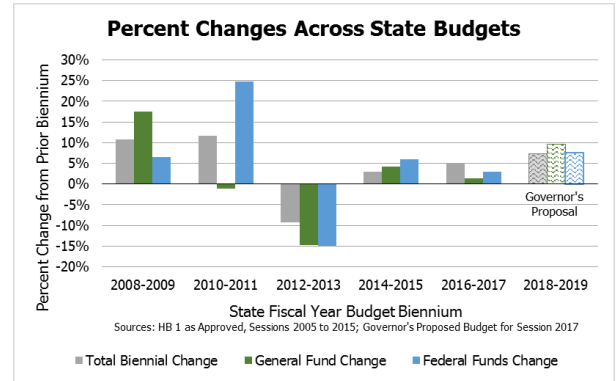


# The Governor's Proposed Budget

## Summary of the State Fiscal Years 2018-2019 proposal

Governor Sununu's operating budget proposes moderate overall growth in State spending, a total of 7.3 percent growth above the current biennium's budget unadjusted for inflation. This is higher than the 5.1 percent growth of the current budget over its State Fiscal Years (SFY) 2014-2015 predecessor and the 3.0 percent growth of that final budget over the SFYs 2012-2013 budget before it. The General Fund, which is unrestricted revenue and does not include dedicated funds, grows by 9.6 percent over its predecessor in the Governor's proposal, which would be the highest for an approved State budget since the SFYs 2008-2009 budget. However, while Governor's budget proposals in recent cycles have been lower than total agency requests, the Governor's proposed budget has been larger than the final budget that passed the Legislature for the last three budget cycles.

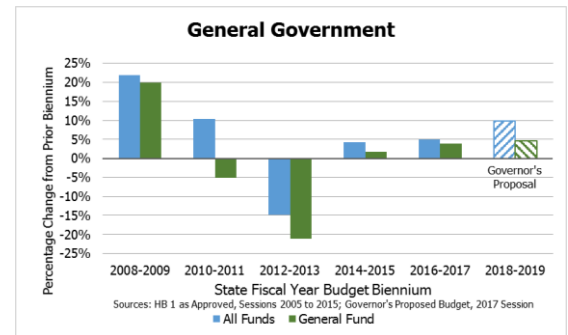


All spending in the State government is put into six Categories based on the spending's general purpose, arranged by State agency. For example, the "Education" Category includes the Department of Education, the Community College System, the University System, the Police Standards and Training Council, and the Lottery Commission (which generates money for education). The changes outlined here compare appropriations as provided in Section 1 of House Bill 1, the primary budget allocation tool, but do not adjust for planned lapses or other changes in House Bill 2. This analysis also does not include the capital budget, released by the Governor with the operating budget, or the new policy initiatives associated with the Governor's proposed Infrastructure Revitalization Fund, which is supported by one-time surplus dollars. For more on Categories and the budget process, please see our *Building the Budget* resource at [www.nhfpi.org](http://www.nhfpi.org).

### Category 1: General Government

Key changes between the adjusted SFY 2017 budget and the Governor's proposal include annual changes of approximately:

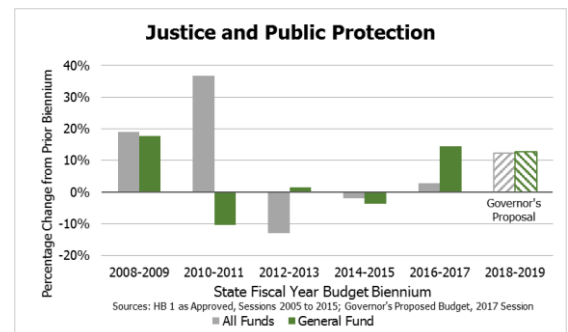
- \$4.4 million more for the Office of Energy and Planning
- \$30 million more for the Department of Information Technology, which is paid fees by other agencies for IT services, with \$20 million of this increase to Dept. of Health and Human Services for contracts
- \$3.9 million more in SFY 2018 and \$7.5 million in SFY 2019 from the General Fund for retiree health insurance
- \$5 million less in non-school building debt service costs in SFY 2018



### Category 2: Administration of Justice and Public Protection

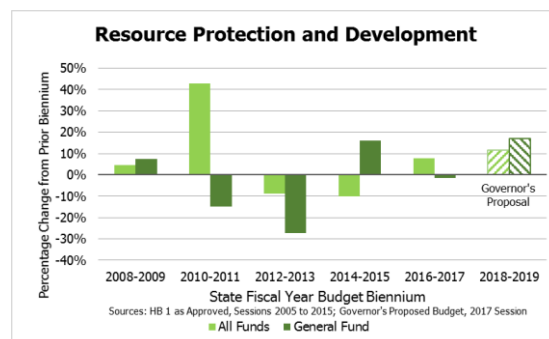
Key changes between the adjusted SFY 2017 budget and the Governor's proposal include annual changes of approximately:

