



# New Hampshire State Senate

## **NEWS RELEASE**

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**Media Contact:**  
Carole Alfano, 271-7585  
[carole.alfano@leg.state.nh.us](mailto:carole.alfano@leg.state.nh.us)

### **Senate Finance Committee Wraps Up Budget**

*\$10.7B spending package for FY14-FY15 lower than House and Governor*

*Morse calls it a balanced budget that invests in education and critical services without raising taxes*

CONCORD, NH -- After eight weeks of presentations and debate, the Senate Finance Committee wrapped up its discussion of the state budget today, voting to pass a \$10.7 billion spending package for the next biennium. The Senate's version comes in some \$400 million less than Governor Hassan's proposed budget and \$300 million less than the plan passed by the House without any reliance on increased taxes. The full Senate is scheduled to vote on the measure June 6<sup>th</sup>.

Finance Chairman Chuck Morse, R-Salem, commended his fellow committee members for their hard work and willingness to compromise. "In the end, we found a way to build a budget for the next two years that is balanced and invests in education and critical services without raising taxes or fees," he said. "Overall, the Senate Finance Committee's budget makes significant improvements over earlier versions submitted by the governor and passed by the Democratically-controlled House, including lower total and general fund spending, the use of realistic revenue estimates, and the removal of a number of unnecessary proposed programs."

Other highlights regarding the Senate budget include:

- **Revenues:** The Senate budget relies on realistic revenue estimates that recognize an increase in business taxes over the House based on recent strong returns in the BPT and BET, but are more conservative in other traditional revenue categories, including a reduction of more than \$100 million from expected Medicaid Enhancement Tax (MET) revenues.
- **No Tax Increases:** Senate budget writers removed the 12-cent gas tax and 20-cent tobacco tax passed by the House as well as House-passed tax increases on salt-water fishing and marriage licenses.
- **Education:** The Senate budget increases the combined general fund appropriation to the University and Community College Systems by over \$100 million in addition to directing a total of \$24.5 million to fully fund the UNIQUE Scholarship program. The budget also increases adequate education grants to cities and towns by nearly \$4 million over the biennium, removes the moratorium on new charter schools and provides funding for four new charter schools and stops efforts to repeal the School Choice Scholarship Program.



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- **HHS:** The Senate budget provides nearly \$24 million more to the department than was appropriated by the House. This includes full funding for the DD waitlist, restoration of the breast and cervical cancer screening and prevention program, and a significant increase in payments to county nursing homes. In addition, the Senate maintained the House's level of funding for the CHINS program, domestic violence prevention and mental health services.
- **Uncompensated Care:** After realizing honest MET revenues, the Senate increased funding for the state's uncompensated care program by \$20 million over the House's budget to ensure both critical access hospitals as well as the state's larger hospitals receive reimbursement for a portion of the uncompensated care they provide.
- **Expanded Medicaid:** The Senate budget removes provisions expanding Medicaid in New Hampshire opting instead to study the long-term costs of expansion via a bipartisan commission. The commission is charged with issuing a report by next December on a wide range of issues including the use of private insurers to cover New Hampshire residents and the impact expansion will have on taxpayers, patients, and providers.
- **Dedicated Funds:** The Senate budget removes provisions requested by the governor that would have granted her significant authority to raid dedicated funds to fill potential budget shortfalls. The Senate also ended the governor's planned raid of the Land and Community Heritage Investment Program (LCHIP) fund, allowing the full \$8.5 million raised by the program to be spent on conservation as intended by law.
- **No New Programs:** The Senate took steps to invigorate the economy by continuing business tax reductions and incentives rather than repealing them and proposing new programs that grow government. Budget writers believe strongly that the first priority should be funding the level of government we currently have before creating any new programs.

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