

## Concord Report

July 1, 2019

At the end of the session, bills which have passed both houses, but which may have been amended to contain different provisions, go through a period of bargaining and compromise in committees of conference. If all goes well and successful compromises are reached between the Senators and Representatives from both parties on these committees, the bills are reported back to the both houses of the legislature for final action. If those compromises are approved by both bodies they go on to the Governor's desk. The Governor has five days to veto, sign, or simply ignore the bill - in either of the last two cases the bill will become law.

The single most important bills before the legislature this year were the budget bills. Should the Governor veto the budget, the state would have to cease all operations by midnight, June 30 - the end of the fiscal year. However, the state could keep operating under a continuing resolution, if that action is approved by the General Court prior to disbanding. Such a resolution would need to specify the term for its duration, the specific items to be funded, and the funding amounts. Finally, it would need to be approved by the House, the Senate, and the Governor.

The budget, encompassed in HB 1 and HB 2, is the single most important item on the legislative agenda. No matter what anyone says, the budget demonstrates what matters to the various parties. If education has the highest priority – it will show in the budget. If providing property tax relief, a higher minimum wage, or increased mental health services are truly valued – they will be properly funded in the budget.

The education bills that Rep. Tanner outlined in our previous articles are now a part of the final budget bill. Although somewhat altered via the compromise process, the basic ideas and the necessary funding increases are still there. Adding to pressure for school funding reform, the ConVal and Winchester school districts sued the State for not meeting New Hampshire's constitutional requirement to fund an adequate education for every student. The superior court judge who recently ruled in favor of the school districts, placed the burden for determining adequate funding squarely in the hands of the legislature: *“The State [has] the exclusive obligation to fund a constitutionally adequate education....The distribution of a resource as precious as educational opportunity may not have as its determining force the mere fortuity of a child's residence. It requires no*

*particular constitutional expertise to recognize the capriciousness of such a system.”*

HB1 and HB2 include most of the ideas the House and Senate passed concerning school funding. The independent commission to thoroughly study school funding - which was a top priority for the House - remains. It will enable experts in the field of educational funding and other key stakeholders the opportunity to analyze NH's school funding mechanism, and, most importantly, to make recommendations for change. New Hampshire's legislators will be charged with making the final decisions.

For FY 2020-21, stabilization funds are to be reinstated at the 2016 levels, as the House requested. Fiscal capacity disparity aid, which will provide short term, stop-gap funding increases in adequacy per pupil, is still in, albeit with a number of changes, as is full funding for kindergarten. But whether the new level of funding is sufficient to meet the court's ruling remains doubtful. The \$138 million increase over the next two years is the largest funding increase for our public schools at any time over the last 20 years. It will not only help our school districts, but it will also help local property tax payers as well, by reducing the amount of taxes that need to be raised locally. If the budget is passed and signed, it will come into effect in time to impact the 2020 school year.

Other key features in the budget include money to build a new, secure psychiatric hospital; support for affordable housing and homeless services; and \$8 million for increased pay rates for mental health and substance abuse treatment providers. The conferees agreed on a \$17.5 million, 25-bed, secure psychiatric unit to be built on the grounds of NH Hospital. The goal is to remove individuals who are civilly committed from the State Prison where they undergo prison conditions, including solitary confinement. Unfortunately the family and medical leave insurance program (which was to have been funded by a payroll tax deduction) had to be dropped, as the Governor was adamantly opposed to this measure. However, sufficient funding to implement the program remains in the budget, if it can be successfully established next year. The effort to tax capital gains was also dropped due to the Governor's opposition. Nevertheless, provisions halting the continued loss of funding to the state by freezing previously projected business tax cuts was retained. Without this measure, state revenues would have been inadequate to achieve the legislature's agenda - to increase funding for the state's most vulnerable populations and invest in NH's future.

Housing Action NH says advocates are on the cusp of some major victories. The budget includes major investments in affordable housing and homeless services, including an annual deposit of \$5 million from the real estate transfer tax into the Affordable Housing Fund. Homeless services will get \$2 million in funds for eviction prevention, \$1 million to expand case management, \$1 million for rapid rehousing, and \$400,000 for homeless youth outreach. Also included is an amendment directing the Commissioner of Health and Human Services to amend the state Medicaid plan to create a Medicaid benefit for supportive housing services. The Lead Paint Hazard Remediation Fund has been created and given \$3 million for loans to finance lead removal in low income homes and child care centers. The proposal to create a statewide housing appeals board was adopted, despite resistance from many local officials. But, in the words of Housing Action NH, “celebrations will need to wait until bills are signed and the budget is finalized.”

Conferees considering [SB 10](#), the minimum wage bill, approved a version closer to that of the House than the Senate. It sets the minimum wage at \$10 per hour starting January 1, 2020 and increases it to \$12 per hour in 2022. Senate conferees agreed to remove the reference to a lower minimum wage for workers who get paid sick leave. The conferees agreed to set the tipped minimum wage at 45 percent of the current minimum wage (in other words, when the minimum wage goes up, the minimum for tipped workers will rise as well). “Raising the minimum wage honors the dignity of work,” commented Senator Donna Soucy, the prime sponsor of SB 10, after the CoC completed its work. “Today’s action puts forth the best bill possible to raise New Hampshire’s minimum wage and is a huge step forward for our state’s workforce that will support working families and continue growing our economy,” she added.

News that the Department of HHS has been unable to reach some 20,000 recipients of expanded Medicaid to explain the work requirements that are supposed to go into effect next month gave legislators impetus to amend and adopt [SB 290](#), relative to the New Hampshire Granite Advantage Health Care Program. The amended bill provides the Commissioner of DHHS the authority to waive the work requirement or waive suspension from the program, until July 2021, if there is an inability to communicate with members who are not already exempted or in compliance with the work rules.

That should come as a relief to recipients and human service workers. “Staff at community health centers and attorneys working with Medicaid beneficiaries say

many people appear overwhelmed by the new rules, exemptions, and forms that are needed to comply with the new work requirement,” reports Jason Moon on [NHPR](#). Some recipients are so frustrated that they’re choosing to drop out of the program altogether, he reported.

The final step for the budget is the Governor’s office. Again, unless he vetoes it, the budget will become law, either with or without his signature. Unfortunately, the Governor has indicated that he has mixed feelings about both the budget as a whole and school funding in particular. By the time you read this, we will know the outcome, and the nature of any counter measures being undertaken. Please stay engaged, particularly if there is an effort at a veto override. Call the Governor’s office at 603-271-2121 and let him know your values and your priorities.

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