24,583,632)				

HB 1664-FN - As Introduced

Fiscal Analysis of Appropriations and Revenues

(Including Impact of Proposed Amendment 2010-0088h)

Shaded Rows indicate that action is currently being taken by Department/Agency

A	B	C	D	E	F	G	H	I
ROW	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS	HOUSE or GOVERNOR POSITION?	ADDITIONAL COMMENTS FOR THE CHAIR (From 1/15/10 Spreadsheet)	COMMENTS FOR THE CHAIR (3/10/10)
98								
106		HB 1664 - REVENUE IMPACT						
107		Total Funds		0				
108								
109		General Funds		1,721,579				
110		Federal Funds		0				
111		Highway Funds		0				
112		Other Funds		(1,721,579)				
113								
114								
115								
116		Kurk Amendment (2010-0088h)						
117	03-35-35-3505-3615	Industrial Research Center (Deletes Section 10)	G	505,000	Delete section 10 relative to elimination of funding for the Industrial Research Center.			
118	03-35-35-3505-2084	Small Business Development Center (Deletes Section 11)	G	280,000	Delete section 11 relative to the elimination of funding for Small Business Development Center			
119	Amend Sections 39-42 (formerly 41-44)	Leasing Cannon Mountain (technical correction)	G	N/A	Adjusts section references due to renumbering of sections resulting from deletion of sections 10 and 11.			
120	Amend Section 47 (formerly 49)	Adequate Education Grants (technical correction)	G	N/A	Adjusts section references due to renumbering of sections resulting from deletion of sections 10 and 11.			
121								
122		HB 1664 after 2010-0088h - APPROPRIATION & EXPENDITURE IMPACT						
123		Total Funds		(119,110,055)				
124								
125		General Funds		(76,257,277)				
126		Federal Funds		(18,269,146)				
127		Highway Funds		0				
128		Other Funds		(24,583,632)				
129								
130		HB 1664 after 2010-0088h - REVENUE IMPACT						
131		Total Funds		0				
132								
133		General Funds		1,721,579				
134		Federal Funds		0				
135		Highway Funds		0				
136		Other Funds		(1,721,579)				

ARRA Law
P. 166 and 168

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H. R. 1—166

(1) IN GENERAL.—For each fiscal year, the Governor shall use 81.8 percent of the State's allocation under section 14001(d) for the support of elementary, secondary, and postsecondary education and, as applicable, early childhood education programs and services.

(2) RESTORING STATE SUPPORT FOR EDUCATION.—

(A) IN GENERAL.—The Governor shall first use the funds described in paragraph (1)—

(i) to provide the amount of funds, through the State's primary elementary and secondary funding formulae, that is needed—

(I) to restore, in each of fiscal years 2009, 2010, and 2011, the level of State support provided through such formulae to the greater of the fiscal year 2008 or fiscal year 2009 level; and

(II) where applicable, to allow existing State formulae increases to support elementary and secondary education for fiscal years 2010 and 2011 to be implemented and allow funding for phasing in State equity and adequacy adjustments, if such increases were enacted pursuant to State law prior to October 1, 2008.

(ii) to provide, in each of fiscal years 2009, 2010, and 2011, the amount of funds to public institutions of higher education in the State that is needed to restore State support for such institutions (excluding tuition and fees paid by students) to the greater of the fiscal year 2008 or fiscal year 2009 level.

(B) SHORTFALL.—If the Governor determines that the amount of funds available under paragraph (1) is insufficient to support, in each of fiscal years 2009, 2010, and 2011, public elementary, secondary, and higher education at the levels described in clauses (i) and (ii) of subparagraph (A), the Governor shall allocate those funds between those clauses in proportion to the relative shortfall in State support for the education sectors described in those clauses.

(C) FISCAL YEAR.—For purposes of this paragraph, the term "fiscal year" shall have the meaning given such term under State law.

(3) SUBGRANTS TO IMPROVE BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES.—After carrying out paragraph (2), the Governor shall use any funds remaining under paragraph (1) to provide local educational agencies in the State with subgrants based on their relative shares of funding under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) for the most recent year for which data are available.

(b) OTHER GOVERNMENT SERVICES.—

(1) IN GENERAL.—The Governor shall use 18.2 percent of the State's allocation under section 14001 for public safety and other government services, which may include assistance for elementary and secondary education and public institutions of higher education, and for modernization, renovation, or repair of public school facilities and institutions of higher education facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system.

- (A) used for sectarian instruction or religious worship;
or
(B) in which a substantial portion of the functions of the facilities are subsumed in a religious mission.

SEC. 14006. STATE APPLICATIONS.

(a) **IN GENERAL.**—The Governor of a State desiring to receive an allocation under section 14001 shall submit an application at such time, in such manner, and containing such information as the Secretary may reasonably require.

(b) **APPLICATION.**—In such application, the Governor shall—

- (1) include the assurances described in subsection (d);
- (2) provide baseline data that demonstrates the State's current status in each of the areas described in such assurances; and
- (3) describe how the State intends to use its allocation, including whether the State will use such allocation to meet maintenance of effort requirements under the ESEA and IDEA and, in such cases, what amount will be used to meet such requirements.

(c) **INCENTIVE GRANT APPLICATION.**—The Governor of a State seeking a grant under section 14006 shall—

- (1) submit an application for consideration;
- (2) describe the status of the State's progress in each of the areas described in subsection (d), and the strategies the State is employing to help ensure that students in the subgroups described in section 1111(b)(2)(C)(v)(II) of the ESEA (20 U.S.C. 6311(b)(2)(C)(v)(II)) who have not met the State's proficiency targets continue making progress toward meeting the State's student academic achievement standards;
- (3) describe the achievement and graduation rates (as described in section 1111(b)(2)(C)(vi) of the ESEA (20 U.S.C. 6311(b)(2)(C)(vi)) and as clarified in section 200.19(b)(1) of title 34, Code of Federal Regulations) of public elementary and secondary school students in the State, and the strategies the State is employing to help ensure that all subgroups of students identified in section 1111(b)(2) of the ESEA (20 U.S.C. 6311(b)(2)) in the State continue making progress toward meeting the State's student academic achievement standards;
- (4) describe how the State would use its grant funding to improve student academic achievement in the State, including how it will allocate the funds to give priority to high-need local educational agencies; and
- (5) include a plan for evaluating the State's progress in closing achievement gaps.

(d) **ASSURANCES.**—An application under subsection (b) shall include the following assurances:

(1) **MAINTENANCE OF EFFORT.**—

(A) **ELEMENTARY AND SECONDARY EDUCATION.**—The State will, in each of fiscal years 2009, 2010, and 2011, maintain State support for elementary and secondary education at least at the level of such support in fiscal year 2006.

(B) **HIGHER EDUCATION.**—The State will, in each of fiscal years 2009, 2010, and 2011, maintain State support for public institutions of higher education (not including support for capital projects or for research and development

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PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

SPECIAL NOTES:

- A State has some flexibility in determining the "levels of State support" for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. See Appendix C – Instructions for Part 4: Maintenance of Effort.

1. Levels of State support for elementary and secondary education (the amounts may reflect the levels of State support on either an aggregate basis or a per-student basis):

↘	FY 2006	\$ <u>836,772,101</u>	Adequacy & Kindergarten Aid.
	FY 2009*	\$ <u>893,695,744</u>	FY09-11: Adequacy, Kindergarten and Charter tuition
	FY 2010*	\$ <u>869,081,926</u>	Statutory Funding Required: \$949,160,143
↘	FY 2011*	\$ <u>869,469,916</u>	Statutory Funding Required: \$949,548,133

(* Provide data to the extent that data are currently available.)

2. Levels of State support for public institutions of higher education (enter amounts for each year):

↘	FY 2006	\$ <u>112,706,936</u>	2005 HB-1 Operating Budget
	FY 2009*	\$ <u>137,447,218</u>	2007 HB-1 Operating Budget and salary warrant.
	FY 2010*	\$ <u>133,359,697</u>	Senate Finance Committee budget.
↘	FY 2011*	\$ <u>137,555,490</u>	Senate Finance Committee budget.

(* Provide data to the extent that data are currently available.)

3. Additional Submission Requirements: In an attachment to the application –

(a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education;

FY06 - See Attachment A-1, Adequacy Aid Formula Grant Plus Transition \$472,812,134 (column G) and Enhanced Education Tax \$363,392,367 (column H); and Kindergarten Aid \$567,600. The total is \$836,772,101.

FY09 - See Attachment A-2, Governor's proposed operating budget FY09 estimate for Adequate Education \$890,360,565 (page 1766), Charter School Tuition \$2,377,579 (page 1766); and A-3 actual Kindergarten Aid \$957,600. (Beginning in FY08, the State began paying

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tuition directly to charter schools rather than reimburse school districts.) Total estimate is \$893,695,744.

FY10 - See Attachment A-4, Senate Finance Committee budget dated May 29, 2009. Sum of Adequacy Grants, Charter School Tuition, Fiscal Disparity Grants and Kindergarten Adequacy (page 917-918). (Does not include Adequacy Grants – SFSF, \$80,078,217 or Hardship Grants for property tax payers \$5,000,000.) State funding total is \$869,081,926.

✓ FY11 - See Attachment A-4, Senate Finance Committee budget dated May 29, 2009. Sum of Adequacy Grants, Charter School Tuition, Fiscal Disparity Grants and Kindergarten Adequacy (page 917-918). (Does not include Adequacy Grants – SFSF, \$80,078,217 or Hardship Grants for property tax payers \$5,000,000.) The total is \$869,469,916. * SENATE FINANCE AMENDMENT - ADD TO CHARTER SCHOOLS CHARGED IN BUDGET AS PASSED INTO LAW

Statutory Funding Requirement for FY 10 and FY 11 – See Attachment A-5, Estimate of Statutory Funding Required. Referenced documents, Estimated FY10 Adequacy Aid, Kindergarten Adequacy FY10/FY100 Estimate and FY10/FY11 Charter School Cost Estimate are also attached. Estimates for total of statutory funding are \$949,160,143 for FY10 and \$949,548,133 for FY11.

- and -

(b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

FY06 - See Attachment A-6, 2005 HB-1 State Budget appropriation for FY06/07, NH Community College System, General Fund \$25,821,038 (page 512) less Christa McAuliffe Planetarium, General Fund \$564,102 (page 510) plus University System, General Fund \$87,450,000 (page 516). The total higher education balance is \$112,706,936.

FY09 – See Attachment A-7, 2007 HB-1 State Budget appropriation for FY08/FY09, NH Community College System, General Fund \$34,625,817 (page 544), less Christa McAuliffe Planetarium, General Fund \$614,926 (page 543) plus warrant for FY09 salary increases \$3,436,327 (Attachment A-8). The total for the NH Community College System is \$37,447,218. The University System, General Fund total is \$100,000,000 (page 548). Balance for higher education is \$137,447,218.

FY10 - See Attachment A-4, Senate Finance Committee budget dated May 29, 2009. The NH Community College System, General Fund \$36,359,697 (page 1035), plus University System, General Fund \$97,000,000 (page 1040) appropriations total \$133,359,697 for higher education. The Christa McAuliffe Planetarium is no longer budgeted as part of the Community College System.

✓ FY11 - See Attachment A-4, Senate Finance Committee budget dated May 29, 2009. The NH Community College System, General Fund \$37,555,490 (page 1035), plus University System, General Fund \$100,000,000 (page 1040) appropriations total \$137,555,490 for higher education.

NO CHANGE FROM SENATE FINANCE

Source: Ch. 143, L'09
Operating Budget

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06 EDUCATION (CONT.)
56 DEPARTMENT OF EDUCATION (CONT.)
56 EDUCATION, DEPT OF (CONT.)
560010 OFFICE OF THE COMMISSIONER (CONT.)
8062 WORKERS COMPENSATION (CONT.)

ESTIMATED SOURCE OF FUNDS FOR
WORKERS COMPENSATION
GENERAL FUND
TOTAL

16,151	16,650
16,151	16,650

CLASS NOTES

062 D. The funds in this appropriation shall not be transferred or expended for any other purpose

06 EDUCATION
56 DEPARTMENT OF EDUCATION
56 EDUCATION, DEPT OF
560010 OFFICE OF THE COMMISSIONER
6165 UNEMPLOYMENT COMPENSATION

061 Unemployment Compensation
TOTAL

1,940	2,000
1,940	2,000

ESTIMATED SOURCE OF FUNDS FOR
UNEMPLOYMENT COMPENSATION
GENERAL FUND
TOTAL

1,940	2,000
1,940	2,000

CLASS NOTES

061 D. The funds in this appropriation shall not be transferred or expended for any other purpose

06 EDUCATION
56 DEPARTMENT OF EDUCATION
56 EDUCATION, DEPT OF
560010 OFFICE OF THE COMMISSIONER
7550 ADEQUATE EDUCATION GRANTS

079 Adequate Education Aid - State
083 Hardship Grants
086 Adequate Education Aid - SFSF
611 Charter School Tuition
618 Fiscal Disparity - School Districts
623 Kindergarten Adequacy
624 Education Transition Aid
625 Fiscal Disparity - Charter Schools

780,018,220	780,018,220 ✓
5,000,000	4,000,000
80,078,217	80,078,217
4,830,717	5,777,941 ✓
37,009,729	37,009,729 ✓
3,677,700	3,677,700 ✓
43,656,810	43,490,976 ✓
2,750,000	3,294,000 ✓

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HB 0001

06/19/2009

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FISCAL YEAR 2010

FISCAL YEAR 2011

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06 EDUCATION (CONT.)
 56 DEPARTMENT OF EDUCATION (CONT.)
 56 EDUCATION, DEPT OF (CONT.)
 560010 OFFICE OF THE COMMISSIONER (CONT.)
 7550 ADEQUATE EDUCATION GRANTS (CONT.)

TOTAL 957,021,393 957,346,783

ESTIMATED SOURCE OF FUNDS FOR
 ADEQUATE EDUCATION GRANTS
 FEDERAL FUNDS
 OTHER FUNDS
 TOTAL

80,078,217	80,078,217
876,943,176	<u>877,268,566</u> - \$ 4,000,000 =
957,021,393	957,346,783 # 973,268,566

CLASS NOTES

083 F. This appropriation shall not lapse until June 30, 2011

EXPENDITURE TOTAL FOR OFFICE OF THE COMMISSIONER	957,694,620	958,038,277
FEDERAL FUNDS	80,078,217	80,078,217
OTHER FUNDS	877,158,295	877,492,029
GENERAL FUND	458,108	468,031
TOTAL ESTIMATED SOURCE OF FUNDS FOR OFFICE OF THE COMMISSIONER	957,694,620	958,038,277

06 EDUCATION
 56 DEPARTMENT OF EDUCATION
 56 EDUCATION, DEPT OF
 560510 OFFICE OF DEP COMMISSIONER
 6003 DEPUTY COMMISSIONER

010 Personal Services-Perm. Classi	227,561	230,908
012 Personal Services-Unclassified 2	52,182	104,364
020 Current Expenses	9,357	9,646
026 Organizational Dues	213	220
030 Equipment New/Replacement	510	526
060 Benefits	142,628	164,324
066 Employee Training	8,245	8,500
067 Training of Providers	2,934	3,025
070 In-State Travel Reimbursement	1,455	1,500
080 Out-Of State Travel Reimb	2,267	2,337
TOTAL	447,352	525,350

ESTIMATED SOURCE OF FUNDS FOR
 DEPUTY COMMISSIONER
 GENERAL FUND

447,352	525,350
---------	---------

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06 EDUCATION (CONT.)
 58 REGIONAL COMMUNITY TECH COLLEGES (CONT.)
 58 REGIONAL COMM TECH COLLEGE (CONT.)
 587010 N.H. TECH COLLEGE-NASHUA (CONT.)
 4822 CARL PERKINS PROGRAM (CONT.)

050 Personal Service-Temp/Appointe	48,000	48,000
060 Benefits	3,672	3,672
066 Employee Training	5,000	5,000
070 In-State Travel Reimbursement	1,000	1,000
080 Out-Of State Travel Reimb	8,200	8,200
107 Scholarships & Grants	54,000	54,000
TOTAL	125,272	125,272

ESTIMATED SOURCE OF FUNDS FOR
 CARL PERKINS PROGRAM

009 Agency Income	125,272	125,272
TOTAL	125,272	125,272

EXPENDITURE TOTAL FOR N.H. TECH COLLEGE-NASHUA	14,009,105	14,883,757
FEDERAL FUNDS	867,750	926,250
OTHER FUNDS	9,342,731	9,756,029
GENERAL FUND	3,798,624	4,201,478
TOTAL ESTIMATED SOURCE OF FUNDS FOR N.H. TECH COLLEGE-NASHUA	14,009,105	14,883,757

EXPENDITURE TOTAL FOR <u>REGIONAL COMM TECH COLLEGE</u>	106,191,799	108,285,798
FEDERAL FUNDS	9,343,551	8,677,943
OTHER FUNDS	60,488,551	62,052,365
GENERAL FUND	36,359,697	<u>37,555,490</u> ←
TOTAL ESTIMATED SOURCE OF FUNDS FOR REGIONAL COMM TECH COLLEGE	106,191,799	108,285,798

06 EDUCATION
 83 NH SWEEPSTAKES COMMISSION
 83 NH LOTTERY COMMISSION
 830013 NH LOTTERY COMMISSION
 1029 LOTTERY DIVISION

010 Personal Services-Perm. Classi	1,842,852	1,873,619
011 Personal Services-Unclassified	17,411	17,411
012 Personal Services-Unclassified 2	19,264	19,263
013 Personal Services-Unclassified 3	92,105	92,106
018 Overtime	9,539	9,539
019 Holiday Pay	7,972	7,973

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06 EDUCATION
 50 UNIVERSITY SYSTEM
 50 UNIVERSITY OF NEW HAMPSHIRE
 505010 EXTENSION WORK IN COUNTIES
 7876 EXTENSION WORK IN COUNTIES

084 University System of NH Funding	2,419,180	2,494,000
TOTAL	2,419,180	2,494,000

ESTIMATED SOURCE OF FUNDS FOR
 EXTENSION WORK IN COUNTIES
 GENERAL FUND
 TOTAL

2,419,180	2,494,000
2,419,180	2,494,000

06 EDUCATION
 50 UNIVERSITY SYSTEM
 50 UNIVERSITY OF NEW HAMPSHIRE
 505510 NH PUBLIC TELEVISION
 1060 N H PUBLIC TELEVISION

084 University System of NH Funding	2,574,380	2,654,000
TOTAL	2,574,380	2,654,000

ESTIMATED SOURCE OF FUNDS FOR
 N H PUBLIC TELEVISION
 GENERAL FUND
 TOTAL

2,574,380	2,654,000
2,574,380	2,654,000

EXPENDITURE TOTAL FOR UNIVERSITY OF NEW HAMPSHIRE

100,000,000	100,000,000
-------------	-------------

FEDERAL FUNDS

3,000,000

GENERAL FUND

97,000,000

TOTAL ESTIMATED SOURCE OF FUNDS FOR UNIVERSITY OF NEW HAMPSHIRE

100,000,000

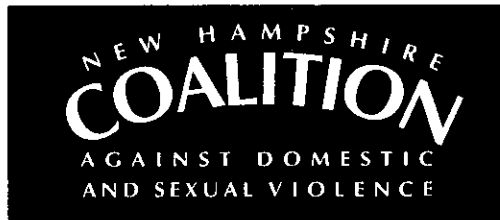
0
100,000,000 ←
100,000,000

06 EDUCATION
 61 CHRISTA MCAULIFFE PLANETARIUM
 61 CHRISTA MCAULIFFE PLANETARIUM
 610010 CHRISTA MCAULIFFE PLANETARIUM
 3432 ADMINISTRATION

010 Personal Services-Perm. Classi	527,446	539,854
011 Personal Services-Unclassified	84,217	84,218
018 Overtime	2,034	2,034
019 Holiday Pay	6,911	7,070
020 Current Expenses	149,925	141,262

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P.O. Box 353
Concord, NH 03302-0353
Phone: (603)-224-8893
fax: (603)-228-6096
www.nhcadv.org
www.reachoutnh.com



Statewide Toll Free Hotlines

Domestic Violence:
1-866-644-3574
Sexual Assault:
1-800-277-5570

MEMBERS:

*RESPONSE to Sexual
& Domestic Violence*
Berlin
Colebrook
Lancaster

Turning Points Network
Claremont
Newport

*Rape and Domestic Violence
Crisis Center*
Concord

Starting Point
Conway
Ossipee

*Sexual Harassment and Rape
Prevention Program (SHARPP)*
University of New Hampshire
Durham

*Monadnock Center for
Violence Prevention*
Keene
Jaffrey
Peterborough

New Beginnings:
Laconia

WISE
Lebanon

The Support Center at Burch House
Littleton

YWCA&Crisis Service
Manchester
Derry

*Bridges: Domestic & Sexual
Violence Support*
Nashua
Milford

Voices Against Violence
Plymouth

A Safe Place
Portsmouth
Rochester
Salem

Sexual Assault Support Services
Portsmouth
Rochester

Domestic Violence Grant Program General Fund Reduction Impact Statement

The Domestic Violence Grant Program (DVGP) was created by the NH Legislature in 1981, establishing a fund to support direct services to victims of domestic violence. The New Hampshire Coalition Against Domestic and Sexual Violence (Coalition) has contracted with the Department of Health and Human Services to manage the DVGP since that time.

The marriage license fee was used as the sole source of support for the DVGP until 1994, when a general fund appropriation, to match the revenue generated by marriage license fees, was included in the State Budget. The general fund appropriation has been maintained in every State Budget since, at about \$318,000. The only exception to this level of general funds being allocated to the DVGP is in the current fiscal year, when Governor Lynch reduced the general fund by \$119,000 by Executive Order. However, the \$119,000 was replaced in the current \$671,000 contract by excess marriage license fee revenues that had accumulated over the years so that there was no reduction in the total level of support. There is no longer any excess in the marriage license fee revenues, and thus any reduction in FY11 State Budget would reduce the total state funding to support direct services to victims of domestic violence.

A reduction of \$169,000 in the general fund appropriation for the DVGP would equal a 27% cut. This funding reduction would come on top of existing cuts in other funding programs that already represent a 20% reduction in direct services funding. The Victims of Crime Act, Family Violence Prevention and Services Act and Violence Against Women Act Rural Grant are three federal funding programs that have already been cut. In addition to these federal funding cuts, domestic violence programs across the state have seen a drastic reduction in the private funds they receive. These funding reductions are already having a devastating impact on the provision of direct services to victims and their families. Domestic violence programs across the state have laid off direct service advocates, reduced direct service advocate hours, and are contemplating closing satellite offices. The timing could not be worse, as the current economic climate is causing more victims than ever to seek support from local domestic violence programs. The Coalition's member programs are already doing more work than ever, with 20% less funding.

DVGP funds support core services, such as emergency shelter, support groups, work with children who have been exposed to violence, support for victims getting restraining orders, and help for victims seeking public assistance that will allow them to leave violent homes. The 12 domestic

violence programs funded by DVGP would have to further cut direct service hours if the general fund appropriation for the DVGP is reduced. Each direct service advocate serves upwards of 300 victims per year. A \$169,000 reduction in DVGP funds would mean that direct service advocate hours would be reduced so that an estimated 1200 victims a year would not be assisted, or assistance would be severely limited. Being available to assist every victim who reaches out for help is critical, given the serious safety issues involved in domestic violence. Three quarters of the homicide victims in New Hampshire every year are due to domestic violence. Maintaining the network of domestic violence service programs across the state could literally save a life.

As devastating as the reduction in services to victims, and the actual number of victims able to get assistance, is the loss of state funding that is used to match federal funding. The majority of the direct service funds that the Coalition passes through to member programs come from federal programs that require a local or state match. The loss of \$169,000 in state funds will equal at least \$169,000 in lost federal funds that will not have sufficient match. The total effect of a \$169,000 cut in state funds could translate into more than \$338,000 of lost funding.

OFFICE OF LEGISLATIVE BUDGET ASSISTANT

State House, Room 102
Concord, NH 03301
271-3161

DATE March 2, 2010

FROM Christopher Shea
Budget Analyst

SUBJECT Estimated number of positions impacted by HB 1664

TO Representative Neal Kurk

In review of fiscal note worksheets and contacting various departments it is estimated HB 1664 may result in 172 to 198 state general funded positions being eliminated. Additionally, the leasing of Cannon will result in 31 full-time positions and over 300 seasonal workers (mostly in the winter) being impacted. Agencies are not able to provide a specific number of positions impacted as there may be other factors, such as mandated budget reductions contained in other laws, that need to be considered as agencies make decisions on how to manage the total reductions required.

Attached is a table that indicates which sections of HB 1664 may have a direct impact on positions.

If you have any questions or concerns, please feel free to contact me at 271-3086.

Estimated Number of Positions Impacted by HB 1664					
Prepared for Representative Kurk					
ACCT. UNIT	BILL SECTION #	AGENCY/COMMENT	SOF	FY 2011	COMMENTS
01-34-34		Department of Cultural Affairs			
01-34-34-3400-6990	Section 5	NH Film Commission	G	(113,221)	The reduction would result in the elimination of one position.
03-35-35		Department of Resources and Economic Development			
03-35-35-3515-3703	Section 12	Cannon Mountain	O	(5,046,346)	The elimination of the appropriation would impact 31 full-time positions and over 300 seasonal workers, with the majority of the seasonal workers in the winter. These positions are not general funded.
05-95-48		Bureau of Elderly & Adult Services			
05-95-48-4810-2202	Sections 19 and 36	Catastrophic Illness	G	(609,000)	This reduction may result in the elimination of 2 general funded positions.
		Appropriation Reductions			
N/A	Section 50	Environmental Services	G	(2,000,000)	This reduction may result in the elimination of 25 to 50 general fund positions.
N/A	Section 57	Judicial Branch	G	(4,787,793)	Closure of Hillsborough Superior Court North will likely result in 24 positions being laid off. There would be additional lay offs to meet the remainder of the reduction. The Branch anticipates using a combination of voluntary and mandatory furloughs and reduced hours of court operations to help meet budget reductions and is not able to determine the number of additional lay offs that would be needed at this time.
N/A	Section 51	Justice	G	(456,599)	This reduction may result in the elimination of 9 or 10 classified positions (support staff).
N/A	Section 52	Corrections	G	(3,717,635)	This reduction may result in the elimination of 53 positions.
N/A	Section 53	DoIT-General Funds	G	(5,617,263)	This reduction may result in the elimination of 58 positions.

Submittal to House Finance Committee members

Tuesday, February 2, 2010

**John M. DeVivo, GM / Cannon Mountain & Franconia Notch State Park
Pursuant to HB 1664 hearing / work session discussion**

Submittals:

- Cannon FY10 year-to-date (Jul 1 '09 – Jan 31 '10) versus FY10 budget Page 1
- Cannon FY10 year-to-date (Jul 1 '09 – Jan 31 '10) versus FY09 actual Page 2
- Cannon FY09 final closeout as reported to DRED (Jun 30, 2009) Page 3
- Cannon FY08 final closeout as reported to DRED (Jun 30, 2008) Page 4
- Cannon response to questions at HB 1664 hearing on Jan 19, 2010 Page 5
- Cannon Summer 2008 – Spring 2010 (FY09 & FY10) capital project update Pages 6 & 7
- Cannon Mountain Capital Improvement Fund updated bond schedule (06/30/09) Pages 8 & 9

Note:

Also submitted written testimony on Jan 19, 2010 (and gave oral testimony) in opposition to language in HB 1664 relative to the zeroing out of Cannon's financials and the requirement of the DRED Commissioner to craft an RFP relative to the leasing of Cannon Mountain Ski Area.

**Cannon Mountain Ski Area
Profit & Loss Budget vs. Actual
July 2009 through January 2010**

(FY10)

	TOTAL			
	Jul '09 - Jan 10	Budget	\$ Over Budget	% of Budget
Income				
4000 - SEASON PASSES	808,427.50	756,000.00	52,427.50	106.9%
4010 - LIFT SALES WINTER	1,172,348.88	875,000.00	297,348.88	134.0%
4020 - SKI SCHOOL	267,429.75	235,000.00	32,429.75	113.8%
4030 - RENTAL SHOP-WINTER	191,698.44	170,000.00	21,698.44	112.8%
4040 - PR-WINTER RETAIL	150,896.63	120,000.00	30,896.63	125.7%
4045 - TR-SUMMER RETAIL	190,724.58	195,000.00	-4,275.42	97.8%
4050 - ECHO LAKE SALES	52,789.52	48,000.00	4,789.52	110.0%
4055 - CB-BEACH CONCESSIONS	20,144.00	23,000.00	-2,856.00	87.6%
4060 - LIFT SALES SUMMER	831,108.00	765,000.00	66,108.00	108.6%
4065 - TRAM VIEWING	948.47	2,000.00	-1,051.53	47.4%
4070 - BOSTON CULINARY	30,382.26	47,000.00	-16,617.74	64.6%
4080 - WINTER -MISC	22.75	2,000.00	-1,977.25	1.1%
4085 - SUMMER-MISC	2,737.50	0.00	2,737.50	100.0%
Total Income	3,719,658.28	3,238,000.00	481,658.28	114.9%
Expense				
4090 - CREDIT CARD CHARGES	0.00	2,000.00	-2,000.00	0.0%
5010 - PERSONAL SERVICES	349,221.18	355,086.98	-5,865.80	98.3%
5011 - PERSONAL SERVICES-UNCLASSIFIED	45,575.20	45,575.20	0.00	100.0%
5018 - OVERTIME	0.00	18,770.00	-18,770.00	0.0%
5019 - HOLIDAY PAY	6,956.07	20,459.76	-13,503.69	34.0%
5020 - CURRENT EXPENSES	535,949.04	681,020.00	-145,070.96	78.7%
5022 - RENTS & LEASES	256,898.71	255,640.00	1,258.71	100.5%
5023 - HEAT,ELECTRICITY & WATER	600,889.12	622,385.00	-21,495.88	96.5%
5024 - MAINTENANCE-OTHER THAN BD.&GD	88,169.99	232,000.00	-143,830.01	38.0%
5026 - ORGANIZATIONAL DUES	34,546.90	34,000.00	546.90	101.6%
5027 - OIT	8,870.00	15,000.00	-6,130.00	59.1%
5030 - EQUIPMENT-NEW/REPLACEMENT	119,263.65	222,965.00	-103,701.35	53.5%
5042 - RETIREMENT-FRINGE BENEFITS	0.00	45,106.38	-45,106.38	0.0%
5044 - DEBT SERVICE	14,957.42	14,075.00	882.42	106.3%
5047 - OWN FORCES MAINTENANCE-BLD & GD	20,264.94	31,500.00	-11,235.06	64.3%
5048 - CONTRACTED SERVICES	0.00	0.00	0.00	0.0%
5049 - SKI OPERATIONS -ADMIN	0.00	0.00	0.00	0.0%
5050 - PERSONAL SERVICE-TEMP/APPOINT	534,237.80	576,717.50	-42,479.70	92.6%
5059 - PERSONAL SERVICES-F/T TEMPORARY	142,950.49	151,860.38	-8,909.89	94.1%
5060 - BENEFITS	232,169.27	258,283.07	-26,113.80	89.9%
5070 - IN STATE TRAVEL	0.00	700.00	-700.00	0.0%
5080 - OUT OF STATE TRAVEL	5,715.84	9,750.00	-4,034.16	58.6%
5090 - SNOWMAKING	32.00	0.00	32.00	100.0%
5069 - MARKETING	159,268.95	103,000.00	56,268.95	154.6%
5062 - WORKERS COMP	18,731.75	26,000.00	-7,268.25	72.0%
5061 - UNEMPLOYMENT-COMP	8,021.50	5,500.00	2,521.50	145.8%
7001 - BROOKSIDE/RENTAL EXPANSION	502.70	0.00	502.70	100.0%
6560 - Payroll Expenses	0.00	0.00	0.00	0.0%
Total Expense	3,183,192.52	3,727,394.27	-544,201.75	85.4%
Net Income	536,465.76	-489,394.27	1,025,860.03	+ 109.6%

⊗ Cannon Mtn year-to-date Jan 31 versus FY10 budget

8:17 AM
02/02/10
Accrual Basis

Cannon Mountain Ski Area Profit & Loss Prev Year Comparison (FY10) July 2009 through January 2010

	Jul '09 - Jan 10	Jul '08 - Jan 09	\$ Change	% Change
Income				
4000 · SEASON PASSES	808,427.50	742,158.50	66,269.00	8.9%
4010 · LIFT SALES WINTER	1,172,348.88	1,011,141.50	161,207.38	15.9%
4020 · SKI SCHOOL	267,429.75	222,343.50	45,086.25	20.3%
4030 · RENTAL SHOP-WINTER	191,698.44	187,382.62	4,315.82	2.3%
4040 · PR-WINTER RETAIL	150,898.63	137,418.35	13,478.28	9.8%
4045 · TR-SUMMER RETAIL	190,724.58	207,910.02	-17,185.44	-8.3%
4050 · ECHO LAKE SALES	52,789.52	52,718.96	70.56	0.1%
4055 · CB-BEACH CONCESSIONS	20,144.00	20,231.88	-87.88	-0.4%
4060 · LIFT SALES SUMMER	831,108.00	810,171.35	20,936.65	2.6%
4065 · TRAM VIEWING	948.47	1,944.84	-996.37	-51.2%
4070 · BOSTON CULINARY	30,382.26	56,446.97	-26,064.71	-46.2%
4080 · WINTER -MISC	22.75	10.75	12.00	111.6%
4085 · SUMMER-MISC	2,737.50	29,466.25	-26,728.75	-90.7%
Total Income	3,719,658.28	3,479,345.49	240,312.79	6.9%
Expense				
5010 · PERSONAL SERVICES	349,221.18	304,384.87	44,836.31	14.7%
5011 · PERSONAL SERVICES-UNCLASSIFIED	45,575.20	43,347.70	2,227.50	5.1%
5019 · HOLIDAY PAY	6,956.07	15,377.68	-8,421.61	-54.8%
5020 · CURRENT EXPENSES	535,949.04	724,268.45	-188,319.41	-26.0%
5022 · RENTS & LEASES	256,898.71	245,379.72	11,518.99	4.7%
5023 · HEAT,ELECTRICITY & WATER	600,889.12	825,384.35	-224,495.23	-27.2%
5024 · MAINTENANCE-OTHER THAN BD.&GD	88,169.99	89,744.10	-1,574.11	-1.8%
5026 · ORGANIZATIONAL DUES	34,546.90	36,849.50	-2,302.60	-6.3%
5027 · OIT	8,870.00	2,891.85	5,978.15	206.7%
5030 · EQUIPMENT-NEW/REPLACEMENT	119,263.65	13,578.32	105,685.33	778.3%
5042 · RETIREMENT-FRINGE BENEFITS	0.00	4,855.02	-4,855.02	-100.0%
5044 · DEBT SERVICE	14,957.42	14,957.42	0.00	0.0%
5047 · OWN FORCES MAINTENANCE-BLD & GD	20,264.94	49,792.38	-29,527.44	-59.3%
5048 · CONTRACTED SERVICES	0.00	490.00	-490.00	-100.0%
5050 · PERSONAL SERVICE-TEMP/APPOINT	534,237.80	565,659.60	-31,421.80	-5.6%
5059 · PERSONAL SERVICES-F/T TEMPORARY	142,950.49	186,581.34	-43,630.85	-23.4%
5060 · BENEFITS	232,169.27	292,978.93	-60,809.66	-20.8%
5070 · IN STATE TRAVEL	0.00	1,315.00	-1,315.00	-100.0%
5080 · OUT OF STATE TRAVEL	5,715.84	4,797.64	918.20	19.1%
5090 · SNOWMAKING	32.00	0.00	32.00	100.0%
5069 · MARKETING	159,268.95	100,235.32	59,033.63	58.9%
5062 · WORKERS COMP	18,731.75	-8,539.90	27,271.65	319.3%
5061 · UNEMPLOYMENT-COMP	8,021.50	7,786.12	235.38	3.0%
7001 · BROOKSIDE/RENTAL EXPANSION	502.70	0.00	502.70	100.0%
6660 · Payroll Expenses	0.00	0.00	0.00	0.0%
Total Expense	3,183,192.52	3,522,115.41	-338,922.89	-9.6%
Net Income	536,465.76	-42,769.92	579,235.68	1,354.3%

⊗ Cannon Mtn FY10 year-to-date Jan 31 versus FY09 actual

Cannon Mountain Ski Area Profit & Loss Budget vs. Actual (FY09) July 2008 through June 2009

TOTAL

	Jul '08 - Jun 09	Budget	\$ Over Budget	% of Budget
Income				
4000 · SEASON PASSES	976,912.00	810,000.00	166,912.00	120.61%
4010 · LIFT SALES WINTER	2,354,659.00	2,060,000.00	294,659.00	114.3%
4020 · SKI SCHOOL	353,344.00	355,000.00	-1,656.00	99.53%
4030 · RENTAL SHOP-WINTER	377,890.31	330,000.00	47,890.31	114.51%
4040 · PR-WINTER RETAIL	253,402.52	275,000.00	-21,597.48	92.15%
4045 · TR-SUMMER RETAIL	240,793.12	224,500.00	16,293.12	107.26%
4050 · ECHO LAKE SALES	60,280.96	55,000.00	5,280.96	109.6%
4055 · CB-BEACH CONCESSIONS	21,401.88	25,700.00	-4,298.12	83.28%
4060 · LIFT SALES SUMMER	945,791.79	805,010.00	140,781.79	117.49%
4065 · TRAM VIEWING	2,217.72	2,000.00	217.72	110.89%
4070 · BOSTON CULINARY	190,949.53	165,000.00	25,949.53	115.73%
4080 · WINTER -MISC	38,582.03	40,000.00	-1,417.97	96.46%
4085 · SUMMER-MISC	29,466.25	0.00	29,466.25	100.0%
Total income	5,845,691.11	5,147,210.00	698,481.11	113.57%
Expense				
4090 · CREDIT CARD CHARGES	63,785.83	26,300.00	37,485.83	242.53%
5010 · PERSONAL SERVICES	499,150.54	525,183.75	-26,033.21	95.04%
5011 · PERSONAL SERVICES-UNCLASSIFIED	71,832.20	71,826.15	6.05	100.01%
5019 · HOLIDAY PAY	25,632.05	23,242.00	2,390.05	110.28%
5020 · CURRENT EXPENSES	682,199.57	802,500.00	79,699.57	109.93%
5022 · RENTS & LEASES	246,358.72	265,288.00	-18,929.28	92.87%
5023 · HEAT,ELECTRICITY & WATER	1,124,047.73	1,041,000.00	83,047.73	107.98%
5024 · MAINTENANCE-OTHER THAN BD.&GD	96,129.08	77,920.00	18,209.08	123.37%
5026 · ORGANIZATIONAL DUES	40,098.01	39,000.00	1,098.01	102.82%
5027 · OIT	10,659.73	2,500.00	8,159.73	426.39%
5030 · EQUIPMENT-NEW/REPLACEMENT	14,378.27	61,930.00	-47,551.73	23.22%
5042 · RETIREMENT-FRINGE BENEFITS	60,332.64	73,620.26	-13,287.62	81.95%
5044 · DEBT SERVICE	88,947.58	88,900.00	47.58	100.05%
5047 · OWN FORCES MAINTENANCE-BLD & GD	54,037.35	32,400.00	21,637.35	166.78%
5048 · CONTRACTED SERVICES	490.00	0.00	490.00	100.0%
5050 · PERSONAL SERVICE-TEMP/APPOINT	1,010,284.13	946,167.48	64,116.65	106.78%
5059 · PERSONAL SERVICES-F/T TEMPORARY	312,034.09	330,438.71	-18,404.62	94.43%
5060 · BENEFITS	496,969.31	481,234.67	15,734.64	103.27%
5070 · IN STATE TRAVEL	1,341.82	1,250.00	91.82	107.35%
5080 · OUT OF STATE TRAVEL	8,905.97	6,100.00	2,805.97	146.0%
5091 · INSURANCE-LIABILITY	0.00	0.00	0.00	0.0%
5069 · MARKETING	250,522.90	252,000.00	-1,477.10	99.41%
5062 · WORKERS COMP	48,850.98	50,000.00	-1,149.02	97.7%
5061 · UNEMPLOYMENT-COMP	15,578.56	17,000.00	-1,421.44	91.64%
6560 · Payroll Expenses	0.00	0.00	0.00	0.0%
Total Expense	5,422,567.06	5,215,801.02	206,766.04	103.96%
Net Income	423,124.05	-68,591.02	491,715.07	616.88%

