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Full Text Of Lynch's Budget Address

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The following is the full text of Gov. John Lynch's budget address, as prepared:

Madam Speaker, Madam Senate President, Mr. Chief Justice, members of the House, Senate, and my fellow citizens of New Hampshire:

I come before you today as our nation faces its deepest recession since the Great Depression. Nearly 600,000 Americans lost their jobs in the month of January alone.

And while New Hampshire's economy may be better than many other states, that's small comfort to the thousands of our residents who are losing their jobs, and who fear losing their homes or savings.

For New Hampshire, like almost every other state across the nation, this recession has translated into an unprecedented fiscal challenge.

No one person, no one political party, can meet these extraordinary challenges alone. We must come together to help our citizens as they struggle with the deepening recession and to meet the fiscal challenges that our state faces.

Today, as I present my proposed budget, we are taking the next step in meeting these challenges. This budget represents one road map for how can address our state budget. It is not the only road we can follow. I look forward to working with you over the next four months because I know we share the same goal -- serving our citizens.

The decisions we are called upon to make with this budget are hard ones -- reflective of the hard economic times facing our nation and facing our state. The decisions we make should be based on sound policy and principle, and we should take care not do things now that we will regret in the future. We must also be mindful that these hard times will not last forever. We are a resilient state, with a resilient people. & I am optimistic that working together, we will get through this, and emerge even stronger.

The budget I present today for state fiscal years 2010-2011 is balanced. This budget recognizes the extraordinary economic crisis facing our state and our nation by lowering costs, making state government more efficient and meeting our fundamental responsibilities to people.

This budget spends \$2.97 billion in general funds over the biennium. That is \$40 million -- or one percent less -- than estimated actual spending for fiscal years 2008-2009.

As I begin, I believe it is important we all have a common understanding of the severe challenge we faced in developing the 2010-11 budget.

For Fiscal Year 2009, we project a \$275 million revenue shortfall in the general and education trust funds. Given the continuing economic turmoil our nation faces, this budget projects that, on average, existing revenues will remain flat for the next two years. If we funded the maintenance budget requests for state agencies, we would have faced over a \$1 billion shortfall for 2010-2011.

In developing this budget, we worked to lower the state's cost structure. That's absolutely necessary to make sure New Hampshire gets through the next two years of this downturn. Although this recession will not last forever, we must make continuing changes to state government in order to meet our priorities today and into the future.

That's why we projected ahead to 2012-2013.

Assuming we return to modest economic growth in 2012-2013, the general fund budget is sustainable if we make these reductions to the cost structure and implement some of the longer-term efficiencies we will recommend for your consideration today.

We have fundamental responsibilities as a state -- protecting public safety; helping our most vulnerable citizens; educating the next generation; and preserving our quality of life.

These were our guiding principles as we developed this budget.

This is a difficult budget, but with challenge also comes opportunity. We must all be willing to re-think everything state government does, and how we do it. As we developed this budget, we assessed every state program, and asked whether this is something the state should continue to do. And if the answer was yes, we worked with agencies to consider how it could be done more efficiently.

This budget makes hundreds of changes, large and small, across state government. ; In addition, I'll be presenting some ideas that aren't included in the budget, but merit further consideration for the future.

One of the largest drivers of state spending is the direct cash assistance we provide to cities and towns -- whether in the form of revenue sharing, meals and rooms distribution, education aid, or retirement contributions for local employees.

All totaled, not including the statewide property tax, this direct state aid to cities and towns

amounted to about \$1.3 billion in 2008-2009.

Our strategy in developing this budget was to make sure that we kept overall aid to property taxpayers at least level. And counting likely federal assistance, there may be a slight overall increase.

The first question is how to manage increased costs associated with the state's adequacy formula, which provides an additional \$123 million to schools over the next biennium.

In the long term, I believe we must move in a direction that allows us to direct more state resources to communities with the greatest needs. And, I continue to support a constitutional amendment that would make such a plan possible.

I believe the state's adequacy formula needs review and improvement. But I also recognize that this was the formula approved by the legislature last session, and this is not the time for wholesale changes. That is why this budget funds the additional \$123 million called for by the adequacy formula.

The state provides the majority of its aid to local communities through education funding grants, revenue sharing, rooms and meals distributions and by paying a portion of local community retirement costs.

This budget suspends revenue sharing, rooms and meals distribution and reduces the state's contribution to retirement costs from 35 to 30 percent, level-funding it with this biennium. This will allow us to meet our education commitments.

New Hampshire will also receive additional money from the state fiscal stabilization fund included in the federal stimulus legislation. We recommend sending that money to communities to offset other reductions. In the aggregate, this approach will result in property taxpayers receiving the same or a slight increase in aid.

