



DATA POINTS

Using Information and Ideas to Transform Public Policy

Battle lines: A Guide to the Budget Committee of Conference

UPDATED

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The Committee of Conference is over and a final budget has been produced for approval by both chambers; so what became of all of the controversial items? For the most part, the House acceded to the Senate position on most issues, although for the two largest stumbling blocks in the budget, Medicaid Expansion and Personnel Reductions, there was some compromise.

However, it bears repeating that both proposed budgets were very similar in terms of funding priorities and spending levels.

General Government:

LCHIP: Under the Senate budget, the Land Conservation and Heritage Improvement Program, (LCHIP) now receives all of the proceeds from the registry of deed surcharge, rather than only a portion. In past years this revenue has been diverted from this program into the General Fund to pay for other state expenses. The House added some of the money back in, while the Senate returned all of the funds. This change increases the money destined to the program by \$3 million over the biennium.

HOUSE ACCEDED TO SENATE POSITION, PROGRAM FULLY FUNDED

The UNIQUE Program: This program that grants income based scholarships to college students. The House budget continued to practice of using program revenue to help fund the Community College and University Systems directly, rather than issuing the scholarships. The Senate pulled the money from the two systems and replaced it with General Fund money, returning the UNIQUE program to full funding. This move results in \$22.6 million for scholarships over the biennium.

HOUSE ACCEDED TO SENATE POSITION, PROGRAM RESTORED

Office of Innovation and Efficiency: This new office was proposed by Governor Hassan. The House budget pared back some of the funding for the office, while the Senate eliminated it entirely, a savings of \$532,697 in General Fund money.

HOUSE ACCEDED TO SENATE POSITION, PROGRAM ELIMINATED

Back of the Budget:

- The Senate reduces the General Fund appropriations reduction proposed by the House for the Legislative Branch by \$500,000 in FY 2015.

HOUSE ACCEDED TO SENATE POSITION

- The Senate adds a General Fund reduction of \$1 million for the Department of Revenue Administration.

COMMITTEE AMENDMENT: REDUCTIONS OF \$750,000 FOR FY14 AND \$500,000 FOR FY15

Administration of Justice and Public Protection:

FEMA: Though it appears from the bottom line that there is a cut of \$18.5 million, it is not actually a cut. Rather, Federal Emergency Management Administration (FEMA) funds are removed from the operating budget.

HOUSE ACCEDED TO SENATE POSITION, FEMA MONEY REMOVED

Green Launch Pad: The Senate eliminates the Green Launch Pad proposed by the Governor, and passed by the House, reducing expenditures by \$500,000 over the biennium.

HOUSE ACCEDED TO SENATE POSITION, PROGRAM ELIMINATED

Human Rights Commission: The Senate deletes the additional new anti-discrimination investigator added by the House while retaining the one added in the Governor's budget.

HOUSE ACCEDED TO SENATE POSITION, INVESTIGATOR POSITION ELIMINATED

Back of the Budget:

- The Senate increases the General Fund appropriations reduction for the Judicial Branch by an additional \$424,500 over what the House proposed.

HOUSE ACCEDED TO SENATE POSITION

Resources and Economic Development:

Department of Environmental Services State Aid Grants: The Senate increased State Aid Grants by \$4.4 million over the House, thereby fully funding the program in FY2014. These are grants given to the municipalities to help pay for water treatment projects.

HOUSE ACCEDED TO SENATE POSITION, PROGRAM FULLY FUNDED

Clean Water State Revolving Fund (CWSRF): The Senate reduced Loans and Repayments to the fund by \$20 million and \$10 million respectively from the House budget. While the DES hopes to receive these Federal grants, that are not guaranteed to receive them. Rather than put uncertain money in the budget, the Senate opted to reduce the line items.

HOUSE ACCEDED TO SENATE POSITION, CWSRF MONEY REMOVED

Transportation:

The only difference in the Transportation budget is the reduction of just shy of \$24 million in

Federal money available for local projects. This cut, like the one for CWSRF is based on the uncertainty of the Federal grants in question.

HOUSE ACCEDED TO SENATE POSITION, FEDERAL MONEY REMOVED

Health and Human Services:

As discussed in an earlier piece, [*Governor, House and Senate Largely the Same in HHS Spending*](#), the both the House and Senate budgets for HHS are quite similar in key areas. There are two major differences however:

Uncompensated Care: This program makes payments to hospitals to help defray the cost of charity care, is one of the areas of greatest disagreement between the House and Senate. The Senate budget spends \$174 million less (half of which is a Federal match) than the House on this program. This is entirely due to the large discrepancy in revenue estimates for the Medicaid Enhancement Tax.

HOUSE ACCEDED TO SENATE POSITION ON MET REVENUES AND SUPPLEMENTAL \$20 MILLION IN GENERAL FUND MONEY

Medicaid Quality Incentive Pay (MQIP): Much like the UNIQUE program, MQIP money is removed from the operations of Nursing Services and replaced with General Funds. The MQIP money then receives a Federal match and is returned to the nursing homes.

HOUSE ACCEDED TO SENATE POSITION

Back of the Budget:

- General Fund Appropriation Reduction: The Senate budget cuts \$7 million while the House budget cuts \$4.5 million.

HOUSE ACCEDED TO SENATE POSITION

Education:

UNIQUE: As detailed above, the Senate remove UNIQUE funding from the Higher Education Commission as well as for the University and Community College Systems. This money is replaced with General Fund money and the UNIQUE fund revenue is returned to the UNIQUE Program.

HOUSE ACCEDED TO SENATE POSITION, PROGRAM RESTORED

Charter Schools: The Senate adds an additional \$3.5 million for charter schools, most of which is funding for four new charter schools.

HOUSE ACCEDED TO SENATE POSITION, CHARTER SCHOOLS FUNDED

The Two Biggest Areas of Disagreement

General Personnel Reductions: Spread over the budget as a whole, the Senate seeks a \$50 million reduction in salary and benefit expenditures over the biennium, of which \$20 million must be cut from General Fund.

COMPROMISE: PERSONNEL REDUCTIONS OF \$25 MILLION TOTAL, \$10 MILLION WHICH MUST BE CUT FROM THE GENERAL FUND

Medicaid Expansion: As part of the Affordable Care Act, (ACA), states have the option to expand Medicaid eligibility, with the increased costs borne largely in the early years by the Federal taxpayers, with cost to the state increasing in later years. The House added Medicaid Expansion into their budget trailer (HB 2) but did not include either the revenue or expenditures in HB 1. The Senate instead supports the creation of a commission to study the issue.

COMPROMISE: STUDY COMMISSION

MEMBERSHIP: 3 House Appointees, 3 Senate Appointees, 3 Governor Appointees, and 3 Public Members, one appointed by the Speaker, one by the Senate President and one by the Governor.

TIMELINE: Start date: 7 days after budget passes. Report date: October 15, 2013