 Cannon Mtn. FY09 (Reported close by Cannon)

8:22 AM
02/02/10
Accrual Basis

Cannon Mountain Ski Area Profit & Loss Budget vs. Actual (FY 08) July 2007 through June 2008

TOTAL

	Jul '07 - Jun 08	Budget	\$ Over Budget	% of Budget
Income				
4000 - SEASON PASSES	962,857.35	575,000.00	387,857.35	167.5%
4010 - LIFT SALES WINTER	2,270,317.60	1,810,000.00	460,317.60	125.4%
4020 - SKI SCHOOL	400,414.10	305,000.00	95,414.10	131.3%
4030 - RENTAL SHOP-WINTER	358,663.30	295,000.00	63,663.30	121.6%
4040 - PR-WINTER RETAIL	305,082.14	265,000.00	40,082.14	115.1%
4045 - TR-SUMMER RETAIL	212,473.36	199,000.00	13,473.36	106.8%
4050 - ECHO LAKE SALES	54,105.95	51,500.00	2,605.95	105.1%
4055 - CB-BEACH CONCESSIONS	23,835.99	30,000.00	-6,164.01	79.5%
4060 - LIFT SALES SUMMER	836,720.00	705,000.00	131,720.00	118.7%
4065 - TRAM VIEWING	749.87	2,000.00	-1,250.13	37.5%
4070 - BOSTON CULINARY	196,203.63	150,200.00	46,003.63	130.6%
4080 - WINTER -MISC	14,823.49	0.00	14,823.49	100.0%
4085 - SUMMER-MISC	28,739.00	0.00	28,739.00	100.0%
Total Income	5,664,985.78	4,387,700.00	1,277,285.78	129.1%
Expense				
4090 - CREDIT CARD CHARGES	56,254.00	50,000.00	6,254.00	112.5%
6010- PERSONAL SERVICES	469,132.78	507,927.65	-38,794.87	92.4%
6011 - PERSONAL SERVICES-UNCLASSIFIED	70,812.44	72,696.36	-1,883.92	97.4%
6019 - HOLIDAY PAY	18,814.64	16,859.00	1,955.64	111.6%
6020 - CURRENT EXPENSES	737,690.78	470,449.00	267,241.78	156.8%
6022 - RENTS & LEASES	239,618.66	243,356.08	-3,737.42	98.5%
6023 - HEAT,ELECTRICITY & WATER	1,033,855.47	678,000.00	355,855.47	152.5%
6024 - MAINTENANCE-OTHER THAN BD.&GD	39,664.15	30,000.00	9,664.15	132.2%
6026 - ORGANIZATIONAL DUES	34,540.44	18,000.00	16,540.44	191.9%
6027 - OIT	4,154.00	0.00	4,154.00	100.0%
6030 - EQUIPMENT-NEW/REPLACEMENT	136,382.20	151,868.00	-15,485.80	89.8%
6042 - RETIREMENT-FRINGE BENEFITS	66,711.75	57,692.20	9,019.55	115.6%
6044 - DEBT SERVICE	90,718.56	90,718.40	0.16	100.0%
6047 - OWN FORCES MAINTENANCE-BLD & GD	16,955.93	28,500.00	-11,544.07	59.5%
6048 - CONTRACTED SERVICES	0.00	0.00	0.00	0.0%
6049 - SKI OPERATIONS -ADMIN	0.00	0.00	0.00	0.0%
6050 - PERSONAL SERVICE-TEMP/APPOINT	1,032,948.25	870,952.05	161,996.20	118.6%
6059 - PERSONAL SERVICES-F/T TEMPORARY	204,395.37	209,030.27	-4,634.90	97.8%
6060 - BENEFITS	450,014.98	384,315.27	65,699.71	117.1%
6070 - IN STATE TRAVEL	861.60	1,350.00	-488.40	63.8%
6080 - OUT OF STATE TRAVEL	8,129.86	8,800.00	-670.14	92.4%
6090 - SNOWMAKING	85,330.89	85,150.00	180.89	100.2%
6091 - INSURANCE-LIABILITY	88,608.00	123,400.00	-34,792.00	71.8%
6069 - MARKETING	271,779.64	270,000.00	1,779.64	100.7%
6062 - WORKERS COMP	49,332.34	60,000.00	-10,667.66	82.2%
6061 - UNEMPLOYMENT-COMP	13,158.94	25,000.00	-11,841.06	52.6%
6095 - INFORMATION TECH.	0.00	0.00	0.00	0.0%
6096 - ENVIRONMENTAL IMPACT	0.00	0.00	0.00	0.0%
6560 - Payroll Expenses	0.00	0.00	0.00	0.0%
Total Expense	5,219,865.67	4,454,064.28	765,801.39	117.2%
Net Income	445,120.11	-66,364.28	511,484.39	

+ 670%

Ⓢ Cannon Mtn FY08 (Reported close by Cannon)

Cannon Mountain & Franconia Notch State Park

HB 1664 – Response to Representative Scamman's question of 01/19/10

HB 1664 – Response to Representative Belvin's question of 01/19/10

February 2, 2010

To: Representative Marjorie Smith, Chairperson / House Finance Committee
From: John M. DeVivo / Cannon Mountain Ski Area
Re: Answers to questions raised on 01/19/10 @ HB 1664 hearing

Cc: Members of the House Finance Committee

On January 19, 2010, Representative Scamman inquired as to the correlation between the Cannon Mountain Capital Improvement Fund (CMCIF) and Cannon Mountain's annual net profit...

Cannon Mountain's annual net profit currently goes into paying off its 70-year negative net total (effective July 1, 2007). The approximately \$5.3M appropriation (operating budget) for Cannon Mountain in FY11 is 100% agency funds and supported by retail sales. No general funds go into the appropriation for Cannon Mountain operations. In return, Cannon Mountain's winter operation returns to the NH Division of Parks many benefits, including net profits of \$439K in FY08 and \$387K in FY09, and has given approximately \$500K per year to state residents and agencies in discounted or complimentary privileges and goods/services under the current management team. Cannon's management team expects to finish FY10 at a net profit of \$500K, and to again provide approximately \$500K to state residents and agencies in discounted or complimentary privileges and goods/services. That \$500K net profit would equal a three-year net profit of \$1.326M by Cannon's new management team, erasing 89% of the 70-year, \$1.494M operating budget deficit incurred effective July '07. Cannon's management team expects its operating budget to be in the black following FY11.


Cannon Mountain's annual net profit is not currently allocated toward paying off the Cannon Mountain Capital Improvement Fund (CMCIF). Once Cannon's operating line has gone into the black, I recommend that its annual net profit be allocated as such: 50% toward infrastructure improvement at the ski area, and 50% toward paying off the CMCIF. Cannon Mountain has covered its costs on several capital projects over the last fifteen years, at several hundred thousand dollars, paid out of its surplus funds at the time. Cannon Mountain currently pays an approximately \$93K per year out of its operating funds toward the \$1 Million electrical upgrade on the Aerial Tramway performed several years ago. The general funds for it were erased, and then the Division of Parks & Recreation funds for it were erased, so Cannon moved forward on this necessary project and carried the expense.

On January 19, 2010, Representative Belvin inquired as to the number of complimentary tickets issued annually by Cannon to members of the General Court, and recommended that said practice be discontinued...

As of January 19, 2010, Cannon Mountain had issued 45 complimentary day tickets to members of the General Court and their guests (to date during the 2009/10 winter season). As a general rule, the season total tends to be approximately 100 – 200 tickets issued, but varies widely by season. The privilege is extended as a matter of course and used at Legislators' individual discretion - as a part of the overall compensation package offered to the State's Legislators (along with mileage reimbursement, etc.).

Cannon Mountain's practice of allowing complimentary skiing privileges to members of the General Court is written into its annual Cannon Mountain Winter Special Use Policy. Each active New Hampshire Legislator is eligible for one (1) ticket per day for himself/herself, and one (1) ticket per day for a guest. Said Legislator must sign for the tickets in person at Cannon Mountain, using his/her ticket only for himself/herself, and must give the name of his/her guest when the tickets are signed for.

Cannon Mountain encourages the use of its facility by members of the General Court and their guests. It's very important to the management team here that Legislators fully understand exactly what Cannon Mountain and Franconia Notch have to offer the State's residents and visitors from outside New Hampshire. We do not consider the tickets issued to General Court members to be "lost revenue," but rather to be "found understanding and brand loyalty."

 2/2/10

Cannon Mountain Capital Improvement Fund Projects 2008 - 2010 updated effective January 28, 2010

Project/Area	Revised Budget	Current Expense	Remaining Funds	Percentage Used	Comments
Snowmaking Upgrades	\$339,000	\$337,473.96	\$1,526.04	99.50%	Project nearly completed Remaining funds committed Project completion spring '10
Notchview Reconstruction	\$60,000	\$41,863.25	\$18,136.75	69.80%	Project nearly complete Remaining funds committed Project completion spring '10
Rental/Repair Shop @ Peabody	\$339,422	\$326,464	\$12,958	96.20%	Project nearly complete Remaining funds committed Project completion spring '10
Aerial Tramway Haul Rope & Track Slip, plus new board/panel	\$291,500	\$284,964.28	\$6,535.72	97.80%	Project nearly complete Remaining funds committed Project completion spring '10
UST & Summit Septic Revisions	\$37,500	\$35,107.53	\$2,392.47	93.60%	Project nearly complete Remaining funds committed Project completion spring '10
Peabody Expansion	\$430,500	\$430,372.70	\$127.50	100%	Project complete Remaining funds committed
Fire suppression	\$51,101	28316.24	22784.76	55%	Project nearly complete Remaining funds committed Project completion spring '10
Electrical upgrade / Peabody	\$135,930	105656	\$30,274	78%	Project nearly complete Remaining funds committed Project completion spring '10
Peabody HVAC/Mech. upgrade	\$47,000	47180	\$0	100%	Project complete
Mittersill trail work/reclamation	\$22,000	18033.2	\$3,966.80	82%	Project nearly complete Remaining funds committed Project completion spring '10
Tram Valley Station roof repair	\$55,000	N/A	\$55,000	0%	Contract awarded Stated for spring '10
Furnace / Heat source replacement at Notchview & Park Headquarters	\$57,547	57547.03	\$0	100%	Project complete

Project	Revised Budget	Current Expense	Remaining Funds	Percentage Used	Comments
Comm line replacement at Tram & Eagle Cliff Triple	\$16,500	16119.13	\$381	0%	Project nearly complete Remaining funds committed Project completion spring '10
Base area & trail signage	\$10,000	N/A	\$10,000	0%	Funds used from op expense Expense to be moved to cap expense
Project totals	\$1,893,000	\$1,729,097.00	\$163,902.00	91.30%	Project list nearly complete Remaining funds committed Project completion dates - spring '10

	Actual															
	Fiscal Year															
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2009	2010	2011	2012	2013
Beginning Balance	\$0.00	\$150,000.00	\$180,876.77	\$267,950.12	\$131,841.59	(\$17,728.54)	(\$109,178.54)	(\$222,761.20)	(\$322,009.12)	(\$415,819.48)	(\$495,207.25)	(\$424,238.41)	(\$312,832.25)	(\$441,943.78)	(\$805,908.18)	(\$723,194.07)
Revenue																
Base Payment (Inflation Adjusted)	150,000.00	158,150.00	158,337.00	182,791.00	186,210.00	170,864.00	177,084.00	183,210.00	189,805.00	194,702.00	200,056.31	205,557.85	211,210.89	217,018.99	222,987.01	228,983.29
Variable Payment (% of Sales)	0.00	118,631.52	192,790.80	289,312.00	284,308.00	313,143.00	272,391.00	303,701.00	278,372.00	284,242.00	371,856.00	350,448.80	409,971.24	430,489.80	451,893.29	451,893.29
Interest	0.00	17,010.91	12,037.21	3,586.48	495.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of Items	0.00	0.00	3,806.00	2,982.00	0.00	1,232.00	4,444.00	10,017.00	2,434.00	2,288.00	0.00	2,000.00	2,900.00	2,900.00	2,900.00	2,900.00
Total Revenues	150,000.00	283,792.43	365,971.01	478,641.48	471,013.20	485,239.00	453,919.00	496,928.00	470,811.00	481,232.00	571,912.31	533,006.65	623,181.93	649,488.79	678,980.30	678,980.30
Expenditure																
Original Borrowing N1718																
Principal Payment	0.00	0.00	0.00	333,333.83	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	0.00	0.00	0.00	0.00
Interest Payment	0.00	268,916.86	268,916.86	261,416.86	247,250.00	233,916.87	220,583.33	207,280.00	159,001.74	109,503.47	50,793.40	0.00	0.00	0.00	0.00	0.00
Indirect Costs?						9,439.00	13,585.00									
FY 2006 Borrowing N1888																
Principal Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06
Interest Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,384.53	18,253.82	17,287.88	16,321.43	15,358.19	14,388.08	13,382.45	12,253.17	12,253.17
FY 2008 Borrowing N1918																
Principal Payment									0.00	0.00	0.00	0.00	0.00	2,165.88	182,349.01	182,431.78
Interest Payment									21,824.31	68,287.24	68,287.24	68,287.24	68,287.24	68,243.93	64,553.84	56,345.87
FY 2009 Borrowing N1988																
Principal Payment																
Interest Payment																
FY 2010 Borrowing (estimate)																
Principal Payment																
Interest Payment																
FY 2011 Borrowing (estimate)																
Principal Payment																
Interest Payment																
Total Expenditures	0.00	268,916.86	268,916.86	594,749.69	580,583.33	576,889.00	567,601.66	586,175.02	564,421.36	500,819.78	500,043.48	496,400.49	752,493.48	813,432.20	794,265.19	794,265.19
Ending Balance	\$150,000.00	\$189,875.77	\$267,930.12	\$131,841.59	(\$17,728.54)	(\$109,178.54)	(\$222,761.20)	(\$322,009.12)	(\$415,819.48)	(\$495,207.25)	(\$424,238.41)	(\$312,832.25)	(\$441,943.78)	(\$805,908.18)	(\$723,194.07)	(\$723,194.07)
Forecasted Growth Rate in Variable Payment	5.00%															
Forecasted Growth Rate in Minimum Payment	2.75%															
Remaining Fund Borrowing Limit																
Beginning Principal	\$8,000,000.00	\$8,000,000.00	\$8,000,000.00	\$8,000,000.00	\$5,966,666.67	\$5,333,333.34	\$5,000,000.01	\$5,203,467.68	\$4,837,928.29	\$4,495,208.48	\$4,129,664.09	\$3,821,289.18	\$3,903,048.53	\$6,519,283.48	\$6,140,456.48	\$5,785,510.68
Principal Paid (Original)	0.00	0.00	0.00	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	0.00	0.00	0.00	0.00
Principal Paid (2005)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06
Principal Paid (2006)									0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Paid (2009) estimate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Borrowed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	536,601.00	22,829.88	0.00	67,188.48	3,428,800.00	114,000.00	114,000.00	114,000.00	114,000.00
Ending Balance	\$8,000,000.00	\$8,000,000.00	\$8,000,000.00	\$5,866,666.67	\$5,333,333.34	\$5,000,000.01	\$5,203,467.68	\$4,837,928.29	\$4,495,208.48	\$4,129,664.09	\$3,821,289.18	\$6,903,048.53	\$6,519,283.48	\$6,140,456.48	\$5,785,510.68	\$5,785,510.68
Available to Borrow	\$0.00	\$0.00	\$0.00	\$333,333.33	\$666,666.66	\$999,999.99	\$766,532.32	\$1,182,073.71	\$1,504,764.52	\$1,870,335.91	\$2,178,710.82	(\$303,048.53)	(\$519,283.48)	(\$140,456.48)	(\$234,488.32)	(\$234,488.32)

Cannon Mn capital account 6-30-09 with Approved HB 25 2009 bonding

Forecast																	2030
Fiscal Year																	
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
(\$723,194.07)	(\$787,905.02)	(\$820,345.93)	(\$776,758.27)	(\$877,080.33)	(\$519,488.79)	(\$303,176.24)	\$297,552.58	\$944,152.34	\$1,637,734.43	\$2,419,352.87	\$3,250,562.74	\$4,132,968.97	\$5,090,828.22	\$6,104,809.72	\$7,178,807.17	\$8,309,354.40	
229,119.15	235,419.95	241,893.98	248,548.06	255,381.03	262,404.06	269,820.17	277,034.73	284,853.18	292,481.14	300,524.37	308,788.79	317,280.49	326,005.70	334,970.88	344,182.55		
474,962.98	498,322.60	523,238.73	549,400.67	578,870.71	606,714.24	633,999.95	657,769.95	701,189.95	738,249.44	773,081.92	811,715.01	852,900.78	894,915.80	939,861.59	988,944.87		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00		
705,712.11	735,742.53	767,132.71	799,948.73	834,251.78	870,118.30	907,820.12	948,834.68	987,843.13	1,030,730.59	1,078,598.29	1,122,503.61	1,171,581.28	1,222,821.50	1,278,832.45	1,332,827.23		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
32,208.06	32,208.06	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	0.00	0.00	0.00	0.00	
11,127.88	9,920.08	8,712.28	7,553.40	6,994.82	6,135.84	5,276.76	4,417.88	3,558.00	2,700.10	1,814.38	912.54	0.00	0.00	0.00	0.00	0.00	
183,268.75	183,825.90	184,018.11	183,964.21	183,321.13	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	
47,203.38	38,180.09	29,088.09	19,898.53	11,288.12	3,638.41												
165,555.58	183,888.89	162,222.22	159,444.45	156,111.11	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	
28,531.85	22,977.92	17,266.81	12,441.67	7,708.33													
114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	
78,902.50	71,202.50	65,502.50	59,802.50	54,435.00	49,447.50	44,317.50	39,045.00	33,830.00	28,218.00	24,418.00	20,815.00	18,720.00	12,540.00	8,380.00	4,180.00		
51,000.00	54,000.00	56,000.00	59,000.00	62,000.00	65,000.00	68,000.00	72,000.00	76,000.00	79,000.00	83,000.00	88,000.00	92,000.00	98,000.00	101,000.00	108,000.00	112,000.00	
70,825.00	68,000.00	65,250.00	62,375.00	59,350.00	56,175.00	52,825.00	49,300.00	45,800.00	41,725.00	37,875.00	33,400.00	28,900.00	24,200.00	18,275.00	14,100.00	8,650.00	
780,423.08	788,183.44	723,542.08	700,251.80	878,680.25	653,808.75	308,891.90	300,234.92	294,261.04	249,112.14	244,378.42	240,399.58	213,820.00	208,740.00	204,835.00	200,280.00	126,650.00	
(\$787,905.02)	(\$820,345.93)	(\$776,758.27)	(\$877,080.33)	(\$519,488.79)	(\$303,176.24)	\$297,552.58	\$944,152.34	\$1,637,734.43	\$2,419,352.87	\$3,250,562.74	\$4,132,968.97	\$5,090,828.22	\$6,104,809.72	\$7,178,807.17	\$8,309,354.40		
\$5,785,510.68	\$5,384,478.31	\$5,004,558.48	\$4,638,843.09	\$4,271,962.39	\$3,911,058.11	\$3,554,332.24	\$3,332,880.20	\$3,511,388.18	\$3,489,918.12	\$3,468,444.08	\$3,448,972.04	\$3,425,500.00	\$3,425,500.00	\$3,425,500.00	\$3,425,500.00	\$3,425,500.00	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
32,208.06	32,208.06	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	0.00	0.00	0.00	0.00	
183,268.75	183,825.90	184,018.11	183,964.21	183,321.13	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	181,920.49	
165,555.58	183,888.89	162,222.22	159,444.45	156,111.11	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	153,333.34	
114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	114,000.00	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
\$5,384,478.31	\$5,004,558.48	\$4,638,843.09	\$4,271,962.39	\$3,911,058.11	\$3,554,332.24	\$3,332,880.20	\$3,511,388.18	\$3,489,918.12	\$3,468,444.08	\$3,448,972.04	\$3,425,500.00	\$3,425,500.00	\$3,425,500.00	\$3,425,500.00	\$3,425,500.00	\$3,425,500.00	
\$815,521.89	\$995,444.54	\$1,383,158.91	\$1,728,037.61	\$2,088,841.89	\$2,445,887.78	\$2,467,139.80	\$2,488,611.84	\$2,510,083.88	\$2,531,555.92	\$2,553,027.96	\$2,574,500.00	\$2,574,500.00	\$2,574,500.00	\$2,574,500.00	\$2,574,500.00	\$2,574,500.00	

HB 1664 FISCAL NOTE

AN ACT making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.

FISCAL IMPACT:

The Office of Legislative Budget Assistant states this bill will have an indeterminable fiscal impact on state, county, and local revenue and expenditures in FY 2011 and each fiscal year thereafter.

METHODOLOGY:

Sections 1 and 2 - The Legislative Branch states sections 1 of this bill will decrease House out-of-state travel by \$85,000 and section 2 of this bill will decrease General Court joint expenses by \$119,029 for a total general fund reduction of \$204,029 in FY 2011.

Section 3 - This section reduces the Department of Administrative Services general fund appropriation for Concord Fire and Municipal Services by \$40,000 in FY 2011.

Sections 4 and 34 - Section 4 of this bill decreases the state general fund appropriation and increases agency income by \$1,368,360 in FY 2011. The Department of Administrative Services states due to increasing the retiree and spouse premium contribution from \$65 per month per individual to \$100 per month per individual, the state general fund appropriation will decrease by \$944,168 (69 percent of \$1,368,360), transfers from other agencies will decrease by \$424,192 (31 percent of \$1,368,360) and agency income will increase by \$1,368,360 in FY 2011 and each year thereafter.

Section 5 - The Department of Cultural Resources states this section would eliminate the \$113,221 general fund appropriation to the NH Film Commission in FY 2011. The net savings associated with this reduction is \$86,221, as it is estimated that \$27,000 will be expended for employee termination payout.

Section 6 - The Department of Cultural Resources states this section would reduce the state general fund appropriation for states art development grants by \$428,000 in FY 2011. Additionally, federal funds would be reduced by approximately \$303,892 due to match

requirements. The Department would decrease the amount of grants it awards by 90 percent as a result of the reduction in funding.

Sections 7 and 29 - The Treasury Department and LCHIP state these sections would direct all recording surcharge fees from the LCHIP dedicated fund to the general fund. This will result in an increase in general fund unrestricted revenue and decrease LCHIP restricted revenue and expenditures by \$1,721,579 in FY 2011.

Section 8 and Sections 30 through 33 - The Retirement System states sections 30, 31, and 33 will increase member contribution rates and require increased member contributions be used to reduce previously certified employer contribution rates for FY 2011. Member contribution rates for all Group I employees would increase from 5% to 7% for FY 2011 only. Currently state employees hired on or after July 1, 2009 contribute 7% and therefore would not be impacted by this change. Further, this bill would increase member contributions for Group II employees from 9.3% to 11% for FY 2011 only. The System's actuary estimates the change in member contribution rates will decrease contributions in FY 2011 for state and political subdivision employers as follows (in millions) -

Impact of Change in Member Contribution Rates

	State	Political Subdivisions
Employees	\$(9.13)	\$(10.65)
Teachers	(4.95)	(14.85)
Police	(1.82)	(2.15)
Fire	<u>(0.51)</u>	<u>(1.38)</u>
Total	\$(16.41)	\$(29.03)

Section 8 and 32 would change the political subdivision/state cost sharing of employer contributions for teachers, police and fire members from 75%/25% to 80%/20%. Section 8 of the proposed bill reduces the FY 2011 state general fund appropriation by \$9,367,576 as a result of this change. Assuming the proposed change in member contribution rates, the System's actuary estimates the proposed changes to the political subdivision/state cost sharing arrangement will increase local expenditures and decrease state expenditures in FY 2011 as follows (in millions) -

Impact of Change to Political Subdivision/State Cost Sharing Arrangement

	State	Political Subdivisions
Teachers	\$(4.89)	\$4.89
Police	(1.82)	1.82
Fire	<u>(1.30)</u>	<u>1.30</u>
Total	\$(8.01)	\$8.01

The combined impact of the proposed changes will result in state expenditures decreasing by approximately \$24,420,000, and political subdivision expenditures decreasing by approximately \$21,020,000 in FY 2011.

Section 9 - The Judicial Council states this section would reduce the state general fund appropriation to the Civil Legal Services by \$470,000. This will result in the layoff of lawyers, paralegals and secretaries throughout the legal service offices in the State.

Section 10 - The Department of Resources and Economic Development states this section would eliminate the \$505,000 state general fund appropriation for the industrial research center in FY 2011. In addition to the loss of general funds, the Department states there would also be a decrease in \$505,000 of matching funds.

Section 11 - The Department of Resources and Economic Development states this section would eliminate the \$280,000 state general fund appropriation for the small business development center in FY 2011. In addition to the loss of general funds, the Department states there would also be a decrease in \$280,000 of matching funds.

Section 12 - The Department of Resources and Economic Development states this section would decrease state restricted expenditures and revenue for Cannon Mountain by \$5,046,346 in FY 2011. Sections 41 through 47 relates to the leasing of Cannon Mountain. The Department states there would also be an indeterminable increase in general fund revenue that would be associated with the leasing of Cannon Mountain.

Section 13 - The Department of Environmental Services states this section would decrease the \$220,000 state general fund appropriation for regional planning commissions in FY 2011.

Sections 14 and 35 - The Department of Health and Human Services (DHHS), Division for Children Youth and Families (DCYF) states this section would reduce the state general fund

appropriation for Division for Children, Youth, and Families (DCYF) diversion incentive programs by \$784,911 in FY 2011, which is based on program funding calculated at 3 percent of out-of home placement programs (see section 35).

Section 15 - DHHS, DCYF states this section would reduce the state general fund appropriation for family resource centers by \$120,000 in FY 2011.

Section 16 - DHHS, DCYF states this section would reduce expenditures for DCYF out of home placements by \$4,000,000 in FY 2011, of which \$2,000,000 would be federal funds and \$2,000,000 would be state general funds.

Section 17 - DHHS, DCYF states this section would reduce the state general fund appropriation for domestic violence programs by \$169,000 in FY 2011.

Section 18 - DHHS, Bureau of Elderly and Adult Services (BEAS) states this section proposes a \$500,000 general fund reduction to the FY 2011 operating budget of 05-95-48-481010-9255-543 Adult in Home Care (AIHC). There are federal block grant funds in the operating budget, however there is no state match requirement, therefore the entire reduction can be general funds. AIHC has two types of service units, regular and protective. In FY 2010, allocation of the appropriation between the two types of service was 90.5% for regular units and 9.5% for protective units. BEAS assumes the same ratios would apply to the FY 2011 appropriations and the proposed budget reduction. The proposed reduction would result in a decrease of approximately 36,100 units of service. On average each client receives between four to six units of service per week. This reduction could impact between 115 to 173 clients.

Sections 19 and 36 - DHHS, BEAS states these sections propose to eliminate state general fund appropriations of \$609,000 in FY 2011 for the Catastrophic Illness Program (CIP). The CIP is supported solely with state general funds. The CIP provides payment assistance to low-income New Hampshire residents who have one of the following conditions; cancer, hemophilia, end-stage renal disease, spinal cord injury, cystic fibrosis or multiple sclerosis. Assistance is limited to an annual maximum of \$2,500 and is used to pay for medication, medical treatment, mileage or transportation. The program serves approximately 1,000 adults annually throughout the state.

Section 20 - DHHS, Division of Public Health Services (DPHS) states this section reduces the state general fund appropriation for family planning services in the amount of \$725,000. This requirement would create a reduction in family planning contracts and services. There are

currently 11 Title X family planning agencies. In 2009 these agencies served 28,154 clients. The reduction in funding in this appropriation would reduce family planning contracts by 30% overall, as well as reduce access to family planning/reproductive health services to approximately 9,000 NH citizens.

Section 21 - DHHS, DPHS states this section reduces the state general fund appropriation for Boston EMA Title I HIV care and supportive services in the amount of \$400,000. This requirement would create a reduction in HIV care grants and services. Current services provided by these grants and administered by 5 local AIDS Services Organizations (ASO's) for reimbursement when no other funding source is available are case management, mental health services, substance abuse services, food pantry and nutritional counseling, housing assistance and transportation. The loss of general funds in the amount of \$400,000 would no longer be available to contract for HIV care and supportive services through the 5 ASO's. In addition, if these services are terminated, clients may seek assistance through local welfare programs for housing assistance, transportation and other services. This could lead to a significant drain to cities and towns welfare budgets. However, that cost is indeterminable. A reduction in funding for HIV care and supportive services would substantially eliminate grants to the ASO's for the 460 HIV and AIDS clients that are currently being served. If this reduction in grants were to occur, some ASO's would not be able to maintain their HIV care and support services, which then would further impact the number of NH citizens living with HIV disease who could access needed services.

Section 22 and 23 - DHHS, Bureau of Developmental Services (BDS) states section 22 would remove \$20,000,000 of Wait List funding for 630 individuals with developmental disabilities. Of the 630 individuals who would lose service funding, 435 are receiving Wait List Funding during FY 2010 and an additional 195 individuals are scheduled to receive Wait List funding during FY 2011. Additionally, the reduction in the Developmental Services Waiver of \$1,244,665 would result in the loss of day services funding for approximately 28 individuals, and independent living/community support services for approximately 80 individuals. Section 23 would remove Wait List funding of \$2,601,300 for 50 individuals with acquired brain disorders (ABD). The budgeted amounts assume a 50/50 state- federal share.

Section 24, 37 and 38 - DHHS, Office of Medicaid and Business Policy (OMBP) states these sections do three things: eliminates catastrophic payments to hospitals from the Medicaid program (sections 24); eliminates indirect medical education payments to teaching hospitals (sections 24 and 37); and reduces Medicaid rates paid to critical access hospitals (sections 24 and 38). These sections of the bill take effect on July 1, 2010. Catastrophic aid payments were

funded at \$2,800,000 in FY 2011. Accordingly, elimination of the payments will reduce state general fund expenditures by \$1,400,000 and reduce state restricted expenditures (federal funds) by \$1,400,000. Indirect Medical Education payments were funded at \$2,001,655 in FY 2011. Accordingly, elimination of the payments will reduce state general fund expenditures by \$793,541 and reduce state restricted expenditures (federal funds) by \$1,208,114. These provisions are assumed to apply starting in FY 2011 and continuing thereafter. Section 24 and 34 reduce outpatient hospital payments as a result of the proposed rate reduction by \$2,786,000, of which \$1,050,000 are state general funds. The Department states the reduction of rates to critical access hospitals to 85% of Medicare will reduce expenditures by 6 percentage points, and will reduce total expenditures by \$1,400,000, of which the state general fund share would be \$700,000.

Section 25 - DHHS, Bureau of Drug and Alcohol Services (BDAS) states this section decreases appropriations to the Governor's Commission by \$1,000,000 for FY 2011. Governor's Commission funds are used by the Department to augment general funds and federal block grant funds to contract for alcohol and other drug treatment and prevention services for NH citizens. The federal block grant requires a state maintenance of effort (MOE) in non-federal funding. A reduction in state revenues will reduce the state's MOE and as a result could incur a dollar for dollar penalty reduction in block grant funds if a waiver was not granted by the Substance Abuse and Mental Health Services Administration (SAMHSA). The potential reduction in funding will be \$1,952,609 (which includes the reduction contained in this section). A reduction in funds will result in a reduction in the number of individuals served in BDAS funded treatment and prevention contracts. The average cost for treatment services is approximately \$1,985 per client. During FY 2009 approximately 4,622 individuals (unduplicated count) were served. The potential decrease in revenue will require reductions in funding of treatment and prevention contracts thus reducing the number of clients served.

Section 26 - The Department of Education states this section eliminates the state general fund appropriation for dropout prevention and local education improvement. Dropout prevention funding eliminated is \$1,750,000 and local education improvement funding eliminated is \$500,000 for a total general fund reduction of \$2,250,000. Local revenue will decrease by \$2,250,000.

Sections 27, 48, and 49 - The Department of Education states these sections amend the cost of an opportunity for an adequate education by changing the differentiated aid for school's concentration of pupils eligible for a free and reduced-priced meal. This section would not go into effect until January 1, 2011. The Department estimates state education trust fund

expenditures for FY 2011 will decrease by \$19,184,118 (\$31,973,530 for full fiscal year savings * 60% to account for the effective date). The Department anticipates the decrease in state education trust fund expenditures related to the changes to the free and reduced-price meal aid for FY 2012 and each year thereafter to be \$133,773,966. The Department states local revenue will decrease by \$19,184,118 in FY 2011 and \$133,773,966 in FY 2012 and each year thereafter.

Section 28 - The Postsecondary Education Commission states this section eliminates \$175,000 of state general funds appropriated for the special student grant program - Dartmouth in FY 2011. The Commission states these funds are used to assist New Hampshire residents with pursuing a medical education at Dartmouth Medical School or the University of New England's College of Osteopathic Medicine. The elimination of the funding may result in the elimination of the program.

Sections 30 through 33 - See section 8 for discussion of fiscal impact.

Section 34 - See section 4 for discussion of fiscal impact.

Section 35 - See section 14 for discussion of fiscal impact.

Section 36 - See section 19 for discussion of fiscal impact.

Section 37 and 38 - See section 24 for discussion of fiscal impact.

Section 39 and 40 - This section will have no fiscal impact. The Department of Health and Human Services and the Department of Environmental Services state the abolishing of unfunded positions may adversely impact the ability of state agencies to respond to service demands and impact the ability to meet required deliverables for federal funds. The result may be a loss of federal funds. Additionally the Department of Health and Human Services states Section 40 of this bill could also lead to federal sanctions and litigation.

Sections 41 through 47 - The Department of Resources and Economic Development states these sections mandate the leasing of Cannon Mountain. The Department is not able to estimate the potential increase in general fund revenue that would be associated with the leasing of Cannon Mountain.

Sections 48 and 49 - Sections relate to changes to free and reduced lunch used in adequacy calculation. See section 27 for discussion of fiscal impact.

Section 50 - The Department of Environmental Services states this section would decrease the Department's state general fund appropriation by \$2,000,000 in FY 2011. The Department assumes it has discretion on how to meet the general fund reduction. The Department assumes \$1,000,000 of the reduction will come from state aid grant appropriations and \$1,000,000 will come from layoffs. The Department estimates it would need to eliminate approximately 25 positions to achieve a reduction of \$1,000,000. Eliminating general funded positions may impact the solid waste program, lakes and rivers management programs, dam program, wetlands program, public water systems, geological surveys as well as a number of agency administrative functions. Additionally, a reduction in state aid grants will decrease local revenue by \$1,000,000.

Section 51 - The Department of Justice states this section would decrease the Department's state general fund appropriation by \$456,599 in FY 2011. Due to assistant attorney generals receiving a commission with fixed terms, reducing these positions would not be cost effective as the obligations of the existing terms would need to be fulfilled. The Department states to meet the required reduction in general funds, 9-10 support staff (classified employees) would need to be laid off.

Section 52 - The Department of Corrections states this section would decrease the Department's state general fund appropriation by \$3,717,635 in FY 2011. The Department estimates to meet this reduction it may need to layoff 53 positions.

Section 53 - The Department of Information Technology states this section would decrease state general fund expenditures by \$5,617,263 in FY 2011. The Department assumes only agencies funded in whole or in part with general funds will be impacted by this bill. The Department states the reductions will be based on the class 27 general fund percent for each agency. The Department states federal fund expenditures will decrease by \$3,245,958 and other fund expenditures will decrease by \$408,474. The Department estimates reductions in the following agencies:

Department/Agency	Share of Reduction	General Fund Reduction	Federal Fund Reduction	Other Funds	Total Reduction
Health and Human Services	68.86%	\$3,867,950	\$2,800,929	\$0	\$6,668,879
Revenue Administration	9.11%	\$511,643	\$0	\$0	\$511,643
Administrative Services	6.86%	\$385,222	\$0	\$0	\$385,222

Corrections	5.53%	\$310,813	\$0	\$0	\$310,813
Education	3.01%	\$169,341	\$171,515	\$9,675	\$350,531
Environmental Services	2.69%	\$151,114	\$247,663	\$308,023	\$706,800
Justice	0.71%	\$39,631	\$5,838	\$19,108	\$64,577
Cultural Resources	0.70%	\$39,044	\$0	\$0	\$39,044
Resources and Economic Development	0.64%	\$36,057	\$4,438	\$33,347	\$73,842
All other agencies	1.90%	\$106,448	\$15,575	\$38,321	\$160,344
Total		\$5,617,263	\$3,245,958	\$408,474	\$9,271,695

The Department of Administrative Services states it is not able to determine the impact of any reductions allocated to the Department as a result of Section 53 on the integrated financial system and government human resources system.

Section 54 - The Legislative Budget Assistant's Office states this section would decrease the Governor's Office state general fund appropriation by \$23,417 in FY 2011.