As we looked at the rest of state government, we began with steps that we could take to reduce costs across state agencies. We cut current expenses, organizational dues, out-of-state travel, equipment, employee training, and subscriptions.

In the last biennium, high fuel costs strained state agency budgets. Unfortunately, prices are once again on the rise. But we've acted early to lock in prices for motor vehicle fuel for the next 18 months. That will save an estimated \$8 million over what agencies had originally budgeted.

We are now finalizing contracts for statewide heating oil costs, which could save an additional \$2.2 million in FY10.

In the capital budget, I am also including \$3 million to upgrade energy efficiency, particularly lighting, in buildings across state government. Those upgrades will pay for themselves in less than four years and help reduce energy costs -- and the pollution state government emits -- for the long-term.

Health insurance for retired state employees is an area where we've seen continual and costly growth. The state spent \$140 million on retirees' health insurance in 2008-2009. If we maintained the status quo, retirees' health insurance costs would have grown another \$25 million in the next biennium.

We have commitments to our state retirees that I respect and honor, but the benefits must be reasonable and affordable for the state as well. That is why we are proposing two changes to the retirees' health insurance plan.

First, we align the benefits of the retirees' health insurance plan to those provided to active state employees.

Second, retirees older than age 65 currently pay about \$100 a month to the federal government for Medicare. Younger retirees pay nothing for their state health plan. In fairness, older retirees should not pay more than younger retirees.

We will begin charging premiums to younger retirees similar to those that older retirees already pay.

Together, these changes reduce the projected growth in costs of the retirees' health insurance plan by \$10 million in all funds.

In the last two years, we spent \$350 million on health insurance costs for state employees. Although, we took some steps to control the growth of those costs in the last biennium, they are still unsustainable.

We are proposing a new health insurance plan for state employees focused on wellness, disease management and prevention. This plan will help keep employees healthier, and control costs in the future. The plan will also put in place premiums based on whether an employee chooses the single, couple or family insurance plan.

We can and should implement the change in the next biennium for unclassified and non-classified employees -- a move that will save \$3.5 million over the next two years. To compensate employees for the change, this budget returns some of the savings to employees in the form of a one-time payment.

For unionized employees, any change to the health insurance plan must be agreed upon in collective bargaining. But we will offer the same proposal to them. If they are willing to participate in a wellness health plan, we will return some of the savings to them as one-time payments.

This budget unfunds nearly 400 vacant positions -- for a savings of \$40 million in 2010-2011. We will also continue the hiring freeze into the next biennium, allowing agencies to fill vacancies only with a waiver. Because we acted early and aggressively to impose a hiring freeze in 2008 and are able to unfund so many vacant positions, we are spared the necessity of implementing across-the-board layoffs.

However, this budget makes strategic proposals about state government's future and its priorities. We are recommending program cuts and greater efficiencies. Over the biennium, this will unfortunately result in about 250 to 300 layoffs.

These layoffs are in no way a reflection of the hard work by our employees, who have served the state so well over the years; they are driven by our need to change the way state government does business.

I recognize that these layoffs will be hard for the impacted employees. As a state we're going to do what we can to help employees through the process. I've asked the Division of Personnel to develop a comprehensive plan to help employees through the transition.

In developing this budget, we asked agencies to identify programs that no longer match current priorities. For example, in the Department of Education we cut a program that provided \$17,500 for geography education at Keene State. This was the only such teacher education program, it had been funded at this level for years, and there was no clear explanation why the state continued to fund it.

We asked agencies to change how they do business to improve efficiency and to increase transparency. For the first time, all agencies included all potential federal revenues in their budget submissions.

The Department of Administrative Services is switching to a four-day-a-week cleaning schedule for state buildings. The Department of Resources and Economic Development is moving the International Trade Office from Portsmouth to Concord.

In the past year, the Department of Safety has worked to link almost every community electronically with the state for car registrations. In addition, Safety is working to develop a system by next fall that will allow citizens to renew their drivers' licenses online once every five years.

As a result, most citizens will only need to visit a state motor vehicle office once every 10 years.

These changes mean we do not need as many regional offices for motor vehicles, and this budget recommends closing several.

We asked agencies to consider what we could defer for the biennium.

For example, the Department of Environmental Services will meet its existing grant commitments, but award no new grants over the next biennium. We level funded or reduced other grant programs.

At a time when many states are drastically cutting funding for higher education, we worked hard to minimize the impact on the Community College and University Systems. Both systems will see a slight increase in the state contribution over actual state spending in fiscal years 2008-2009.

