

HOUSE REPUBLICAN ALLIANCE RECOMMENDATION SHEET

The purpose of the House Republican Alliance is to preserve and strengthen the traditional principles and values of the Republican Party through the NH House of Representatives and throughout the state of NH, including fiscal restraint, personal freedom and responsibility, small government, free enterprise and strong families. We offer the following recommendations based on those principles, the Republican Party Platform, and the NH and Federal Constitutions



"TRUST BUT VERIFY"

Wednesday, April 5, 2017
Regular Calendar

<p>HB1-A Vote Your Conscience on Committee Amendment *</p> <p>Oppose OTP/A without tax and spending cuts</p>	<p>HB2-FN-A-LOCAL Vote Your Conscience on Committee Amendment</p> <p>Oppose OTP/A without tax and spending cuts</p>	<p>HB25-FN-A Support Floor Amendment</p> <p>Vote Your Conscience</p>
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Public Works and Highways

HB25-FN-A, making appropriations for capital improvements. OTP/A

HRA Analysis: This is consistent with prior years and the treasurer's recommendation if the additional money had not been included by the committee for the Bearcat storage facility. The original \$750,000 cost was inflated to \$2.5 Million for a 8,400 ft² facility after the bids were received. . A floor amendment will remove this line item from the budget. This was the lower priority item of the two projects from the Department of Safety. The platform states: "Justify expenditures against measurable benefits" paying \$2.5 million to store SWAT team trucks and impounded vehicles at \$300/ft fails to meet that requirement.

HRA Recommendation:

Support Floor Amendment 2017-1289h.

OTP/A: Vote Your Conscience.

Finance

HB1-A, making appropriations for the expenses of certain departments of the state for fiscal years ending June 30, 2018 and June 30, 2019. MAJORITY: OTP/A. MINORITY: ITL.

HRA Analysis: See Below Detailed Explanation. Platform issue: Low Taxes are the Result of Low Spending.

HRA Recommendation: Vote Your Conscience on the Committee Amendment *(See note 2 a-e). Oppose OTP or OTP/A if no floor amendments to reduce spending and cut taxes are adopted, or if floor amendments that increase spending and/or taxes are passed.

HB2-FN-A-LOCAL, relative to state fees, funds, revenues, and expenditures. MAJORITY: OTP/A. MINORITY: ITL

HRA Analysis: See Below Detailed Explanation. Platform issue: Low Taxes are the Result of Low Spending.

HRA Recommendation: Vote Your Conscience on the Committee Amendment. Oppose OTP or OTP/A if no floor amendments to reduce spending and cut taxes are adopted, or if floor amendments that increase spending and/or taxes are passed.

HRA Analysis for HB1 and HB2

1. The House Finance Committee amendment improves upon the Governor's budget in important ways.
 - a. No new or increased taxes or fees (Platform: strongly oppose new taxes and fees)
 - b. No funding for full day kindergarten: While there is nothing specifically opposed to funding full day kindergarten in targeted schools, House Republicans are concerned that doing so increases government spending unnecessarily, does not improve educational outcomes, only affects individuals in certain communities, and could drive up taxes in the future.
 - c. Supports charter schools by increasing funding by \$250 per pupil per year (Platform: Encourage education freedom to allow all parents to choose the best public, private, charter or home school program for their children.)
2. However, as amended by the committee, HB1 and HB2 need further improvements to address other Platform principles.
 - a. *Depending on the analysis and the rate of inflation used, the total budget at \$11.85 billion. (Platform: limit the growth of state spending to not more than the rate of inflation plus population growth. The rate of inflation according to the CPI for the last two years was .7% and 2.1%, for total of 2.8%. This is far below the 4.4% increase of the budget itself, making it too high to be supported by the platform. Also, the increase of 10.52% to the general fund itself is three times the

rate of inflation according to the CPI. If you use different inflation rate figures from another source you might find 4.4% justified, but the 10% growth of the general fund is still twice that inflation rate, and this is the only fund that we have complete control over.

- b. As amended, the budget enables Keno and Mobile Lottery gaming, which is expected to raise \$31 million in revenue. (Platform: rejected expanded casino and video lottery gambling as a means to balance the budget or increased spending)
- c. Does not directly reduce taxes. (Platform: Cut or eliminate taxes which inhibit enterprise, earning and savings and investment, such as the Interest and Dividends Tax and the Business Enterprise Tax/Business Profits Tax)
- d. As amended by the committee, the budget sends state government money to town governments. While there is reason and hope to believe that \$25 million in the first year will go to property tax reductions, there are no guarantees and significantly less hope that this will happen in the second year. (Competing Platform issues: Maintain local control of spending and taxes designed to support local services AND We believe that low taxes are the result of low spending; that government has a moral obligation to the people to be as cost effective as possible, to always limit spending and growth of government, and to cut spending at every possible turn.")
- e. As amended, the budget does not include approximately \$220 million in spending that will undoubtedly be spent once approved by the Fiscal Committee. It also does not include approximately \$820 million in spending that comes from Medicaid Expansion under Obamacare. (Platform: Expand openness and transparency to employment, expenditures and all recipients of taxpayers' funds.)

There will be a number of floor amendments proposed. Since it is difficult to know precisely what all of these will be in advance, we ask that you:

- Support amendments that will Reduce spending and/or reduce taxes
- Oppose amendments that will Increase spending and/or taxes
- Support amendments that improve transparency of spending
- Support amendments that ensure taxpayer dollars don't go to abortion services