

Priorities *for* New Hampshire's Children 2012

Investing in the Success of NH's Children

Issue Overview

From the start of the recent recession in fiscal year 2008 through fiscal year 2011, total General and Education Fund revenues have fallen by roughly 10 percent after adjusting for inflation. What's more, should current revenue projections hold over the course of the current biennium, total General and Education Fund revenues in FY 2013 will be at their lowest point (again, after adjusting for inflation) since the establishment of the Education Trust Fund in FY 2000. In response to these trends, the New Hampshire Legislature adopted a budget in June that reduces spending by approximately \$430 million. In particular, the Legislature's budget has entailed significant spending cuts to public higher education, health care, social services, and programs that enhance the quality of life for New Hampshire's children and prepare them for their future.

Despite this substantial decline in revenues – and the consequences of the spending reductions that have accompanied it – New Hampshire legislators are actively considering further changes in tax policy that would impair the state's ability to recover from the recent economic downturn and to invest in its future prosperity. For instance, several pending Legislative Service Requests (LSRs), including measures to reduce the meals and rooms tax rate, to eliminate the interest and dividends tax, to create a tax credit for the contributions businesses make to private scholarship funds, or to expand existing business tax breaks could have a substantial impact on the amount of revenue the state collects. As New Hampshire currently has an exceptionally low balance in its

Stabilization Fund and as it seems unlikely at best that corresponding tax increases would be adopted to offset the revenue loss associated with any of these proposals, such changes would necessarily force further reductions in spending over the FY12-13 biennium.

Proposed Solution

We will work to provide impartial fiscal data to the New Hampshire Legislature upon which they make their decisions. This information will assist legislators in understanding the full impact of their decisions on New Hampshire's children.

Call to Action

The active involvement of NH CAN partner organizations will be instrumental to the success of this Priority. NHFPI will work with the Children's Alliance and NH CAN partners to keep them abreast of proposed changes in tax policy and to assess the impact that such changes would have on the state budget. NH CAN partners, in turn, can help to achieve this priority by:

- Testifying before legislative committees about the consequences that further spending cuts, necessitated by any changes in tax policy, would have on New Hampshire's children, families, and communities;
- Speaking to the press or submitting columns or letters to the editors explaining the ramifications of further spending reductions, and;



The New Hampshire Child Advocacy Network (NH CAN), a program of the Children's Alliance of New Hampshire, is a statewide nonpartisan coalition of Partners and Advisors working to improve the well-being of New Hampshire's children. NH CAN partners annually develop a consensus set of *Priorities for New Hampshire's Children* focused on safety and well-being, health and wellness, economic security and education. This agenda for the state's children informs government policy and budget priorities and inspires community action.

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- Reaching out to existing legislative, organizational, and individual allies to inform them of the need to forestall further tax and spending cuts.

Find out More

The *New Hampshire Fiscal Policy Institute (NHFPI)* is the NH CAN partner for this Priority. NHFPI is an independent, non-partisan organization dedicated to exploring, developing, and promoting public policies that foster economic opportunity and prosperity for all New Hampshire residents, with an emphasis on low- and moderate-income families and individuals. Based in Concord, NHFPI produces regular reports on the fiscal and economic challenges facing New Hampshire and strives to serve as a resource to anyone interested in meeting those challenges in a fair and sound fashion.

For more information about this Priority, contact Jeff McLynch at jmclynch@nhpi.org. To learn more about NHFPI, please visit www.nhpi.org.



Children's Alliance
of New Hampshire
Raising our Voices for Children



NH CAN is a program of the Children's Alliance of New Hampshire

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