



# New Hampshire State Senate **NEWS RELEASE**

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## **Senate Finance Chair: House Budget Has \$300M Hole**

*Concerned funding for critical access hospitals and dedicated funds like LCHIP and Unique Plan in jeopardy*

CONCORD, NH – With agency budget presentations basically complete and the Senate's revenue panel beginning to weigh on what to expect over the next two years, Finance Committee Chairman Chuck Morse gave his strongest indications yet today as to how he sees the state budget shaping up. The Salem Republican said the most recent numbers show a \$300 million hole in the budget the House sent to the Senate. Morse made his comments two days before a scheduled public hearing on the legislation at the Statehouse which usually draws hundreds of citizens.

"After hearing from 60 state agencies regarding their budget requests and considering the indications regarding revenue estimates we're getting from Ways and Means, I can tell you flat out, the budget is going to look a whole lot different when it leaves the Senate than it does now," said Morse. "This is because I am extremely concerned with the \$300 million hole in total funds we're seeing in the budget, \$250 million of which is the Medicaid Enhancement Tax (MET).

Ways and Means Chairman Bob Odell shared Morse's concerns saying, "It's become clear certain revenues the House relied on to build its budget are millions of dollars too high. On the Senate side, we're predicting only modest growth in funds over the next two fiscal years, so we're having a hard time agreeing with the overly optimistic estimates the House and the governor claim the state would realize from the MET hospital tax. Saying we will see \$231 million and \$250 million for gross MET revenues in FY'14 and FY'15 respectively is simply not being realistic. You build a future budget on revenues that have actually come in and, at this point, the Senate has better numbers than the House."

Morse added, "The Senate's intention has been to continue funding to critical access hospitals and be able to restore money to dedicated funds like LCHIP and the Unique Plan that serves under privileged student trying to go to college. But after hearing the numbers the Department of Revenue presented to our Ways and Means Committee yesterday, under the House budget, the funds to do so simply aren't there. And the Senate is not accepting tax increases."

Morse also noted the \$21 million the state recently received from the tobacco lawsuit settlement that the House is relying on to help balance its version of the budget for FY14-FY15 has already been applied to close the books for FY13. "You can't balance a budget with money that's already been spent," he said.

**Note:**

The Senate Finance Committee will hold a public hearing on HB1 and HB2 on Thursday, May 9<sup>th</sup> from 3pm-5:00pm, then 6:00pm-8pm in Representatives Hall, Statehouse second floor.

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