



Common Cents

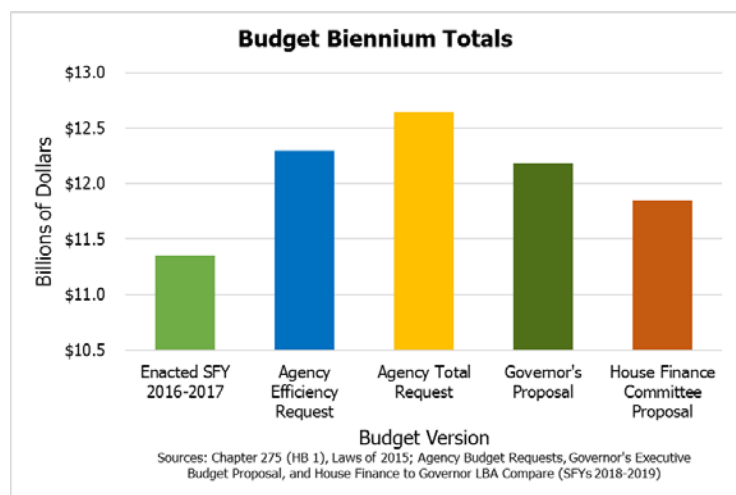
New Hampshire Fiscal Policy Institute Blog

House Finance Committee Finalizes Full Budget

March 28, 2017

The House Finance Committee completed [its version](#) of the budget on March 28, which is two days ahead of the deadline set by legislative leadership. (See our [Building the Budget](#) resource for more information on the budget process.) With the House Ways and Means Committee [projecting](#) \$86.7 million less in revenues than Governor Sununu's [projections](#) for State fiscal years (SFY) 2017, 2018, and 2019, the House Finance Committee was restricted to using less surplus income from SFY 2017. The House also expects \$58.8 million less revenue to come in during SFYs 2018 and 2019, requiring a smaller budget relative to the \$12.185 billion [plan](#) put forward by Governor Sununu.

The House Finance Committee trimmed \$330.6 million from the budget in a [few key ways](#). The Committee replaced the \$10 million appropriated for the biennium for the Governor's Scholarship Program to \$1 per year, leaving the legal infrastructure in place in case the State Senate identifies revenue to support the initiative. The Committee also eliminated the \$18 million appropriated to the full-day kindergarten sliding-scale subsidy proposed by Governor Sununu. The Liquor Commission's budget was reduced approximately \$7.5 million, as enforcement and advertising dollars were reduced significantly from the Governor's proposal, and there was a reduction in funding for proposed State Police positions at the Department of Safety. The Committee also revised the Gateway to Work program, renamed Granite Workforce, to be a pilot program, trimming \$9.3 million out of it for the biennium and moving some of the Temporary Assistance for Needy Families dollars that would have helped support that program to pay for the Child Development Program and other operations. The Sununu Youth Service Center also received a funding cut of \$6.6 million, relative to the Governor's budget proposal, and the proposed House Bill 2 (the



Gateway to Work program, renamed Granite Workforce, to be a pilot program, trimming \$9.3 million out of it for the biennium and moving some of the Temporary Assistance for Needy Families dollars that would have helped support that program to pay for the Child Development Program and other operations. The Sununu Youth Service Center also received a funding cut of \$6.6 million, relative to the Governor's budget proposal, and the proposed House Bill 2 (the

budget's "[Trailer Bill](#)") limited the capacity of the Center to 36 residents. The House Finance Committee budget adjusts the Governor's proposed budget to eliminate or adjust start dates for new positions at the Department of Corrections, related to the completion of the new women's prison, and the Judicial Branch. The legal services funding to New Hampshire Legal Assistance to pay for four additional employees in the Claremont and Berlin offices was also reduced, and the Alcohol Abuse Prevention and Treatment Fund would be reduced by about \$6.5 million over the biennium relative to the Governor's proposal.

The House Finance Committee budget [adds](#) \$25 million per year in grants to municipalities and does not require State employee retirees born before 1949 to contribute to their health coverage. The House Finance Committee also opted to not initiate the consolidation of Department of Health and Human Services information technology activities into the Department of Information Technology through the budget's legislation. Two additional revenue sources were added. Keno games, to be regulated by the Lottery Commission, is projected to bring in \$16.5 million in revenue, most of which would be diverted to the Education Trust Fund. Lottery tickets could also be sold through mobile applications or over the internet, which is anticipated to boost sales revenue by \$13 million during the biennium.

While the House Finance Committee trimmed \$111.5 million out of the Governor's budget proposal through changes in real spending, the Committee completed the rest of the reductions primarily through taking anticipated federal revenue out of the budget where it could be accepted by the [Joint Legislative Fiscal Committee](#) instead. This approximately [\\$219.1 million](#) would likely still be a component of State spending, but would no longer appear in the State budget and instead be accepted by the Fiscal Committee during the biennium. This change may make the State budget and the scope of State spending less transparent and more difficult for citizens to understand.

The House Finance Committee also wrapped up SFY 2017 differently than the Governor had proposed. The Committee restructured the Infrastructure Revitalization Trust Fund to use \$45 million in SFY 2017 surplus, rather than \$84.4 million, and use existing funding mechanisms; the Committee's budget would also draw money from the [Rainy Day Fund](#), bringing it from about \$93 million currently to approximately \$81.8 million at the end of SFY 2017, rather than the Governor's proposed boost to \$100 million. The Department of Health and Human Services deficit is filled using \$36.5 million, rather than the \$50.1 million proposed by the Governor, due to updated deficit estimates.

The House Finance Committee's State budget proposal goes to the full House of Representatives for debate and a vote on [April 5 and 6](#).

NOTE: This post was updated on April 3, 2017 to include revised information from the Office of Legislative Budget Assistant.