



# State of New Hampshire

GENERAL COURT

CONCORD

July 2, 2019

Dear President Gulla,

We write in response to Governor Sununu's letter to state employees. We thank you for the opportunity to provide this response to state employees, as we are incredibly grateful for their service to New Hampshire and believe it is very important they receive the full story on the budget.

First, the budget the Legislature delivered does not have a "structural deficit". When Governor Sununu cites a \$93.4 million figure, he fails to state this includes about \$110 in one-time, capital expenses. The budget is balanced. It is actually required to be balanced, by law. In fact, the budget results in a surplus in both the Education Trust and in the General Fund. The surplus in the General Fund by virtue of state law was transferred to the Revenue Stabilization Account.

Second, Governor Sununu's veto of the budget, much like his failure to compromise on a state employee contract, is not helping our ability to attract and retain our state's workforce. Indeed, the budget would have created about two hundred new positions, in contrast to the threat of layoff invoked by the Governor. These new hires will go far in helping to relieve worker burden and addressing state needs on everything from the child protection crisis, to the mental health and opioid public health crises, to education funding, to public safety and law enforcement needs. A vetoed state budget holds us back from meeting all of these challenges and crises.

Third, there are no "tax increases from our citizens," as the Governor claims. Governor Sununu is referring to taxes on corporations. Specifically, he wants further reductions in business taxes, with close to two-thirds of the benefits going to out-of-state corporations. In reality, the Legislature's budget delivers over \$200 million in relief for our communities -- in education funding and unrestricted municipal aid -- thereby providing property tax relief to our businesses and residents right here in New Hampshire.

Fourth, Governor Sununu cannot fund the critical services and programs the Legislature has worked on with the additional corporate tax breaks he wants. The Legislature did compromise. Governor Sununu said he would veto a budget that closes the capital gains loophole to fund education. We took that out. Governor Sununu said he would veto a budget because he opposes paid family and medical leave insurance. We took that out, too. It is unfortunate Governor Sununu vetoed an entire state budget simply because he didn't get corporate tax breaks.

Overall, the Legislature passed a budget that deals head-on with the many crises facing the state and helps expand economic opportunity for everyone, without raising taxes. It was the product of input from agencies and stakeholders and citizens. And it was put together through hundreds of hours of work, collaboration, and compromise. It truly is a budget that works for everyone. We remain hopeful Governor Sununu -- sooner rather than later -- will recognize the inaccuracies in his statements and work toward a resolution.

Again, we appreciate the opportunity to present the full story on the budget. More importantly, we appreciate the hard work and commitment to New Hampshire shown each and every day by our dedicated state employees.

Sincerely,

/s/

Donna M. Soucy, Senate President  
Stephen Shurtleff, Speaker of the House  
Lou D'Allesandro, Chair of Senate Finance  
Mary Jane Wallner, Chair of House Finance  
Doug Ley, House Majority Leader  
Dan Feltes, Senate Majority Leader