At the same time, we expect both the University and Community College systems to work aggressively to mitigate tuition increases for students.

More than half of the state's budget is devoted to the Department of Health and Human Services. The Department's original maintenance budget was \$806 million, \$75 million more than we were spending in 2009.

The budget we are proposing for Fiscal Year 2010 is \$721 million in general and enhanced federal Medicaid reimbursement funds, which is slightly lower than actual estimated spending for 2009.

This budget continues our commitment to children's health insurance, maintains eligibility for our existing Medicaid and child care programs, and will provide continuing help to people with developmental disabilities.

We maintained all current provider reimbursements, and fund a rate increase for several groups of providers, including physicians, nurse practitioners and psychologists. These steps will help preserve the safety net for our most vulnerable citizens.

But to protect these core programs and to meet the growing demand for some services during this recession, we also recommend some major changes in the Department of Health and Human Services budget.

As we reviewed the department's budget, we faced the fundamental question of breadth versus depth. If we attempt to do everything, we risk not doing anything well. These cuts are difficult, because we know that they impact people. But they are necessary to avoid even more far-reaching reductions in other areas.

We propose to close the Tobey School -- a change that makes sense for economic and policy reasons. Tobey School students will continue to be served in appropriate community settings.

Closing the school -- while still providing funding to ensure services for the students -- will save an estimated \$1.4 million over the biennium.

This budget eliminates the catastrophic illness program. It eliminates reimbursement for chiropractic and podiatry services. Given the choices, we determined these dollars are better spent on our Medicaid program.

This budget eliminates funding for certain hospitals for costs associated with training medical personnel -- a program known as direct medical education reimbursement. That reduction will allow us to preserve the loan repayment program for primary care providers who treat underserved citizens, primarily through our Community Health Centers.

This budget redesigns foster care reimbursement rates, increasing the average daily rate but ending special bonus payments. The Department will also change its policies to move children more quickly out of expensive placements and into permanent homes.

The Department will move from higher-cost institutionalized care to community residences for mental health. In the last biennium, we appropriated \$1 million to build transitional housing on the State Hospital campus. In this budget, we propose to re-direct those funds and allow the department to partner with other organizations to build those residences instead in communities.

This is a more cost-efficient solution. A community bed costs \$56,000 a year as opposed to \$120,000 a year in the State Hospital. It is also better policy. The closer residents are to their communities, the better chance they have for a successful transition.

In addition, the Department is undertaking a reorganization that will reduce its personnel costs by \$28 million over the next biennium, and require about 125 to 150 layoffs -- in addition to unfunding 175 to 200 vacant positions.

These changes will help us make it through the next two years. But we need to transform our entire health and human services support system in order to give people the care they need and taxpayers a system they can afford.

In delivering health care and human services, we have a broad network of dedicated providers. However, we need to fundamentally examine this network to determine if it best meets the needs of our citizens.

The Department of Health and Human Services does business with 4,000 separate providers. There are inherent bureaucratic costs to the state for contracting with and paying so many different organizations. As the money moves down the line, we are supporting administrative costs -- from accountants and directors, to heating and lighting -- for several thousand organizations.

We need a more integrated health and human services system to control costs and to provide better services. We need to move toward a model where there is more coordination for all a person's needs -- physical and mental health and social services.

In addition, the Department will also be moving forward with establishing medical homes for Medicaid patients, and paying providers for performance, such as ensuring children are immunized or reducing emergency room use.

The Department's leadership has been reaching out to organizations to discuss the need for changes in the system. It is now developing a plan for these changes, which they will begin implementing over the next 18 months -- encouraging providers to join together to offer more comprehensive, and affordable, services.

As part of its implementation plan, the department will also consider how savings from consolidation can be used to give providers incentives to work with us to change the system.

Outside of the Department of Health and Human Services and Education, the biggest cost driver for state government is Corrections. Without changes, Corrections' costs would have grown \$14 million in 2010 over 2009. This is not a sustainable model for managing Corrections. We cannot address the underlying issues just by adding or subtracting a little bit; we need a different strategy.

We can't begin to address prison costs without addressing facilities. That is why this budget proposes closing the Lakes Region Facility, which will reduce the Department's proposed budget to \$106.8 million, \$1.7 million less than 2009.

We considered closing the Goffstown Women's Prison and moving the female inmates to Laconia. But in the end, we did not believe it made sense simply to move female prisoners from one inadequate facility to another. That is why the capital budget includes funds to design and site a new women's prison.

To make it possible to close Lakes Region, we had to look for different ways to manage our inmate population. There are between 100 and 200 non-violent illegal immigrants in our prison system whom the federal government already plans to deport.

