

**TRANSCRIPT**  
**Governor Chris Sununu**  
**2019 Budget Address**

Thank you — Good morning. Happy Valentines day.

Mr. Speaker, Madame President, honorable members of the house, senate, and Executive Council and commissioners and department heads who have joined us today.

My fellow citizens — Welcome.

I would like to start by thanking the many Commissioners and state agencies we worked with throughout the past few months, especially the State Budget Office in the Department of Administrative Services – prioritizing needs, building systems and infrastructures, and putting forward ideas and policies that put people first.

Today, I stand before you — members of the House and Senate — to present my recommended budget for Fiscal Years 2020 and 2021.

Families in our state sit at their kitchen table every month to balance their checkbook and pay their bills. They put some money into savings, they plan responsibly for both short term spending and long term expenses, they ensure they aren't carrying too much debt, they prioritize their needs and they make tough choices to live within their means.

I think the same rules should apply to government. So let me summarize what I am presenting to you today. This budget:

- Is Fiscally Responsible
- Assumes Modest Revenue Growth Based on Conservative Economic Projections
- Contains No Gimmicks or Empty Promises
- Inserts No Political Agenda
- Has No Sales
- Has No Income Tax
- Has No New Taxes of Any Kind
- Does Not Raise Fees

- Does Not Downshift Costs To Municipalities
- Follows Debt Guidelines as Recommended by Our State Treasurer
- And Adheres to The Tax Cuts Already Established by Law for 2020 and 2021

Tax relief works — and tax relief grows our economy. High taxes come at the high cost of the erosion of our state’s economic competitiveness. We should not, and cannot turn back now.

A healthy Business cycle is predicated on certainty. Our businesses small and large order many of their affairs according to our Government’s long term plans – it is irresponsible governance for the legislature to ping pong core tax policies every two years.

In that respect this budget is a Jobs Bill. It sets us on a path to keeping more money with our job creators and ends the expectation that every available resource should be devoted to just growing a bigger government. As we move forward, we cannot let the budget process be hijacked with politically charged agendas or partisan maneuvering.

The voters of New Hampshire did not send us to Concord to engage in the circus-like theatrics of Washington, D.C.

Washington is broken and our future depends now more than ever on what we can accomplish together, the citizens of our state demand it, and our system of Government requires it.

We must approach the budget process as a roadmap for the future of our state.

Our principles guide our priorities. Our principles are what set us each on a path towards public service.

How we, as state leaders, create policy that aligns with our worldview and makes New Hampshire the best state it can possibly be.

To me — and to many others here today — that means:

- Investing in kids
- Emphasizing a 21st century education system.
- Ensuring our most vulnerable citizens don’t fall through the cracks.

- Designing a system that puts individual first
- Creating equal opportunity for all.

In doing so, however, we must live within our means — that means spending one-time revenue on one time projects. Budgeting accordingly, and delivering better results for individuals without irresponsibly growing the size of government and burdening taxpayers with long-term unsustainable liabilities.

Remember, Government is not here to guarantee much, but what it can and should guarantee, is equal opportunity. For you, your family, your business, whatever.

Government has the obligation to create those doors of opportunity, and give citizens the ability to chart their own path forward.

This presentation today can't cover every line item in the budget, but I would like to highlight many of the priorities this budget encompasses.

Today in New Hampshire, more people are working than ever before, we have the **SECOND** lowest unemployment rate in the nation, and our economy is booming.

The first step in responsible budgeting is saving. When times are good as they are now, you have to be smart about planning for a rainy day.

So that is exactly what I did. We are adding \$15 Million Dollars to the Rainy Day Fund from the current biennium, and an additional \$12.3 million at the close of Fiscal Year 2021 — the largest amount in state history — bringing the total to an all-time high of \$137.3 Million.

Next we focused our investments on our long term future...Kids.

I think we can all agree that Education is the foundation of a successful community.

A quality education opens doors, and a zip code cannot, and should not, define a child's chance at success.

So today, I am proud to announce that my budget focuses investment in the education of New Hampshire's kids in a variety of new and exciting ways:

And while the single biggest expense to local property tax payers is Education, we showed in the last budget that creative management from the state can result in cash investments into local projects, providing property tax relief and funding local liabilities that have gone unsupported for too long.

Last year we invested \$275M into local drinking water projects, \$35M into local roads and bridges and \$30 million dollars into our school safety infrastructure fund — which provided grants to over 400 school across the state for critical safety improvements, taking the burden off of property taxpayers.

So to keep building on that momentum, my budget is returning to NH what has been missing for too long. A \$63 Million dollar fund returning money back to cities and towns for Targeted School Building Aid.

And I think we can all agree that Every student — regardless of ability or disability — deserves a quality education. For nearly ten years, the state has flat funded Special Education in our schools. These reimbursements, which go to local school districts, also help offset local property taxes. But today that changes. We are increasing Special Education Funds nearly 20% — so that each and every student has access to an education that suits their needs.