Section 55 - The University System of New Hampshire states this section would decrease the System's state general fund appropriation by \$10,000,000 in FY 2011. The System states it would need to raise the gross tuition level by \$12,392,775 to net \$10,000,000. This would result in tuition rates increasing by approximately \$1,292 at the University of New Hampshire and by \$657 at Keene State College and Plymouth State University.

Section 56 - The Community College System of New Hampshire states this section would decrease the CCSNH state general fund appropriation by \$3,544,599 in FY 2011.

Section 57 - The Judicial Branch states this section would decrease the Branch's state general fund appropriation by \$4,787,793, with \$2,565,000 of the reduction coming from the closure of the Hillsborough Superior Court - North in FY 2011. The Branch assumes it will need to use a combination of layoffs (with approximately 24 coming from the closure of the Hillsborough Superior Court - North), voluntary furloughs, mandatory furloughs, and reduced hours of court operations to meet the reduction.

The Department of Administrative Services states it is not able to determine the fiscal impact of Section 57 on the Department because it is not known if the Judicial Branch will propose any reductions from class 49, transfers to Department of Administrative Services for court facilities.

Various Sections - The New Hampshire Association of Counties states this bill makes changes to the member and employer retirement contributions. The bill increases the member contribution rates for all employees and directs the sums attributable to the increase in member contribution rates be used to reduce the previously certified employer contribution rates for FY 2011. Additionally, this bill decreases the state share of municipal contribution. The Association states the changes in this bill will result in employer retirement rates increasing at a slower but indeterminable rate. Additionally, other sections of this bill may have a fiscal impact on the counties which cannot be determined at this time..

Various Sections - The New Hampshire Municipal Association states this bill will have an indeterminable fiscal impact on local expenditures and revenue in FY 2011 and each year thereafter.

Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 1664-FN Date _____

Committee _____

** Please Print All Information **

Name	Address	Phone	Representing	(check one)	
				Pro	Con
HOUSE REPUBLICAN OFFICE - REP. SHERM JACKARD - 271-6277				<input checked="" type="checkbox"/>	
HOWARD L. WILSON	INDOOR	775-5477	Self	<input checked="" type="checkbox"/>	
Naida Kaen, (Rep. Spafford)			IRC provides leverage!		<input checked="" type="checkbox"/>
Bob Blaisdell	Concord	228-1498	NH Police Association		<input checked="" type="checkbox"/>
Jin Demers	Concord	228-1498	NH Trappers Association		<input checked="" type="checkbox"/>
JAY WARD	Concord	271-3411 x110	NH SEA		<input checked="" type="checkbox"/>
Kathleen Sahasrany	Durham	8620938	USNH		<input checked="" type="checkbox"/>
Elizabeth Sargent,			NH Assoc of Chiefs of Police		<input checked="" type="checkbox"/>
Wit Jones	District Director	SBA 228-2370 x6			<input checked="" type="checkbox"/>
Alex Koutroubas	228/661		Donnelly + Bulex		<input checked="" type="checkbox"/>
Kathleen Taylor	Grafton #2				<input checked="" type="checkbox"/>
TRKIA LUCAS	8 Centeral Drive, Unit G	Exeter	New Future		<input checked="" type="checkbox"/>
Karyneale Jencks	18 Low Ave	Concord, NH	PPANEL		<input checked="" type="checkbox"/>
Karen Iowa	496-2637		Self		<input checked="" type="checkbox"/>
HOWARD ZIBEL	N.H. Supreme Ct.	513-5438	JUDICIAL Bar		<input checked="" type="checkbox"/>
Teal Justus	DRED/Park	271-3556			<input checked="" type="checkbox"/>
Jack Lightfoot	PO Box 148, Manchester	518-4145	Child + Family Services		<input checked="" type="checkbox"/>
Laura Hainey	553 Rt 3A	Ruggles IV Bldg	223-2777 AFT-UNH		<input checked="" type="checkbox"/>
Shannon Reid	26 College Dr.	Concord	271-2722 Community College System of NH		<input checked="" type="checkbox"/>
Mark Warden			NH Liberty Alliance	<input checked="" type="checkbox"/>	
Jeff Dickinson	Granite State Ind. Living		21 Clarence Pl. Concord	603-278-9688	<input checked="" type="checkbox"/>

Hearing Minutes

HOUSE COMMITTEE ON FINANCE

PUBLIC HEARING ON HB 1664-FN

BILL TITLE: making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.

DATE: January 19, 2010

LOB ROOM: 210-211 **Time Public Hearing Called to Order:** 1:05

Time Adjourned: 2:57

(please circle if present)

Committee Members: Reps. M. Smith, Nordgren, Foster, Eaton, Baroudy, Benn, Leishman, DeLoie, Budo, Foose, Mitchell, Keans, Casey, Harris, Kurk, D. Seaman, E. Anderson, Emerton, Rodeschin, Wendelboe, L. Ober, Dokmo, Bergin, Belvin and R. Elliott.

Bill Sponsors: Rep. Packard, Rock 3; Rep. Kurk, Hills 7

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. David Hess, representing the House Republican Leadership and Rep. Sherm Packard, the prime sponsor, introduced HB 1664 and spoke in support.

* Rep. Neal Kurk, Hills 7, co-sponsor of the bill, submitted amendment #2010-0088h and other documents and spoke in support of the bill.

Sen. Jack Barnes, Jr., District 17, addressed the committee - preserve memorials.

Rep. Kathleen Taylor, Graf 2, spoke in opposition to the bill.

Atty. Howard Zibel, General Counsel, NH Supreme Court, representing the Judicial Branch, spoke in opposition to the bill.

Rep. Barbara French, Merr 5, spoke in opposition to the bill.

* Mr. John M. DeVivo, General Manager, Cannon Mtn. & Franconia Notch State Park (CM&FNSP), 9 Franconia Notch Pkwy, representing Cannon/FNSP, spoke in opposition to the bill and submitted written testimony.

* Mr. John Tobin, 117 N. State St., Concord, NH 03301, representing NH Legal Assistance, spoke in opposition to the bill and submitted written testimony.

* Ms. Mary Collins, Durham, NH, representing NH Small Business Development Center (NHSBDC), spoke in opposition to the bill and submitted written testimony.

Mr. Tim Dining, CEO, Greenerd Press and Machine Co., Inc., 41 Crown St., Nashua, NH, and Board Chairman for SBDC, representing NH SBDC, spoke in opposition to the bill; in support of the amendment.

* Dr. Ed MacKay, Dunlap Center, Durham, NH, representing University System of NH, spoke in opposition to the bill and submitted written testimony.

Mr. Bud Fitch, representing the NH Attorney General, spoke in opposition to the bill.

Ms. Tricia Lucas, 8 Continental Dr., Unit G, Exeter, representing New Futures, spoke in opposition to the bill.

Comm. George Bald, Department of Resources and Economic Development (DRED), spoke in opposition to the bill; in support of the amendment.

* Assist. Comm. Michael Walls, Department of Environmental Services (DES), spoke in opposition to the bill.

Exec. Dir. Nina Gardner, Judicial Council, spoke in opposition to the bill.

* Mr. Howard Wilson, 57 Agony Hill Rd., Andover, NH, representing himself, spoke in support of the bill.

Mr. John Wallace, Asst. Supt. Professional Services, Department of Health and Human Services (DHHS), spoke in opposition to the bill.

Mr. Dennis Hill, 8 Wall St., Concord, NH, representing Merrimack Valley Assistance Program (MVAP), spoke in opposition to the bill.

* Ms. Wendy LeBlanc, 17 Bangor St., Nashua, NH, representing Southern NH HIV/AIDS Task Force, spoke in opposition to the bill and submitted written testimony.

* Ms. Gina Balkus, Director of Government Relations for Dartmouth-Hitchcock Medical Center (DHMC), spoke in opposition to the bill and submitted written testimony.

* Mr. Peter Ames, Director of Advocacy, NH American Cancer Society, spoke in opposition to the bill and submitted written testimony.

* Ms. Karen Irwin, 102 Bassett Mill Road, Hopkinton, NH, representing herself, spoke in opposition to the bill and submitted written testimony.

Interim Director Roy Duddy, NH Division of Economic Development, spoke in opposition to the bill and submitted written testimony.

* Ms. Leslie Melby, 125 Airport Rd., Concord, NH, representing the NH Hospital Association, spoke in opposition to the bill and submitted written testimony.

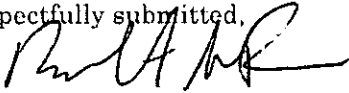
* Ms. Kary Nealle Jencks, 18 Low Ave., Concord, NH, representing Planned Parenthood of Northern New England (PPNNE), submitted a pink card but did not speak. She did submit written testimony.

* Ms. Pat Remick, Portsmouth, NH, Coordinator of the Coalition Communities, spoke in opposition to the bill, particularly the Free and Reduced Meals section. She submitted written testimony.

* Ms. Martha McLeod, Franconia, NH, representing herself, rural health, and Friends of Franconia Notch, spoke in opposition to the bill and submitted written testimony.

Mr. Pete Stevens, 84 Deer Pass Rd., Franconia, NH, representing Cannon Mtn., spoke in opposition to the bill.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy Foose", written over the text "Respectfully submitted,".

Rep. Randy Foose, Clerk

HOUSE COMMITTEE ON FINANCE

PUBLIC HEARING ON HB 1664-FN

BILL TITLE: making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.

DATE: {Type HEARING DATE here}

LOB ROOM: 210-211 Time Public Hearing Called to Order: 1:05

Time Adjourned: 2:57

(please circle if present)

Committee Members: Reps. M. Smith, Nordgren, Foster, Eaton, Baroody, Benji Leishman, DeJoie, Bucu, Poose, Mitche, Keans, Casey, Harris, Kurk, J. Scamman, E. Anderson, Emerton, Rodeschin, Wendelboe, Ober, Dokmo, Bergin, Belvin and R. Elliott.

Bill Sponsors: Rep. Packard, Rock 3; Rep. Kurk, Hills 7

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

- 1 Rep Hess (for)
 - 2 Rep Kirk* Amendment 2010-0088h + others
 - 3 Sen Barnes (for)* preserve memorials
 - 4 Rep Kath Taylor (against)
 - 5 M Zibel (against)
 - 6 Rep French (against)
 - 7 John DeVivo* (against)
 - 8 John Tobin (against)
 - 9 Tim Downing } SBOC (for the amendment)
Mary Collins }
 - 10 Ed McKay (against)
 - 11 Bud Fitch (against)
 - 12 Tricia Lucas (against)
 - 13 Commissioner Bald (for amendment, against bill)
 - 14 Michael Walls* (against)
 - 15 Nina C. Gardner (Against)
 - 16 *Howard Wilson (Support)
- (over)

17) John Wallace DHHS - Against

18) Dennis Hill - Against

19) Wendy LeBlanc^{*} Against

20) Gina Balkus^{*} Against

21) Peter Ames^{*} Against

22) Karen Lowin^{*} Against

23) Roy Dobby^{*} Against

24) Leslie Melby^{*} Against

25) Carrie Jenks (written only)

26) Pat Plummer Against

27) Martha McLeod - Against

28) Pete Stevens - Against

Testimony

Draft Amendment to HB 1664-FN

1 Amend the bill by deleting sections 10-11 and renumbering the original sections 12-58 to read as 10-
2 56, respectively.

3

4 Amend paragraph I of section 39 of the bill by replacing it with the following:

5

6 I. Notwithstanding any other provision of law, the commissioner of the department of
7 resources and economic development shall, in consultation with the committee established in section
8 40 of this act, develop and issue a request for proposals to include, but not be limited to, a lease,
9 concession agreement, or management contract for the Cannon Mountain ski area operations.

10

11 Amend paragraph III of section 39 of the bill by replacing it with the following:

12

13 III. All responses to a request for proposals developed under this act shall be reviewed by
14 the committee established in section 40 of this act in cooperation with the commissioner of resources
15 and economic development.

16

17 Amend the introductory paragraph of paragraph I of section 40 of the bill by replacing it with the
18 following:

19

20 I. There is established a committee for the purpose of advising the commissioner of resources
21 and economic development, pursuant to section 39 of this act, on the creation of a request for
22 proposals and the review of any responses to a request for proposals and the review of any responses
23 to a request for proposals. The committee shall consist of the following members:

24

25 Amend the bill by replacing sections 41-42 with the following:

26

27 41 Review by Capital Budget Overview Committee; Public Comments. Any agreement or
28 contract recommended pursuant to section 40 of this act shall be submitted to the capital budget
29 overview committee established in RSA 17-J for review and approval. No agreement or contract
30 shall take effect until such approval is obtained. The capital budget overview committee shall
31 receive written public comments submitted prior to the time the committee votes on a recommended

1 agreement or contract.

2 42 Report on Future Status of Ski Area Employees. The commissioner of the department of
3 resources and economic development shall provide along with any agreement or contract submitted
4 under section 41 of this act, a report on the disposition of employees of the ski areas at Cannon
5 Mountain and any appropriate statutory changes to RSA 216-A as a result of the lease agreement.
6 An employee of Cannon Mountain on the effective date of this act shall be offered an appropriate
7 position within the state park system.

8

9 Amend the bill by replacing section 47 with the following:

10

11 47 Adequate Education Grants. Adequate education grants made prior to January 1, 2011 shall
12 be calculated using the provisions of RSA 198:40-a, I which were in effect prior to the effective date
13 of section 46 of this act.

14

15 Amend the bill by replacing section 56 with the following:

16

17 56 Effective Date.

18 I. Section 29 of this act shall take effect July 1, 2011.

19 II. Section 46 of this act shall take effect January 1, 2011.

20 III. The remainder of this act shall take effect July 1, 2010.

2010-0088h

AMENDED ANALYSIS

This amendment deletes reductions in appropriations for the industrial research center and the small business development center.

HB 1664-FN - As Introduced						
Fiscal Analysis of Appropriations and Revenues						
(Including Impact of Proposed Amendment 2010-0088h)						
ROW	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS	HOUSE or GOVERNOR POSITION?
1	APPROPRIATIONS					
2	01-04-04	Legislative Branch				
3	01-04-04-0420	House (Section 1)	G	(85,000)	Reduce out of state travel (Class 80) to 04-05 levels	
4	01-04-04-0430	General Court Joint Expenses (Section 2)	G	(119,029)	Reduce organizational dues (class 26) to \$100,000.	
5						
6	01-14-14	Department of Administrative Services				
7	01-14-14-1400-1302	Concord Fire and Municipal Services (Section 3)	G	(40,000)	Reduce class line 213.	
8	01-14-14-1400-1356	Retirees Health Insurance (Section 4)	G	(1,368,360)	Increase under 65 contribution from \$65 to \$100 for retiree and spouse resulting in a decrease in general funds and increase in agency income. See section 34 of proposed bill.	Governor
9	01-14-14-1400-1356	Retirees Health Insurance (Section 4)	O	1,368,360	See above.	
10						
11	01-34-34	Department of Cultural Affairs				
12	01-34-34-3400-6990	NH Film Commission (Section 5)	G	(113,221)	Eliminate funding for NH Film Commission.	
13	01-34-34-3410-1250	State Arts Development Grants (Section 6)	G	(428,000)	Intent of section is to eliminate funding for state arts development grants (class 73). ERROR IN CLASS DESCRIPTION AND APPROPRIATION AMOUNTS.	
14						
15	01-38-38	Treasury Department				
16	01-38-38-3820-1390	LCHIP (Sections 7)	O	(1,721,579)	Eliminate LCHIP appropriation in FY 2011. See section 29 of proposed bill.	
17						

HB 1664-FN - As Introduced						
Fiscal Analysis of Appropriations and Revenues						
(Including Impact of Proposed Amendment 2010-0088h)						
ROW	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS	HOUSE or GOVERNOR POSITION?
18	01-59-59	New Hampshire Retirement System				
19	01-59-59-5905-1052	State Contributions (Section 8)	G	(9,367,576)	Decrease class line 64 (Municipal Normal Contribution reduced further to 20% in FY11). See section 32 of proposed bill.	
20						
21	02-07-07	Judicial Council				
22	02-07-07-0700-1098	Civil Legal Services Fund (Section 9)	G	(470,000)	Reduce class line 108.	
23						
24	03-35-35	Department of Resources and Economic Development				
25	03-35-35-3505-3615	Industrial Research Center (Section 10)	G	(505,000)	Eliminate funding for Industrial Research Center	
26	03-35-35-3505-2084	Small Business Development Center (Section 11)	G	(280,000)	Eliminate funding for Small Business Development Center	
27	03-35-35-3515-3703	Cannon Mountain (Section 12)	O	(5,046,346)	Eliminate state funding relative to Cannon Mountain. See sections 41 through 47 of proposed bill.	
28						
29	03-44-44	Department of Environmental Services				
30	03-44-44-4400-1002	Regional Planning Commission Contracts (Section 13)	G	(220,000)	Eliminate funding for Regional Planning Commission contracts.	
31						
32	05-95-40	Division for Children, Youth and Families				
33	05-95-40-4030-5857	DCYF Diversion Incentive Funds (Section 14)	G	(784,911)	Fund diversion programs at Governor Recommended level of 3% of out-of-home placement appropriations. See section 35 of proposed bill.	Governor
34	05-95-40-4040-5847	Promoting Safe-Stable Families (Section 15)	G	(120,000)	Remove funding for family resource centers.	

HB 1664-FN - As Introduced						
Fiscal Analysis of Appropriations and Revenues						
(Including Impact of Proposed Amendment 2010-0088h)						
ROW	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS	HOUSE or GOVERNOR POSITION?
35	05-95-40-4030-5855	Child - Family Services - Reduction in Out-of-Home/Residential Care (Section 16)	F	(2,000,000)	Reduce funding for out-of-home placements and residential care by \$4,000,000 total funds annually (50/50 state/federal match).	
36	05-95-40-4030-5855	Child - Family Services - Reduction in Out-of-Home/Residential Care (Section 16)	G	(2,000,000)	See above.	
37	05-95-40-4030-6040	Domestic Violence (Section 17)	G	(169,000)	Reduce general fund support for domestic violence programs to FY 2009 level.	
38						
39	05-95-48	Bureau of Elderly & Adult Services				
40	05-95-48-4810-9255	Social Services Block Grant (Section 18)	G	(500,000)	Reduce funding for social services block grant programs by \$500,000.	
41	05-95-48-4810-2202	Catastrophic Illness (Sections 19)	G	(609,000)	Eliminate Catastrophic Illness Program. See section 36 of proposed bill.	Governor
42						
43	05-95-90	Division of Public Health				
44	05-95-90-9020-5530	Family Planning Program (Section 20)	G	(725,000)	Reduce funding for family planning program by \$725,000.	Governor
45	05-95-90-9020-2223	Boston EMA Title I (Section 21)	G	(400,000)	Reduce general fund appropriation for AIDS Services Organizations (ASO's) by \$400,000.	Governor
46						
47	05-95-93	Division of Developmental Services				
48	05-95-93-9300-7100	Developmental Services - DD Waitlist (Section 22, class 557)	F	(10,000,000)	Eliminate DD Waitlist funding in FY 2011.	House and Governor
49	05-95-93-9300-7100	Developmental Services - DD Waitlist (Section 22, class 557)	G	(10,000,000)	See above.	
50	05-95-93-9300-7100	Developmental Services - Medicaid Waiver Services (Section 22, class 558)	F	(622,332)	Fund total DD services at FY 2009 Adjusted Authorized Level (Medicaid Waiver Services plus Waitlist).	
51	05-95-93-9300-7100	Developmental Services - Medicaid Waiver Services (Section 22, class 558)	G	(622,333)	See above.	

HB 1664-FN - As Introduced						
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ROW	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS	HOUSE or GOVERNOR POSITION?
52	05-95-93-9300-7016	Acquired Brain Disorder Svcs - Waitlist (Section 23)	F	(1,301,300)	Eliminate funding for acquired brain disorder (ABD) waitlist services.	Governor
53	05-95-93-9300-7016	Acquired Brain Disorder Svcs - Waitlist (Section 23)	G	(1,300,000)	See above.	
54						
55	05-95-95-9560	Office of Medicaid and Business Policy				
56	05-95-95-9560-6147	Provider Payments - Catastrophic Aid (Section 24, class 559)	F	(1,401,400)	Eliminate funding for catastrophic aid payments to hospitals.	
57	05-95-95-9560-6147	Provider Payments - Catastrophic Aid (Section 24, class 559)	G	(1,400,000)	See above.	
58	05-95-95-9560-6147	Provider Payments - Indirect Medical Education (Section 24, class 101)	F	(1,208,114)	Suspend funding for indirect medical education. See section 37 of proposed bill.	
59	05-95-95-9560-6147	Provider Payments - Indirect Medical Education (Section 24, class 101)	G	(793,541)	See above.	
60	05-95-95-9560-6147	Provider Payments - Outpatient Hospital rates for Critical Access Hospitals (Section 24, class 565)	F	(1,736,000)	Reduce outpatient rates for critical access hospitals from 91.25% to 85% of cost. See section 38 of proposed bill.	
61	05-95-95-9560-6147	Provider Payments - Outpatient Hospital rates for Critical Access Hospitals (Section 24, class 565)	G	(1,050,000)	See above.	
62						
63	05-95-95-9580	Division of Community Based Care Services				
64	05-95-95-9584-1388	Governor's Commission on Alcohol & Drug Abuse Prevention (Section 25)	G	(1,000,000)	Reduce funding for Governor's Commission.	Governor
65						
66	06-56-56	Department of Education				
67	06-56-56-5610-6019	Dropout Prevention (Section 26, class 606)	G	(1,750,000)	Eliminate funding for dropout prevention.	
68	06-56-56-5610-6019	Local Education Improvement (Section 26, class 609)	G	(500,000)	Eliminate funding for local ed improvement.	

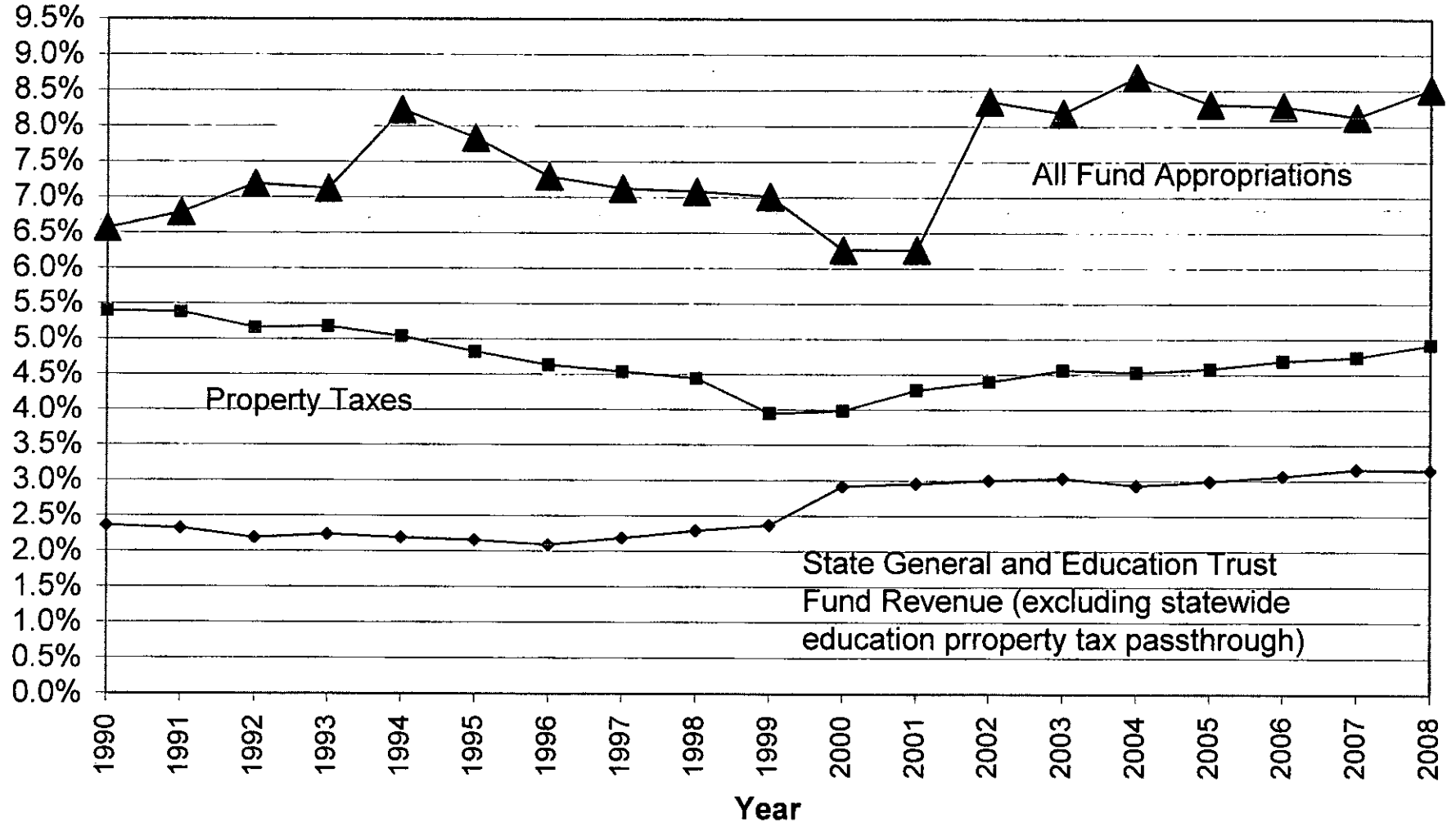
HB 1664-FN - As Introduced						
Fiscal Analysis of Appropriations and Revenues						
(Including Impact of Proposed Amendment 2010-0088h)						
ROW	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS	HOUSE or GOVERNOR POSITION?
69	06-56-56-5600-7550	Adequate Education Grants (Section 27, class 079)	O	(19,184,067)	Reduce funding for adequate education grants based on amendments contained in sections 48 and 49 of this bill relative to how free and reduced lunch information is used in grant calculation. See sections 48 and 49 of proposed bill.	
70						
71	06-57-57	Postsecondary Education Commission				
72	06-57-57-57000-6076	Spec'l Student Grant - Dartmouth (Section 28)	G	(175,000)	Eliminate funding for special student grants which are used to assist NH residents with pursuing medical education at Dartmouth Medical School or the University of New England's College of Osteopathic Medicine.	
73						
74	Sections	Various Agencies				
75	Sections 30, 31 & 33	Employee Retirement Contributions (Impact on Expenditures)	G	(10,000,000)	Take House position relative to employee retirement contributions (Group 1 - 7%, Group 2 - 11%). For purposes of this spreadsheet, fiscal impact is based on initial discussions during House budget deliberations. Exact fiscal impact has not yet been determined by NHRS.	House
76	Section 39	Vacant Positions-Layoffs	N/A	0	Abolish positions vacant as a result of layoffs that occur from July 1, 2009 through June 30, 2011.	
77	Section 40	Unfunded Vacant Positions	N/A	0	Abolish positions that are unfunded and vacant as of July 1, 2010.	
78	Section 50	Environmental Services	G	(2,000,000)	Require DES to reduce state general fund appropriations by \$2,000,000.	
79	Section 51	Department of Justice	G	(456,599)	Require Department of Justice to reduce state general fund appropriations by \$456,599.	House

HB 1664-FN - As Introduced						
Fiscal Analysis of Appropriations and Revenues						
(Including Impact of Proposed Amendment 2010-0088h)						
ROW	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS	HOUSE or GOVERNOR POSITION?
80	Section 52	Corrections	G	(3,717,635)	Require Department of Corrections to reduce state general fund appropriations by \$3,717,635.	House
81	Section 53	Department of Information Technology	G	(5,617,263)	Require DoIT to reduce state general fund appropriations by \$5,617,263 in FY 2011. DoIT estimates the required general fund reduction amount above will result in corresponding reduction in federal (\$3,245,958) and other funds (\$408,474) due to funding matches at the impacted agencies. LANGUAGE CHANGE NECESSARY TO SPECIFY THAT REQUIRED REDUCTION AMOUNT REPRESENTS THE STATE GENERAL FUND SHARE.	House
82	Section 54	Governor's Office	G	(23,417)	Require Governor's Office to reduce state general fund appropriations by \$23,417. Reduction percentage of 1.28% is equal to percent reduction required of Legislative Branch.	
83	Section 55	USNH	G	(10,000,000)	Require USNH to reduce state general fund appropriations by \$10,000,000. Reduction would be required after 1/1/11 but before 6/30/11 to avoid conflicts with ARRA requirements.	
84	Section 56	Community Technical Colleges	G	(3,544,599)	Require Tech College System to reduce state general fund appropriations by \$3,544,599. Reduction would be required after 1/1/11 but before 6/30/11 to avoid conflicts with ARRA requirements. Reduction amount based on funding System at FY 2009 level.	
85	Section 57	Judicial Branch	G	(4,787,793)	Require Judicial Branch to reduce state general fund appropriations by an additional \$4,787,793, with \$2,565,000 of the reduction coming from the close of the Hillsborough Superior Court- North.	
86	REVENUES					
87	Section 29	LCHIP Surcharge to General Fund	G	1,721,579	Section 29 would shift the deposit of the \$25 surcharge from LCHIP Trust Fund to the state general fund.	

HB 1664-FN - As Introduced							
Fiscal Analysis of Appropriations and Revenues							
(Including Impact of Proposed Amendment 2010-0088h)							
ROW	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS	HOUSE or GOVERNOR POSITION?	
88	Section 29	LCHIP Surcharge to General Fund	O	(1,721,579)	See above.		
89	Sections 41-47	Leasing of Cannon Mountain	G	Indeterminable	Sections would require the lease of Cannon Mountain, and require lease proceeds from Mount Sunapee to be deposited into the state general fund rather than the Cannon Mountain Capital Improvement Fund. Lease proceeds from Cannon Mountain would also be deposited into the state general fund. The exact fiscal impact cannot be determined at this time.		
90							
91		HB 1664 - APPROPRIATION & EXPENDITURE IMPACT					
92		Total Funds		(119,895,055)			
93							
94		General Funds		(77,042,277)			
95		Federal Funds		(18,269,146)			
96		Highway Funds		0			
97		Other Funds		(24,583,632)			
98							
106		HB 1664 - REVENUE IMPACT					
107		Total Funds		0			
108							
109		General Funds		1,721,579			
110		Federal Funds		0			
111		Highway Funds		0			
112		Other Funds		(1,721,579)			
113							
114							
115							
116	Kurk Amendment (2010-0088h)						
117	03-35-35-3505-3615	Industrial Research Center (Deletes Section 10)	G	505,000	Delete section 10 relative to elimination of funding for the Industrial Research Center.		

HB 1664-FN - As Introduced						
Fiscal Analysis of Appropriations and Revenues						
(Including Impact of Proposed Amendment 2010-0088h)						
ROW	ACCT. UNIT	AGENCY/COMMENT	SOF	FY 2011	COMMENTS	HOUSE or GOVERNOR POSITION?
118	03-35-35-3505-2084	Small Business Development Center (Deletes Section 11)	G	280,000	Delete section 11 relative to the elimination of funding for Small Business Development Center	
119	Amend Sections 39-42 (formerly 41-44)	Leasing Cannon Mountain (technical correction)	G	N/A	Adjusts section references due to renumbering of sections resulting from deletion of sections 10 and 11.	
120	Amend Section 47 (formerly 49)	Adequate Education Grants (technical correction)	G	N/A	Adjusts section references due to renumbering of sections resulting from deletion of sections 10 and 11.	
121						
122		HB 1664 after 2010-0088h - APPROPRIATION & EXPENDITURE IMPACT				
123		Total Funds		(119,110,055)		
124						
125		General Funds		(76,257,277)		
126		Federal Funds		(18,269,146)		
127		Highway Funds		0		
128		Other Funds		(24,583,632)		
129						
130		HB 1664 after 2010-0088h - REVENUE IMPACT				
131		Total Funds		0		
132						
133		General Funds		1,721,579		
134		Federal Funds		0		
135		Highway Funds		0		
136		Other Funds		(1,721,579)		
137						

Various Indicators as % of Gross State Product



Testimony in opposition to HB 1664

Language relevant to the leasing and zeroing out of Cannon Mountain Aerial Tramway & Ski Area

John M. DeVivo, GM Cannon Mountain & Franconia Notch State Park
House Finance Committee Hearing / January 19, 2010

This testimony is given in opposition to HB 1664, and I ask that you oppose it, as well

John DeVivo, General Manager at Cannon Mountain and Franconia Notch State Park

Bachelor's Degree in Commercial Recreation Management, with 23 years' experience in outdoor recreation; 18 years at the management level

Full-time resident of the town of Bethel, Maine / seasonal resident of the town of Twin-Mountain, New Hampshire

3rd generation Cannon skier / my children are 4th generation Cannon skiers

I came to Cannon and Franconia Notch in July of 2007 after 20 years working toward the opportunity that Commissioner Bald presented me with;

To rebuild this company from the inside out, and essentially from scratch

We operate Cannon Mountain & FNSP as a singular company

One team, one mission statement, one set of goals, and one set of assets

Tearing Cannon Mountain and FNSP apart from one another would be a grave, grave mistake – it would destroy not only the integrity of FNSP, but the very core of the NH Parks & Rec system

Cannon Mountain on paper: Aerial Tramway & Ski Area / Cannon Retail Division / Cannon RV Park / Echo Lake Beach

Cannon also hosts the Franconia Ski Club, the New England Ski Museum, and the Old Man of the Mountain Museum

As a result of the "Tuck Business School Report" in 2007, we were charged with the following tasks:

- Improve upon our financial performance
- Create a business plan and mission statement
- Streamline and integrate our products and pricing
- Improve upon and grow our management team
- Improve upon our marketing and re-brand the company
- Improve upon our infrastructure and capital planning
- Improve upon our primary product – snowmaking & grooming
- Improve upon our commitment to customer service
- Bring Cannon back to its rightful place at the forefront of NH skiing & riding

This team has delivered very admirably on all fronts:

Financial Performance:

FY '07: Cannon reported losses of \$493K – bringing its 70-year net total to negative \$1.5 Million

FY '08: Cannon reported a net profit of \$438K
Cannon contributed 38% of the total revenue of the NH Division of Parks and Rec
Cannon reported record revenues and erased nearly a third of its 70-year deficit
Cannon also contributed \$504K in discounts, goods and services, primarily NH-based

FY '09: Cannon reported a net profit of \$424K
Cannon contributed an estimated 35% or more of the total revenue of the NH Division of Parks and Rec
Cannon reported record revenues and had at that point erased nearly 60% of its 70-year debt
Cannon also contributed nearly \$500K in discounts, goods and services, primarily NH-based

Financial Performance (cont'd):

FY '10: Effective Jan 12th

- Capital projects have been completed on time and on budget
- Season pass sales are over \$1 Million – a first at Cannon and climbing annually
- Junior Development program enrollment is at 211 – a record at Cannon and climbing annually
- Franconia Ski Club enrollment is at 141 – a ten-year high at Cannon and climbing annually
- *These season pass, Junior Dev, and FSC commitments equal long-term local spending*
- *It also means that families are choosing Cannon because they like what we're doing*
- FY10 Revenues are well ahead of budget and ahead of FY09 actuals
- FY10 Expenses are well under budget and under FY09 actuals
- FY10 Net total is well ahead of budget and ahead of FY09 actuals
- FY10 goal: close the fiscal year at a positive net total of \$500K
- That would set us at a 3-year positive (FY08 - FY10) of \$1.362M, erasing 90% of the 70-year debt

Business Plan & Mission Statement:

We created a 5-year winter ops business plan ahead of schedule in 2008

We created a mission statement, and we've kept it very simple:

- * Stimulate tourism in the North Country
- * Act as a primary revenue driver for the State of NH
- * Act as a community partner (charitable contributor) to the citizens of NH
- * Vigilantly protect the character and integrity of Franconia Notch State Park
- * Provide the best possible work and play environment for guests & team members

That very simple mission statement permeates everything we do as a company

Streamlined & Integrated Pricing:

We've eliminated products that didn't work or simply "gave away the farm"

We've increased our local and regional public-private partnerships to offer win-win scenarios

We've integrated our pricing structure and marketing campaigns to reflect the truest sense of value

We've changed our thought process relative to the Special Use Policy to reflect on it as a revenue generating program

We've increased our revenues and volume while streamlining our product list and maintaining our sense of value

We've also stood very solidly behind the value of our product and experience

We'll enter no partnership unless it offers a true win-win scenario for both parties involved

Management Team:

New GM / New Mtn Ops & Risk Mgr / New Director of Sales & Mktg / New Sales Mgr / New Mktg Coordinator

The contracted F&B Manager and the Head Coach at FSC sit on our Operating Committee

Operating Committee meets weekly Nov – Apr and bi-weekly May – Oct

Daily Snow Plan meeting Nov – Apr to discuss the next 24/48/72 hours in our ten key areas of concern

Every manager treats his/her department as his/her own company, with full accountability

Marketing & Branding:

We now work with New Hampshire's best and most aggressive ski industry marketing firm, as its only ski area client

We've attacked the media, the internet, and the grassroots markets

We've created a buzz in the marketplace about Cannon not seen within the last 20 years

Rough, natural setting and aggressive, value-based pricing structure are the basis of our re-branding

We are the vacation away from the typical "resort" experience

We've told the world about the spectacular beauty of Franconia Notch, and have asked that they join us

Eighteen top ten eastern rankings in SKI Magazine in the last three years

Ten top ten rankings in SnowEast Magazine in the last three years

Infrastructure & Capital Planning:

Monumental changes to our infrastructure related to snowmaking, grooming, on-hill and base lodge functions
Superior product and diversity of experiences among NH ski areas - a far better, far more NATURAL experience
Very aggressive capital campaign has dramatically improved the overall quality of our guests' experience

We've spent \$3 Million on this capital infrastructure and capital maintenance plan since 2007
Our capital improvements and maintenance planning have scored RAVE reviews with new and returning guests
We've expanded and improved upon our terrain and base area offerings, dramatically improving upon guests' comfort

We've done so simply, while deliberately and vigilantly protecting the character of Cannon and Franconia Notch

We've received the capital funding for the construction of the Mittersill Double Chair
We've opened up Mittersill – the next step in our evolution as the ski area in NH
Best diversity of terrain and conditions in NH & the best LEARNING terrain in NH
No eastern ski area in recent history has increased its terrain offerings by 50%

Product:

Our snowmaking & grooming have improved dramatically – arguably THE best in NH
We've spent over \$350K on snowmaking improvements, and improve our grooming fleet annually via leasing
Our snowmaking and grooming teams - and the product we now offer - have literally changed the course of our company
Our product revolves around the experience
Not only the skiing and riding surface that's underfoot, but the unspoiled beauty of Franconia Notch that surrounds you

Service:

Cannon University is our launch platform for a renewed annual commitment to quality service
Weekly Operating Committee and departmental service & safety meetings
Our people are the difference – and we hear about them daily
There are 450 people up here committed to sending people home happy on a daily basis
We do not consider ourselves to be "state employees"; we're 450 people running a great company in a beautiful area

Cannon at the Forefront:

This team has done everything asked of it since the last two leasing bills failed, and has done so very well
This ski area, this team, and this company continue to do great things... against steep odds in Concord
Those great things offer a tremendous benefit to the residents of this state
I believe that the residents of this state would be very proud of what we've accomplished in the last 31 months
I believe that New Hampshire's residents would be very proud of our plans for the next 18 – 24 months
I believe that they'd also be very proud of our mission statement and its intent
I ask that you allow THIS team to continue rebuilding this company
I ask that you assist this team in vigilantly protecting the character and integrity of Franconia Notch
I respectfully ask that you oppose the language in HB 1664 relative to the leasing of Cannon Mountain
I respectfully ask that you oppose the language in HB 1664 relative to the zeroing out of Cannon's financials
I respectfully ask that you oppose further efforts to destroy the fabric and culture of Franconia Notch
I respectfully ask that you continue to allow us to operate Cannon & FNSP as a singular company

Thank you, Madame Chair and Representatives

MEMORANDUM

To House Finance Committee

From: John E. Tobin, Jr., Exec. Dir., New Hampshire Legal Assistance (NHLA)

Re: **Impact of HB 1664 Proposed Cut on NHLA, Our Clients, and State/Local Budgets**

Date: January 19, 2010

Impact of the Proposed Cut on NHLA and Needy NH Individuals and Families

- The State appropriation for NHLA for FY 2011 is \$1,470,000, plus \$270,000 in a separate North Country appropriation. This money helps fund our offices in Nashua, Littleton, Concord, Claremont, Manchester, Portsmouth, and Berlin.
- The proposed cut in HB 1664 is \$470,000, a **27% cut** in the total appropriation of \$1,740,000. This would be a 12% cut in NHLA's total budget of \$4 million.
- Since August 2008, NHLA has already cut 10 of 53 positions through layoffs and attrition, due to declines in other funding because of the current economic recession.
- These funding and staff losses occurred at a time when the need for help with foreclosures, evictions, unemployment, and homelessness is greater than ever. Call reports issued by 2-1-1 NH, the United Way-supported information and referral service for social services, have shown a steady and marked increase in people seeking legal help. Since June 2008, legal assistance has gone from the tenth most requested service by people contacting 2-1-1 NH to the first most requested service from February 2009 - September 2009.
- The loss of \$470,000 as proposed in HB 1664 would force layoffs of at least 3 lawyers and/or paralegals.
- As a result, hundreds of vulnerable NH individuals/families would get no legal help with urgent cases involving housing, health care, subsistence income, and domestic violence.