- \$4.5 million more in SFY 2018 and \$6 million more in SFY 2019 for the Judicial Branch
- \$8.3 million and \$11.1 million increases at the Department of Corrections in the two budget years, respectively
- \$6.7 million increase to grants management at the Justice Department
- Boosts to Liquor Commission marketing and merchandising, primarily for debt service and rents, and financial management totaling \$7.4 million in SFY 2018 and \$14 million in SFY 2019
- \$3 million increase to the Division of State Police



### Category 3: Resource Protection and Development

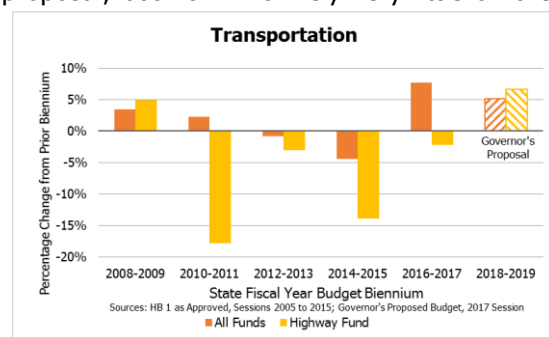
The major changes in this Category surround the proposed reorganization of the Department of Cultural Resources (from Category 1) and the Department of Resources and Economic Development into the new Department of Business and Economic Affairs and Department of Natural and Cultural Resources. The Fish and Game Department has no major proposed changes, and the Department of Environmental Services Water Pollution Division has a proposed decrease in both General Fund and total fund allocations for SFY 2019 of \$879,000 and \$2.2 million, respectively, relative to SFY 2017, but SFY 2018 shows increases from both sources.



### Category 4: Transportation

Key changes between the adjusted SFY 2017 budget and the Governor's proposal, both of which rely very little on the General Fund and employ Highway Fund dollars for transportation operations, include annual changes of approximately:

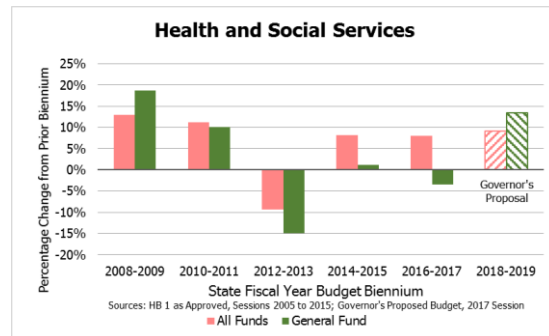
- \$3 million in the Department of Transportation administration budget, in part due to transfers to other agencies
- With changes in federal funds, \$1.4 million less for railroads and \$8.6 and \$10.5 million more in SFYs 2018 and 2019, respectively, for State bus services and facilities
- \$8 million less in Turnpike debt service, declines in certain Turnpike equipment and repair dollars as budgeted, and \$3.2 million and \$4.7 million increases in construction material costs; Turnpike operations primarily rely on income from tolls



### Category 5: Health and Social Services

Key changes to the Department of Health and Human Services budget between the adjusted SFY 2017 budget and the Governor's proposal include annual changes of approximately:

- \$4.1 million more, averaged for SFYs 2018-19, for the Bureau of Child Protection at the Division of Children, Youth, and Families (DCYF)
- \$7.5 million more, averaged, for DCYF's Child Development Bureau
- \$1.1 million more for the Human Services Director's office at DCYF
- \$102 million more on average, with \$54.4 million on average from the General Fund, to the Medicaid office
- Phasing and zeroing out the Division of Community Based Care Services and long-term care elderly services, likely in a planned transition to Managed Care under Medicaid
- \$18.8 million and \$30.5 million to the Division of Developmental Services in SFYs 2018 and 2019, respectively
- \$19.5 million more in federal grant money, and a \$3.5 million decline in General Fund appropriations, for the Division of Family Assistance
- \$4.8 million more to the Bureau of Drug and Alcohol Services, \$4 million more to the Bureau of Mental Health Services, and \$3.5 million more of the Bureau of Community Health Services
- Substantial increases to the Quality Assurance and Improvements, Commissioner's, and Information Services Offices



### Category 6: Education

Key changes between the adjusted SFY 2017 budget and the Governor's proposal include annual changes of approximately:

- \$10 million more for the Division of Educational Improvement
- No operating funding change for the University System or the Community College System; the Community College System was allocated \$9.6 million in the proposed capital budget for information technology and other infrastructure improvements
- Adequate Education Grant funding levels remain similar