We know that not every child learns the same, and New Hampshire has been a national leader in Career and Technical Education. We have made investments in CTE around the State. And today I am proud to announce we will be removing barriers and increasing CTE tuition and transportation aid to its highest levels ever - \$8.6 Million, which will be necessary to get the kids to the new Rochester and Hudson CTE schools, both to be funded and completed this biennium.

And we need to encouraging our students — regardless of their financial means — to strive for educational excellence, and to remove the financial barriers for those kids this budget will appropriate \$250,000 to cover the costs of AP exams for low income students.

In order to continue our efforts in ensuring New Hampshire remains the best state to live, work, and raise a family, addressing our workforce shortages is a priority that we all share.

Following last fall's announcement, today, I am proud to say that this budget includes the \$24 million dollar investment we promised to double the capacity of our healthcare and nursing programs within our University System.

The answer to the high burdens of college debt is NOT to give free diplomas to everyone, it is to create a system that incentivizes students to stay and work in our great state through a student debt assistance program. Last year we piloted this idea with in the area of Regenerative Medicine. This year we are building on that success by restructuring our cash funds and will lead the nation with a new \$32 Million Student Loan Assistance program available to all students and at no additional cost to the tax payer.

Many of you have heard me talk about my idea that a quality workforce starts with Early Childhood Education. I really believe that. So through my budget we will create a new State Director for Early Childhood Education - an innovative initiative that will coordinate and streamline the state's services by bridging the divide between the Department of Education and the Department of Health and Human Services. This will help ensure our investments in children are data driven, coordinated, and efficient.

For years we have talked about creating an innovative QRIS system for early childhood programs. We found the funding and now we are going to do it.

And with all of our new focus on a 21st century education system comes the opportunity to be a national leader on the issue. Currently our University system is home to the Child Study and Development Center (CSDC) that trains over 350 UNH students and serves 120 children and their families annually. It is a laboratory school that has been serving NH since 1929. Unfortunately it is falling apart and needs major renovations. This is the opportunity we've been waiting for. This budget calls not for a rebuild of a facility, but a rebirth of an entirely new world class Early Childhood Center of Excellence to serve as a model for the rest of the country and ensure that New Hampshire never again falls behind the curve for our kids.

A major goal of this budget is to expand opportunities not only for students in our education system, but for Granite State families and children as a whole.

This budget includes enabling language to begin the implementation of the Twin State Voluntary Leave Plan — authorizing a bid process and association health plans — which will

help create a truly voluntary paid family medical leave plan that will never create or require an income tax.

Association Health Plans will also ensure that Granite States have more choices at a lower cost when purchasing health insurance, which is a big win.

And in my inaugural address I spoke about the need to invest in issues surrounding Pediatric Cancer. Included in this budget is a \$1.2 million appropriation to conduct a series of comprehensive pediatric cancer initiatives, testing and studies to get to the bottom of this unacceptable disease.

Last year, with bipartisan support, we passed comprehensive legislation that increased protections against childhood exposure to lead. This year, I am proposing a new, Lead Paint Remediation Fund which, with an initial appropriation of \$5 Million, will provide state support to remove harmful lead paint from existing housing in New Hampshire. Together, we will continue to improve prevention of childhood lead poisoning.

Another area that we are seeking to build upon the progress made last year is our intellectually and developmentally disabled community.

First, this budget proposes \$750k in NEW grants for social and community based programs for Adults with IDD to help them create pathways for employment and civic engagement.

And as many of you know, A few months ago, we were able to fully fund the Developmental Disability waitlist through the fall so that those in need of services would get them. Today, I stand before you to announce that along with rate increases for Direct Service Providers, we will be fully-funding the Developmentally Disabled Waitlist for the entire biennium.

By the end of Fiscal Year 2021 we will be putting \$61 million more towards services for our most vulnerable citizens than we do today, closing the gap and investing in these families.

Another area, in which we have made historic improvements by re-engineering the system is New Hampshire's mental health system.

Last month we released our Ten Year Mental Health Plan. This plan marked the culmination of

some incredible work done by many individuals throughout the state, and provides a road map by which we will finally deliver the system that we need to address our mental health crisis. Today I am proud to say that this budget will take a major step toward fulfilling those goals. We're not going to slow roll this plan over 10 years when we have the opportunity to make big impacts today. In total, through this budget and with executive actions in the coming days, we will be able to immediately address 2/3rds of the recommendations.

In addition to taking major steps with the ten year mental health plan, today I am proud to say that we are in greater compliance with the Community Mental Health Agreement than ever before.

Our job is not done, and these efforts will not fix the system overnight. That takes time, but I am confident that because of these reforms, and in re-engineering our mental health system, we will set the gold standard for the rest of the nation.

One area in particular which I have been very outspoken about is the need for the state to invest in a new Secure Psychiatric Unit. The SPU.