Impact of the Proposed Cut on State and Local Public Assistance/Medicaid Budgets

In March 2009, at the request of House Finance Division I, NHLA reviewed its case files to determine the impact on State and local public assistance budgets, including Medicaid expenditures, of NHLA's success in cases involving federal Social Security and Supplemental Security Income (SSI) disability benefits and child support. Here are the results, as previously reported to Division I:

- Over an eighteen-month period (July 1, 2007 – December 31, 2008), NHLA successfully represented **151** New Hampshire residents in Social Security and/or Supplemental Security Income (SSI) disability benefits appeals, which generated **\$4,280,989** in these federal benefits. During the same period, we obtained child support payments for **34** victims of domestic abuse totaling **\$506,577**.

- In **127 of 151 (84%)** of the Social Security and SSI cases in which we won those federal benefits for our clients and their families, they had been receiving **state public assistance (TANF or APTD)** or would have been eligible for these benefits if we had not won their cases.
- Most of these clients were also receiving **local welfare** from their town/city or would have needed local welfare if we had not won their appeals.
- **Twelve (12)** additional clients would not have been eligible for any state benefits but were receiving or would have been eligible for **local welfare** if we had not prevailed in their disability benefits.
- Thus, in **139 of our 151 (92%)** successful disability benefits appeals, our victories relieved a significant burden on state and local public assistance budgets.
- We won Medicare coverage for our clients in **126** of these cases, thus sparing the **State Medicaid program** many hundreds of thousands of dollars in their first year of eligibility, and millions of dollars over many years.
- In **26 of the 34** domestic violence cases (**76%**) in which we won child support for our clients, they had been receiving **TANF, APTD, or local welfare benefits** or would have been eligible for these benefits if we had not obtained child support for them. Our successful efforts also relieved the State Office of Child Support Enforcement of the time and expense it would otherwise would have had to devote to collecting child support in these cases.

Cutting NHLA's budget will increase homelessness, poverty, ill-health, and danger for many vulnerable people across our state.

Cutting NHLA's budget will also cause the State budget and local public assistance budgets to increase to make up for the loss of federal benefits and child support that NHLA would otherwise win for needy NH residents. NHLA helps save state and local taxpayer funds by reducing dependence on the NH Department of Health and Human Services and Town or City Welfare Office.

Cutting NHLA's budget will increase misery for many people and it will not save the State money.

For all of these reasons, we ask that you decide not to support this provision of HB 1664.

Respectfully submitted,

John E. Tobin, Jr., Executive Director
New Hampshire Legal Assistance
117 North State Street
Concord, NH 03301
Telephone: 206-2216 (cell: 568-0735)
Email: jtobin@nhla.org

NEW HAMPSHIRE



SMALL BUSINESS

DEVELOPMENT

January 13, 2010

CENTER

The Honorable Marjorie Smith
Chairman, House Finance Committee
PO Box 136
Durham, NH 03824-0136

Dear Representative Smith:

As you know, HB 1664 (hearing 1/19/10, 1 PM) proposes several operating budget cuts, including zeroing out the \$280,000 annual funding for the NH Small Business Development Center (SBDC). We are writing to provide you with information regarding NH's SBDC so your committee can make an informed decision.

SBDC's primary client is The State of New Hampshire and is primarily funded by the US Small Business Administration. This federal support requires a 1:1 match from State funds. In addition to generating state revenue and supporting NH businesses, the state's investment leverages \$627,000 annually in federal funds and positions the state to receive other competitive federal grants.

The SBDC provides a critical lifeline to NH businesses that generate approximately \$3.1 million in tax revenue (BET, BPT, rooms and meals, etc) on a \$280,000 investment! The NH SBDC is the only NH agency that has full time, certified business advisors providing one-on-one, long-term management consulting to small businesses. Last year the SBDC assisted 3000 businesses and helped create and retain 947 jobs.

SBDC's Mission

From the North Country to the Lakes Region, Keene and the southern tier of the state and over to the Seacoast SBDC business advisors are working with NH small businesses that in the last year have depleted their vital resources, while dealing with tightening credit and loss of market share. In the North Country alone, SBDC saw a 29% increase in clients counseled over 2008 representing 454 jobs and \$48.7 million in sales contributing to the state's economy.

What does this all mean for New Hampshire's economy?

- A North Country manufacturer came to the SBDC with the intent to shut down his business. The business employed eight persons and much of its production was sold to local contractors. The shutdown threatened the loss of jobs and the potential that money spent by the local contractors would go out of the region. NH SBDC negotiated the sale of the

STATE DIRECTOR'S OFFICE

business to its manager, worked on the business plan, and helped obtain financing for the former manager to purchase and operate the business. **Impact:** Eight people retained their North Country jobs; the business generates wages and tax revenue and contributes to the local and state economy.

Fact: Each SBDC counselor advises businesses that generate new and sustained wages in NH of \$17 million.

- The SBDC **Rochester office** worked with a Seacoast company to write a strategic business plan that led to \$ 1.2 million in financing through a local bank, economic development agency and SBA. **This plan will create 7 new jobs with future job expansion over the next 3 years. ROI: wages and tax revenue.**

Fact: Each \$1 spent on an SBDC counselor yields back to the State of NH \$8.00 in annual tax impact.

- The SBDC **Keene business advisor** worked with a 10 year old manufacturer, with 15 employees in the southwestern region of NH to prepare a business plan to access alternative sources of capital. The new capital supports **15% growth and addition of resources.**

Fact: SBDC's target markets are companies that have the intent to grow and contribute to the NH economy.

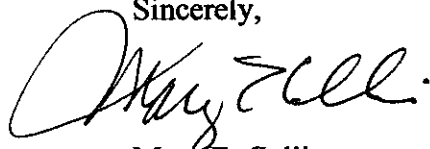
The SBDC support also ensures that “at risk” businesses sustain themselves while they deal with rising costs, re-positioning their firms, exploring new market opportunities, and addressing cash flow while seeking new sources of capital, versus the alternative of closing the doors, laying off staff and seeking unemployment benefits from the state. **According to US SBA economist Dr. James Chrisman, after 5 years, 80% of SBDC counseled businesses are still in business versus the 44% survival rate of non-assisted businesses.**

The NH SBDC is a cooperative venture with the US Small Business Administration, the State of New Hampshire Division of Economic Development, the University System of NH and the private sector. The \$280,000 from the General Fund is the only state appropriation that NH SBDC receives.

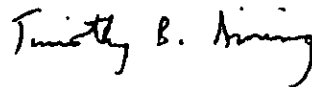
Please consider maintaining this valuable appropriation in support of NH's SBDC.

Please contact Mary Collins, SBDC State Director, if you have any further questions.

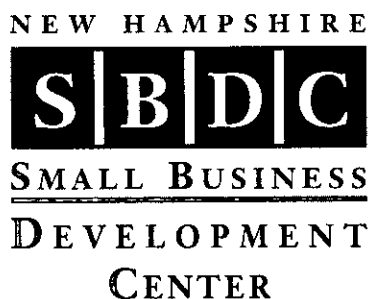
Sincerely,



Mary E. Collins
State Director
NH Small Business Development Center
603-862-4879 (o)
603-493-3723 (c)



Tim Dining
President, CEO
Greenerd Press & Machine Co., Inc
NH SBDC Board Chair



NH SBDC Fact Sheet

Prepared for House Finance Committee

January 19, 2010

HB 1664 proposes several operating budget cuts, including zeroing out the \$280,000 annual funding for the NH Small Business Development Center (SBDC). We are here today to provide you with information regarding the SBDC program so that your committee can make an informed decision.

The US Small Business Administration is the primary funder for the SBDC whose principal client is the State of New Hampshire. This federal support requires a 1:1 match from State funds. In addition to generating state revenue and supporting NH businesses, **the state's investment leverages \$627,000 annually in federal funds and positions the state to receive other competitive federal grants.**

The SBDC is the only NH agency that has full time, certified business advisors providing one-on-one, long-term management consulting to small businesses. **Last year we assisted 3000 businesses and helped create and retain 947 jobs.**

The SBDC provides a critical lifeline to NH businesses that generate approximately \$3.1 million in tax revenue (BET, BPT, rooms and meals, etc) on a \$280,000 investment!

SBDC's Mission

From the North Country to the Lakes Region, Keene and the southern tier of the state and over to the Seacoast SBDC business advisors are working with NH small businesses that in the last year have depleted their vital resources, while dealing with tightening credit and loss of market share. **In the North Country alone, SBDC saw a 29% increase in clients counseled over 2008 representing 454 jobs and \$48.7 million in sales contributing to the state's economy.**

What does this all mean for New Hampshire's economy?

- A North Country manufacturer came to the SBDC with the intent to shut down his business. The business employed eight persons and much of its production was sold to local contractors. The shutdown threatened the loss of jobs and the potential that money spent by the local contractors would go out of the region. NH SBDC negotiated the sale of the

STATE DIRECTOR'S OFFICE

University of New Hampshire • Whittemore School of Business & Economics

108 McConnell Hall • Durham, New Hampshire 03824-3593 • phone 603-862-2200 • fax 603-862-4876 • www.nhsbdc.org

A Cooperative Venture: U.S. Small Business Administration, State of New Hampshire, University System of New Hampshire & The Private Sector

business to its manager, worked on the business plan, and helped obtain financing for the former manager to purchase and operate the business. **Impact: Eight people retained their North Country jobs; the business generates wages and tax revenue and contributes to the local and state economy.**

Fact: Each SBDC counselor advises businesses that generate new and sustained wages in NH of \$17 million.

- The SBDC Rochester office worked with a Seacoast company to write a strategic business plan that led to \$ 1.2 million in financing through a local bank, economic development agency and SBA. **This plan will create 7 new jobs with future job expansion over the next 3 years. ROI: wages and tax revenue.**

Fact: Each \$1 spent on an SBDC counselor yields back to the State of NH \$8.00 in annual tax impact.

- The SBDC Keene business advisor worked with a 10 year old manufacturer, with 15 employees in the southwestern region of NH to prepare a business plan to access alternative sources of capital. **The new capital supports 15% growth and addition of resources.**

Fact: SBDC's target markets are companies that have the intent to grow and contribute to the NH economy.

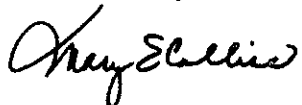
The SBDC support also ensures that “at risk” businesses sustain themselves while they deal with rising costs, re-positioning their firms, exploring new market opportunities, and addressing cash flow while seeking new sources of capital, versus the alternative of closing the doors, laying off staff and seeking unemployment benefits from the state. **According to US SBA economist Dr. James Chrisman, after 5 years, 80% of SBDC counseled businesses are still in business versus the 44% survival rate of non-assisted businesses.**

The NH SBDC is a cooperative venture with the US Small Business Administration, the State of New Hampshire Division of Economic Development, the University System of NH and the private sector. **The \$280,000 from the General Fund is the only state appropriation that NH SBDC receives.**

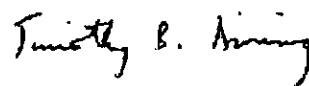
Please consider maintaining this valuable appropriation in support of NH's SBDC.

Please contact Mary Collins, SBDC State Director, if you have any further questions.

Submitted By:



Mary E. Collins
State Director
NH Small Business Development Center
603-862-4879 (o)
603-493-3723 (c)



Tim Dining
President, CEO
Greenerd Press & Machine Co., Inc
NH SBDC Board Chair

NEW HAMPSHIRE



SMALL BUSINESS

DEVELOPMENT
CENTER

UNH WHITTEMORE SCHOOL
OF BUSINESS & ECONOMICS

MANAGEMENT ASSISTANCE

for

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BUSINESSES

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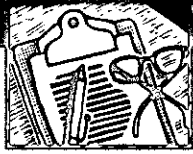
www.nhsbdc.org

NH SBDC MISSION

To contribute to New Hampshire's economic vitality by providing its small businesses and communities with the tools and personal guidance needed to reach their goals.

BUSINESS ADVISING

NH SBDC's full-time certified business advisors provide one-on-one, long term management consulting to small businesses.



- Business Plan Development
- Access to Capital
- Feasibility Assessment
- Financial Analysis
- Marketing & Sales
- Environmental Management
- Technology Solutions
- Human Resource Issues
- Expansion, Acquisition & New Ventures
- SBIR & STTR Programs

EDUCATIONAL PROGRAMS

The NH SBDC helps you gain the knowledge you need to make your business excel. Visit www.nhsbdc.org for our in person and online educational opportunities for NH business owners.



- Strategic Planning
- Business Basics
- Marketing
- Finance
- QuickBooks
- Workplace Safety
- Government Contracting
- Financing Fast Growth
- Disaster Preparedness

SPECIAL PROGRAMS

NH SBDC responds to the needs of the business community through specialized assistance.



- Environmental Management Program
- e-Learning for Entrepreneurs
- Restaurant Initiative
- Office of Economic Initiatives
- Manufacturing Management Center

INFORMATION & REFERRAL

Whatever the question — how to register a trade name, establish a partnership, hire employees, comply with regulations — the NH SBDC can help you find the proper resources. Start by visiting our website, which offers a myriad of resources and tools for NH businesses.



*For more information,
please call 603-862-2200.*

www.nhsbdc.org

The NH SBDC is an outreach program of the UNH Whittemore School of Business and Economics, and a cooperative venture of the U.S. Small Business Administration, the State of New Hampshire (DRED), the University System of New Hampshire, and the private sector. Funded in part through a Cooperative Agreement with the U.S. Small Business Administration.



NH SBDC OFFICES

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UNIVERSITY OF NEW HAMPSHIRE

WHITTEMORE SCHOOL OF BUSINESS & ECONOMICS

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phone 603-862-2200 • fax 603-862-4876

ASSOCIATE STATE DIRECTOR'S OFFICE

Concord, NH

phone 603-227-0417

website www.nhsbdc.org

email nh.sbdc@unh.edu

REGIONAL COUNSELING OFFICES

■ KEENE REGIONAL OFFICE

Keene State College

Keene, NH

phone 603-358-2602

fax 603-358-2612

■ NORTH COUNTRY

REGIONAL OFFICE

Littleton, NH

phone 603-444-1053

fax 603-444-5463

■ MANCHESTER

REGIONAL OFFICE

Amoskeag Business

Incubator

Manchester, NH

phone 603-624-2000

fax 603-647-4410

■ SEACOAST

REGIONAL OFFICE

Chamber of Commerce

Rochester, NH

phone 603-330-1929

fax 603-330-1948

■ NASHUA REGIONAL OFFICE

Daniel Webster College

Nashua, NH

phone 603-546-1551

PROGRAM OFFICES

■ ENVIRONMENTAL MANAGEMENT PROGRAM

Amoskeag Business

Incubator

Manchester, NH

phone 603-624-2264

fax 603-647-4410

■ OFFICE OF ECONOMIC INITIATIVES

Concord, NH

phone 603-227-0417

fax 603-226-4132

■ STATEWIDE EDUCATION PROGRAM

Concord, NH

phone 603-227-0417

fax 603-226-4132

■ MANUFACTURING MANAGEMENT CENTER

Whittemore School of

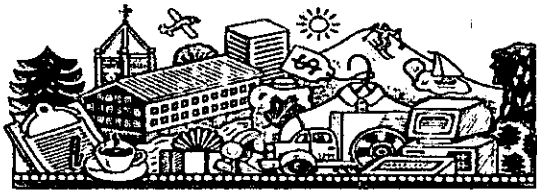
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Durham, NH

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fax 603-862-4876

Fully accredited national program



NH SMALL BUSINESS DEVELOPMENT CENTER

An Outreach Program of the UNH Whittemore School of Business and Economics

At Work in New Hampshire

"NH SBDC - An Investment in New Hampshire's Economy"

FY09 Statewide

Innovation, ROI, and Results FY09 Statewide

- **690 businesses in 175 communities received one-on-one management counseling from SBDC certified business advisors.**
- **\$281 million in sales generated by SBDC counseled clients or..... Over \$5.4m per week contributing to the NH economy.**
- **4000+/- employed in SBDC client companies.**
- **126 new venture clients attended one of our 3.5 hour Business Basics workshops.**
- **947 jobs created**
- **10% of clients are veterans**
- **1400 E-Learning courses taken TD**

Batchelder Biodiesel opens Nashua facility

On December 17, 2008, Nashua Mayor Donnalee Lozeau cut the ribbon as SBDC client **Batchelder Biodiesel Refineries, LLC** held the Grand Opening of its first refinery. The plant will use waste grease from restaurants across New England to produce approximately 250,000 gallons of biodiesel a year which can be used by diesel-powered cars and trucks.



Left: SBDC Business Advisor and Keene Regional Manager Gary Oden; Bill Langille, Batchelder Biodiesel Refineries.

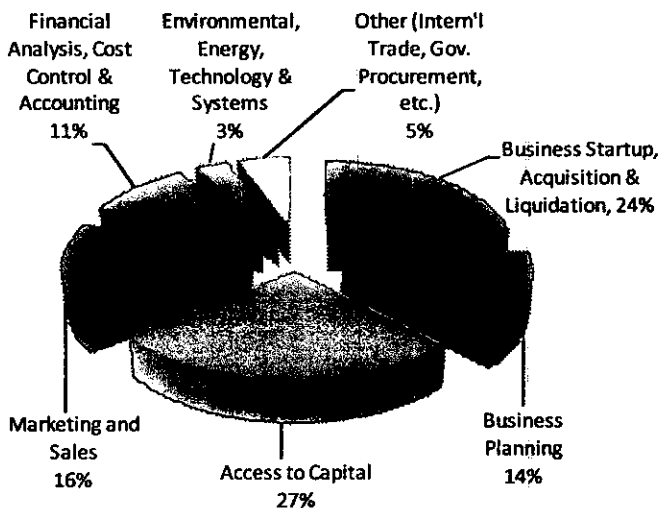
Above Picture. From left to right. Lee Batchelder, Dr. Melinda Treadwell, Bill Lynch, Bill Langille, Mayor of Nashua Donnalee Lozeau, John DiVincenzo, Chris Langille, and Dr. Nora Travis

Blue Mermaid Secures Grant from NASE

Karen and Scott Logan have owned the Blue Mermaid Island Grill in Portsmouth since 1994 and have been clients of the Seacoast office since 2004. In 2009 Warren Daniel assisted the client with developing a plan to manufacture and market their **proprietary salsa**. As a result they received a **\$5,000 grant from the National Association of the Self Employed (NASE)** and they are using the funds to market the salsa to retail locations as well as to their restaurant customers.



SBDC Business Assistance 10/1/08 - 9/30/09



Examples of SBDC Assistance

- Helped the owners of a mill examine their financial situation including payroll, sales, and marketing to increase cash flow.
- Worked with a long time restaurant client to apply for disaster assistance and an award grant to manufacture a food product.
- Helped a golf and country club connect with local lenders and reviewed their current mortgage financing options.
- Worked with a manufacturing company on business planning, developing financial projections, and reviewing lease options.
- Assisted an environmental company with building plans and review/analysis of cash-flow projections.
- Worked with an outdoor sports retailer to develop a business plan, review income and expenses, and develop an employee benefit section for a grant/loan proposal.
- Helped a high-end furniture store with its cash flow projections and financial statements, as well as a buyout of an LLC partner.
- Assisted a silk-screening business with financial analysis and outsourcing issues.
- Helped a wood-pellet manufacturer in applying for funding for equipment purchasing and building upgrades.

The NH SBDC is an outreach program of the UNH Whittemore School of Business and Economics, and a cooperative venture of the Small Business Administration, the State of NH (DRED), the University of NH, and the private sector.

Locations: Amoskeag Incubator * Concord * Keene State * Littleton * Daniel Webster College * Rochester * UNH Durham

(10)

House Finance Committee Hearing on HB 1664
January 19, 2010
Legislative Office Building, Room 210
Testimony by Edward R. MacKay
Chancellor, University System of New Hampshire

Chairman Smith and Members of the Committee, Thank you for the opportunity to testify in opposition to HB1664, a bill that if implemented would reduce the FY2011 Appropriation to the University System of New Hampshire by \$10,000,000, or ten percent. The USNH is very appreciative of the operating support provided by the Governor and Legislature, and proud of our record of working together to find solutions that continue to provide affordable access to programs of quality for New Hampshire residents. Appropriation reductions such as proposed threaten the very essence of that relationship.

Prior testimony before this Committee by Professor Ross Gittell has quantified the present economic impact of the USNH, and the historical position our faculty, students and staff have played in New Hampshire's economic vitality and development. Similarly, Board of Trustees Chairman Ed Dupont has described the rigorous process involved with the development of our requests to ensure it represents our most essential needs and priorities, and how the Board is committed to being responsive to State fiscal conditions.

Today I am here to reiterate these themes. The USNH has been and will be part of the solution for the future of our State, standing shoulder-to-shoulder with elected officials in efforts to produce the educated and informed citizens essential to the quality of life we cherish. However, to do so, we require reliable, sustained support from the State. HB 1664 sends an unfortunate message to prospective students, faculty and staff, and to the businesses that are considering locating or expanding in New Hampshire.

The USNH is an anchor and stabilizing force in the New Hampshire economy, and our main product – educated residents, workers and business owners – are the foundation for the State's economic future. It is important the Committee understand the factors that impact our capacity to provide that service, and how we measure ourselves.

First and foremost, this impact has been generated from relatively modest levels of State support (NH ranks 50th in support for public higher education as measured in per capita spending and per \$1,000 of personal income), but the consistent incremental increases (averaging 3.2% annually over this decade) have been a solid and crucial base for leveraging USNH assets to make the investments necessary to achieve the qualitative goals inherent in our mission. When adjusted for the increase in the number of in-state students over this period (roughly 2% per year), the net dollars available is reduced substantially.

With a declining subsidy for the price to charge New Hampshire residents, the USNH has had to be extremely cost efficient. Spending per student at UNH is 16% below the median for comparable universities, and 23% below the median of the other New England land grants. KSC and PSU also spend less than similar institutions. Higher

education institutions face many of the same cost headwinds confronting the State and businesses, such as utilities (10.3% per year increase during the decade), employer medical costs (10.5%), and need to properly maintain facilities (7.7%). But the particular challenge for USNH has been, and will continue to be, how to offset these factors without reducing quality or passing the full impact of these costs onto students.

This efficiency has not come at the expense of quality. Quality has increased as documented by several key indicators. For this fall, the USNH received a record number of applications for admission (nearly 26,000), enrolled a record number of students (more than 31,000), and had record retention rates (80-90%). Graduation rates exceed those of peer institutions, and surveys that measure student satisfaction yield exceptional results. These nationally normed instruments highlight the extraordinary level of student engagement that characterizes each of our institutions.

Price is best represented by the overall Cost of Attendance (tuition, fees, standard room and board, or "CoA"), and the USNH is pleased to be able to report the average CoA has increased by only 6% per year during this decade. Why is a lower rate of increase important? As the public four-year higher education system, we have an obligation to first generation college students (most recent data available indicate 27% of UNH students are first generation, 38% at KSC, 41% at PSU, and 70% at GSC). These students, and many others, are "price sensitive" and the CoA "sticker price" may discourage capable students from enrolling. Appropriation increases -- not reductions -- will be needed in future biennia to "catch-up" on the underlying level of State support and enable the reasonable tuition rate increases to continue.

The USNH has mitigated the impact of these price increases on all students through significant increases in financial aid. The USNH now spends five times more on grant aid for in-state students than in FY2001! Because of efforts such as the USNH commitment to financial aid, low income New Hampshire residents lead the nation in the proportion attending postsecondary education.

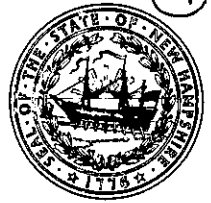
The USNH has built a strong relationship with the Community College System to facilitate access to USNH four year programs. Through efforts such as the Connections program and NHTransfer.org, this collaboration provides what may be a lower cost pathway for students who need or elect to initially enroll in a community college.

The history is clear. The USNH has been a good steward of the resources provided, and exhibited the entrepreneurial spirit and expertise required to generate "self help" in reducing expenses and seeking non-state revenue sources. However, numerous factors have eroded our capacity to respond to additional fiscal pressures, and the burden of any severe reductions will be on in-state students and the quality and scope of our programs.

The USNH is an essential asset in addressing the present and evolving challenges, and a genuine partner in seeking solutions that look beyond the immediate difficulties to ensure New Hampshire residents will continue to have access to affordable programs of quality. We look forward to sustaining our long standing partnership, and your affirmation of the collective commitment to the role public higher education plays in New Hampshire's future. Thank you.



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner

January 19, 2010

The Honorable Marjorie Smith, Chairman
House Finance Committee
Legislative Office Building, Room 210-211
Concord, New Hampshire 03301

Re: HB 1664 relative to appropriation reductions in the operating budget for fiscal year 2011

Dear Chairman Smith:

Thank you for the opportunity to comment on HB 1664 relative to appropriation reductions in the operating budget for fiscal year 2011. The Department of Environmental Services (DES) does not support this bill because the proposed budget reductions would drastically curtail or even eliminate the agency's ability to perform many of its core functions. Paragraphs 13, 39, 40 and 50 would have negative impacts on DES operational capabilities and New Hampshire's communities that are discussed in detail below.

In Paragraph 13, HB 1664 proposes to amend the 2011 Operating Budget for accounting unit 03-44-44-440010-1002-102 by reducing the appropriation from \$220,000 to zero. This will eliminate the Department's ability to provide grants to the seven regional planning commissions for ongoing assistance with regional environmental issues.

In Paragraph 39 and 40, the bill proposes to abolish all positions vacated as a result of any layoff that occurs between July 1, 2009 and June 30, 2011 and positions that are unfunded and vacant as of July 1, 2010. Based on reductions that have already occurred, these paragraphs would permanently abolish thirteen (13) general fund positions at DES, resulting in permanent reductions in the Department's general fund positions in the Environmental Laboratory, Solid Waste Management, Biology and Dam Programs and the Human Resources Unit. The programs where these vacancies exist have suffered decreased capacity to perform their functions as a result of these reductions. Since all of these programs play important roles in advancing the DES mission of protecting the environment, we believe that it makes sense to retain the flexibility to restore funding for these vacant positions in future budget cycles in order to meet long term program demands should funding become available or priorities change. Therefore, DES requests that you do not enact into law any form of across-the-board elimination of vacant positions.

In Paragraph 50, HB 1664 bill requires that the Department of Environmental Services reduce its general fund appropriations by \$2,000,000 for the fiscal year ending June 30, 2011. There are a range of possible options to attain this requirement, all of which must include some combination of reductions to the two major general fund budget categories, existing state aid grant payments to municipalities and other public water supplies and personnel. The two "extreme" scenarios, where either state aid grant payments or personnel incur the entire reduction burden, and an intermediate option are presented below to provide an understanding of

DES Web site: www.des.nh.gov

P.O. Box 95, 29 Hazen Drive, Concord, New Hampshire 03302-0095

Telephone: (603) 271-3503 • Fax: (603) 271-2982 • TDD Access: Relay NH 1-800-735-2964

the range and impact of alternatives that could be implemented to meet the proposed reduction requirement:

Option 1, reduce state aid grants by \$2,000,000: The FY 2011 state aid grant budgets for wastewater and water supply currently have a total of \$6,786,794 (Account 03-44-44-442010-1003 for wastewater state aid grants has \$5,471,844 and Account 03-44-44-442010-1426 for water supply state aid grants has \$1,314,950). Therefore, assuming uniform reductions, an across the board reduction of 29.4% in grant payments to local communities for water and wastewater projects who are already in the program and receiving funds would be required. This would result in an immediate shortfall in expected revenues to municipalities of \$2,000,000 for FY 2011. It should be noted these proposed reductions would be on top of the negative impacts already experienced by communities in the FY 2010-2011 budget due to the lack of funding in the general fund operating budget for new wastewater and water supply state aid grants.


Option 2, reduce personnel costs by \$2,000,000: Assuming reductions by layoff and an average first year savings of \$41,000 per lay off¹, 50 of 136 (37%) of filled general fund positions would need to be eliminated to achieve the reductions of \$1,000,000. This would require very severe reductions or complete elimination for some that are funded 100% by general funds, in key programs that would include: solid waste program, RCRA, lakes and rivers management, dam regulation, wetlands permitting and compliance, Geological Survey, public water systems, as well as a number of agency administrative functions.

Option 3, reduce state aid grants by \$1,000,000 and personnel costs by \$1,000,000: An obvious third option is to split the difference between the two extremes. This would result in 25 layoffs (18 % of DES's 136 filled general fund positions) and \$1,000,000 in reductions in state aid grants to municipalities and public water supplies. However, as described above, this would also result in very substantial negative impacts to both the state aid grant programs and our ability to perform important general fund program functions.

For all of these reasons, the Department of Environmental Services recommends against the passage of HB 1664.

Thank you for this opportunity to comment on this bill. Please feel free to call me at 271-2958, or Harry Stewart at 271-3308, if you have any questions or need additional information.

Very truly yours,


for Thomas S. Burack
Commissioner

cc: Representative Packard
Representative Kurk

¹ The average employee cost at DES including salary and benefits is \$75,000 and the average cost to the state during the first year of a layoff is \$34,000, resulting in a net savings of \$41,000 in the first year.

(16)

Howard L. Wilson
57 Agony Hill Road
Andover, NH 03216
stonedanal@comcast.net
60344-735-5427

Finance Committee
January 19, 2010 210-211 LOB 1PM

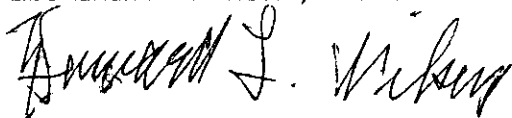
Re: HB 1664

Now, I can see a good piece of legislation. Would the Legislature continue, after this pattern, and continue reducing the cost of State government, after 2011? Especially, with no end in sight, for the "Inflation" as a continuing program of the Federal Reserve System, in conjunction with Congress. And the subsequent reduction in value of the dollar.

Could a condition apply, where NH government continues to outsource services not listed as Constitutional under the NH Constitution? And finally wind up with NH Government (the State), doing damn little, and services that used to be State provided, have devolved to the point where business, both for-profit & non-profit, can provide the former State Services.

I urge the committee to find HB 1664 as Ought to Pass.

Howard L. Wilson
Libertarian for US House, 2nd district

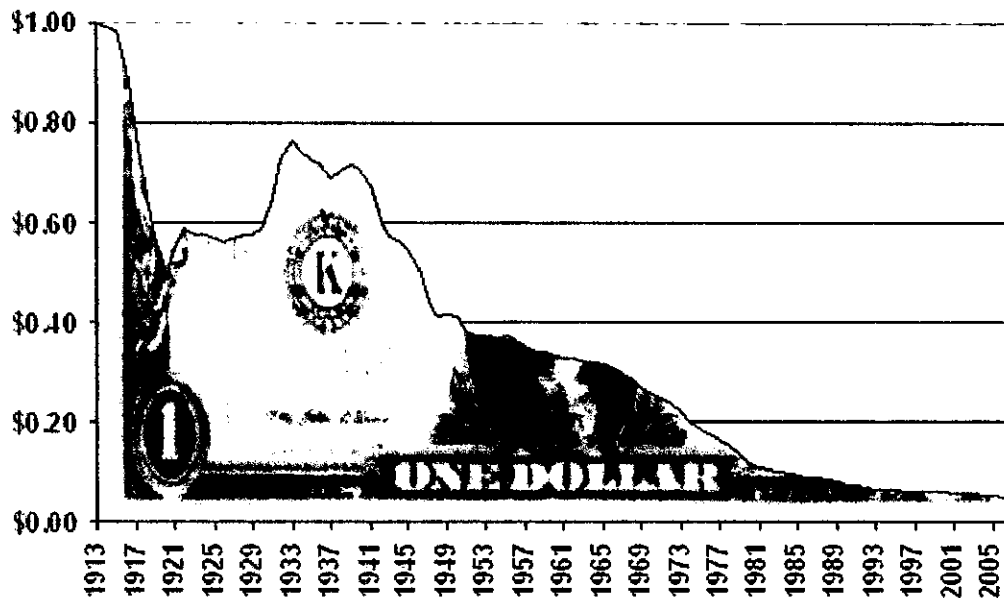


10)

Subject: Why we must get rid of the Federal Reserve
From: "don.stacey" <don.stacey@comcast.net>
Date: Sun, 28 Sep 2008 08:46:18 -0500
To: <Undisclosed-Recipient:;>

"Let me issue and control a nation's money supply, and I care not who makes its laws."

Value of a \$1 Federal Reserve Note in 1913 Dollars
(Source: US Bureau of Labor Statistics)



October 19th, 2007

America's Forgotten War Against the Central Banks

By Mike Hewitt

"Let me issue and control a nation's money supply, and I care not who makes its laws." (Mayer Amschel Rothschild, Founder of Rothschild Banking Dynasty)

Prominent Americans such as Thomas Jefferson and Andrew Jackson have argued and fought against the central banking polices used throughout Europe.

A note issued by a central bank, such as the Federal Reserve Note, is bank currency. These notes

(16)

are given to the government in exchange for an interest-bearing government bond. The primary means to pay for the interest on these bonds is to borrow more bank notes, thus beginning a vicious cycle that ultimately ends with the complete destruction of the currency and bankruptcy of the nation. History is replete with such occurrences. (For a list of countries that have experienced hyperinflation click [here](#)).

This begs the question as to why such a doomed system would exist? The reason is that during the course of the arrangement, which can last for centuries, the central bankers who issue the money amass great fortunes from the large sums of interest collected. In essence it is a transfer of wealth from the many to the elite few. Government leaders prefer such a system because it does not require budgets to be balanced. It is far more politically expedient to borrow, then to directly tax the citizens.

The effects of currency debasement and debt accumulation are not obvious and in the words attributed to Vladimir Lenin by John Maynard Keynes,

"By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens...There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose." (John Maynard Keynes)

Throughout the history of the United States there has been a struggle between central bankers and their interest-bearing money and those who oppose them. In fact, the United States was created as a direct result of that struggle..... http://www.dollardaze.org/blog/?post_id=00255

READ THE CONSTITUTION

INFLATION

what we're NOT being told!

No economic term in general usage is more widely misunderstood than inflation. This article will give you the basics about this cruel hidden tax that has taken a 1940 dollar and made it worth less than 5 cents today.

What is Inflation?

It is an increase in the money supply. More specifically, inflation is an increase in the supply of money and credit. Inflation is NOT and never has been rising prices and rising wages. Instead, these are two of inflations most visible damaging effects.

When the money supply is increased, all money in circulation inevitably becomes less valuable. Just as when you add water to a pot of

soup, each bowl contains less food value, each watered-down dollar has less buying power. When money becomes less valuable, businesses must

raise prices to get the same value for their goods and services. And workers seek higher wages to compensate for a dollar that puts less bread on the table. Who can blame them?

What causes Inflation?

Only the federal government and the agencies it has created can cause inflation because only they control Americas money supply. To finance the deficits resulting from out-of-control federal spending, government routinely carries out manipulations that increase the amount of money in circulation.

As the federal government creates ever more costly, unnecessary, and unconstitutional programs, it regularly spends more that it receives in revenue. Out of a well founded fear of voter backlash, politicians are reluctant to raise taxes to pay for their spending binges. So instead they pay for the deficits by borrowing. Americas National Debt grew from around \$1 trillion in 1980 to over \$6 trillion by 2002. (Interest on this debt costs U.S. taxpayers about one billion dollars every day!)

The government often borrows by selling treasury bonds to private banks. Most of these bonds are then resold to the Federal Reserve by the

banks. The Federal Reserve a creation by Congress issues newly printed paper money or bank credit to pay for the bonds. Thus, with government as a willing partner, new money is created, the supply of money is increased, and the value of all money including that in your wallet and that in your savings account is reduced.

Another growing source of the National Debt is government borrowing from the so-called trust funds, the main one being Social Security. Social Security payroll taxes currently exceed the amount necessary to pay benefits to retirees. The government has for many years

routinely borrowed this payroll-tax surplus and then spent it as part of the general budget. This borrowed trust fund portion of the National

(16)

Debt is referred to as intragovernmental holdings (as opposed to debt held by the public.) The politicians have borrowed and spent well over one trillion dollars in Social Security trust fund surplus.