The Department of Corrections will enter an agreement with the U.S. Immigration Services to speed these deportations. In addition, we will re-configure under-used space in Berlin to house additional prisoners.

People who commit serious crimes need to be in prison, and we need to make sure that anyone who poses a danger to our families is behind bars. But we also need to consider other options, and to look at additional changes to reduce these costs for the long-term.

The Department of Corrections is evaluating expanding the use of electronic monitoring and home confinement for non-violent traffic offenders -- at a cost of \$7 a day vs. nearly \$100 a day per inmate. And we must continue to reduce our recidivism rate so that our prison system isn't a revolving door. But that may not be enough.

Parts of our main state prison in Concord were built in the 19th century. It's crumbling, costly to run and inefficient. But we are unlikely to invest in the near future the hundreds of millions of dollars it would take to replace it.

We need to continue to consider other ways to run Corrections. Vermont sends prisoners to distant states to control their prison costs. That may be an answer, but I think there may others to consider as well.

I believe we should consider coordinating with neighboring states to develop a 2,000- to 3,000-bed Northern New England Correctional Facility. Such a move would potentially allow us to close the Concord prison, and provide space for other New England inmates. It could reduce state operating costs, and provide jobs in a struggling part of our state.

Before we proceed with any change, we will need a careful and diligent review of a number of areas -- including whether it will lower costs; whether it will meet the state's legal requirements; and whether will it provide the programming inmates need to succeed in society after their release.

In the end, we may or may not decide this is the right direction for New Hampshire. But it is a direction that we must explore.

I have met with the Judicial Branch to discuss its needs and budget ideas. I am recommending a Judicial Branch budget of \$68 million for Fiscal Year 2010.

It is critically important that we make sure trials -- criminal and civil -- move forward expeditiously. To do that, we need to fill judicial vacancies. And to afford that, we had to look for other ways to save on Judicial Branch operations.

Working with the Judicial Branch and the Department of Administrative Services, we reviewed our court facilities and are recommending the closure of eight district courts. We are making these recommendations based on caseloads, travel distances to other courts, and staffing. These changes will save \$2 million a year in reduced operating costs and help keep our justice system moving.

As we look at how we fund our general fund obligations for the future, we must also look at how we maximize our existing assets.

One of our biggest assets-- if we let it be -- is our state liquor stores.

As we developed this budget, we looked at a number of models for our state liquor stores, including selling them completely. As we analyzed the options, it became clear that full privatization was not in the best financial interest of the state. Private companies could not deliver the same revenue stream into the future because they would not share our federal tax exemption.

But continuing to operate the state liquor stores exactly the same way we do today is also not in the best financial interest of our citizens. An independent analysis of our state liquor stores identified a number of areas where we could increase returns.

This budget implements a plan by the liquor commission to close a number of under-performing stores, and to replace them with agency stores. That would provide for better service for customers and increased returns for all taxpayers. We recommend investing some of the savings in building one to two new stores in growing markets.

We are proposing to lease the land near state liquor stores, including those at the welcome centers in Hooksett and Hampton. If we are honest, these welcome centers are not very welcoming. They are old, rundown and lack many of the basic amenities that people expect.

By leasing them, we can provide better services for travelers. And 20-year leases, along with selling the Concord warehouse, will generate \$30 million for the general fund in the next biennium.

If we are to maximize this asset for our citizens, we need to let the liquor commission run like a business. We need to give the Commission greater authority to close underperforming stores and open new ones. We need to allow it to sell additional products, and we need to allow it determine its own prices, discounts and the amount of stock it carries.

These changes will result in an additional \$50 million over the next two years, and potentially greater returns in the future.

For 2010-11, we brought state spending below current levels and worked to maximize revenues from existing resources. However, that still left a budget gap.

But to understand 2010-2011, we need to begin with fiscal year 2009.

We are estimating that the state's revenue shortfall for Fiscal Year 2009 will be about \$275 million. In the past two years, we've already taken action to significantly reduce that shortfall. But today, we still face an estimated gap of \$125 to \$140 million for this fiscal year.

Today, I am recommending three steps to fill the remaining budget gap.

First, the federal Medicaid increase expected this year will reduce that shortfall by approximately

\$50 million.

Second, in the 1980s, the legislature established a medical malpractice insurance fund, exempt from state taxes. Over the years, this fund has built up a \$110 million surplus.

Under the law, the fund's insurance premiums must be competitive with the rest of the market -- and in fact its premiums are on average 10 percent below market. It cannot return this surplus without risking decimating the private insurance market.

We recommend using \$50 million of that fund's surplus to help fill the remaining budget gap for fiscal year 2009 so that we can protect essential health services.