I put a team together to design a plan to ensure all populations were considered and no stone was left unturned. The results is a \$40 MILLION investment for a new state of the art facility to move the civilly committed population out of the State Prison and create a new, secure forensic hospital.

This multi-pronged effort we will undertake is, quite frankly, the single largest step this state has ever taken to reform our mental health system.

We will build a new 60 person forensic facility on the grounds of New Hampshire Hospital.

We will build new community-based transitional housing that will provide 40 new individual placements around the state.

And we will move the children currently in New Hampshire Hospital out of that adult facility, and into more appropriate Child and Adolescent focused space for treatment.

In total, we will be creating 148 new adult placements – critical treatment options – which will

eliminate the Emergency Department Waitlist – WITH ROOM TO SPARE.

While the steps I have just outlined represent a long term solution, we cannot forget the individuals waiting in emergency rooms today. With this in mind, we are hopeful that the hospitals will partner with the State to develop solutions for the short term while new facilities are built. For the State's part, we are allocating \$3 million in immediate, one-time funding for grants to hospitals to create new treatment beds, and develop a solution to address the immediate due process needs of individuals who are waiting in emergency rooms today. The State is stepping up, and we ask the hospitals to join us in this effort.

At the end of the day, improving and protecting the health and wellbeing of our children is why we are all here.

This job is bigger than ourselves, and New Hampshire's most vulnerable children are counting on us to get it right.

Last year, we signed the most comprehensive child welfare reform bills this state has ever seen. We brought in new leadership, added caseworkers, increased funding, and restored prevention programs.

Today, caseloads are still too high for our front line workers which is why we need to refocus our resources on these efforts. I am proud to announce that we will be authorizing 62 NEW positions within the Division for Children, Youth, and Families so that our most vulnerable children have a support network standing up for them.

We are increasing funding for Court Appointed Special Advocates by 25% in Fiscal Year 2020 and by 44% in Fiscal Year 2021 to provide additional resources for those on the front lines.

In just two short years, we have made significant strides in rebuilding New Hampshire's broken child welfare system and we won't stop until the job is done.

While I can't outline every item within the multibillion dollar budget, there are a few additional programs and initiatives I want to highlight.

- We are increasing funding for the New Hampshire Coalition Against Domestic and Sexual Violence by over 30% to \$2.4 million dollars a year so that they can continue to carry out the critical work of protecting victims and survivors of domestic violence
- We are adding an additional appropriation of 250 thousand dollars to the Human Rights Commission to finally clear a backlog of cases, and begin to assist business in implementing the best practices for ensuring all citizen's rights are respected.
- We are fully funding the requests of the State's Advisory Council on Diversity and Inclusion for support of listening sessions around the state.
- Working with Chief Justice Bob Lynn we have put together a plan to reform the State's judicial retirement system as it is now at risk of insolvency, risking leaving our retired judges in a position where a system that they have paid into will not be there for them. We cannot let that happen.
- We know New Hampshire's veterans deserve the very best, and we will not stop until we give them the best care. Period. Building off of my 2018 Executive Order, I am announcing, in this budget, the official formation of the Department of Military Affairs and Veterans Services. It is my hope that the legislature will help continue the progress we made together last year to ensure a new one stop shop for veterans services. They stood tall for us, and it's time we stand tall for them.
- This budget increases our education revenue streams by legalizing sports betting, which will bring in an additional \$10 million in annual revenue beginning in fiscal year 2021. Given our new opportunities to legalize sports betting in a responsible and reliable way, and capture more revenue for our education system, I say we go All In and get it Done!

This morning is the first opportunity I have had to address this legislature since all of the legislation you have proposed has been made public. I just have to Frank...It's extremely concerning.

In total, billions of dollars' worth of new spending has been proposed, rushed along outside of the budget process with no sustainable or viable way to pay for it.

Other proposals would have the state use one time funds for permanent expenses. Such an approach is not only irresponsible, but we know where it ends. The last time this was done it put the state in the position of having to cut almost a billion dollars out of our budget. We cannot allow that to happen again.

Further, I am deeply concerned with the number of proposed new taxes are now being pursued. All together, totaling billions of taxpayer dollars.

Everything from an income tax, to a carbon tax, even a tax on canoes. So it is clear that you will be spending a considerable amount of time discussing whether to keep bloating government to unsustainable levels OR whether you'll allow our taxpayers to keep more of their hard earned money. I ask that you stand with taxpayers. I ask that you stand with our citizens.

We have offered a budget free of gimmicks and politics. We have made hard choices that put Granite Stater's first and prioritizes hard work and investment.

But today is not the end of the discussion. In fact, the conversations are just beginning. I look forward to working collaboratively with all of you in the months ahead to design a fiscally responsible budget that puts the needs of our citizens front and center.

Because that's why we are here. To design systems that work and to put people before politics.

By working together, we can achieve great things for New Hampshire.

Thank you, god bless, you, and god bless the great State of New Hampshire.