Why Inflation is a Tax. A tax is an assessment by government on its people. Inflation of the money supply causes all money to become less valuable; it is an assessment on all who hold dollars and it thus a

tax. Its an indirect or hidden tax thats why its so popular with politicians! In fact, inflation is the most cruel and insidious form of taxation ever devised. It is insidious because its so cleverly disguised and so little understood. It is cruel because it punishes most

harshly those who can least afford it, such as retirees on fixed income and the thrifty who work to remain self-sufficient in their retirement years via a planned savings.

What are the Effects of Inflation? As money becomes less valuable, a number of things happen:

Your cost of living goes up. It takes more dollars to buy the same goods and services

The value of your savings is reduced. Dollars you saved in previous years are no longer worth as much as when you first saved them.

Future saving is discouraged. Who wants to put away a dollar if next year it will only buy a portion of what it can buy today?

Going into debt is encouraged; spend now and pay back the loan later with devalued dollars.

You are defrauded. Inflation is a clever scheme by which the government steals from the earnings and savings of its citizens.

Because inflation is so little understood, public confidence in free enterprise is undermined. Businessmen and workers are blamed for the visible harmful effects of the expansion of the money supply by government.

Eventually unless inflation is brought under control the downward spiral continues. Each new surge in the money supply causes another round of all the damaging effects. The vicious cycle speeds up until the currency becomes worthless and is repudiated (as has happened in a number of other countries). Political crisis and loss of freedom inevitably follow.

Are There Any Laws to Prevent Inflation? Prior to 1933, the amount of money in circulation was effectively limited by a requirement that a fixed percentage of Americas money be backed by gold or silver (which was payable to the bearer of the paper money on demand). But over the years, government has removed this requirement. Since 1972, our money has had no backing. The amount that can be printed is now left to the whim of spend-happy politicians and their appointed bureaucrats.

Since 1940, there has been a legal limit on the indebtedness of the federal government. But year after year, a spineless Congress routinely raises that ceiling limit on the National Debt instead of digging in its heels to bring spending under control. Thus, the borrowing cycle goes on, inflation grows, and the value of the once mighty dollar continues to shrink.

False Solutions for Fighting Inflation. Since few American understand what causes inflation, most attempted fixes are ineffective. The silliest effort was the 1974 campaign of Gerald Ford to get Americans to

wear WIN (Whip Inflation Now) buttons and to clean their dinner plates so as not to waste food. Most of these non-solutions are

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based on the false, but off-repeated, assertion that inflation is rising wages and prices.

Because of this, there's a wide belief that we can prevent inflation by controlling those wages and prices. Since this cure treats the symptoms and not the disease, it is no cure at all. Wage and price controls are about as effective in stopping inflation as is wearing earmuffs to fix your car's screeching brakes.

Not only do wage and price controls fail to stop inflation, they make matters worse. The quality of available goods begins to decline; shortages develop; black markets appear; rationing is then often instituted. Wage and price controls give national leaders great power to wield political favor and to punish opposition. These controls are a huge step toward establishing government control of the entire economy. How Can We Stop Inflation? Inflation is caused by government. It can only be stopped by government. We must insist that our elected representatives restore a sound monetary system in America. These steps must be taken:

Stop all government spending in excess of receipts. We don't need a Balanced Budget Amendment to the Constitution as New Hampshire has requested via an Article V 2nd Constitutional Convention (still on the books). In fact, the amendment could be used to justify mandatory tax increases! All we need is a simple majority of congressmen or U.S. Senators who will refuse to support any budget that has a deficit its that simple!

Renounce any possibility of government imposing destructive wage and price controls.

Curtail all wasteful, unnecessary, or unconstitutional government programs. Don't forget: A simple majority of either chamber of Congress can refuse to fund such programs and thus starve them to death.

Issue currency that is redeemable in a precious metal. We must take whatever steps are necessary to reach that goal. Only then will a dollar once again be known around the globe by the catchphrase as good as gold.

Abolish the Federal Reserve, Congress created it; Congress can dismantle it. We must return to a money system that is guided by the free market, not by political manipulation.

Congress has the power to achieve these essential steps. No matter

who is President, Congress has the ability and the obligation to represent the people. If you've never before made your voice heard to your congressman and your U.S. Senators, the time is now! If you don't know who your congressman is, visit the John Birch Society website and find out at www.JBS.org <<http://www.JBS.org>>

If proper steps are taken to bring inflation to a halt, the stage will be set to usher in the greatest era of prosperity in America's history. But if we fail to act, our long-term economic outlook is grim. We can expect monetary crises such as runaway inflation to then be used to justify imposition of rigid government controls. Worse yet, there are

those in positions of influence who would use the crises to push for an international currency to replace the sick dollar a currency to be controlled by a global central bank.

Any such international control of our money would signal the end of America as an independent sovereign nation and usher in the new world order promised by George Bush, Sr. during the first Gulf War in Kuwait. So it is clear that restoring our economic health is also a

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vital part of maintaining our freedoms. Only when enough Americans are awakened to the facts about this destructive tax will pressure mount on the politicians to act. Spread the word to your circle of family and friends about the real cause and great dangers of inflation. You can help to create an informed electorate in your community. Education is the key!

For In-depth documentation of the facts presented in this article: Please obtain a copy of Financial Terrorism by John F. McManus The great economic dangers facing America and read The Creature from Jekyll Island

by G. Edward Griffin available at www.shopJBS.org
<<http://www.shopJBS.org>>

Four characteristics of MONEY = must have intrinsic value, be rare, durable and divisible

"There can be no legal tender in this country ... but gold and silver. This is a constitutional principle ... of the very highest importance." -

Daniel Webster

To stand by silent when you should speak out makes cowards of men. - Abe Lincoln

If a nation expects to be ignorant & free... it expects what never was & never will be. - Thomas Jefferson

Only an informed people can hope to retain - and be worthy of - that freedom with which this nation has been blessed.

Add to the confusion, a DVD illustrating the source of Inflation, as authorized by Congress & President, in 1913, along with potential cures, avoided by Congress, even S.604 in the US Senate:
www.fistemple.com/screener/index2.html for \$9.95\

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Libertarian for US House, 2nd district, NH

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Federal Deficit Reality

September 7th, 2004

Updates to the Primer below, with more recent numbers are available at the following links:

[2008 Federal Deficit](#)

[2007 Federal Deficit](#)

[2006 Federal Deficit](#)

"GOVERNMENT ECONOMIC REPORTS: THINGS YOU'VE SUSPECTED BUT WERE AFRAID TO ASK!"

A Series Authored by Walter J. "John" Williams

**"Federal Deficit Reality"
(Part Three in a Series of Five)**

September 7, 2004

U.S. Treasury Shows Actual 2003 Federal Deficit at \$3.7 Trillion

Deficit Moves Beyond Any Possible Tax Remedy

Could U.S. Treasuries Face a Rating Downgrade?

The U.S. government's fiscal ills have spun wildly out of control and no longer are containable within the existing system. As detailed in this article, the actual annual shortfall in U.S. government operations

(16)

[6]"The Western World Past Its Prime—Sovereign Rating Perspectives in the Context of Aging Populations," Standard & Poor's, March 31, 2004, available at S&P website.

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Fed Drops ANOTHER \$500 Billion, and Nobody Notices

By [Randall](#) | October 23rd, 2008 | Category: [Rant](#) | [1 Comment](#) » 526 views | [One comment](#) » | [Share This](#)



APATHY

Nothing can seem so boring if you don't care about it enough.

Secret War On The Dollar

Read the Shocking Bulletin That Washington Does Not Want You To See

Credit Card Debt Bailout

Eliminate Bad Credit Card Debt. Fast, Effective Debt Relief Plans.

Ads by Google

A couple of days ago, the Federal Reserve announced that it is spending \$500 billion on 'commercial paper'. That's short-term loans made by banks and businesses to get working capital. While this is a good thing for freeing up the credit market and getting cash moving around again, **it barely made the news!**

Have we already gotten so jaded with the government handing out Trillions of dollars, that half a trillion doesn't even get us excited anymore? This is 2/3rds the amount of the initial bailout bill, that the House and Senate had to debate and vote over for a **week!** Now the Fed can just roll out the dumpsters of money, call "Sooieeee!! Sooieeee Bank!" and wait for all the little companies to come feed.

We've moved from a state of panic and indecision to a state of near indifference. I'm not sure if that's because no one *really* knows what to do, or everyone feels that there's nothing **they** can do for the situation. Either way, it's definitely an interesting change.

For Better or Worse

On the good side, that means Joe Public is calming down about the whole thing, and getting used to the fact that we're in a (possibly deep) recession. Live with it. Get used to it. Life goes on.

Freedom Debt Relief

Sign Up for Debt Relief to Save. Apply Now for Freedom Debt Relief.

FreedomFinancialNetwork.com

Refinance at 4.25% FIXED

No Hidden Fees - 4.4% APR! Get 4 Free Quotes. No SSN reqd.

RefinanceRates.LendGo.com

Facing Credit Card Debt?

Bankruptcy May Eliminate Your Credit Card Debt, Free Evaluation.

www.TotalBankruptcy.com

First Time Home Buyer?

Get a Low Down Payment - Ditech FHA Secure Home Loans, Great Rates

www.Ditech.com

On the bad side, it shows how little involvement in the process we either have, or think we have, to give up this early in the game. Government has basically thrown up its' hands, and said "Well, we've done everything **we** can think of, how about you Fed?"

I'm hoping that this new infusion of cash has the desired effect of getting the flow of money going again. Something's got to work, and hopefully soon, or this 'economic downturn' (can't **da**re say it's a recession or depression) will stretch out for years or decades.

My only fear is that the cure is going to be worse than the disease. We still have to pay those Trillions back someday, somehow.

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DISCOVER LIBERTY

PUBLISHED BY THE ADVOCATES FOR SELF-GOVERNMENT

How to think like a libertarian

Why libertarians answer the **Quiz questions** the way they do

You've take the World's Smallest Political Quiz and discovered your true ideological identity.

Now, you may be wondering about those libertarians who inhabit the upper corner of the "Diamond Chart" political map. (You may even be one yourself!)

How do libertarians answer the World's Smallest Political Quiz's 10 questions? And, more importantly, *why* do they answer them that way?

Wonder no more. Here's a quick explanation of where a typical libertarian stands on the issues.

(If you haven't taken the World's Smallest Political Quiz yet, you may want to see page 3 before you read this article.)

1. Government should not censor speech, press, media or Internet. Agree or disagree?

AGREE. Free speech is the cornerstone of liberty. It's so important that the Founding Fathers put it #1 in the Bill of Rights. The First Amendment says Congress shall make no law "abridging the freedom of speech, or of the press."

"No law" seems pretty clear, right? Not to politicians. They ignore the First Amendment and imprison Americans for engaging in non-government-approved speech. Politicians make it illegal for adults to buy "obscene" DVDs. In the name of campaign finance reform, they prohibit groups

CONTINUED ON PAGE 5



■ Every year, millions of people take the World's Smallest Political Quiz. Some score libertarian, and others wonder how libertarians would answer the Quiz's 10 questions.

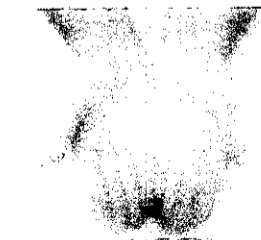
The gentle hand of liberty

Why freedom promotes harmony—and why government doesn't

BY SHARON HARRIS
President, Advocates
for Self-Government

Here's a question for you: Would you rather visit Wal-Mart or the Department of Motor Vehicles?

At Wal-Mart, you'll find a vast array of consumer products, an army of sales clerks to assist you, and jaw-



droppingly low prices. Wal-Mart stores open early and close late.

At the DMV, you'll gener-

ally find surly government employees, long lines, rigid rules, and inconvenient business hours. Don't look for low prices: The cost of a driver's license or a car registration is sky-high, and goes up every year.

Hate Wal-Mart?

Wait a second, you might say: *I don't like Wal-Mart.* You object to their low pay rates,

or you don't like their environmental policies, or you think their merchandise is crummy.

No problem. You've got plenty of other options. You can go to Target, K-Mart, Costco, JCPenney, or many others. You can even shop online — and have the products you need delivered right to your door.

CONTINUED ON PAGE 7

FROM THE
PRESIDENT

Liberty holds the answers



Welcome! This newspaper is designed to help you "Discover Liberty" and learn more about the World's Smallest Political Quiz.

If you're new to the Quiz, or to libertarian ideas, Discover Liberty will give you answers to questions you may have. We've also provided reliable sources for more information.

As you read, you'll learn that libertarianism is a large, fast-growing and exciting part of America's political spectrum — with deep roots that go all the way back to America's Founding Fathers.

You'll learn more about your own political viewpoints, as well as what others believe.

And you'll discover that libertarians are on your side whenever you want more freedom on any issue!

The Advocates for Self-Government is a non-profit, non-partisan educational organization that helps the public encounter and evaluate libertarian ideas.

I truly believe that liberty holds the answers to all of America's political concerns. It is an honor and a pleasure to provide you this information.

I hope you enjoy *Discover Liberty*. And I hope you will further explore the other resources we've provided for you.

Yours in Liberty,

Sharon Harris

President, Advocates for Self-Government

— DISCOVER — LIBERTY

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Email: DiscoverLiberty@TheAdvocates.org

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Dear members of the House finance committee-

refer - pg 10

In reference to HB 1664, in particular ~~line~~ ^{section} 21 that refers to funding for HIV/AIDS Services:

Please note that the \$400,000 currently in the State budget for HIV/AIDS services is shared by five AIDS Service Organizations (ASOs) with seven locations across the State, and this is already a 20% reduction from the previous State budget. In addition to providing funds for crucial services that directly impact the health and well-being of those living with HIV/AIDS in our communities as well as indirectly reduce the further spread of HIV, this money is a significant contributor to our ability to leverage State funds for Federal grants. As a reminder, this money was first included in our State budget in FY08 and FY09 to offset a cut of \$1,000,000 in Federal Ryan White CARE Act dollars- a cut made *because* the State of NH had historically contributed \$0 to HIV/AIDS care and prevention services, and the Boston Public Health Commission (the Federal Grantee) was no longer willing to "foot the bill" entirely for NH residents. We cannot rely on the Federal government alone for these services, we must maintain an equitable balance between Federal, State and Local funds, so that one entity is not carrying the entire burden.

These funds are utilized to provide intensive case management services as well as other comprehensive support services to our most vulnerable, poorest and often dually diagnosed (mental illness and substance addiction) community members. Without this continued funding, ASOs may be forced to close their doors or at least significantly reduce services, leading to decreased stability in health status, housing, mental health status, substance addiction, and nutritional needs. This will create an additional burden on emergency rooms, community mental health centers, substance abuse treatment facilities and local welfare offices. Additionally, with poorer health and housing outcomes, HIV+ individuals will be much more likely to transmit the virus to others.

With well over 400 clients being served at the ASOs across the State, this investment of less than \$1000 per person with HIV is a significant cost savings over paying full cost for medications, health care and other social services for this vulnerable population. For example, just the cost of HIV medication alone for someone without a case manager to assist them in applying for entitlement benefits to pay for it would exceed \$1000 *per month*.

Removing this funding from the budget would cost the State far more than \$400,000 in increased health care costs, not to mention the humanitarian cost to those with this chronic illness that cannot otherwise get their medical and social needs met independently.

Respectfully,

Wendy LeBlanc, Assistant Director

Southern NH HIV/AIDS Task Force

12 Amherst St

Nashua, NH 03064



**Testimony in Opposition to HB 1664,
making appropriations reductions in the operating budget
for fiscal year 2011 and relative to state revenues and expenditures.**

January 19, 2010

Good afternoon Madam Chairman and members of the committee. I'm Gina Balkus, Director of Government Relations for Dartmouth-Hitchcock. I'm here today to oppose HB 1664, because it would disproportionately impact Dartmouth-Hitchcock Medical Center in Lebanon and reduce our Medicaid reimbursement by \$2.6 million in the coming year.

There are two sections in this bill that concern Dartmouth-Hitchcock -- Section 24 and Section 37. Section 24 of this bill will reduce appropriations for Medicaid provider payments and zero out funding Catastrophic Aid. The Catastrophic Aid programs pays for highly acute Medicaid cases, such as severely ill infants and children who are treated in the neonatal and pediatric intensive care units at CHaD. If the catastrophic aid program is not funded in FY 11, DHMC expects a reduction in payments of approximately \$1.6 million.

Section 37 requires the Department to submit a Medicaid state plan amendment to cease Direct and Indirect Graduate Medical Education payments, to teaching hospitals, effective July 1, 2010. The DGME payment was already suspended in this biennium and the IME payment was cut in half. This section will cut \$1.35 million from the provider payment line and will reduce payments to DHMC by approximately \$1 million in SFY 2011. We are adamantly opposed to this section.

The residency program at DHMC trains over 350 physicians each year – many of whom stay in New Hampshire for their medical careers. When Medicaid transitioned to DRG payments in the 1980's, the state acknowledged that those payments did not take into account the costs associated with training physicians, and it committed to paying Medicaid's share of training future physicians. Unlike other states, New Hampshire does not have public hospitals or state university hospitals with residency programs. Graduate Medical Education funding is essential to assure that DHMC can continue to train a new generation of physicians to care for the needs of our citizens.

At DHMC, we understand that HB 1664 attempts to cut appropriations in order for the state to live within its means. We're also trying to live within our means and to fulfill our mission of caring for people of New Hampshire. When the most recent budget cuts are combined with the already abysmal Medicaid payments, Dartmouth-Hitchcock expects to *lose over \$56 million treating NH Medicaid patients in our 2010 fiscal year*. HB 1664 targets *an additional \$2.6 million* in cuts to Dartmouth-Hitchcock – an institution that treats a disproportionate share of Medicaid patients in our physician practices and at the Medical Center. We are the state's safety net. We are willing to continue to be the state's safety net. What we're not willing to be is the place where the Legislature turns to whenever it slashes Medicaid. I urge you to find HB 1664 as "inexpedient to legislate." Thank you for the opportunity to speak.



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HB1664 Testimony of Peter Ames
American Cancer Society
471-4110

House Bill 1664
New Hampshire House Committee on Finance
January 19, 2010

Madame Chairman, members of the committee. My name is Peter Ames and I am the Director of Advocacy at your American Cancer Society here in New Hampshire. Thank you for the opportunity to present testimony in opposition to House Bill 1664, which would cut critical state programs, including the Catastrophic Illness Program

The Catastrophic Illness Program has been in existence for over 25 years and now is not the time to cut this lifeline for citizens dealing with major illnesses. The vast majority of beneficiaries under the Catastrophic Illness Program are cancer patients and these funds help cover many costs, but are most often used for medications, including oral chemotherapy. State published reports on the Catastrophic Illness Program have shown that this is a vital safety net program that plays an important role in addressing the needs of some of our most vulnerable citizens. Eliminating this program would mean that citizens would go without the care they need, or costs would be shifted on to medical providers and other citizens. As we face a very difficult year in the New Hampshire and national economy, this is not the time to eliminate this program. This is the time when citizens need it more than ever, and I urge you to maintain this critical resource for cancer patients.

On behalf of the American Cancer Society, I respectfully urge you to oppose House Bill 1664. The American Cancer Society is here as a resource and willing partner as you weigh this important issue. Honorable Chair, Members of the Committee, thank you for your time. If you have any questions, I would be happy to answer them.

HB 1664 requires the Commissioner of the Department of Resources and Economic Development to issue a request for proposals to include, but not limited to, a lease, concession agreement, or management contract for the Cannon Mountain Ski Area Operations.

Cannon Mountain is rich in history by being able to list to its claims the first ski school, the first racing trail and the first aerial tramway in the United States. Although some of these claims are challenged from time to time. There is no serious disagreement that Cannon mountain is the spiritual home of the Alpine racing in this country. In June 28, 1938 the aerial tramway opened for business and passengers made the journey up Cannon Mountain. This mountain was the site of the first passenger tramway in United States. The fact that it was built at all is a tribute to the vision of a few men, and the foresight of the New Hampshire Legislature.

In 1937, a bill was passed by the New Hampshire Legislature and signed into law by Governor Francis P. Murphy authorizing a \$250,000 bond issue to finance the erection of the tramway. The impetus is for this legislation is to take care of the infrastructure needs of the other parks.

We went down this path once when on April 30, 1998 we leased Sunapee Mountain so we could take care of infrastructure improvements at Cannon Mountain. The result was that the State was able to have a \$6,000,000 bond for these infrastructure improvements at Cannon. The infrastructure improvements that were included are as follows:

- 1 New Lift – Peabody Express Detach
- 2 Relocation Lifts – Brookside and Eagle Cliff
- Removal of Long Peabody Chair and Hong Kong Lift
- Grubbing and trail clearing of new trails
- Snowmaking system installation
- Parking Improvements of Peabody Area
- Brookside Building and Services
- Septic System Improvements

Although these improvements were welcome at the mountain they have come at a cost. We ended up leasing a park that had been State of New Hampshire operated for 50 years. As a result of the lease it will not come back to State operations until 40 years from 1998 or the year 2038. Long after many of us will have stopped skiing or will not be utilizing the park system. The revenue account that accumulates the lease payments of Sunapee is in the negative through 2009 by (\$503,981.82). The lease includes a Base fee per year (adjusted for inflation) plus a variable fee of three percent (3%) of the operator’s gross annual revenue. The following are excluded or deducted from the gross revenues:

- a. Sales, excise, or other taxes, which are imposed upon the sale of goods and services.
- b. Refunds, discounts, rebates or allowances paid or given by the operator of the ski area patrons.
- c. Tips, gratuities or other charges for merchandise or services which are included in the account or bill of a patron.
- d. All revenues from the sale or rental of real estate.

In Fact based upon the base fee and an expected inflation growth rate of 2.75% and a growth rate on the gross annual revenue of 5% over 2009 numbers. Considering those two factors the State will be in the black on the lease payments by the year 2015 two years prior to the end of the first loan in 2019. The State of New Hampshire General Fund is estimated to pay some of the loan payments until that time.

At the end of the 20 year lease with two 10 year renewals at the option of Okemo Mountain, Inc the State will get the building built on site, however none of the many equipment items will be returned to the State. As per the lease agreement they will have been put into the state surplus and there is no requirement to replace the equipment with newer equipment and return what was given to the mountain.

According to Ski New Hampshire's report on the economic contribution to the New Hampshire economy in 2003-2004 season. The industry in New Hampshire was \$234,000,000; in Vermont the industry is a 1.5 Billion dollars industry. In Vermont Skiing represents one of Vermont's most dependable economic contributors. Cannon Mountain has the real estate to reach a bigger percentage of that ski market. A private public partnership may be a good idea but keep it to the marketing, education, snowmaking and financial assistance. Let's keep our park system in tact. Lets not lease the mountain and perpetuate the development of this lovely open space. If the State keeps the mountain, they have the opportunity to benefit the other parks to a greater degree, if we keep auctioning off our state parks, in similar deals as the Sunapee lease, when do we stop compromising our most profitable parks. The gain to the state from a financial perspective is much greater if some very simple goals are established by the legislature and in fairness give the opportunity for the Parks system to meet these goals. The detriment is that big brother (Cannon Mountain) will not be able to help support the other parks if it is leased to pay for more capital improvements. If the parks run in the negative again as they did in 2009, what park will we auction off next, will it be Pautuckaway, White Lake, Ellacoya, or Hampton Beach.

I have a little over ^{four} hundred and ~~five~~ signatures that are opposed to leasing Cannon Mountain as envisioned in House Bill 1664. One thing that could be done is that the legislation that created the 6,000,000 revolving revenue bond payments could be amended so that some of that bonding power can be utilized for other parks other than the Cannon infrastructure needs. It would give some direction to the park as the legislative priorities for this Mountain. For a variety of reasons this bill without some serious financial analysis, is bound to perpetuate a negative cash flow rather than, make the improvements it intended. During the next several years, the saturation levels of the private ski areas will become, an impetus that will benefit Cannon Mountain, as the mountain has a well disbursed lift system, starting with our 70 winter passenger load, every 8 minute tram.

NEW HAMPSHIRE TOURISM BY THE NUMBERS: The state hosted 27 million visitors in 2004 (39% in summer; 26% in fall; 20% in spring; and 15% in winter). Direct spending in New Hampshire by visitors reached \$3.97 billion. The total impact on the state's economy (direct, indirect and induced impacts) of this traveler spending was over \$9.7 billion. Traveler spending supports 65,000 direct full-time and part-time jobs. More than \$121 million in rooms and meals revenue during 2004 came from visitors to New Hampshire. This represents 71% of all rooms and meals receipts. The Return on Investment Model for Fiscal Year 2004 shows that for every \$1 spent by the Division of Travel and Tourism Development, \$8.31 was returned in the form of state and local taxes and fees. For complete reports on these findings, click the Research button on www.resourcenh.org.

The following signatures are opposed to House Bill number 1664 for request for proposals to lease Cannon Mountain. The Mountain has been a pristine ski area since 1938 it was one of the first lifts in the state. Cannon claims the first ski school, the first racing trail and the first aerial tramway in the United States. The park proceeds are the largest in the park system. All Parks are an enjoyable place for the public to go and enjoy a variety of positive experiences and the beauty of New Hampshire. This park has been and should continue to be a State of New Hampshire maintained and operated park.

Name(Signature)	Address	State	Zip Code	E-Mail
1 Nancy Man	Freedom St Hopkinton	MA	01747	mocirre@ek
2 Richard Man	Freedom St Hopkinton	MA	01747	rdman-a@ek
3 Greg Mount	GROTON, MA	MA	01450	
4 Nate Bull	Marblehead ma	MA	01945	
5 James Sullivan	FRANCONIA NH	NH	03580	
6 Frances Burke	Marblehead - ma		01945	
7 Cynthia Doyle	Nashua NH	NH	03062	CASLAT@AOL.COM
8 Wilbur G	300 Flax Hill Rd, Apt 23 North Water	CT	06854	pbrajemicus@gmail.com
9 Kathleen Cooper	21 John St. Malden MA 02148			kcooper917@gmail.com
10 William Pratt	8 Teal Rd. Upperville	RI	02877	wmpthree@gmail.com
11 JOHN MORGAN	77 CARLA CT Camp	NH	03264	J.D.MORGAN1@COX.NET
12 JACKIE MORGAN	77 CARLA Ct Camp	NH		J.D.MORGAN.1@COX.NET
13 PETE STEVENS	84 Deer Pass Rd Fran.	NH		pstevens00@yahoo.com
14 Katelyn Stevens	"	"		kstevens412@yahoo.com
15 STEWART SILVERSTEIN	985 16 Thayer St Brookline	MA	02445	921@earthlink.net
16 Pam DiPiro	16 Thayer St, Brookline	MA	02445	PDIPIRO@PARTNIS.ORG
17 Marc LeVasseur	49 Erik St. Merrimack	NH	03054	marcnjulie@comcast.net
18 Phyllis J Gilbert	1166 Profile Rd. Bethlehem	NH	03574	phyllis@gilbertfurniture.com
19 MATEO RULON	49 DEERPASS RD FRANCONIA	NH	03580	SmokeandRosemary@yahoo.com
20 Rebecca Anderson	274 candlewood Hanover	MA	02339	randers64@gmail.com
21 ROSEMARY RULON	30 MAGNOLIA RD MILTON	MA	02186	rosemaryrulon@yahoo.com
22 JUSTIN RULON	30 MAGNOLIA RD MILTON	MA	02186	"
23 GREG ANDERSON	274 candlewood Ln Hanover	MA	02339	granders@gmail.com
24 Michelle Gillette	105 N. Common Rd. Westminster	MA	01473	
25 Joe Bennett	12 Leeward Dr Southboro			01772
26 Marcia Graham	PO Box 161 Franconia	NH	03580	
27 John H. Graham	" " "	"	"	
28 Chris Allen	Moose Lane Tivoli	NH	03595	
29 Marshall Lane	Littleton NH	NH	03561	Crowest@roadrunner.com
30 tina leese	Littleton NH	NH	03561	"
31 George Nanni	41 BRIDGEBEAD RD BEDFORD	NH	03110	YLN@COMCAST.COM
32 Jim Seaver	41 BRIDGEBEAD BEDFORD	NH	03110	" " "
33 Matt	221 Kinsman Rd Fran.	NH	03580	
34				

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	Name (Signature)	Address	State	Zip Code	E-Mail
35	[Signature]	420 West Over Rd	NH	03106	Charles@comcast.net
36	[Signature]	133 E 6th St	NY	10065	JRIVERA1@NYC.NY.CO
37	[Signature]	21 Tremont St Exeter NH	NH	03833	seagal@comcast.net
38	[Signature]	21 Tremont St Exeter NH	NH	03833	ti 11
39	[Signature]	Po Box 1593 Westford	MA	01886	TASWANAN@gencel.com
40	[Signature]	36 Ann St Manchester	NH	03102	
41	[Signature]	89 Walden Pond Dr.	NH	03064	lobenspa@comcast.net
42	[Signature]	22 Lincoln St, SYRACUSE, MA	MA	02421	Rhadynw@RCN.COM
43	[Signature]	10 Fletcher Ave, Lexington, MA	MA	02420	hughes.hughes@gmail.com
44	[Signature]	113 New Rd. Franconia	NH	03580	
45	[Signature]	121 Shade St Lexington MA	MA	02421	adlermf@verizon.net
46	[Signature]	441 Shaker Hill Rd Hecker NH	NH	03291	
47	[Signature]	26 Summer St Lebanon	NH	03766	SOK76@COMCAST.NET
48	[Signature] (James Rizzo)	50 Grosvenor Ave. Providence	RI	02908	james.rizzo@gmail.com
49	[Signature]	50 Grosvenor Ave Providence	RI	02908	SeSunMRizzo@gmail.com
50	[Signature]	239 BROAD ST HOLIS	NH	03049	
51	[Signature]	12 Woodland Dr.	NH	03063	William.smith9@comcast.net
52	[Signature]	12 Woodland Dr. Nashua	N.H.	03063	Cadrijewelers@comcast.net
53	[Signature]	12 Woodland Dr.	NH	03063	
54	[Signature]	239 BROAD ST HOLIS	NH	03049	NeganLarden@myfairpoint.net
55	[Signature]	124 TRAPALOGA DR Shirley	NY	11967	
56	[Signature]	124 TRAPALOGA DR Shirley	NY	11967	
57	[Signature]	Highland Ave	RI	02891	siacot92@cox.net
58	[Signature]	"	"	"	"
59	[Signature]	49 Round top Rd Campton	NH	03223	PaulTMS@gmail.com
60	[Signature]	49 Round top Campton	NH	03223	PaulAnthonyYamada@gmail.com
61	[Signature]	24 French St, Hingham	MA	02043	edride@4h.com
62	[Signature]	30 Neaghe Ave, Milton	MA	02186	
63	[Signature]	211 Hedgerose W Hopkinton	NH	03229	
64	[Signature]	"	"	"	
65	[Signature]	14 Old St. Concord	MA		
66	[Signature]	4 Rush Rd. Westford	MA		
67	[Signature]	700 High St, Candia, NH	NH	03034	PaulStimone@Comcast.com

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Name (Signature)	Address	State	Zip Code	E-Mail
68. <i>[Signature]</i>	140 Iron Found ^{FR} Rd. ^{FR}	NH	03580	skitee@maine.com
69. <i>[Signature]</i>	46 Kern Rd Franconia	NH	03580	suckusmore@comcast.net
70. <i>[Signature]</i>	151 Mill Brook Rd Thornton	NH	03285	da penny @ Comcast.net
71. <i>[Signature]</i>	190 W.H.s Rd Rye N	NH	03870	scj11@comcast.net
72. <i>[Signature]</i>	151 Millbrook Rd Thornton	NH	03285	Karenpenny@comcast.net
73. <i>[Signature]</i>	30 Charter St Exeter	NH	03833	
74. <i>[Signature]</i>	12A Redington Rd Concord	NH	03301	elaine.bello@thebacede
75. <i>[Signature]</i>	30 Spruce St Concord	NH	03301	
76. <i>[Signature]</i>	2700 Ste 175 Thaxton	NH	03285	
77. <i>[Signature]</i>	10 Algay Dr. Epping	NH	03042	9kiVinni@yahoo.com
78. <i>[Signature]</i>	Franconia N.H.		03580	
79. <i>[Signature]</i>	" " " "	" "	" "	
80. <i>[Signature]</i>	739 Ratell? Suncook	NH	03386	Brob@NHSKIERS-USA
81. <i>[Signature]</i>	7 39 126 MT RIVER EAST	NH	02	
82. <i>[Signature]</i>	100 Ice Village Rd	NH	03079	hepassoc@comcast.net
83. <i>[Signature]</i>	ASHLETON	NH		
84. <i>[Signature]</i>	Timerton	RI		
85. <i>[Signature]</i>	TWENTON	RI		
86. <i>[Signature]</i>	BETHLEHEM	NH	03514	
87. <i>[Signature]</i>	Don Egan	NH	0323	DonEgan@enterstunmont.com
88. <i>[Signature]</i>	22 Towg St Methuen	MA	01844	John on fire 911@yahoo.com
89. <i>[Signature]</i>	Verde Rd Middleton	NY	05587	fortec@fntme.com
90. <i>[Signature]</i>	3 Diehl Road, Lexington	MA	02420	petalasker@comcast.net
91. <i>[Signature]</i>	65 GLEASON W.	MA	02420	TJWO MIT. EDU
92. <i>[Signature]</i>	53 Highland Farms DR.	NH	03110	
93. <i>[Signature]</i>	247 WOODSTOCK WY	MD	01680	CHEAP@ROKAST.NET
94. <i>[Signature]</i>	15 Wilsons X Hopkinton	MA	01748	a.shambour@comcast.net
95. <i>[Signature]</i>	PO Box 511, Dover	NH	03224	
96. <i>[Signature]</i>	97 High St Penacook	NH	03303	Catherine.Corker@jsera
97. <i>[Signature]</i>	82 Auburn St Concord	NH	03301	stuart.russell@gmail.com
98. <i>[Signature]</i>	PO Box 2672 Concord	NH	03302	joe_elarck@yahoo
99. <i>[Signature]</i>	27 Marshw, Chichester	NH	03258	
100. <i>[Signature]</i>	10 1/2 Monroe St Concord	NH	03301	

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Name(Signature)	Address	State	Zip Code	E-Mail
1 Kevin T. Olad	138 Kauback Rd.	NH	03269	kevinoladski@gmail.com
2 [Signature]	19 Dufort St	NH	03104	joeldett7@yahoo.com
3 Thomas G. Howell	20 Baird Court Lincoln	NH	03251	tumble1984@yahoo.com
4 Barbara Johnson	60 Keona Road	NH	03285	barbarajohnson@gmail.com
5 [Signature]	PO Box 607	NH	03262	kd-429@hotmail.com
6 [Signature]	PO Box 3042	NH	03061	chriscahill@comcast.com
7 [Signature]	P.O. Box 447 Manchester	NH	03105	[Signature]
8 [Signature]	PO Box 447 March	NH	03105	vanjkuera@hotmail.com
9 Ed Oyle	70 TAMPA ST NASHUA	NH	03064	
10 Steve Wagon	4 Old Stone Way ^{Bedford}	NH	03710	
11 Richard Langelle	63 Island Dr Merrimack	NH	03054	Langcr@yahoo.com
12 Ed Elise	657 Robbins Ave Derry	NH	01826	bush5@AOL.com
13 Steph Breen	114 Bedford Rd NH	NH	03110	
14 Vivianne Hoag	114 Birkdale Rd. Bedford	NH	03110	vsh1205@comcast.net
15 [Signature]	PO Box 806	NH	01890	
16 Dave Berris	18 Henner St	NH	03060	dberris@comcast.net
17 Donna Ciechan	325 Parker St	NH	03103	
18 [Signature]	97 MACERD HAMPTON	NH	03842	BKELLY@ERLANDI.COM
19 [Signature]	105 Deer Pass Franconia	NH	03580	skik2ride@gmail.com
20 Jan Langer	4 LANGER WAY, MERRIMACK	NH	03054	JAN@LANGERPLACE.COM
21 Mike Annunziato	170 Beechwood Lane NH	NH	03580	ANNUNZIATO
22 Nancy Annunziato	FRACONIA NH	NH	03580	CHUGES.NET
23 [Signature]	17 N Curtisville Rd ^{Concord}	NH	03301	KROOS@SERU1984.ORG
24 Charlene Tope	44 Ridgewood Dr. Bow	NH	03304	cenios6@lycos.com
25 [Signature]	312 Little Valley Rd ^{Concord}	NH	03309	
26 Cynthia Carpenter	43 Woods Rd, Holderness	NH	03245	
27 [Signature]	39 Lang St., Manchester	NH	03102	
28 [Signature]	46 KERR RD FRANCONIA	NH	03580	
29 [Signature]	1316 GORSDOWN RD MARCH	NH	03102	
30 [Signature]	233 Brackett Rd. Ryegate	NH	03870	
31 [Signature]	26 Rock Falls Rd	NH	03087	
32 Jerry Curran	44 Buckridge St. Amherst	NH	03031	GLC44@AOL.COM
33 Beate Biber	12, Rocky Hill Ln. LYKE	NH	03768	b-pastor@leg.state.nh.us
34				

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Name (Signature)	Address	State	Zip Code	E-Mail
35	2165 Eastern Road	NH	03580	kinammlodge@yahoo.com
36	Box 103 Franconia NH	NH	03570	hamiltons4@myfairpoint.net
37	505 Gale Chandler Rd Landolt, NH	NH	03580	
38	19 Kings Clear Rd Rte 105	NH	03223	swef277@ohio.com
39	2227 Franconia	NH	03580	
40	150 Herberts Rd Franconia			cmckim@bridgmanhs.com
41	161 Highbrook rd Thornton	NH	03285	serm94@yahoo.com
42	47 Pleasant Plymouth	NH	03264	ivard@myfairpoint.net
43	569 4th St Brooklyn	NY	11215	
44	17 Hainloga Way	MA	01864	BCKOELLERA@Hotmail.com
45	17 Hainloga Way	MA	01864	BCKOELLER@Hotmail.com
46	8 Wintonock Lane	MA	02035	DAVIS.PRATT@HOTMAIL.COM
47	200 Concord rd Sebom	MA	01776	David.fitzgerald@cbre-ne.com
48	200 Concord rd Sudbury	MA	01776	miafitz@comcast.net
49	80 Box 125	NH	03580	JoanReel1@myfairpoint.com
50	3 Gardner's Way Derry	NH	03038	bhussor@comcast.net
51	3 Gardner's Way	NH	03038	JKHUSSOR@HOTMAIL.COM
52	54 Eagle Dr. Bedford	NH	03110	Wewing@comcast.net
53	170 Rte 117 Sugar Hill	NH		JPopeo@comcast.net
54	205 WINDS WILSON	NH		NTWENTYSEVEN@VERIZON.NET
55	11 Dearham RD Limerick	MA	01773	Michael.Halpin@Gendy.com
56	10 Hawthorne Way Rumney	NH	03266	NES-NAH@ROADRUNNER.COM
57	42 Washington Ave Andover	MA	01810	67@netgail.com
58	42 Washington Ave Andover	MA	01810	lestie@netgail.com
59	572 Mt. Cleveland Rd Beth	NH	03574	blaupt@roadrunner.com
60	492 Birches Rd. Sugar Hill	NH	03586	
61	9 Lagview Cir. Pelham	NH	03076	
62	79 Waumbek Rd Wolf	NH	03894	melissahanson@live.com
63	1100 Peaked Hill Rd Bristol	NH	03222	ericawilson72@gmail.com
64	3 Howland Sandwich	MA	02527	
65	11 Rolling Ridge Andover	MA	01810	Hreshwick@comcast.net
66	11 Rolling Ridge Andover	MA	01810	meshroth@comcast.net
67	146 Davidson R. Dg	NH	03574	aholmesd

