

New Hampshire Governor MAGGIE HASSAN

Press Release

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Governor Hassan's Veto Message Regarding HB 1 & HB 2

CONCORD – Governor Maggie Hassan released the following message after vetoing HB 1 and HB 2 today:

"By the authority vested in me, pursuant to part II, Article 44 of the New Hampshire Constitution, on June 25, 2015, I have vetoed House Bills 1 and 2, making appropriations for the expenses of certain departments of the state for fiscal years ending June 30, 2016 and June 30, 2017.

"To keep our economy moving in the right direction, I originally proposed a fiscally responsible, balanced budget that was transparent and honest about how we would support critical economic priorities without an income or a sales tax. The plan that I proposed clearly set those economic priorities, including holding down the cost of higher education, strengthening public safety, ensuring access to affordable health care, and repairing our roads and bridges.

"I have vetoed the budget passed by the legislature because it is unbalanced, makes false promises about what it funds, and gives unpaid-for tax giveaways to big corporations, many based out-of-state, at the expense of critical economic priorities, including higher education, health care, public safety and transportation. The long-term impact of these unpaid-for corporate tax cuts will create a more than \$90 million hole in future budgets, further eroding our ability to encourage economic growth.

"This budget is unbalanced. The legislature double-counted carryforward funds, attempting to take money that has been designated and appropriated to pay for 2015 bills, and instead proposed to use it to balance its 2016 budget. This gimmick would have forced cuts to this budget within months of enactment, eliminating the increased funding that many people thought they were being promised in this budget.

"Compounding the danger to our state's future, the legislature used more than \$65 million in 'one-time' sources of revenue in this budget. When combined with the impact of the unpaid-for corporate tax cut, the gap that would need to be filled in the very next budget would exceed \$100 million. This gap would force the next legislature to make even deeper cuts to a budget that is already under-funded in critical areas.

"For example, the budget that I have vetoed would not provide any year-to-year increase to our university system – which is still funded below 2010 levels and receives among the least amount of state support in the nation – jeopardizing our efforts to hold down the cost of higher education to help keep more of our young people here in New Hampshire for college and their careers. In the face of an opioid crisis, it would not adequately fund substance abuse prevention, cutting my proposal for the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment and Recovery by more than 30 percent.

"This budget would force the Sununu Youth Services Center to cut a quarter of its budget without a plan for how to achieve those savings while seriously undermining its ability to help youthful offenders put their lives back on track. It neglected to include a modest cost-of-living increase for employees, even though the state reached a good-faith negotiated agreement prior to our budget proposal. In funding the Department of Transportation, the legislature would divert funds that were intended to provide additional road and bridge repairs, and it underfunded snow plowing and removal by nearly \$5 million.

"And this budget would not ensure the continuation and funding for our successful and bipartisan New Hampshire Health Protection Program, jeopardizing health insurance coverage for more than 41,000 New Hampshire citizens and creating uncertainty for our businesses, our health insurance market and our economy. It would also jeopardize

access to substance abuse and mental health treatment that is provided under our bipartisan expansion plan and is making a real difference to the health and safety of our citizens and our communities.

"I have made clear to legislative leaders that I am not philosophically opposed to reducing corporate tax rates and that I am willing to work together, compromise and negotiate to reach a better, more responsible and balanced budget. I have put forward concrete ideas that would reduce business tax rates while ensuring that those cuts are paid for in order to protect our state's long-term finances and economic future.

"I did not come to the decision to veto this budget lightly. I would prefer to work together to find a compromise path forward, and I remain committed to such efforts.

"My responsibility as Governor is to consider both the short- and long-term impacts of legislation and stand up for today's citizens of New Hampshire, as well as for the future. I will not trade New Hampshire's economic future for an inadequate, unbalanced budget today. Therefore, I have vetoed HB1 and HB2."