



New Hampshire Senate News Release

For Immediate Release
May 6, 2014

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Finance Chair Requests Updated Department Financials

Concord, NH - Senate Finance Chairman Jeanie Forrester, R-Meredith, today requested updated spending and lapse figures from each of the state's department and agency heads. Forrester's request is in response to underperforming April revenues, the ongoing Medicaid Enhancement Tax litigation, and concerns over the cost of the state's mental health settlement.

"As a result of the careful and conservative revenue estimates adopted in the state budget, I am pleased to say that the state is \$3.9 million, or 0.2-percent, above the revenue plan through the first ten months of the fiscal year," said Forrester in her letter to department heads on Tuesday morning. "While this is positive news for our taxpayers, it does necessitate increased vigilance from budget writers and department heads to ensure that we finish this fiscal year with the projected \$26.8 million surplus required keep the budget balanced," she continued.

Forrester's letter requests updated figures on each department's spending and projected lapse for the current fiscal year by Friday, May 16 in order to review the numbers with the Senate Finance Committee before the conclusion of the legislative session.

"While revenue collections to date would not necessitate [additional action] during this biennium, I do want to keep legislative leaders informed on the spending side so that we're prepared to act in the best interest of the state and our taxpayers should events warrant," concluded Forrester.

The full text of Chairman Forrester's letter to the Commissioner of Administrative Services Linda Hodgdon can be found below. Identical letters were also sent to nineteen other state departments and agencies.

Dear Commissioner Hodgdon:

I write to request an update on the Department of Administrative Service's budget projection as we near the conclusion of the first year of the biennium.

As a result of the careful and conservative revenue estimates adopted in the state budget, I am pleased to say that the state is \$3.9 million, or 0.2-percent, above the revenue plan through the first ten months of the fiscal year. While this is positive news for our taxpayers, it does necessitate increased vigilance from budget writers and department heads to ensure that we finish this fiscal year with the projected \$26.8 million surplus required keep the budget balanced.

Though the state's economy continues to improve, underperforming April revenues in some important categories, most noticeably our business taxes, have raised concerns among the Senate Finance Committee. In addition, both the mental health settlement, as well as ongoing litigation regarding the Medicaid Enhancement Tax, raise the possibility of unanticipated spending or a revenue shortfall at some point over the next year. It is easy to see how any one of these issues could cause a significant disruption in the state's budget.

Therefore, I am requesting an update on each department's spending and projected lapse for FY14 to ensure legislative leaders are fully informed on state spending. As you may recall, as a result of the shortfalls in both the FY 08/09 and 10/11 budgets, Governor Lynch issued a series of Executive Orders restricting and reducing state spending to ensure the state budget remained balanced. While revenue collections to date would not necessitate such measures during this biennium, I do want to keep legislative leaders informed on the spending side so that we're prepared to act in the best interest of the state and our taxpayers should events warrant.

Thank you in advance for your response to this request by Friday, May 16. Should you have any questions, please do not hesitate to contact my office.

Sincerely,

Jeanie Forrester
Chairman, Senate Finance
NH State Senate, District 2

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