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Name (Signature)	Address	State	Zip Code	E-Mail
68 William P. Cahill	P.O. Box 132, PIERMONT	NH	03779	bc2hill@cahillpublicaffairs.com
69 Abigail Foster	101 GALT NECK RD, MA	MA	02571	Abigail.Foster@Verizon.NET
70 Cheryl	185 Salem St Manchester	NH	03102	ICEACE@Comcast.net
71 Michael	1267 Main St Bethlehem	NH	03574	
72 Mike Giuliano	59 Chocapascawett, Barr	R.I	02806	
73 ANNIE GIULIANO	59 Chocapascawett Barr	R.I	02806	ROXIE112@YAHOO.COM
74 Judith Gray	50 Benton Rd ^{North}	NH	03285	judy.gray1e.myfairpoint.net
75 Paul H Burton	PO Box 108 Compton	NH	03223	
76 Paul Steady	PO Box 146 Lincoln	NH	03251	
77 DONALD THOMAS	13 MINNIE ST NASHUA	NH	03064	DONALD T13@comcast.NET
78 Richard	156 DUNDON ST ^{North}	NH	03103	
79 Bob Mann	36 HULLY LANE	NH	03561	FAMILY MAN-2@NIMMIL.COM
80 John Rits	46 Gubrandon Ridge Rd	NH	03237	jskerjks@gnail.com
81 Robert Perry	501 Auburn St #508 ^{Whit}	MA	02382	
82 John	342 Steeple Pond Rd	NH	03565	
83 John	468 Upper Ridge Rd.	ME	04009	
84 John	468 Upper Ridge Rd	ME	04009	
85 James	Box 355 + CONWAY	NH	03860	
86 John	2 Broad St ^{North}	MA	02117	rt332design@gmail.com
87 Kevin	65 Carter St ^{North}	MA	02336	
88 Bonnie Patz	9 Henao Rd Epping	NH	03042	bonniepatz@yahoo.com
89 Jim Patz	9 Y main Rd Epping	NH	03042	
90 John	8 EQUENON DR N.20M	MA	01864	
91 Peter Miseret	8 center street Leonia	MA	03216	PRM3409@Gmail.com
92 John	22 Chase St. Salem, MA	MA	01970	mytholkerhurts@gmail.com
93 Rosemary Popp	27 Bradford St Salem, MA		01970	
94 Bellamy Walker	195 Jefferson Ave Salem	MA	01970	
95 John	98 PLEASANT, WENTHAM	MA	01984	
96 John	78 Pleasant St W. Salem	MA	01984	
97 Bruce	44 Seale St	MA	01833	
98 John	419 Seale St ^{North}	MA	01833	
99 John	1239A HONORE ST MA	N.H.	03104	
100 Robert	60 Chaucey Dr. Merr	NH	03104	

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Name(Signature)	Address	State	Zip Code	E-Mail
1 Mike Stecca	332 Walnut, Westport	MA	02481	
2 Debbie Anastas	22 Evans Rd Hebron	NH	03241	
3 Paul Gunn	" "	"	"	
4 Paul Wilmore	40 Bellevue Rd Andover	MA	01810	
5 Ann Whitney	2295 Easton Valley Rd, Easton	NH		
6 Roger Gettel	1 Veterans Pk Merrimack	NH	03054	
7 DR [Signature]	1 Veterans Pk Merrimack	NH	03054	
8 Eliza Gettel	1 Veterans Park Merrimack	NH	03054	
9 Wilhoit Ammond	41 Blinding Rd Bethlehem	NH	03574	bsymonts@surfglobal.net
10 Christopher Deane	59 Range Rd Hadderness	NH	03245	
11 Samuel [Signature]	9 Corns [unclear]	NH	03052	
12 Paul [Signature]	281 Wallis Rd. Rye	NH	03870	Kurt.phillips@verizon.net
13 Ralph [Signature]	80 Box 580 [unclear]	MA	03862	RLANDMAN@HILINSRIVERS.com
14 Tina Allgrove	18 Spring Love Rd Nashua	NH	03062	Tdeo.gratias@yahoo.com
15 Margene Kneiste	25 Fairview Avenue Kenner	NH	03242	
16 Gerald Kneiste	25 Fairview Avenue Kenner	NH	03242	
17 Gary Geller	25 Englis West Rd Gorham	NH	03045	
18 John [Signature]	Laven Rd, Twin Mt	NH	03045	
19 Broad Carson	Laven Rd Twin Mt	NH		
20 Maurice Demson	56 Birch Rd Andover	MA	01810	madenison@verizon.net
21 John Denison	56 Birch rd Andover	MA		
22 Theresa MacNab	56 Balauaz Rock Rd [unclear]	NH	03550	
23 Scott [Signature]	171 Highland Ave	MA	02467	
24 Linda [Signature]	1313 Washington St	MA	02118	
25 Paul [Signature]	18 Breck Dr, Merrimack	NH	03054	poly.culver@comcast.net
26 Paul [Signature]	" "	NH	03084	" "
27 John [Signature]	182 Hopkings Cr, Hopkinton	MA	03229	
28 Angie [Signature]	182 Hopkings Green Rd, Hopkinton	NH	03229	
29 Michael W Koehler	17 Heritage Way, N. Road	MA	01824	michael.w.koehler@gmail.com
30 Liane Kerbyson	576 Sugar Hill Road Hopkinton	NH	03229	
31 Rodney Kerbyson	" " " "	"	"	
32 Linda Demond	15 Monarch Dr - Concord	NH	03303	
33 Sheryl Ganes	Rush Road Henniker	NH	03242	
34 Keri Coons	444 Province Rd Belmont	NH	03220	

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Name(Signature)	Address	State	Zip Code	E-Mail
35 Patricia Hunt	221 Kinsman Rd frame	NH	03580	
36 SPNCT	172 Oaks Rd, Franconia	NH	03580	
37 W. J. ...	7 DANIE 1901 ...	MA	01960	Wayne. Leste ... 16 @ Gmail - .co
38 Tripp	P.O. Box 3003	MA	01810	tripp@newenglandinc.net
39 A. Degenho	P.O. Box 3003 Andover	MA	01810	
40 ...	286 Northfield rd Lunenburg	MA	01462	
41 L. M. ...	435 Mt. Level ^{both down} ...	NH	03574	
42 Robert & Jan	188 TILBER LN	NH	03580	
43 SUSAN MERR	151 W. 15th St.	IL	60608	
44 Susan Floberg	1460 D. Sandburg Ter, Ros	IL	60610	
45 John A. Sherry	531 hennod Rd	NH	03595	
46 Jim Sherry	531 Lescure Rd.	NH	03595	
47 Joe MacNeil	56 Balancey Peak	"	"	
48 ...	45 Alpen Hill Rd	NH	03580	
49 ...	54 Hahulo King	NH	03580	
50 Walter P. Mac	14 Ridgeway Ln	MA	03104	
51 Paul Reid	17 Dean Ave, Bow	NH	03304	
52 Jim A. Brown	17 Dean Ave Bow	NH	03304	
53 ...	54 Humbert St	NY	10580	
54 John W. Hark	110 Danvers St, Danvers	MA	01923	Buttner@vnet.com
55 ...	174 Mittersill Rd	NH	03580	matt@hilleryhouse.com
56 Ben Geth	88 Deer Pass rd	NH	03580	
57 Gene Clark	152 Pine Ridge Rd.	MA	02468	
58 MICHAEL	152 PRINCE ST	MA	02113	
59 ...	152 PRINCE ST	MA	02113	
60 ...	40 Dear borne Ae Seaboard	VA	02874	
61 ...	155 Stampwood Rd, W. Alford	VT	05819	
62 Barbara Johnson	114 Davidson Ridge, Beth	NH	03574	
63 Roger Johnson	114 Davidson Ridge Rd	NH	03574	
64 Heidi Barrett	155 Stampwood Rd, W. Alford	VT	05819	
65 Margaret ...	MARTINS h. Hingham, MA	MA	02043	
66 Rebecca Small	7d Alpine Hill Rd	NH	03580	
67 Dorothy Martin	25 Stampfield Hopkinton	NH	03229	

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Name (Signature)	Address	State	Zip Code	E-Mail
1 Donna Whithin	Franconia	NH	03580	—
2 DA	Franconia	NH	03580	
3 DA	Franconia	NH	03580	
4 DA	Woodsville	NH	03785	
5 Sarah Dyrva	Woodsville	NH	03785	
6 Pierson	Franconia	NH	03580	
7 David Bunker	Franconia	NH	03580	
8 K. Croswell	AMHERST NH	NH	03031	
9 John Vandewerden	Sugar Hill NH	NH	03586	
10 Paula Willet	BRACK RD SUGAR HILL	NH	03586	
11 Brad Hilliker JR	10 Mechanic's way Billerica	MA	01862	
12 BREK BOLLER	BOSTON	MA	02109	
13 Carrie Prigyan	Nashua	NH	03080	
14 Michael Sullivan	Portsmouth	NH	03801	
15 John D. ...	Southern NH	NH	03586	
16 Kate ...	Berkeley	NH	03514	
17 Michael Moran	Michael Moran	NH	03102	
18 Noel ...	Stratham	NH	03885	
19 Bill ...	Stratham	NH	03885	
20 Mark Morgan	Manchester	NH	03102	
21 W	Manchester	NH	03101	
22 Page	5 Berrywood Ct Ma.	MA	02532	
23 ST ...	308 Medford St Boston	MA	02129	
24 John ...	39 Union St #11 Concord	NH	02129	
25 Heather McDev	13 ...	MA	02129	
26 John McDev	13 ...	NY		
27 Steph ...	11 NY NY	NY		
28 Janet ...	47 Harvard St ^{APT 205A} Lowell	MA	02129	
29 FRED ...	47 HARVARD ST Lowell	MA	02129	
30 ERIC ANDERSON	38 GEORGES Twp.	NH	03801	
31 Todd Page	Bourne	MA	02532	
32 Karen K. ...	102 Bassett Mill Road Hopkinton	NH	03229	kirwin@tds.net
33 Robert ...	102 BASSETT MILL RD ^{HOPKINTON}	NH	03229	rjirwin@comcast.net
34 Michael Martin	25 Steepfield Road Hopkinton	NH	03229	

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35. <i>Bill Johnson</i>	10 Keona Rd Thornton	NH	03285	bill.johnson.nh@gmail.com
36. <i>Linda Malvano</i>	246 Prospect St ^{#3} Manchester	NH	03104	lem7767@yahoo.com
37. <i>Jim Yott</i>	P.O. Box 214, Lincoln	NH	03251	Jim.yott@gmail.com
38. <i>Jane Ch...</i>	PO Box 384 Woodstock	NH	03262	jchesebrough@keene.edu
39. <i>Scott MacL...</i>	PO Box 271 Franconia	NH	03580	sthomast@paper.com
40. <i>Tom...</i>	Rockland	MA	02370	
41. <i>Dudie Pinsky</i>	PO Box 1740 CAMPTON	NH	03223	dpinson@gmail.com
42. <i>Joe...</i>	371 Swift St CONCORD	NH	03301	JOE@NHLIST.COM
43. <i>...</i>	Rockland	MA	02370	
44. <i>Phil...</i>	11 Louisa Rd Winchester	MA	01890	bpotter@pottergroup.net
45. <i>Ann...</i>	829 Wells Road, Franconia	NH	03580	olmsted@hant-hawerton.com
46. <i>Ann Olmsted</i>	829 WELLS RD FRANCONIA	NH	03580	ann.olmsted@comcast.net
47. <i>Maria Batten</i>	316 Mittersill Rd	NH	03580	mtbatten@gmail.com
48. <i>Todd Walker</i>	37 Sycamore	MA	02053	toddwalker@comcast
49. <i>Richard Batts</i>	316 Mittersill Rd	NH	03580	RICHARD@BATTSON516N.COM
50. <i>Carol...</i>	274 Mittersill Rd	NH	03580	carolpatt8@comcast.com
51. <i>Liz Potter</i>	51 Powder Hill Dr. Franconia	NH		Liz.potter@pottergroup.net
52. <i>Diz Sampo</i>	1982 Profile Rd Franconia	NH		esampo@mvphealthcare.com
53. <i>A. Popeo</i>	1307 Union	NH	03104	apopeo@yahoo.com
54. <i>A. Popeo</i>	170 Rt 117, Sugar Hill	NH		npopeo@comcast.net
55. <i>Lynn...</i>	11 Deerhaven Rd Lincoln	MA	01773	Lynnetto1@comcast.net
56. <i>...</i>	79 Briarley Ln Sudbury	MA	01776	cit9eric@aol.com
57. <i>Don & Joy</i>	35 Oak Hill Southbury	MA	01745	troy39@charter.net
58. <i>...</i>	10 Cardiff Rd Nashua	NH	03062	mkeaneyh@hotmail.com
59. <i>Kerry Keane</i>	10 Cardiff Rd Nashua	NH	03062	K-keane@live.net
60. <i>ANN FOSTER</i>	2 MIDDLEST AMHERST	NH	03031	annfoster@comcast.net
61. <i>...</i>	2 MIDDLE ST Amherst	NH	03031	Row@BKA.com
62. <i>...</i>	536 Baker Rd SA	MA	05508	jdterrell@comcast.com
63. <i>...</i>	PO Box 571 N. Woodstock	NH	03263	Paul@KAW.com
64. <i>Kristen Cotton</i>	" " "	"	"	K
65. <i>Patrick...</i>	Manchester NH	NH	03104	patrick@dunnwines.com
66. <i>...</i>	Meridith NH	NH	03253	
67. <i>Jacques Dube</i>	9 Arlington Ave, Nashua	NH	03060	Jacques.Dube@myfairpoint.net

The following signatures are opposed to House Bill number 1664 for request for proposals to lease Cannon Mountain. The Mountain has been a pristine ski area since 1938 it was one of the first lifts in the state. Cannon claims the first ski school, the first racing trail and the first aerial tramway in the United States. The park proceeds are the largest in the park system. All Parks are an enjoyable place for the public to go and enjoy a variety of positive experiences and the beauty of New Hampshire. This park has been and should continue to be a State of New Hampshire maintained and operated park.

Name (Signature)	Address	State	Zip Code	E-Mail
68. Brian Raichle	51 Pigeonwood Bethlehem	NH	03574	briraichle@myfairpoint.net
69. GFA Rye	8-7 Linnich Church NH	NH	03251	nic0404@verizon.net
70. [Signature]	103 Farm St Orver, MA	MA	02030	paublenchan.8@verizon.net
71. Silas Ratico	66 Ash Hill Rd	NH	03585	slatko@yahoo.com
72. Corey MCKIM	150 HUBERTIS RING	NH		P2PAINTING@COMCAST.NET
73. Smed BRAIN	112 Tillinghast M.R.G	RI	02818	smed@hbrinkl.com
74. Vincent BOND	64 Remick St Littleton	NH	03561	Bellg.will@myfairpoint.net
75. Tiffany Cumber	28 Academy St Franconia	NH	03580	chaffee@aol.com
76. NATHAN LOUET	1563 Profile Rd Franconia	NH	03580	hdfxstc1340cc@yahoo.com
77. GREGORY D. PLATE	292 PLANTATION RD, FRANCONIA	NH	03580	gdp2@UNH.EDU
78. JODE K SOZ	7 JOY FARM LANE Newmarket	NH	03857	LOZEAUFAMILY@COMCAST.NET
79. Tracy White	202 Tamarack Thornton	NH	03285	alum@holdermass.org
80. David Duper	140 Moserstown Rd / Franconia	NH	03580	cannon645e@verizon.net
81. Alicia Brown	"	"	"	"
82. [Signature]	355 KUSUMU CC	NH	03520	stoverc@aol.com
83. CYNTHIA GOODHUE	9 Felts Cir, Wellesley	MA	02482	c.goodhue@verizon.net
84. Jim Goodhue	"	"	"	jimgoodhue@verizon.net
85. Julie Willis	221 Old Jail Ln Barnstable	MA	02630	jkwillis@comcast.net
86. Steve Edes	113 Hardy Hill Lebanon	NH	03766	steve_edes@cutmoth.edu
87. [Signature]	85 Pinnacle Peak Mendon	NH	03253	currier@netcast.net
88. [Signature]	190 Walling Road	NH	03870	segal3@comcast.net
89. [Signature]	41 N. MAIN ST SHERBORNE	MA	01770	KAR.RIVER@HOTMAIL.COM
90. [Signature]	85 Pinnacle Park Rd	NH	03053	mcurro9@gnadil.com
91. [Signature]	209 or 437 Sherman MA	MA	01740	Raeelleb@verizon.net
92. [Signature]	P.O. BOX 235 Franconia	NH	03580	SCFLM@yahoo.com
93. [Signature]	1993 Leasta Rd Franconia	NH	03580	KS.MARKS@HOTMAIL
94. [Signature]	P.O. BOX 462 Uchele	NH	03894	
95. Eric Scatchard	42 Brush Hill Shortem	MA	01770	e.scatchard@verizon.net
96. [Signature]	375 Platten Pl Sutton	MA	01580	
97. [Signature]	162 Hubertus Ring	NH	03580	5050@aol.com
98. John Willis	221 Old Jail Lane Barnstable	MA	02630	jjkwillis@comcast.net
99. [Signature]	8 OLD CART PATH KITTERY	ME	03905	debatch@aol.com
100. Robert O'Connor	6 Moose Run Lyman NH	NH	03580	

03580

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	Name(Signature)	Address	State	Zip Code	E-Mail
1	Annie Blanton	70 Box 274 Melvin Village	NH	03650	Hconstruction@tds.net
2	Carrie Mullan	P.O. Box 433 Mirabelle	NH	03853	Carrie@shumrocknh.com
3	Gabrey Kallee	P.O. Box 553 Wolfeboro	NH	03894	JKallee@metrocast.net
4	Bruce AALERUD	4 ARCHSTONE CIR REDDIF	NH	01861	baalerud@ejmorton.com
5	Frank P. 258	41 Oliver Street	NH	03856	
6	Wanda J. 070	186 Antonio Rd	MA	01741	WSSJCS
7	JUDY KING	911 DEAN BVD, DYE	NH	03870	judking@gmail.com
8	June Dull	47 Pleasant St Plymouth	NH	03260	
9	Cheryl Ewing	54 Eagle Dr	NH	03110	granitefr@comcast.net
10	John B. 140	371 Hayward Lane	NH	03586	Cheryljoes@cheryljoes.com
11					
12					
13					
14	Nancy Peterson	P.O. Box 149 Fremont	NH	03580	JR Joebro@Hoxing.com
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Name (Signature)	Address	State	Zip Code	E-Mail
1 <i>Martin Reed</i>	348 Wells Rd Franconia	NH	03580	mmcted3@myfarpont.net
2 <i>A. Mastus</i>	296 Miller St Troy	NH	03580	
3 <i>New Hampshire</i>	103 Deepwater Rd	NH		
4 <i>[Signature]</i>	628 SR 143 RAVENNA	NY	12143	la199@knowledgeextrusion.com
5 <i>[Signature]</i>	628 SR 143 RAVENNA	NY	12143	Kriss@knowledgeextrusion.com
6 <i>[Signature]</i>	7 Overlook Dr Snowboro	MA	01772	
7 <i>[Signature]</i>	171 Beechwood Ln	NH		
8 <i>Chad Kinnin</i>	88 Deerlass Rd Franconia	NH	03580	Currier@metrocast.net
9 <i>[Signature]</i>	9 Brooks Rd, Glover	MA	01930	
10 <i>[Signature]</i>	47 Hutchins St	MA	02155	brooks@metrocast.net
11 <i>[Signature]</i>	28 Hinek Dr. Lake Placid	NY	12946	
12 <i>Bonnie Manger</i>	Miller Rd. Pottstown	Pa	19465	
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	Name(Signature)	Address	State	Zip Code	E-Mail
35	[Signature]	PO Box 963 Cannon NH		03223	
36	[Signature]	48 LAKE SHORE DR N	MA	02536	
37	[Signature]	170 BUECHARD LN	NH	03590	
38	[Signature]	656 W. WINDY Pt Lebanon	NH	03574	
39	[Signature]	32-ADAMS Rd Hooksett	NH	03006	
40	[Signature]	57 Melvin Road Warner NH	NH	03278	
41	[Signature]	67 Winnepocket Rd ^{Winnepocket} NH	NH	03303	
42	Jessica O'Hare	91 Franklin St. Concord	NH	03307	
43	Jonathan Gregory	11 Washington St Concord	NH	03301	
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Karen Gwin
496-2637

HOUSE BILL 1664 TESTIMONY

GOOD AFTERNOON, I'M ROY DUDDY, INTERIM DIRECTOR OF THE NEW HAMPSHIRE DIVISION OF ECONOMIC DEVELOPMENT AND I THANK YOU FOR THE OPPORTUNITY TO SPEAK IN OPPOSITION TO HOUSE BILL 1664. INNOVATION AND JOB CREATION ARE HALLMARKS OF THE NEW HAMPSHIRE ECONOMY AND I FIRMLY BELIEVE THAT THIS LEGISLATION WILL SET THE STATE BACK IN TERMS OF BUSINESS DEVELOPMENT.

WE TAKE PARTICULAR EXCEPTION WITH THE INCLUSION OF SEVERAL OPERATING BUDGET CUTS INCLUDING ZEROING OUT THE ANNUAL FUNDING FOR THE SMALL BUSINESS DEVELOPMENT CENTER AND THE NEW HAMPSHIRE INNOVATION RESEARCH CENTER. WE HAVE PROVIDED FUNDING AND WORKED IN PARTNERSHIP WITH BOTH OF THESE ORGANIZATIONS FOR MANY YEARS AND CAN SPEAK TO THE HIGH LEVEL OF SERVICE THAT THEY PROVIDE TO THE NEW HAMPSHIRE BUSINESS COMMUNITY. EACH YEAR, 3000 SMALL BUSINESSES IN APPROXIMATELY 200 NEW

HAMPSHIRE COMMUNITIES BENEFIT FROM THE EDUCATIONAL AND COUNSELING SERVICES OFFERED BY THE SBDC. SINCE 1984, MORE THAN 39,000 ENTREPRENEURS REPRESENTING 18,000 BUSINESSES HAVE BEEN HELPED BY THE NH SBDC. LAST YEAR THE SBDC WAS DIRECTLY RESPONSIBLE FOR CREATING AND RETAINING 947 JOBS. IN A CHALLENGING ECONOMY.

SIMILARLY, THE NEW HAMPSHIRE INNOVATION RESEARCH CENTER HAS BEEN TREMENDOUSLY SUCCESSFUL AT CREATING HIGH QUALITY JOBS THROUGH TECHNOLOGY DEVELOPMENT AND INNOVATION BY FOSTERING COLLABORATION BETWEEN LOCAL BUSINESSES AND UNIVERSITIES TO PROMOTE APPLIED AND BASIC SCIENTIFIC RESEARCH, ENGINEERING AND ASSOCIATED TECHNOLOGY TRANSFER.

SINCE THE INCEPTION OF THE IRC IN 1991, OVER SIX MILLION DOLLARS IN GRANTS HAVE BEEN AWARDED TO A TOTAL OF 129 NEW HAMPSHIRE COMPANIES; MATCHED 1:1 BY THE COMPANIES, THE TOTAL

INVESTED BY THE STATE OF NEW HAMPSHIRE AND AWARD RECIPIENTS IN THESE R&D PROJECTS EXCEEDS TEN MILLION DOLLARS. SIMILARLY, GRANITE STATE COMPANIES HAVE PARTNERED WITH FACULTY AT UNH AND DARTMOUTH COLLEGE ON R&D PROJECTS RELATED TO NANOTECHNOLOGY, ELECTRONICS, SENSORS, REHABILITATIVE TECHNOLOGY, MEDICAL TECHNOLOGIES, MANUFACTURING PROCESSES AND MORE.

SINCE 2005, THE IRC HAS RECEIVED 90 PROPOSALS AND FUNDED 57 PROJECTS, RESULTING IN THE CREATION OF 569 JOBS.

WITH NATIONAL UNEMPLOYMENT FIGURES STILL IN DOUBLE DIGITS, NOW IS NOT THE TIME FOR LEGISLATION THAT WILL IMPACT NEW HAMPSHIRE SMALL BUSINESSES, THE BACKBONE OF OUR STATE'S ECONOMY. BUSINESSES NEED THE ASSISTANCE AND COLLABORATION WE AT THE DIVISION OF ECONOMIC DEVELOPMENT AND THE SBDC AND IRC PROVIDE TO FURTHER THEIR BUSINESS GOALS, CREATE JOBS AND MAINTAIN THE POSITIVE BUSINESS ATMOSPHERE FOR

THE STATE OF NEW HAMPSHIRE'S ECONOMY. WITHOUT THESE COLLABORATIVE SERVICES, WE WILL ONLY BE HURTING THE ENTREPRENEURS WHO ARE RELYING ON US THE MOST. THANK YOU.



HOUSE FINANCE COMMITTEE

JANUARY 19, 2010

HB 1664

Making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures

Testimony

Good afternoon, Madam Chair and members of the Committee. My name is Leslie Melby, and I am the Vice President for State Government Relations at the New Hampshire Hospital Association, representing the state's 32 acute care community and specialty hospitals.

I am here to testify in opposition specifically to Section 24 (page 11, lines 26, 27 and 28) and Sections 37 and 38 (page 17, lines 13 through 24) of HB 1664. We understand the significant budget challenges facing the State of New Hampshire, but further cuts such as these will only contribute to the underfunding of this program. When the budget was passed in June, we said that it did not adequately fund the demand for Medicaid services as a result of the economic downturn and more people qualifying for Medicaid, which in fact, has been the case. These cuts will not only impact the women, men and children served by the Medicaid program, but will impact hospitals and their ability to serve all patients.

The sections previously mentioned amend the hospital line items of the Medicaid Provider Payments section of the FY 2011 appropriation as follows:

Medical Payments to Providers (101): A reduction of \$2 million is proposed under Medicaid Provider Payments from \$248.7 million to \$246.7 million. I believe this is the line in which the proposed elimination of direct and indirect graduate medical education payments to hospitals is located as referenced in Section 37 of the bill. As you know, Medicaid graduate medical education payments are used toward the cost of training our next generation of doctors, many of whom will remain in New Hampshire where we desperately need them.

Physicians in training treat Medicaid patients throughout the state at Dartmouth-Hitchcock Medical Center in Lebanon and DHMC clinics, as well as at Concord Hospital in Concord and Southern NH Medical Center in Nashua. Without medical education funding, the ability of these hospitals to maintain the current level of services to low-income patients will be compromised. These payments are *components* of the total payment rate, not additions.

Catastrophic Aid (559): HB 1664 eliminates the entire FY 2011 appropriation of \$2.8 million for the most severely ill Medicaid patients in hospitals. Though inadequate to fully compensate for the high level of specialized care provided to the sickest patients throughout the state, the Medicaid Catastrophic payment line item, at the very least, provides some remuneration for and recognition of expensive specialized treatment available to Medicaid beneficiaries. Keep in mind that in FY 2009, catastrophic payments were made in the amount of \$3.1 million when there were significantly fewer Medicaid beneficiaries using inpatient hospital services. And even this amount was inadequate. The complete elimination of this appropriation makes no sense at a time when the demand for services is growing.

Critical Access Hospital Outpatient Payments (565): HB 1664 proposes to reduce outpatient hospital payment rates to New Hampshire's thirteen Critical Access Hospitals by \$2,786,000 from \$81.4 million to \$78.7 million. This hits at the very heart of the state's small rural hospitals that serve areas of New Hampshire with the highest proportion of Medicaid, low income and uninsured patients in the State. And they do so without ever turning anyone away.

These small rural hospitals, located in Colebrook, Berlin, Lancaster, Peterborough, Lebanon, New London, Woodsville, Wolfeboro, Littleton, North Conway, Plymouth, Claremont and Franklin have no more than 25 inpatient beds each, therefore the greater portion of their services are provided to patients in the outpatient setting. This reduction in the payment rate from 91% to 85% of allowable costs is a severely harsh measure. New Hampshire's small rural hospitals are struggling to both meet the needs of their patients and remain financially viable in a declining economy.

That is the very reason why the federal Medicare program provided New Hampshire's 13 rural hospitals the designation of Critical Access Hospital which, under Medicare, pays more reasonably for both inpatient and outpatient services to ensure their financial stability.

The total reduction for the payments described above is \$7.6 million. This is significant and unreasonable. It reduces payments for specialized care for the sickest patients, it reduces payments for the services of doctors in training who treat the state's low income patients, and it reduces payments to our state's most fragile health care facilities in rural New Hampshire.

I urge you to remove in their entirety the abovementioned sections from HB 1664. This is a pennywise and pound-foolish proposal that will only further degrade New Hampshire's Medicaid program.

Thank you.

NEW HAMPSHIRE PUBLIC AFFAIRS OFFICE
18 Low Avenue, Concord, NH 03301
Phone 603-225-2925 ■ Fax 603-225-4195

HB 1664-FN **AN ACT making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.**

Position: **OPPOSE**
Committee: **Finance Committee**
Hearing Date: **January 19, 2010**
Contact: **Kary Nealle Jencks, Public Affairs Director,**



- **HB 1664 seeks to cut \$725,000 out of the 2011 General Fund support of family planning programs.**
- In 2006, 66,510 women in New Hampshire were in need of publically supported contraceptive services and supplies. Of this 33,540 received assistance for their contraceptive services from the public sector, which means that 50.4% of NH women's financial needs were met by the public sector providers.¹
- In this period of economic crisis, with workers losing their jobs and decreases to work hours and health insurance, the need for state funded family planning services is even more apparent, especially when one considers that most women would prefer to put off child-bearing until after the recession. In a Guttmacher Institute Internet survey of low and moderate-income women, 64% reported that given the current economy they "can't afford a baby right now."² Yet, despite the desire to be reproductively responsible, many women have reported delaying a gynecological exam or birth control visit to save money. "Among women who use the pill, 18% report that they are using the method inconsistently in order to save money. Women said that they delayed filling prescriptions (12%), stopped taking the pill for at least one month (11%), obtained fewer pill packs at one time (8%) or skipped pills (4%)."³ Women have also been delaying visits to the doctor—nearly one out of four women have reported prolonging a gynecological exam or birth control visit to save money.⁴ Since women, especially low-income women, often use family service providers as their prime healthcare care provider it is especially concerning that women have been putting off such visits to save money, as keeping these appointments may catch serious and sometimes life threatening health problems.

Please review the attached fact sheet regarding the importance of family planning services in New Hampshire.

PLEASE VOTE Inexpedient to Legislate on HB 1664-FN.

¹ <http://www.guttmacher.org/pubs/win/allstates2006.pdf>

² <http://www.guttmacher.org/pubs/RecessionFPC.pdf>

³ Ibid.

Attention: HB 1664-FN jeopardizes Family Planning Programs and the health of New Hampshire women and their families

Family planning is Cost-Effective

- Family planning services have historically been recognized by the Medicaid program as especially important and cost-effective — which is why the **federal government pays states 90 percent of the cost.**
- **Every tax dollar spent on family planning saves four dollars** in Medicaid related costs alone.¹
- In this new economy, more and more families cannot get and/or keep health insurance. Publicly funded **family planning and disease prevention** programs **protect families** by providing necessary basic health care when a family has lost their health insurance or starts a new job.
- **Public funding of family planning services is an investment in preventive care** that is the lifeline for thousands of people across the state. **Cutting public funding for critical health care services** in a time of economic need is bad public policy, will leave more people without access to vital health care services and **will lead to increased health care costs for the state.**

Family Planning is Basic Health Care

- For many NH citizens, family planning clinics are their **only source of health care** and the only place where they can go to get **health referrals, education, cancer screenings, and disease testing.**
- **Family planning promotes good overall health** by serving as a gateway to the health care system, and provides the following services:
 - Physical exams
 - Birth control methods and sterilization
 - Breast, cervical, and testicular cancer screening
 - Diagnosis and treatment of sexually transmitted infections
 - Pregnancy testing
 - Counseling and education
 - Community outreach
 - Referrals to preventive health and social services such as primary care, nutrition services, immunizations, prenatal care, and others

- **Planned Parenthood delivers vital health care services, sex education, and sexual health information to thousands of women, men, and young people every year.**
- In New Hampshire, Planned Parenthood is on the front lines of the health care delivery system, providing basic preventive health care to nearly 18,000 patients every year in 7 health centers statewide. **Approximately 97% of Planned Parenthood's services are related to prevention** – including contraception, breast and cervical cancer screenings, and sexually transmitted infection testing and treatment.
- **In 2009 69% of PPNNE's clients were 150% below the Federal Poverty Level.**
- **In New Hampshire, 161,720 women are in need of contraceptive services and supplies.** Of these, 65,370 women need publicly supported contraceptive services because they have incomes below 250% of the federal poverty level (42,360) or are sexually active teenagers (23,010).ⁱⁱ
- **27 family planning clinics in New Hampshire serve 47% of all women in need of publicly supported contraceptive services and 45% of teenagers in need.** ⁱⁱⁱ
- Publicly funded family planning clinics in New Hampshire help women **avert 7,100 unintended pregnancies each year.** ^{iv}
- **With more than 1 million New Hampshire women and men in need of affordable health care services, Planned Parenthood is helping to fill this need.**^v

Funding family planning services saves New Hampshire money and helps ensure the health and safety of our community.

Please vote Inexpedient to Legislate on HB 1664

For more information, contact Kary Nealle Jencks at kjencks@ppnne.org or at 603.225.2925 ext. 1

ⁱ Frost JJ, Finer LB, and Tapales A, *The Impact of Publicly Funded Family Planning Clinic Services on Unintended Pregnancies and Government Cost Savings*, Journal of Health Care for the Poor and Underserved, August 2008.

ⁱⁱ Guttmacher Institute, *Contraception Counts*, 2006.

ⁱⁱⁱ Guttmacher Institute, *Contraception Counts*, 2006.

^{iv} Guttmacher Institute, *Contraception Counts*, 2006.

^v U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2007*, 2008.

Contact a Family Planning Site in Your Area for Affordable Care:

- * Birth Control Methods and Physical Exams
- * Testing and Treatment for Sexually Transmitted Infections
- * Pregnancy Testing and Counseling

Berlin

Coos County Family Health Services*
54 Willow Street
752-2040

Exeter

Planned Parenthood of Northern New England
108 High Street
772-9315

Lancaster

Weeks Medical Center*/**
170 Middle Street
788-5055

Rochester

Avis Goodwin Community Health Center
22 South Main Street
749-2346

Claremont

Planned Parenthood of Northern New England**
241 Elm Street
542-4568

Franconia

Ammonoosuc Community Health Services*
155 Main Street
823-7078

Littleton

Ammonoosuc Community Health Services*
25 Mt. Eustis Road
444-2464 ext 101

Warren

Ammonoosuc Community Health Services*
Main Street
764-5704

Colebrook

Indian Stream Health Center*/**
141 Corliss Lane
237-8336

Franklin

CAP Belknap/Merrimack County **
841 Central Street
934-4905

Manchester

Planned Parenthood of Northern New England
24 Pennacook Street
669-7321

West Lebanon

Planned Parenthood of Northern New England**
89 South Main Street
298-7766

Concord

Concord Hospital Family Health Center*/**
250 Pleasant Street
228-7200

Groveton

Weeks Medical Center*/**
12 Church Street
788-5090

Manchester

Teen Health Clinic*/**
1230 Elm Street
629-9707

Whitefield

Weeks Medical Center*/**
24 Lancaster Road
837-9005

Conway

White Mountain Community Health Center*/**
298 White Mountain Highway
447-8900

Hillsboro

Hillsboro Family Health */**
462 West Main Street
478-3141

Nashua

Nashua Area Health Center*/**
10 Prospect Street
883-1626

Whitefield

Ammonoosuc Community Health Services
30 Kings Square
837-2333

Derry

Planned Parenthood of Northern New England
4 Birch Street
434-1354

Keene

Planned Parenthood of Northern New England
8 Middle Street
352-6898

Ossipee

CAP Belknap/Merrimack County **
127 Route 28
539-7552

Woodsville

Ammonoosuc Community Health Services*
79 Swiftwater Rd
747-3990

Dover

Avis Goodwin Community Health Center*
19 Old Rollinsford Rd.
749-2346 ext. 331

Laconia

CAP Belknap/Merrimack County **
121 Belmont Street
524-5453

Plymouth

CAP Belknap/Merrimack County **
258 Highland Street
536-3584

***These sites also provide low cost primary health care services**

****These sites also provide teen clinic services**

The Coalition Communities

Alton..Bridgewater..Carroll..Center Harbor..Dublin..Easton..Eaton..Franconia..Freedom..Greatham..Greenland..Hampton..Hampton Falls..Hanover

Hart's Location..Hebron..Holderness..Jackson..Lincoln..Meredith..Moultonborough..Newbury..New Castle..New London..Newington

North Hampton..Pittsburg..Portsmouth..Rye..Sandwich..Seabrook..Stoddard..Sugar Hill..Sunapee..Tuftonboro..Waterville Valley

Telephone: 603 610-7281 Fax: 603 427-1575 E-Mail: Coalition@cityofportsmouth.com www.CityofPortsmouth.com/Coalition

Testimony Before the House Finance Committee Regarding House Bill 1664 Jan. 19, 2010

26

Good afternoon. My name is Pat Remick and I am the coordinator of the Coalition Communities of 35 former Donor communities, led by the City of Portsmouth. I am here today to testify in opposition to the section of House Bill 1664 that would change the differentiated, or Free and Reduced Meals factor, in the current education funding formula as part of this proposal to make appropriations reductions in the operating budget for Fiscal Year 2011.

This differentiated aid issue came before you last year in the form of HB521, which the House soundly defeated. Like HB521, the provision before you would reduce the total amount spent on education but in doing so, would remove the poverty factor in the education funding formula that acknowledged it costs more to educate children from lower socioeconomic backgrounds, which can have an impact on the entire classroom.

For higher property wealth communities like the members of our Coalition, this factor also acknowledged that there are pockets of poverty even in communities with high property values. Almost one-fourth of the children in Portsmouth's public school system receive free and reduced price meals, for example. This is not surprising given that one-quarter of our housing is subsidized. We have one school with a 33 percent free and reduced meals rate. And, like many communities, we expect the number of children applying for free and reduced meals to grow as the economy continues to deteriorate.

Other examples are Lincoln, which has an average of 28 percent of its children receiving free and reduced meals but if it were not allowed to currently retain excess Statewide Education Property Taxes, would become a donor of \$1 million. Pittsburg and Sunapee also show up as raising excess taxes but have F/R Meal rates of 30 and 20 percent, respectively.

As many of you know, our Coalition has long supported the concept of targeted aid – focusing education funding on communities that truly need it. The differentiated aid that this legislation intends to alter reflects one measure of a community's need. As written, it reduces the total funding rather than redistributing it, which would have an especially large impact on communities with the highest percentages of children receiving free and reduced meal services.

Thank you.

January 19, 2010

Madame Chair and Members of the Finance Committee

My name is Martha McLeod, I am a resident of Franconia NH and a former member of the NH House and the Finance Committee. I am here to speak in opposition to House Bill 1664 for several reasons. I am speaking from several positions today, as a rural health professional or subject matter expert, as a member of the Cannon Mt Advisory Commission and resident of a region that will be impacted by this legislation more so than many other communities.

My professional work is in the area of rural health. I am the Director of a rural health network and can provide a broad understanding of the environment that rural health providers operate in and the challenges that they face in sustaining basic health services to the people who live in the most rural areas of our State. One of the roles that we play in rural NH is tracking the health status, the indicators and outcomes, that describe the quality of life our rural residents. If House Bill 1664 moves beyond this hearing stage and is considered by this committee, I would be very willing to provide the committee feedback and additional information on its impact in rural communities.

The language with the greatest impact to the health of our rural residents in HB1664 is in Section VI, which reduces Medicaid payments to the Critical Access Hospitals (CAH) to 85% of the Medicare allowable costs. I had a conversation with the CEO of Androscoggin Valley Hospital (Berlin) on this bill. Russ Keene indicated that HB1664 would have a negative impact of \$200,000-300,000 to their facility. He is very concerned about whether Legislators understand the impact of a policy such as this on small rural hospitals and their ability to survive. In a recent conversation with the CEO of Upper Connecticut Valley Hospital in Colebrook, I was told that they were facing close to a \$1 Million deficit this year. CAHs are teetering on the edge of sustaining services in the most rural region of our State.

As part of my professional job, I also track education outcomes because it has been shown to greatly impact health outcomes. There is a large disparity in the educational outcomes of rural people when compared to the rest of the State. Only about 12% of the residents of Coos County have an education beyond high school compared to about 30% of NH residents. The language in HB 1664 that reduces the adequacy grants to schools with high percentage of children on free or reduced lunch would have a greater negative impact on the educational systems and educational outcomes of rural areas of our state than it would in the less rural areas. Because of income disparities, rural communities have higher percentages of children on free or reduced lunch. There are fewer economic opportunities and this is clearly seen in data that shows a median family income that is 20-30% lower than the state median income. Rural communities just do not have the tax base to raise the funding needed to provide an adequate education.

And lastly, as a member of the Cannon Mt Advisory Committee and President of the Friends of Franconia Notch State Park, I want to address the language in House Bill 1664 that zeroes out the income and expense for Cannon Mt and in Section VII requires the Commissioner of the Department of Resources and Economic Development (DRED) to solicit leases for private operations of Cannon Mt.

Cannon Mountain is the largest economic force in my community providing jobs to over 400 people. Cannon Mt is an integral part of Franconia Notch State Park, our flagship state park. This is not something that should be taken lightly because of its great impact on our tourism industry and the economy of our region. It is a risky financial move. Cannon Mt has the most potential of any of our revenue sources in the Parks system. Similar language and bills have been unsuccessful almost every year since. The efforts have not been able to show the public benefit or financial benefit. Clearly, the concern has been that there is more for the people of the state to lose than gain. The people of New Hampshire purchased FNSP to protect this special place from commercialization and dedicated it as a Veteran's Memorial to the men and women of New Hampshire who served the nation in times of war.

Most recently, more \$3 Million was invested at Cannon Mt. on capital infrastructure and this legislature approved \$3 Million in the current Capital Budget for a chairlift at Mittersill. The people of NH should see the return on this investment.

The Select Board of Franconia, the host community for Cannon Mt has indicated their opposition to HB1664 and their concern for the impact on their community and economy. The Committee should have received a copy of their letter.

In summary, HB1664 has a greater negative impact on the most rural areas of our state than on the state as a whole. This policy will make difficult situations even worse for northern New Hampshire and I ask that you oppose the bill. Please consider me a resource for questions on how this bill impacts rural areas and in particular rural health.

Thank you,
Martha McLeod

Comprehensive Family Support Services (CFSS)

9 Contracted Agencies

1 Program for each DCYF DO catchment area:

- Berlin - Family Resource Center Gorham/Berlin
- Claremont - Good Beginnings of Sullivan Country
- Concord - Child & Family Services of NH
- Conway - Children Unlimited
- Keene - Monadnock Family Services
- Laconia - Lakes Region Community Services Council
- Littleton - Child & Family Services of NH
- Manchester - Child & Family Services of NH
- Nashua - Child & Family Services of NH
- Portsmouth - Family First Health & Support Center
- Rochester - The HUB Family Resource Center
- Salem - Upper Room Family Resource Center

2008 CFSS DATA

Total Families Served = 939
 Total Family Members Served = 3,261 (1,907 are children)

65% of Families Served have 3 or more risk factors
 (National Survey of American Families = 18%)

55% of Families Served have a Single Caregiver

47% of Families Served have Mental Health Issues

26% of Families have Chronic Health Issues

85% of Children Served have Health Kids Insurance

42% of Adults without any Health Insurance

Each Year we create a graduating "Class of," for all discharged children and track them for 3 years.

CFSS Program Outcome: To avoid future DCYF Costs and Services

(Out of Home Placements & Intensive In-Home services)

Program outcomes to date are:

Class of 2006 for 684 graduating children = **91.8%** continue avoiding DCYF Services
 (Tracked for 2 successive years)

Class of 2007 for 1,186 graduating children = **91.9%** continue avoiding DCYF Services
 (Tracked for 1 successive years)

Unsupervised hours - 539/mo

ANF - 1 mo -
 (Tracked) - 464 mo
 Foster care - 30/dg
 FOSTER CARE - 900/mo

ADC - 400/dg
 12,000/mo

(2)

OFFICE OF SELECTMEN
(603) 823-7752
OFFICE OF TOWN CLERK
(603) 823-5237
OFFICE OF TAX COLLECTOR
(603) 823-5237

TOWN OF FRANCONIA

P.O. Box 900
Franconia, New Hampshire 03580-0900
Telephone (603) 823-7752
Facsimile (603) 823-5581



January 12, 2010

Marjorie Smith, Chair
House Finance Committee
Room 210
Legislative Office Building
Concord, NH 03301


Madame Chair and Committee Members

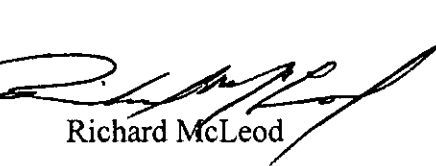
The Franconia Select Board is writing to you today to go on record opposing House Bill 1664. The zeroing out of the Cannon Mountain operating budget, and subsequent lease of the State Park hosted by our community, is an eleventh hour attempt to avoid the public process required of legislation of this kind. The Town of Franconia has not been afforded the common courtesy of contact regarding this legislation from the sponsors.

The economic impact of this bill on our community deserves input from the Town of Franconia. Cannon Mountain is the largest economic driver in this area and in these uncertain times, we feel it is irresponsible that a bill with this magnitude of impact has not been fully vetted before the people it will most affect.

We ask that you will vote "nay" regarding this bill.

Respectfully,


Carleen Quinn


Richard McLeod


John LaChapelle

cc: Governor John Lynch
Speaker Terri Norelli
Senate President Sylvia Larsen
Senator John Gallus
Representative Kathleen Taylor
George Bald, Commissioner of DRED

A Visionary View of Franconia Notch State Park

In April of 1998 Commissioner Robb Thomson said, "Cannon is an integral part of Franconia Notch State Park and Franconia Notch State Park is the crown jewel of the Park System. Cannon cannot be separated without causing major disruption within the park system and within the Department of Resources and Economic Development." He further commented that Cannon "represents the greatest potential within the park system." These assertions as well as the significance of this acquisition as an eternal symbol to war veteran embodies a public trust that should never be broken. It is time for the public to embrace and protect this precious park.

A partnership that would protect this public trust could realize the potential within Franconia notch State Park. Such a partnership between the federal government, the state, and the conservation community would accomplish a revitalization of Franconia Notch State Park.

There are over 9,000 acres in FNSP surrounded by the White Mountain National Forest. The mountain lakes, passes, rivers, and streams afford spectacular views in remote as well as easily accessible areas throughout the notch. A trail system and a bike path that is also a snow mobile trail connect these views. There are multiple year round recreational opportunities. The expansion potential at Mittersill is unrealized.

A partnership between the Veterans Administration and the State could realize some of this potential. A vision of Franconia Notch State Park as a rehabilitation center for veterans is a dream that could come true. There are both summer and winter activities that would support a year round rehabilitation center that could be a world-class facility located within a world-class setting. What is needed here is the commitment and resolve of the public and the state to match and support the original vision that created this reservation and Memorial Park.



Howie Howe

NH HOTH Coordinator & RC

525 Wilson Street Manchester, NH 03103
603.641.5884 HowieHowe@myfairpoint.net

Subject: canon

From: "Scott L'Ecuyer" <lecuyerscott@yahoo.com>

Date: Fri, 8 Jan 2010 11:42:36 -0800 (PST)

To: Howie Howe <howiehowe@myfairpoint.net>

Howie, I was over at Canon today and discovered a couple things. The snow cover is substantial at the moment, I had to ask an employee to where the plaque maybe. I was told it may be on the northbound side of 93 at profile lake. I could not locate it. But, I did look around the base building at Canon, they have a Old Man historic room, it is being leaked on from the roof. An employee had to rescue the wall hangings. On them is the memorial plaque dedication.

Attached are the images. You will see the wording and importance given to some words. I think what is important here and may be the point all are missing, is that the Park as a whole, was dedicated as a memorial. My interpretation is that any use therefore of Canon other than for it's intent is measured. The fees being required and limits put on the public and it's use other than appropriate for a memorial would be in question.

The images are huge. I will send you 2 more emails (8 images total)

**Scott L'Ecuyer, National Director
American Cold War Veterans, Inc.**

(603)869-5625

scott@americancoldwarvets.org

P.O. Box 540 Bethlehem, NH 03574

www.AmericanColdWarVets.org

www.Membership-AmericanColdWarVets.org

Take Action:

Tell your Senator's and Rep's to co-sponsor

S.2743 & H.R.4051. The "Cold War Service Medal Act 2009"

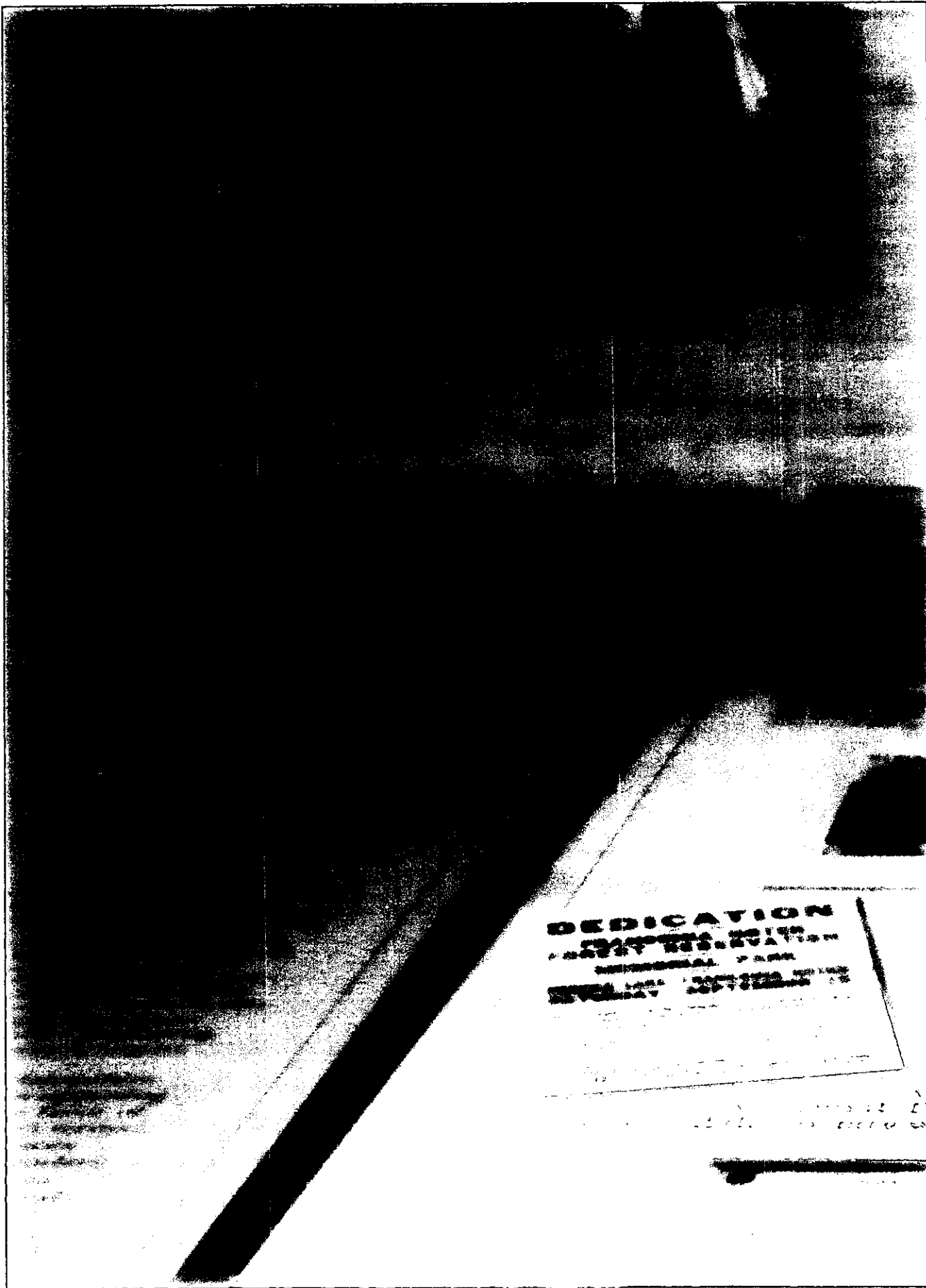
WILLIAM H. HICK

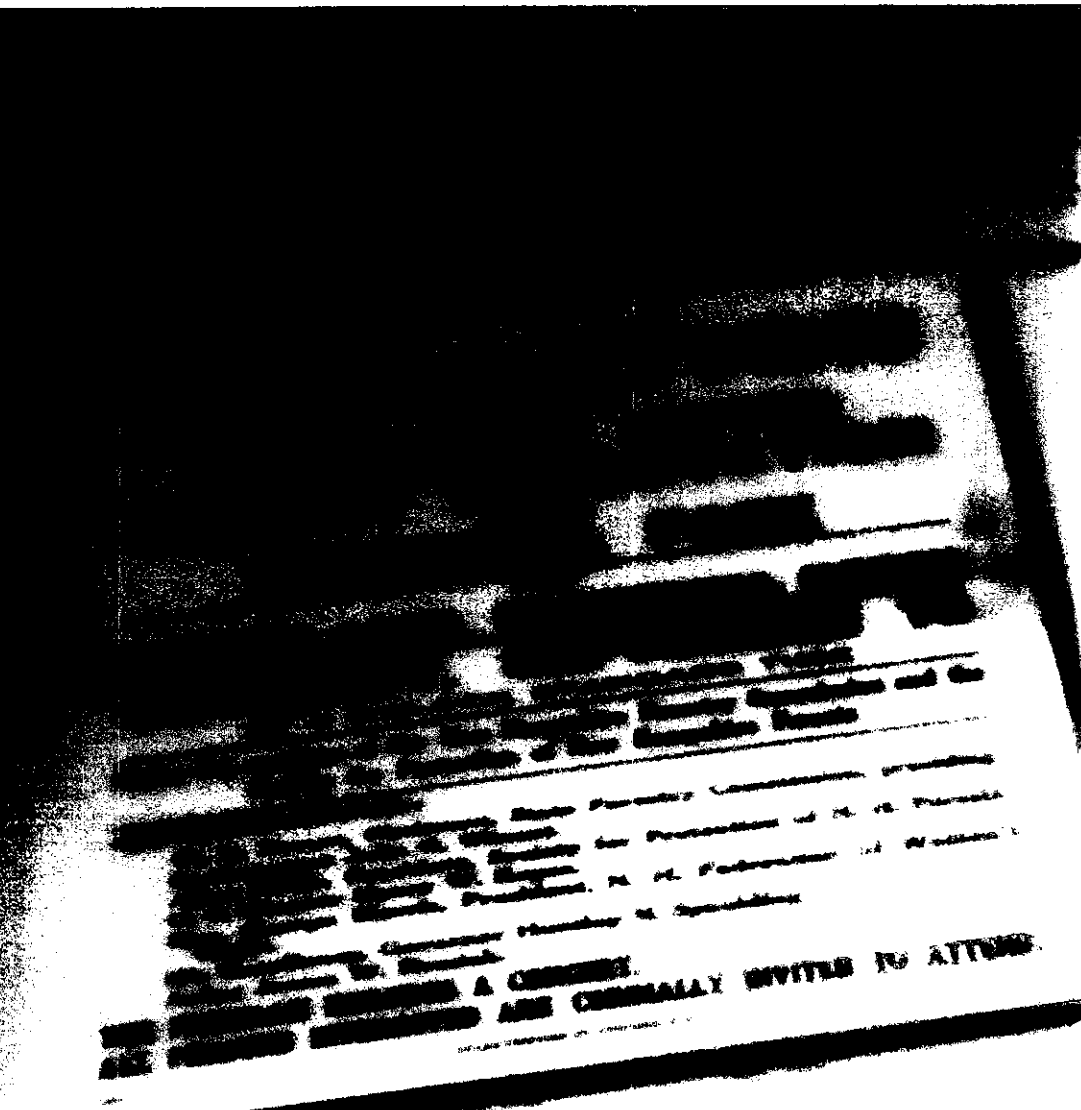
served the country with

STAN

FOREST RE

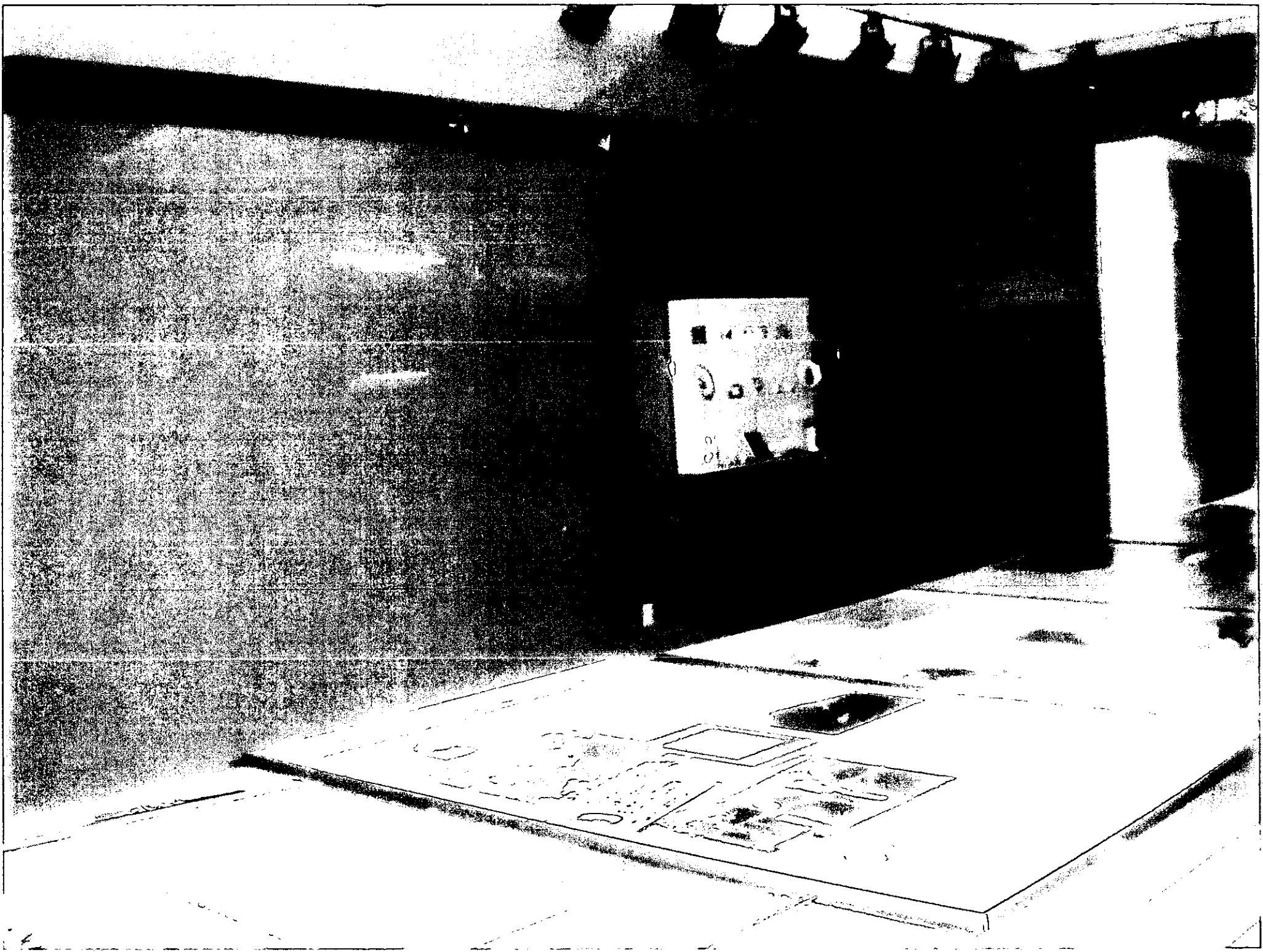
THE DONAY





*William R
 have served the country*

FORREST



On an overcast September day in 1928, a huge crowd gathered at Profile Lake to celebrate the opening of the Franconia Notch State Forest Reservation & Park. An illustrious group of civic and political leaders dedicated the park as a veterans memorial, sounding the themes of patriotism, conservation, nostalgia, and regional pride. Through the shared efforts of people from across the country, New Hampshire had saved the Notch and protected the Old Man forever. It was, in the words of State Forestry Commission Chair, **R. Brown**, "a fitting tribute to her sons and daughters who [sic] with the steadfastness of these hills."

THE STATE OF NEW HAMPSHIRE
OFFICE OF THE ATTORNEY GENERAL
100 WATER STREET, CONCORD, N.H. 03301
TELEPHONE: 271-8700
FACSIMILE: 271-8701
WWW.NH.GOV

these hills."

STATE OF NEW
FRANCONIA
FOREST RESERVATION AND

ACQUIRED WITH LAND
BY THE LEGISLATURE

THE DONATIONS OF FIFTEEN
SECTION

THE SOCIETY FOR PROTECTION OF

DEDICATED AS A
TO THE

MEM AND WOMEN OF
WHO SERVED THE NATION
SEPTEMBER

...to her sons and
...of these hills."

STATE OF NEW YORK
FRANCONIA

FOREST RESERVATION AND

ACQUIRED WITH LAND AND
BY THE LEGISLATURE
AND

THE DONATIONS OF FIFTEEN THOUSAND
SQUARE FEET

THE SOCIETY FOR PROTECTION OF THE
DEDICATED AS A MEMORIAL
TO THE

MEN AND WOMEN OF NEW YORK
WHO SERVED THE NATION
SEPTEMBER 1918

DEDICATION OF THE ANGONA NOTON EST RESERVATION AND MEMORIAL PARK

AT
FILE LAKE, FRANCONIA MOUNTAINS

TUESDAY, SEPTEMBER 16

AT 2 O'CLOCK STANDARD TIME

By the auspices of the New Hampshire Forestry Commission and the
Society for Protection of New Hampshire Forests

SPEAKERS:

- W. R. Brown, Chairman, State Forestry Commission, presiding
- Ex-Governor John G. Winant
- Allen Hallie, President, Society for Protection of N. H. Forests
- U. S. Senator Henry W. Rogers
- Mrs. George Morris, President, N. H. Federation of Women's Clubs
- Hon. Excellency, Governor Hiram E. Spaulding
- Judge James W. Rensick

THE PROGRAM INCLUDES A CONCERT.

ALL PERSONS INTERESTED ARE cordially invited to attend.

On an...
gathered in
Franconia...
illustration...
the park...
of passion...
pride. The...
across the...
the New...

was, in the...

William R. Brown,...

have served the country with...



	Actual													
	Fiscal Year											2010	2011	2012
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009			
Beginning Balance	\$0.00	\$150,000.00	\$169,875.77	\$267,950.12	\$131,841.59	(\$17,728.54)	(\$109,178.54)	(\$222,761.20)	(\$322,009.12)	(\$415,819.47)	(\$495,207.25)	(\$503,981.82)	(\$549,487.47)	(\$556,398.94)
Revenue														
Base Payment (Inflation Adjusted)	150,000.00	153,150.00	158,357.00	162,791.00	166,210.00	170,864.00	177,084.00	183,210.00	189,805.00	194,702.00	200,056.31	205,557.85	211,210.69	217,018.99
Variable Payment (% of Sales)	0.00	118,831.52	192,790.80	289,312.00	264,308.00	313,143.00	272,391.00	303,701.00	278,372.00	284,242.00	371,856.00	390,448.80	409,971.24	430,469.80
Interest	0.00	17,010.91	12,037.21	3,556.46	495.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of Items	0.00	0.00	3,806.00	2,982.00	0.00	1,232.00	4,444.00	10,017.00	2,434.00	2,288.00	0.00	2,000.00	2,000.00	2,000.00
Total Revenues	150,000.00	288,792.43	366,991.01	458,641.46	431,013.20	485,239.00	453,919.00	496,928.00	470,611.00	481,232.00	571,912.31	598,006.65	623,181.93	649,488.79
Expenditure														
Orginal Borrowing														
Principal Payment	0.00	0.00	0.00	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	335,498.99	335,126.79
Interest Payment	0.00	268,916.66	268,916.66	261,416.66	247,250.00	233,916.67	220,583.33	207,250.00	180,626.04	177,790.71	162,999.05	149,040.72	134,622.41	120,202.93
Indirect Costs						9,439.00	13,585.00							
FY 2005 Borrowing														
Principal Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06
Interest Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,384.53	18,253.92	17,287.68	16,321.43	15,355.19	14,388.95	13,382.45
Approved FY 2009 Borrowing														
Principal Payment											0.00	43,000.00	45,000.00	48,000.00
Interest Payment											35,825.00	70,575.00	68,375.00	66,050.00
Total Expenditures	0.00	268,916.66	268,916.66	594,749.99	580,583.33	576,689.00	567,501.66	596,175.92	564,421.35	560,619.78	580,686.87	643,512.30	630,093.41	614,970.23
Ending Balance	\$150,000.00	\$169,875.77	\$267,950.12	\$131,841.59	(\$17,728.54)	(\$109,178.54)	(\$222,761.20)	(\$322,009.12)	(\$415,819.47)	(\$495,207.25)	(\$503,981.82)	(\$549,487.47)	(\$556,398.94)	(\$521,880.38)

Forecasted Growth Rate in Variable Payment 5.00%

Forecasted Growth Rate in Minimum Payment 2.75%

Revolving Fund Borrowing Limit

Beginning Principal	\$6,000,000.00	\$6,000,000.00	\$6,000,000.00	\$6,000,000.00	\$5,666,666.67	\$5,333,333.34	\$5,000,000.01	\$5,203,467.68	\$4,837,926.29	\$4,472,384.90	\$4,106,843.51	\$5,174,302.12	\$4,765,760.73	\$4,353,053.68
Principal Paid (Original)	0.00	0.00	0.00	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	335,498.99	335,126.79
Principal Paid (2005)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06
Principal Paid (2009)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43,000.00	45,000.00	48,000.00
Principal Borrowed	0.00	0.00	0.00	0.00	0.00	0.00	538,801.00	0.00	0.00	0.00	1,433,000.00	0.00	0.00	0.00
Ending Balance	\$6,000,000.00	\$6,000,000.00	\$6,000,000.00	\$5,666,666.67	\$5,333,333.34	\$5,000,000.01	\$5,203,467.68	\$4,837,926.29	\$4,472,384.90	\$4,106,843.51	\$5,174,302.12	\$4,765,760.73	\$4,353,053.68	\$3,937,718.83
Available to Borrow	\$0.00	\$0.00	\$0.00	\$333,333.33	\$666,666.66	\$999,999.99	\$796,532.32	\$1,162,073.71	\$1,527,615.10	\$1,893,156.49	\$825,697.88	\$1,234,239.27	\$1,646,946.32	\$2,062,281.17

Cannon Mtn capital account 6-30-09 with APPROVED 2009 bonding.xls

Forecast																
Fiscal Year																
2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
(\$521,880.38)	(\$443,293.02)	(\$319,938.28)	(\$148,978.64)	\$81,515.01	\$362,739.87	\$696,337.02	\$1,083,642.90	\$1,850,839.23	\$2,658,733.98	\$3,508,296.07	\$4,401,604.52	\$5,340,854.39	\$6,328,323.61	\$7,386,879.86	\$8,497,626.37	\$9,662,158.81
222,987.01	229,119.15	235,419.93	241,893.98	248,546.06	255,381.08	262,404.06	269,620.17	277,034.73	284,653.18	292,481.14	300,524.37	308,788.79	317,280.49	326,005.70	334,970.86	344,182.55
451,993.29	474,592.96	498,322.60	523,238.73	549,400.67	576,870.71	605,714.24	635,999.95	667,799.95	701,189.95	736,249.44	773,061.92	811,715.01	852,300.76	894,915.80	939,661.59	986,644.67
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
676,980.30	705,712.11	735,742.53	767,132.71	799,946.73	834,251.78	870,118.30	907,620.12	946,834.68	987,843.13	1,030,730.59	1,075,586.29	1,122,503.81	1,171,581.25	1,222,921.50	1,276,632.45	1,332,827.23
335,209.56	336,046.53	336,603.68	336,795.89	336,741.99	336,098.91	334,698.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
105,120.16	88,949.89	72,726.07	56,158.86	39,129.44	22,689.17	7,381.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32,208.06	32,208.06	32,208.06	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	0.00	0.00	0.00	0.00
12,255.17	11,127.88	9,920.08	8,712.28	7,853.40	6,994.52	6,135.64	5,276.76	4,417.88	3,559.00	2,700.10	1,814.38	912.54	0.00	0.00	0.00	0.00
50,000.00	53,000.00	55,000.00	58,000.00	61,000.00	64,000.00	67,000.00	71,000.00	74,000.00	78,000.00	82,000.00	86,000.00	90,000.00	95,000.00	99,000.00	104,000.00	110,000.00
63,600.00	61,025.00	58,325.00	55,500.00	52,525.00	49,400.00	46,125.00	42,675.00	39,050.00	35,250.00	31,250.00	27,050.00	22,650.00	18,025.00	13,175.00	8,100.00	2,750.00
598,392.95	582,357.36	564,782.89	536,639.07	518,721.87	500,654.64	482,812.42	440,423.80	438,939.92	438,281.04	437,422.14	436,336.42	435,034.58	433,025.00	431,175.00	429,100.00	427,500.00
(\$443,293.02)	(\$319,938.28)	(\$148,978.64)	\$81,515.01	\$362,739.87	\$696,337.02	\$1,083,642.90	\$1,850,839.23	\$2,658,733.98	\$3,508,296.07	\$4,401,604.52	\$5,340,854.39	\$6,328,323.61	\$7,386,879.86	\$8,497,626.37	\$9,662,158.81	\$10,882,236.04
\$3,937,718.83	\$3,520,301.21	\$3,099,046.62	\$2,675,234.88	\$2,258,966.95	\$1,839,752.92	\$1,418,181.97	\$995,011.66	\$902,539.62	\$807,067.58	\$707,595.54	\$604,123.50	\$496,651.46	\$385,179.42	\$290,179.42	\$191,179.42	\$87,179.42
335,209.56	336,046.53	336,603.68	336,795.89	336,741.99	336,098.91	334,698.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32,208.06	32,208.06	32,208.06	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	0.00	0.00	0.00	0.00
50,000.00	53,000.00	55,000.00	58,000.00	61,000.00	64,000.00	67,000.00	71,000.00	74,000.00	78,000.00	82,000.00	86,000.00	90,000.00	95,000.00	99,000.00	104,000.00	110,000.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$3,520,301.21	\$3,099,046.62	\$2,675,234.88	\$2,258,966.95	\$1,839,752.92	\$1,418,181.97	\$995,011.66	\$902,539.62	\$807,067.58	\$707,595.54	\$604,123.50	\$496,651.46	\$385,179.42	\$290,179.42	\$191,179.42	\$87,179.42	
\$2,479,698.79	\$2,900,953.38	\$3,324,765.12	\$3,741,033.05	\$4,160,247.08	\$4,581,818.03	\$5,004,988.34	\$5,097,460.38	\$5,192,932.42	\$5,292,404.46	\$5,395,876.50	\$5,503,348.54	\$5,614,820.58	\$5,709,820.58	\$5,808,820.58	\$5,912,820.58	\$6,000,000.00

State of New Hampshire
 General Obligation Bonds
 Debt Service Schedule

	Coupon	Principal	Interest	Debt Service	Annual Interest
4/1/1999					
10/1/1999			134,458.33	134,458.33	
4/1/2000			134,458.33	134,458.33	268,916.67
10/1/2000			134,458.33	134,458.33	
4/1/2001			134,458.33	134,458.33	268,916.67
10/1/2001	4.50%	333,333.33	134,458.33	467,791.66	
4/1/2002			126,958.33	126,958.33	261,416.67
10/1/2002	4.00%	333,333.33	126,958.33	460,291.66	
4/1/2003			120,291.67	120,291.67	247,250.00
10/1/2003	4.00%	333,333.33	120,291.67	453,625.00	
4/1/2004			113,625.00	113,625.00	233,916.67
10/1/2004	4.00%	333,333.33	113,625.00	446,958.33	
4/1/2005			106,958.33	106,958.33	220,583.33
10/1/2005	4.00%	333,333.33	106,958.33	440,291.66	
4/1/2006			100,291.67	100,291.67	207,250.00
10/1/2006	4.00%	333,333.33	100,291.67	433,625.00	
4/1/2007			93,625.00	93,625.00	193,916.67
10/1/2007	4.75%	333,333.33	93,625.00	426,958.33	
4/1/2008			85,708.33	85,708.33	179,333.33
10/1/2008	4.13%	333,333.33	85,708.33	419,041.66	
4/1/2009			78,833.33	78,833.33	164,541.67
10/1/2009	4.25%	333,333.33	78,833.33	412,166.66	
4/1/2010			71,750.00	71,750.00	150,583.33
10/1/2010	4.38%	333,333.33	71,750.00	405,083.33	
4/1/2011			64,458.33	64,458.33	136,208.33
10/1/2011	4.50%	333,333.33	64,458.33	397,791.66	
4/1/2012			56,958.33	56,958.33	121,416.67
10/1/2012	4.50%	333,333.33	56,958.33	390,291.66	
4/1/2013			49,458.33	49,458.33	106,416.67
10/1/2013	4.70%	333,333.34	49,458.33	382,791.67	
4/1/2014			41,625.00	41,625.00	91,083.34
10/1/2014	4.70%	333,333.34	41,625.00	374,958.34	
4/1/2015			33,791.67	33,791.67	75,416.67
10/1/2015	5.13%	333,333.34	33,791.67	367,125.01	
4/1/2016			25,250.00	25,250.00	59,041.67
10/1/2016	5.13%	333,333.34	25,250.00	358,583.34	
4/1/2017			16,708.33	16,708.33	41,958.33
10/1/2017	5.13%	333,333.34	16,708.33	350,041.67	
4/1/2018			8,166.67	8,166.67	24,875.00
10/1/2018	4.90%	333,333.34	8,166.67	341,500.01	
			-	-	8,166.67
			-	-	
			-	-	
		6,000,000.00	3,061,208.35	9,061,208.35	3,061,208.35

State of New Hampshire
General Obligation Bonds
Debt Service Schedule

	Coupon	Principal	Interest	Debt Service	Annual Interest
4/15/2005			4,164.37	4,164.37	4,164.37
10/15/2005			9,610.08	9,610.08	
4/15/2006	3.000%	32,208.06	9,610.08	41,818.14	19,220.16
10/15/2006			9,126.96	9,126.96	
4/15/2007	3.000%	32,208.06	9,126.96	41,335.02	18,253.92
10/15/2007			8,643.84	8,643.84	
4/14/2008	3.000%	32,208.06	8,643.84	40,851.90	17,287.68
10/14/2008			8,160.72	8,160.72	
4/15/2009	3.000%	32,208.06	8,160.72	40,368.78	16,321.43
10/15/2009			7,677.60	7,677.60	
4/15/2010	3.000%	32,208.06	7,677.60	39,885.66	15,355.19
10/15/2010			7,194.48	7,194.48	
4/15/2011	3.125%	32,208.06	7,194.48	39,402.54	14,388.95
10/15/2011			6,691.22	6,691.22	
4/14/2012	3.500%	32,208.06	6,691.22	38,899.28	13,382.45
10/14/2012			6,127.58	6,127.58	
4/15/2013	3.500%	32,208.06	6,127.58	38,335.64	12,255.17
10/15/2013			5,563.94	5,563.94	
4/15/2014	3.750%	32,208.06	5,563.94	37,772.00	11,127.88
10/15/2014			4,960.04	4,960.04	
4/15/2015	3.750%	32,208.06	4,960.04	37,168.10	9,920.08
10/15/2015			4,356.14	4,356.14	
4/14/2016	4.000%	21,472.04	4,356.14	25,828.18	8,712.28
10/14/2016			3,926.70	3,926.70	
4/15/2017	4.000%	21,472.04	3,926.70	25,398.74	7,853.40
10/15/2017			3,497.26	3,497.26	
4/15/2018	4.000%	21,472.04	3,497.26	24,969.30	6,994.52
10/15/2018			3,067.82	3,067.82	
4/15/2019	4.000%	21,472.04	3,067.82	24,539.86	6,135.64
10/15/2019			2,638.38	2,638.38	
4/14/2020	4.000%	21,472.04	2,638.38	24,110.42	5,276.75
10/14/2020			2,208.94	2,208.94	
4/15/2021	4.000%	21,472.04	2,208.94	23,680.98	4,417.87
10/15/2021			1,779.50	1,779.50	
4/15/2022	4.000%	21,472.04	1,779.50	23,251.54	3,558.99
10/15/2022			1,350.05	1,350.05	
4/15/2023	4.125%	21,472.04	1,350.05	22,822.09	2,700.11
10/15/2023			907.19	907.19	
4/14/2024	4.200%	21,472.04	907.19	22,379.23	1,814.39
10/14/2024			456.28	456.28	
4/15/2025	4.250%	21,472.04	456.28	21,928.32	912.56
			-	-	-
			-	-	-
		536,801.00	200,053.79	736,854.79	200,053.79

03 RESOURCE PROTECTION & DEVELOPMENT
 35 RESOURCES & ECONOMIC DEVELOPMENT
 35 RESOURCES & ECON DEVEL,DEPT OF
 351510 PARKS AND RECREATION
 3777 NAT'L RECREATIONAL TRAILS FUND

010	Personal Services-Perm. Classi	43,547	43,826
020	Current Expenses	5,282	4,949
022	Rents-Leases Other Than State	35,000	0
030	Equipment New/Replacement	40,000	0
033	Land Acquisitions and Easements	65,000	60,000
041	Audit Fund Set Aside	1,183	1,183
047	Own Forces Maint.-Build.-Grnds	50,000	50,000
048	Contractual Maint.-Build-Grnds	150,000	0
050	Personal Service-Temp/Appointe	50,000	0
060	Benefits	25,836	23,314
074	Grants for Pub Asst and Relief	983,000	991,995
075	Grants Subsidies and Relief	10,000	6,005
080	Out-Of State Travel Reimb	2,000	2,000
	TOTAL	1,460,848	1,183,272

ESTIMATED SOURCE OF FUNDS FOR
 NAT'L RECREATIONAL TRAILS FUND
 FEDERAL FUNDS
 TOTAL

1,460,848	1,183,272
1,460,848	1,183,272

CLASS NOTES

041 D. The funds in this appropriation shall not be transferred or expended for any other purpose

03 RESOURCE PROTECTION & DEVELOPMENT
 35 RESOURCES & ECONOMIC DEVELOPMENT
 35 RESOURCES & ECON DEVEL,DEPT OF
 351510 PARKS AND RECREATION
 3703 CANNON MOUNTAIN

010	Personal Services-Perm. Classi	637,717	653,273
011	Personal Services-Unclassified	74,060	74,060
018	Overtime	35,000	36,900
019	Holiday Pay	24,927	25,950
020	Current Expenses	350,000	360,000
022	Rents-Leases Other Than State	286,000	294,000
023	Heat- Electricity - Water	950,000	1,100,000
024	Maint.Other Than Build.- Grnds	45,000	60,000
026	Organizational Dues	30,000	35,000
027	Transfers To DOIT	21,680	24,531

03 RESOURCE PROTECTION & DEVELOPMENT (CONT.)
 35 RESOURCES & ECONOMIC DEVELOPMENT (CONT.)
 35 RESOURCES & ECON DEVEL,DEPT OF (CONT.)
 351510 PARKS AND RECREATION (CONT.)
 3703 CANNON MOUNTAIN (CONT.)

030	Equipment New/Replacement		32,000	75,000
042	Additional Fringe Benefits	*	78,564	79,955
044	Debt Service Other Agencies		87,177	85,406
047	Own Forces Maint.-Build.-Grnds		20,000	29,000
049	Transfer to Other State Agencies	*	559	559
050	Personal Service-Temp/Appointe		728,584	730,551
059	Temp Full Time		274,747	277,937
060	Benefits		648,028	688,224
061	Unemployment Compensation	*	20,000	25,000
062	Workers Compensation	*	60,000	70,000
069	Promotional - Marketing Expenses		310,000	310,000
070	In-State Travel Reimbursement		2,000	2,500
080	Out-Of State Travel Reimb		7,500	8,500
	TOTAL		4,723,543	5,046,346

ESTIMATED SOURCE OF FUNDS FOR
 CANNON MOUNTAIN

009	Agency Income	*	4,723,543	5,046,346
	TOTAL		4,723,543	5,046,346

CLASS NOTES

- 023 D. The funds in this appropriation shall not be transferred or expended for any other purpose
- 027 D. The funds in this appropriation shall not be transferred or expended for any other purpose
- 042 D. The funds in this appropriation shall not be transferred or expended for any other purpose
- 049 D. The funds in this appropriation shall not be transferred or expended for any other purpose
- 061 D. The funds in this appropriation shall not be transferred or expended for any other purpose
- 062 D. The funds in this appropriation shall not be transferred or expended for any other purpose
- 009 I. In the event that estimated revenue is less than budgeted, the total appropriation shall be reduced by the amount of the shortfall in either actual or projected budgeted revenue. The agency head shall notify the Bureau of Accounting Services forthwith, in writing, as to precisely which line item appropriation and in what specific amounts reductions are to be made in order to fully compensate for the total revenue deficits. The provisions of this footnote do not apply to Federal Funds covered by RSA 124:14



UNIVERSITY of NEW HAMPSHIRE

January 13, 2010

Marjorie Smith, Chair
NH House Finance Committee
P.O. Box 136
Durham, NH 03824-0136

Dear Representative Smith:

I recently learned that funding for the **NH-Innovation Research Center (NH-IRC)** has been eliminated in HB 1664. This elimination is in addition to the proposed cut to funding for the Small Business Development Center at UNH.

As you may know, the NH-IRC was created by the New Hampshire Legislature in 1991 to provide a mechanism to increase collaboration between New Hampshire businesses and university-based research for the purpose of promoting basic and applied scientific research, engineering, associated marketing research, and technology transfer, and to support the New Hampshire industrial and business community for the purpose of creating high quality jobs through technology development and innovation. Although managed by the Office of Research Partnerships and Commercialization (ORPC) at the University of New Hampshire, the IRC serves the entire state of New Hampshire, including all NH institutions of higher education.

The Innovation Research Center provides a critical means for improving the competitiveness of New Hampshire industry through development of new products and improvement of existing products through mutual support and cooperation by the state and business and industry. The supported research, innovation, and technology transfer activities preserve and increase the number of jobs in New Hampshire.

I am attaching a report on the NH-IRC and a list of companies that have received funds through the Center. In order to receive these funds, each company must provide matching dollars, making this an exemplary public-private partnership. At a time when we are striving to increase jobs and retain businesses it does not make sense to eliminate this very successful initiative. I am sure the CEO's of the benefitting business would be happy to provide testimonials regarding the IRC's impact on their company's growth and success.

While I am unable to attend the hearing on January 19th because of other commitments, Mary Collins from the Small Business Development Center will attend and be available to answer any questions that arise. In the meantime, if you have questions about the IRC, please contact me at 862-1948 or 397-2786.

Sincerely,

Jan Nisbet Ph.D.
Senior Vice Provost for Research

*Marjorie
Thanks for all this
you work on this
and your commitment
to all of us.
Happy New
Year!*

OFFICE OF THE SENIOR VICE PROVOST FOR RESEARCH

107 Thompson Hall • 105 Main Street • Durham, New Hampshire 03824-3547 • 603-862-1948 • FAX: 603-862-3617

New Hampshire Innovation Research Center



www.nhirc.unh.edu

NEW HAMPSHIRE INNOVATION RESEARCH CENTER

GRANTS

COMPANIES THAT HAVE BEEN AWARDED GRANTS FROM THE
NEW HAMPSHIRE INNOVATION RESEARCH CENTER

Amherst	Clearview Software	Durham	Applied Geosolutions I & II Bio Oil
Ashland	LW Packard & Company		Chaoticom Technologies
Atkinson	Ion Physics I, II & III Molecular Bioquest		Current Technology
Bedford	Creative Optics Inc. IXXAT, Inc. I & II Paragon Publishing Sonetech Spaceflight Systems Corp		Durham Research I & II
Berlin	Crown Vantage		Intellitech I & II
Candia	Powertronics	Exeter	Spin Analytical, Inc. Xemed
Charlestown	Ray-Tech Infrared		Bentley Pharmaceuticals I - VII
Chester	Dedicated Electronics	Farmington	BioSignetics Corporation I & II
Concord	Allor Project Inc. Nanocomp Technologies	Glen	Osram Sylvania SiGARMS, Inc.
Derry	Built-On Technology Fireye	Goffstown	Textron III & IV
Dover	Conproco Textron I & II Eastern Air Devices I & II GFS Manufacturing Great Crates Turbocam Inc. I & II The Prometheus Group	Hampstead	Storyland/Morrell Corp
Dublin	Pegit	Hampston	TBI ReFocus
		Hanover	Johnson & Johnston Assoc.
			Foss Manufacturing I & II
		Hollis	Process Instrumentation, Inc.
			Aurora Optics
		Hudson	ImmuRx Inc. ThermalVision, Inc.
			NE Photoscience I & II
		Jaffrey	Presstek, inc. RdF Corporation
			D D Bean & Sons Graphicast Inc.

New Hampshire Innovation Research Center

Gregg Hall Durham, New Hampshire 03824 603-862-0123 603-862-0329 fax

Laconia	Aavid Thermal Tech. I & II Allen-Rogers Mills Industries NH Ball Bearings I & II Noyes Fiber Systems I & II	Newmarket	Regal Sleeving & Tubing I & II
Lebanon	AAC International I & II Fluent Inc. GlycoFi, Inc. Medical Media Systems I & II	North Conway	MBP, Bioenergy, LLC
Lisbon	NE Electric Wire	Nottingham	Sentry BioSciences
Londonderry	Admix, Inc. Diatide I & II	Plaistow	Process Engineering/Chart I – III
Loudon	Pleasant View Gardens I, II & III PolyRoll	Portsmouth	BioTherapeutic Devices I, II & III Fenris Research Tech Great Bay Aquaculture IVS 3D, Inc. Piscataqua Research Sports Enhancement Wastech International I & II White Mountain Pharma
Lyme	Energy Reclamation	Rochester	Albany Int'l Techniweave I - IV Lydall Filtration/Separation, Inc. Newport Computer Services
Manchester	Acugage Systems Hubscrub Innov Med Systems Insight Biomedical Imaging KRL Electronics Omega Smart PolyVac I & II Sales Quality Assoc. Velcro Group	Salem	Advance Device Technology AmberWave System Biorelease Technologies
Merrimack	Cubic Wafer I & II FPR Corporation Percardia, Inc. I & II	Seabrook	KJ Quinn & Co.
Milford	Airmar Technology Saphikon St. Gobain/Norton Co.	Somersworth	Cleary Cleaners
Mt. Vernon	Aura Instrumentation	Sugar Hill	Presby Environmental
Nashua	Advanced Computer Resources Alaka'l Consulting & Eng. Flight Simulation Systems Global Ozone Solutions GT Equipment I, II, III, IV & V Lancast, Inc. Nashua Corporation Resonetics I, II & III Sanders Sky-Skan Inc.	Weare	Hexaport International Northland Tool & Electronics
New Durham	Powerspan/Zero Emissions I – II	W. Lebanon	Audit Security Bags Materials Innovation I & II
New Ipswich	Warwick Mills		
Newington	GreatBay Aquafarms I & II		

New Hampshire Innovation Research Center



www.nhirc.unh.edu

New Hampshire Innovation Research Center

In 1991 the New Hampshire Innovation Research Center (NHIRC) was created by the legislature for the purpose of creating high quality jobs through technology development and innovation by fostering collaboration between New Hampshire businesses and universities to promote applied and basic scientific research, engineering, and associated technology transfer.

Process

The NHIRC has two RFP solicitations per year for the Granite State Technology Innovation Grant. There are critical dates in the process as well as focused technology areas. Proposals are reviewed and rated by members of the NHIRC Oversight Committee, a twelve member board with representatives from government, business and education. Awards are made based on the merits of the proposal, feasibility of the project, and potential for commercialization and economic development in New Hampshire. NHIRC projects may be for new products or product improvements or may be operation improvements. Results of projects may create new products for market, improve processes to enable companies to become more competitive, retain and/or increase sales and create or preserve jobs in New Hampshire.

Company proposals submitted to the NHIRC are confidential in order to preserve their competitiveness in the marketplace. Companies participate in reporting the project's anticipated or actual economic impact, which may include job creation/saved jobs; increased sales; and/or increased improvements to the manufacturing process.

Results and Impact

Historically, NHIRC funding is often sought by companies for early-stage technology research and/or development purposes. As a result, measuring the economic impact from a seed-grant program is often neither straightforward nor easily adaptable to uniform reporting methods as the effects of NHIRC-funded projects may not be fully recognized for a number of years post-award. Quantification of the economic impact from NHIRC grants must include the specific definition of success for each project. Many NHIRC-funded projects have resulted in the successful discovery of a new product, significant improvements of manufacturing processes, and improvement to existing products. However, it is critical to appreciate that failure to prove a theory or commercialize a product may be as successful of a project if it prevents a company's investment in expansion based on a flawed technology.

NHIRC grants

- Fund company-university collaborations and research projects that have significant impact on NH companies.
- Leveraged by NH companies to successfully compete for federal R&D award dollars that also provide benefits to the state of NH.
- Impact company sales/profits and ability to retain and increase jobs through support of research projects and pursuit of additional awards by company.
 - From FY05-FY10, NHIRC funding has been used by recipients to leverage more than \$3 million in federal SBIR/STTR grants. Furthermore, companies are able to double

their investments in research through the NHIRC with no overhead costs – a critical advantage in today's economy.

“Most jobs are not created by big business or by the government ... Most jobs in America are created by entrepreneurs who start or expand small businesses.”

Senator Judd Gregg
Union Leader January 7, 2009

Measuring economic impact of seed grants since 1991 from the NHIRC:

- Over \$6 million awarded; plus company match and NH EPSCoR (federal National Science Foundation funds awarded to NH for research infrastructure improvements) match, investments exceed \$20 million
- 129 companies have received assistance

Since 2005, the NHIRC has received 90 proposals and funded 57 projects:

- Total Project Value: \$ 6,583,770
- Company cash match: \$ 1,260,371
- Company In-Kind Match: \$ 2,215,104
- NHIRC grants: \$ 2,330,740
- NH EPSCoR cash match: \$ 683,489
- Potential job creation: 569 jobs

Academic and Industrial Collaborations leverage external funding

- NHIRC grants represent a leveraged starting point for companies
- NHIRC-funded research projects attract private investors
- Foster maturation to successfully compete for federal grants:
 - SBIR
 - STTR
 - NSF
 - DOE
 - DARPA
- NHIRC funding FY05 – FY10 has leveraged more than \$3 million in federal SBIR/STTR grants

In the last three fiscal years, NHIRC program funds were matched with NH EPSCoR funds to increase grants available to companies. This allowed the NHIRC to leverage their program funds with over \$900,000 from the NH EPSCoR Research Partnerships and Commercialization program. In October 2009 the NH EPSCoR program submitted a new five year proposal to NSF. If awarded, the proposal includes potential match for NHIRC R&D funding that would start in FY 2013 and continue through 2015.

Partnerships

The NHIRC works in cooperation with:

- DRED (Dept of Resources and Economic Development)
- PTAP (Procurement Technical Assistance Program)
- NH MEP (Manufacturing Extension Program)
- NH SBDC (Small Business Development Center)
- SBIR (Small Business Innovation Research) Program (Federal)
- STTR (Small Business Technology Transfer) Program (Federal)

NEW HAMPSHIRE INNOVATION RESEARCH CENTER OVERSIGHT COMMITTEE MEMBERS

Richard Powers (Chair)

Director, Advanced ISR Solutions
BAE Systems Inc.
Representing: Large Manufacturers

Jenny Houston (Vice Chair)

Vice President of Business Development
Warwick Mills
Representing: Small/Medium Manufacturers

Wendell Jesseman

President
New England Wire Technologies
Representing: Small/Medium Manufacturers

Robert Gyurik

Pharmaceutical Consultant
Representing: Large Manufacturers

Mark Coen

President and CEO
Page Belting Company
Representing: Small/Medium Manufacturers

Christopher Way

Business Services Manager
Division of Economic Development

Naida Kaen

Representative, NH House

Amanda Merrill

Senator, NH Senate

Joseph Klewicki, Ph.D.

Dean,
College of Engineering & Physical Sciences
University of New Hampshire

Jan Nisbet

Senior Vice Provost for Research
University of New Hampshire

John Orcutt

Professor of Law
Franklin Pierce Law Center

Alla Kan

Director
Technology Transfer Office
Dartmouth College

“The history of industrial persistence in New Hampshire demonstrates the importance of constant reinvention.

Innovation is the key to maintaining an economic base in manufacturing, and innovation depends on research, and applying research to economic development.”

Governor John Lynch

The New Hampshire Innovation Research Center

Helping Companies Gain a Competitive Edge in the Marketplace

Itaconix LLC
Hampton Falls, NH



Itaconix LLC is a privately-held green technology company founded in 2008. The company focuses on developing, manufacturing and marketing environmentally friendly polymers derived from renewable resources. Its primary product line is derived from polymers of itaconic acid. The new chemicals are designed to replace the petroleum-based chemicals used in such products as detergents and diapers.

Results:

During the NHIRC funding period 6 UNH grad/undergrad students worked on the project plus 2 interns. Two UNH students were hired by the company. This provided student experience in green chemistry and engineering exposure in addition to industrial process engineering.

The successful R&D efforts of Itaconix led the company to apply for and receive a \$1.8M grant in October 2009 through the Joint Biomass Research and Development Initiative of the U.S. Department of Energy and U.S. Department of Agriculture. The award will fund efforts by Itaconix, in partnership with Cambridge, Mass.-based Microbia Inc. and the University of Maine, to produce Itaconix's green polymers from itaconic acid fermented with sugars extracted from hardwood biomass. Itaconix was one of only nine companies to receive the government grants from among more than 900 applications.

An NSF-Goali proposal was submitted in September 2009. A DOE proposal is planned for 2010.

The company has demonstrated significant growth in its first 15 months. Six new employees were hired in 2009, and in October 2009, Itaconix announced the commercial launch of its first two products.

IVS 3D Inc.
Portsmouth, NH



Interactive Visualization Systems (IVS 3D) was founded in 1995 as the developer of the Fledermaus 3D visualization and analysis software suite. IVS 3D is the market leader in the provision of interactive 3D visualization and analysis software for marine information. Government, commercial and academic clients in all areas of ocean mapping use the software internationally.

The Fledermaus software suite enables commercial, academic and military clients to interact with massive geographical datasets of numerous data types while mapping the world's oceans.

Results

In 2009 IVS 3D software, mid-water visualization, helped scientists to discover a 1400-meter plume off the northern California margin. Scientists returned to the area in July, verified that the plume was still active, and detected a number of other plumes ranging in height from 700 to 1400 m in a 15 km area around the original discovery. Until now, the users of these sonars had a limited view of the mid-water data in real-time, and limited capacity to store it, replay it, or run further analysis. The data also needed to be integrated with other sensor assets such as bathymetry, backscatter, sub-bottom, sea-floor characterizations and other assets so that a 'complete' picture of the marine environment under analysis can be realized. This discovery is just one example of the emerging uses of this type of data analysis.



**Warwick Mills
New Ipswich, NH**

Warwick Mills was founded in 1870. As one of the oldest companies in NH, Warwick Mills has successfully transitioned from textiles to becoming a leader in materials science engineering, using high-performance fibers, adhesives and other components to withstand the most demanding chemical and mechanical requirements. Warwick's success includes supplying 15,000 U.S. Marines in Iraq with protective gloves and exporting their products to Brazil, Mexico, Germany and South Korea.

**Warwick Mills received the
Export Achievement Certificate from the
U.S. Department of Commerce
in recognition the company's export success.
(July 2008)**

Results

Warwick worked with Dartmouth College on a three year project funded by the NHIRC. Warwick is using its fiber and weaving technology to develop artificial graft scaffolds to temporarily perform the functions of human tissue and be absorbed as the body grows its own tissue. The technology is pending FDA approval. Warwick expects this new project will add 5-10 jobs per year.

**IXXAT, Inc.
Bedford, NH**



IXXAT is a leading supplier of products and services for the data communication in industrial and mobile systems.

Results

The NHIRC-funded research focused on developing a plug-and-play medical device system that interfaces a hospital bed with a blood pressure monitor. The need for such a system has been identified by physicians and anesthesiologists due to inaccuracies in invasive blood pressure measurements associated with changing positions of a patient in a hospital bed. The proposed solution by IXXAT is to transmit the blood pressure readings to the hospital bed and let the hospital bed adjust itself based on a quasi-controller.

The grant provided an actual "real-world" medical device interoperability application that was demonstrated at a Medical Conference. This application then directly influenced major medical device manufacturers to begin a standardization process. The process introduced the company to engineers at medical device manufacturers and has led to increased sales.

One graduate student worked on the project and was hired by the company upon his graduation.

Applied GeoSolutions, LLC
Durham, NH



Applied GeoSolutions, LLC (AGS) was formed in 2000 to provide consulting services and training for environmental applications of geospatial technologies. Their mission is to promote scientifically sound cutting-edge geospatial technologies and provide integrated spatial information services for enhanced environmental stewardship

Results

The NHIRC-funded projects have been quite successful, but it is too early in the development cycle for the company to assess the commercial success. However, the company reported it was able to retain 1.5 FTE as a result of the project.

One USDA SBIR Phase I grant was awarded to the company to develop a web-based tillage practice monitoring system. This system will focus on using remote sensing for mapping and monitor agricultural tillage practices. Through the joint research with UNH funded by the NHIRC, the company has been able to stay at the forefront of this important research and the company reports that the NHIRC program has been extremely useful in building incremental components of the business.

Graphicast
Jaffrey, NH



Graphicast is a manufacturer of precision machined zinc alloy castings.

One of NH's Best Small Companies to Work for in 2009
(Business NH Magazine, December 2009)

Results

Graphicast had a recurring quality issue in its casting process that represented 65% of quality costs. Portions of the casting cavities were unfilled and occurred in a random fashion. Through NHIRC funds and working with the Thayer School of Engineering at Dartmouth, Graphicast was able to support experiments to isolate the most important factors for reducing drops.

As a result of the NHIRC project, Graphicast reduced their overall casting quality costs by 21% and reduced their drop costs by 32%. Of more financial impact than quality improvement was an increase in productivity and reduced unit costs applied to most castings. By using a casting optimization plan based on the Dartmouth findings, the company was able to reduce the production time on a troublesome part from 40 hours to 25 hours.

Presstek

Hudson, NH

Presstek was founded in 1987 and is a manufacturer and provider of digital imaging systems for commercial printing.

Results

NHIRC funding to Presstek supported the production of an original and effective printing plate that can be imaged and developed under low energy and chemically mild conditions. This innovative plate offers time and cost savings to customers, as the customer can image more plates per hour provides. In addition, environmentally friendly chemistry used in the process represents lower disposal costs for the customer. The company reports that results of the NHIRC project shows promise for product development.

An additional project benefit is an anticipated new sales opportunity for Presstek. The company reports that it could experience potentially a 4-8% increase in sales which would result in an increase in research staff, sales staff, and customer support in NH (at least 4 new jobs), with the potential for expansion of plate production within the state.

Three UNH undergrad students participated in this project, and one student presented her results at an undergraduate research conference. Students received hands-on laboratory experience in frontier research, interaction with the industrial real-world and a potential network for post-graduate employment. Presstek gave a technical seminar to the UNH materials science graduate program.

Pleasant View Gardens

Loudon, NH

Selected as the 2004 Grower of the Year by the *Greenhouse Grower* trade magazine, Pleasant View Gardens is a family-owned wholesale nursery founded in 1976 and the largest wholesale nursery in New Hampshire. Pleasant View Gardens ships plants to wholesale growers across the country as well as sells plants for retail nurseries and garden centers throughout the Northeast, selling approximately 40M plants annually.

Results

Many new varieties were developed through the NHIRC project in collaboration with UNH's ornamental breeding program. Nine of the developed varieties have been patented, including two very colorful flowers named "Wildcat Blue" and "Wildcat Orange". The flower varieties developed are vigorous, compact, colorful, and have distinguished blooming features. Increased sales of these breeding lines have yielded higher profits for the company.



**Foss Manufacturing LLC
Hampton, NH**

Foss Manufacturing is one of the world's largest needle-punch manufacturers and is the leader and pioneer in the production of non-woven fabrics and specialty synthetic fibers in an expanding number of environments,

Results

The NHIRC-funded project supported detailed analysis of Foss materials and processing steps and development of a test-bed approach using antibacterial efficacy carried out by UNH. The project enabled UNH students and faculty to be exposed to challenging materials processing and manufacturing critical to public health and security

**Suflex
Newmarket, NH**

Suflex was founded in 1946 as a manufacturer of standard or custom sleeving and tubing products for electrical insulation. The 65-year-old company in downtown Newmarket was saved from bankruptcy in 2003 after it was purchased by the plant's two managers. Prior to the purchase, Suflex had been losing money but the two employees acquired the company and have since turned it around.

Results

The plant housed an outdated and cost-prohibitive process for drying one of its key products — acrylic fiberglass sleeving. The NHIRC-funded project focused on developing a new, more efficient and less costly chemical formulation and drying process. The company experienced a 50 percent to 100 percent increase in the production process, and added nine new employees.

The NHIRC is managed by the Office for Research Partnerships and Commercialization at the University of New Hampshire through a Cooperative Agreement with the state Department of Resources and Economic Development.

Robert Dalton
Director
Email: robert.dalton@unh.edu

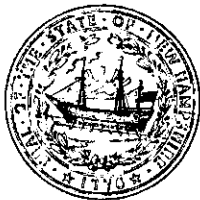
Paula Pelletier
Program Coordinator
Email: paula.pelletier@unh.edu

Office for Research Partnerships and Commercialization
University of New Hampshire
Gregg Hall
35 Colovos Road
Durham, NH 03824
Phone: (603) 862-4125

Prepared: January 4, 2010

Home Health Care Services Coverage Reimbursement Comparison

Medicare	State Plan (Medicaid)	HCBC-ECI Waiver (Medicaid)
Acute and Intermittent	Acute and Intermittent	Chronic and long term, in contrast to intermittent.
Coverage decision made by Home Health care provider, CMS oversight.	Coverage decision made by Home Care provider, NH DHHS SURS oversight.	Coverage decision made by case management with DHHS approval.
Medicare Certification required.	Medicare Certification required.	Medicare Certification NOT required.
Per episode or per visit (LUPA) reimbursement.	Per unit (fifteen minutes) reimbursement.	Per unit (fifteen minutes) reimbursement.
	Payor of last resort.	Payor of last resort.
Services definitions in 42 CFR 440 and 42 CFR 484.	Similar to Medicare, services defined in He-W 553.	For never covered Medicare services as defined He-E 801 and He-W 558.



Committee on Finance
New Hampshire House of Representatives
Legislative Office Building
Concord, New Hampshire 03301

603-271-3165

8:01

Voice mail received from
Sandra Page of Bedford, NH

Vote NO on HB 1664 -
NO Cannon Mt. run by
private firms.

(603) 566-7135

Voting Sheets

HOUSE COMMITTEE ON FINANCE

EXECUTIVE SESSION on HB 1664-FN

BILL TITLE: making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.

DATE: March 17, 2010

LOB ROOM: 210-211

Amendments:

Sponsor: Rep. House Finance

OLS Document #: 2010 1060h

Motions: OTP OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Smith

Seconded by Rep. Kurk

Vote: unanimous by show of hands. (Please attach record of roll call vote.)

Motions: OTP OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Smith

Seconded by Rep. Kurk

Vote: 24-0 (Please attach record of roll call vote.)

Motions: Please note: a motion was made to authorize the LBA to make technical/administrative corrections to #2010-1060. This will result in a new number being assigned to the amendment, which will be reflected in the final report of the committee. (Please see attached.)

Moved by Rep. Foose

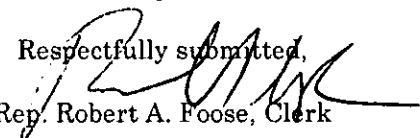
Seconded by Rep. Kurk

Vote: unanimous by show of hands. (Please attach record of roll call vote.)

REGULAR or CONSENT CALENDAR VOTE: (Please circle one)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Robert A. Foose, Clerk

HOUSE COMMITTEE ON FINANCE

EXECUTIVE SESSION on HB 1664-FN

BILL TITLE: making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.

DATE: ~~{Type DATE}~~ 10 3-17-10

LOB ROOM: 210-211

Amendments:

Sponsor: Rep. Smith / Kusk OLS Document #: 1060h
Sponsor: Rep. OLS Document #:
Sponsor: Rep. OLS Document #:

UNANIMOUS

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Smith
Seconded by Rep. Kusk
Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.
Seconded by Rep.
Vote: (Please attach record of roll call vote.)

REGULAR or CONSENT CALENDAR VOTE: (Please circle one)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,
Rep. Robert A. Foose, Clerk

FINANCE

Bill #: HB 1664-FW Title: making appropriate reductions in the operating budget for fiscal year 2011 & relative to State revenues & expenditures

PH Date: / / Exec Session Date: 03 / 17 / 10

Motion: OTP/A Amendment #: 1060h

MEMBER	YEAS	NAYS
Smith, Marjorie K, Chairman	24	
Nordgren, Sharon, V Chairman	1	
Eoster, Linda T Richardson	2	
Eaton, Daniel A	3	
Baroody, Benjamin C	4	
Benn, Bernard L	5	
Leishman, Peter R	6	
DeJoie, John	7	
Buco, Thomas L	8	
Foose, Robert A, Clerk	9	
Mitchell, Bonnie	10	
Keans, Sandra B	11	
Casey, Kimberley S	12	
Harris, Sandra C	13	
Kurk, Neal M	14	
Scamman, W. Douglas Weyler	20	
Anderson, Eric	16	
Emerton, Larry A	17	
Rodeschin, Beverly T	18	
Wendelboe, Fran	19	
Ober, Lynne M	21	
Dokmo, Cynthia J Graham	15	
Bergin, Peter F		
Belvin, William S	22	
Elliott, Robert J	23	
	24	0
TOTAL VOTE:		

Committee Report

REGULAR CALENDAR

March 18, 2010

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on FINANCE to which was referred HB1664-FN,

AN ACT making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Marjorie K Smith

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	FINANCE
Bill Number:	HB1664-FN
Title:	making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.
Date:	March 18, 2010
Consent Calendar:	NO
Recommendation:	OUGHT TO PASS WITH AMENDMENT

STATEMENT OF INTENT

Based on the most current analysis of the state's finances, the committee believes that the budget gap for fiscal years 2010 and 2011 will be at least \$132 million. This figure will be adjusted as the Ways and Means Committee prepares its revenue estimates, the federal government makes certain decisions that will affect state revenues, and as we benefit from reports on actual revenue and expenditures over the next few months. Meanwhile, honoring our responsibility to make every effort to maintain a balanced budget, the committee voted unanimously to make budget adjustments by eliminating \$47,131,121 of spending. This must be viewed as one step in this difficult process. Unlike the usual experience in budget years, the house will have an opportunity after crossover to continue to work on revenue and expenditure proposals. We tried to have the burden of these cuts shared by everyone in order to minimize the impact on any one group. This bill decreases state contributions towards Municipal Normal Contribution from 25% to 20% for one year only – FY 2011. Beginning in 2012 the state contribution will increase to 35%. In order to balance the increased burden on cities and town, the bill includes, again for one year only, an increase in the percentage that employees, teachers and permanent police and firefighters will contribute to their own pensions. The department of administrative services will consult with the State Employees Association to develop a plan to achieve \$1,000,000 of savings in the retirees' health insurance plan. These actions will result in approximately \$11 million decrease in state expenditures. The department of cultural affairs will be asked to reduce spending by about \$540 thousand. For fiscal year 2011 only, LCHIP appropriations will be reduced by about \$1 million and that money will go into the general fund in order to limit further reductions in natural resource protection and many other state activities including investment in recreational activities protecting the value of real property in New Hampshire. Appropriations to the department of health and human services were spread among DCYF diversion incentive programs, out of home placements and residential care, social services block grants, the developmental and acquired brain disorder services, certain provider payments and

Original: House Clerk
Cc: Committee Bill File

the governor's commission on alcohol and drug abuse prevention. The department of education funding for dropout prevention and local education improvement were reduced, as was funding for the department of information technology, the judicial branch, and the department of environmental services and the department of corrections. This budget adjustment process will continue as we work our way out of the recession.

Vote 24-0.

Rep. Marjorie K Smith
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

FINANCE

HB1664-FN, making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Marjorie K Smith for FINANCE. Based on the most current analysis of the state's finances, the committee believes that the budget gap for fiscal years 2010 and 2011 will be at least \$132 million. This figure will be adjusted as the Ways and Means Committee prepares its revenue estimates, the federal government makes certain decisions that will affect state revenues, and as we benefit from reports on actual revenue and expenditures over the next few months. Meanwhile, honoring our responsibility to make every effort to maintain a balanced budget, the committee voted unanimously to make budget adjustments by eliminating \$47,131,121 of spending. This must be viewed as one step in this difficult process. Unlike the usual experience in budget years, the house will have an opportunity after crossover to continue to work on revenue and expenditure proposals. We tried to have the burden of these cuts shared by everyone in order to minimize the impact on any one group. This bill decreases state contributions towards Municipal Normal Contribution from 25% to 20% for one year only – FY 2011. Beginning in 2012 the state contribution will increase to 35%. In order to balance the increased burden on cities and town, the bill includes, again for one year only, an increase in the percentage that employees, teachers and permanent police and firefighters will contribute to their own pensions. The department of administrative services will consult with the State Employees Association to develop a plan to achieve \$1,000,000 of savings in the retirees' health insurance plan. These actions will result in approximately \$11 million decrease in state expenditures. The department of cultural affairs will be asked to reduce spending by about \$540 thousand. For fiscal year 2011 only, LCHIP appropriations will be reduced by about \$1 million and that money will go into the general fund in order to limit further reductions in natural resource protection and many other state activities including investment in recreational activities protecting the value of real property in New Hampshire. Appropriations to the department of health and human services were spread among DCYF diversion incentive programs, out of home placements and residential care, social services block grants, the developmental and acquired brain disorder services, certain provider payments and the governor's commission on alcohol and drug abuse prevention. The department of education funding for dropout prevention and local education improvement were reduced, as was funding for the department of information technology, the judicial branch, and the department of environmental services and the department of corrections. This budget adjustment process will continue as we work our way out of the recession. Vote 24-0.

Original: House Clerk
Cc: Committee Bill File

HB 1664

OTP 24-0

Marjorie Smith for the majority of the committee.

Based on the most current analysis of the state's finances, the committee believes that the budget gap for fiscal years 2010 and 2011 will be at least \$132 million. This figure will be adjusted as the Ways and Means Committee prepares its revenue estimates, the federal government makes certain decisions that will affect state revenues, and as we benefit from reports on actual revenue and expenditures over the next few months. Meanwhile, honoring our responsibility to make every effort to maintain a balanced budget, the committee voted unanimously to make budget adjustments by eliminating \$47,131,121 of spending. This must be viewed as one step in this difficult process. Unlike the usual experience in budget years, the house will have an opportunity after crossover to continue to work on revenue and expenditure proposals. We tried to have the burden of these cuts shared by everyone in order to minimize the impact on any one group. This bill decreases state contributions towards Municipal Normal Contribution from 25% to 20% for one year only – FY 2011. Beginning in 2012 the state contribution will increase to 35%. In order to balance the increased burden on cities and town, the bill includes, again for one year only, an increase in the percentage that employees, teachers and permanent police and firefighters will contribute to their own pensions. The department of administrative services will consult with the State Employees Association to develop a plan to achieve \$1,000,00 of savings in the retirees health insurance plan. These actions will result in approximately \$11 million decrease in state expenditures. The department of cultural affairs will be asked to reduce spending by about \$540 thousand. For fiscal year 2011 only, LCHIP appropriations will be reduced by about \$1 million and that money will go into the general fund in order to limit further reductions in natural resource protection and many other state activities including investment in recreational activities protecting the value of real property in New Hampshire. Appropriations to the department of health and human services were spread among DCYF diversion incentive programs, out of home placements and residential care, social services block grants, the developmental and acquired brain disorder services, certain provider payments and the governor's commission on alcohol and drug abuse prevention. The department of education funding for dropout prevention and local education improvement were reduced, as was funding for the department of information technology, the judicial branch, and the department of environmental services and the department of corrections. This budget adjustment process will continue as we work our way out of the recession.

AK Smith
3/18/10

New Hampshire General Court - Bill Status System

Docket of HB1664

Docket Abbreviations

Bill Title: making appropriations reductions in the operating budget for fiscal year 2011 and relative to state revenues and expenditures.

Official Docket of HB1664:

Date	Body	Description
12/21/2009	H	Introduced 1/6/2010 and Referred to Finance; HJ 6 , PG.247
1/5/2010	H	Public Hearing: 1/19/2010 1:00 PM LOB 210-211
1/26/2010	H	==CANCELLED== Full Committee Work Session: 2/2/2010 10:00 AM LOB 210-211
1/27/2010	H	Rules Suspension, Extend Report Date to Mar 18 (Reps M.Smith & Kurk): MA VV by Req 2/3; HJ12 , PG.520
2/11/2010	H	==CANCELLED== Full Committee Work Session: 3/4/2010 10:00 AM LOB 210-211
2/24/2010	H	Full Committee Work Session: 3/16/2010 10:00 AM LOB 210-211
2/24/2010	H	==CANCELLED== Executive Session: 3/18/2010 10:00 AM LOB 210-211
3/9/2010	H	Full Committee Work Session: 3/15/2010 1:00 PM LOB 210-211
3/10/2010	H	Executive Session: 3/17/2010 10:00 AM LOB 210-211
3/18/2010	H	Committee Report: Ought to Pass with Amendment #1078h for Mar 24 (Vote 24-0; RC); HC 22 , PG.1224
3/18/2010	H	Proposed Committee Amendment #1078h; HC 22 , PG.1242-1249
3/24/2010	H	Lay on the Table (Rep Eaton): MA RC 212-151 ; HJ 30 , PG.1501-1511
5/13/2010	H	Remove From Table (Rep Packard): MF DIV 152-172; HJ 42 , PG.2120
10/13/2010	H	Died on the Table

NH House

NH Senate