Finally, any remaining deficit would be met by using the Rainy Day Fund. We project using about \$38 million from the Rainy Day Fund, still leaving the fund three times larger than it was when I took office four years ago. That balances 2009, now let's look at 2010-11.

To balance 2010-11, this budget proposes using the remaining \$60 million from the medical malpractice surplus. In addition, this budget includes 35-cent increase in the tobacco tax; a three-quarters percent increase in the meals and rooms tax -- with part of the revenue dedicated to tourism promotion; and a tax on gambling winnings over \$600.

Together, these steps will ensure a balanced budget that also funds our core responsibilities for the next two years.

My position on an income tax and a sales tax are clear, and unchanged. I would veto either.

I remain skeptical of expanded gambling and how it will affect New Hampshire's quality of life. I urge you to give careful and deep thought to any such proposal, and the long-term impacts it may have on New Hampshire.

New Hampshire has always been proud of our roads. We recognize quality roads and bridges are essential for public safety and for our economy.

That is why in the past several years, we've taken a number of steps to maintain our roads and bridges -- including launching major repairs on the turnpike system and restoring fiscal responsibility to the state's highway fund.

To put more money into our roads and bridges, we passed a law last year reducing expenditures from the Highway Fund for other state agencies. With this budget, we met the requirements of that law and decreased the percentage of highway funds diverted from the Department of Transportation.

We also reduced the Department of Transportation's maintenance budget by more than \$40 million. As part of that effort, we are recommending temporarily closing under-used rest areas, and exploring opportunities for public-private partnerships to improve these rest areas.

But rising prices on items from salt to asphalt have made it nearly impossible for the Department of Transportation to meet its responsibilities.

The Department of Transportation has developed a plan, which I support and have included in this budget, to ensure the health of our Highway Fund for the next several biennia.

This plan includes having our turnpike system purchase a part of Interstate 95 that is now part of the Highway system. That sale, funded by a 50-cent increase at the Hampton toll, will provide \$15 million a year for the Highway Fund.

It will also improve conditions for the people who travel that road by allowing us to implement open tolling on Interstate 95, reducing traffic jams and pollution. The Department of Transportation estimates that if this proposal is approved, it can have open tolling in place by the summer of 2010.

This plan would increase tolls at Hooksett and Bedford by 50 cents, Dover and Rochester by 25 cents and 25 cents each on the Hooksett and Hampton Ramps — providing \$22.3 million a year to maintain and improve roads that connect to the Turnpike System. It will provide for open tolling at the Hooksett Toll Plaza by 2012 and the Bedford toll plaza by 2013.

It is important that we provide relief for citizens who commute on our toll roads. That is why this plan includes a new E-Z Pass frequent-user discount that will ensure that no New Hampshire commuter pays more than \$30 a month in tolls.

Finally, to balance the Highway fund, this plan includes an average \$10 road improvement surcharge on vehicle registrations.

In addition, an estimated \$130 million in federal transportation stimulus funds will help us accelerate important road projects in our ten-year plan, and create jobs.

We are taking other steps to help our families through these difficult times.

In the next several weeks, I will submit to the Public Utilities Commission a proposal for using our greenhouse gas and renewable energy funds to create new jobs for our citizens -- by expanding weatherization of older homes; by providing training for energy-related jobs; by upgrading the energy efficiency of state and municipal buildings; and by creating a low-interest loan fund to help businesses upgrade to reduce their energy costs.

As Congress finalizes a recovery package, I have created an Office of Economic Stimulus here in New Hampshire. Our goal is to make sure we use stimulus funds wisely and quickly so that we can put New Hampshire citizens back to work -- repairing roads and bridges, rebuilding water treatment plants, and weatherizing homes.

And the capital budget I am outlining today focuses on critical maintenance projects that we can begin quickly, to help create jobs.

Overall, this proposed budget for 2010-2011 balances and ensures New Hampshire can meet its responsibilities for the next two years. But there are additional steps that I believe we must consider to save money in future years and to make state government work better.

As a state, we operate dozens of regulatory and licensing boards. Many of these boards consist primarily of volunteers, and they oversee critical professions and occupations throughout the state -- from doctors and nurses, to real estate appraisers, plumbers and electricians.

Thousands of New Hampshire residents are licensed by these boards and committees. They protect our citizens from inadequate or incompetent professional services, and ensure high standards.

But for too long, our licensing boards have operated inefficiently and without adequate management or supervision. For the most part, they operate as isolated and stand-alone organizations scattered across Concord. They have expensive leases and they unnecessarily duplicate overhead costs.

I do not seek to eliminate these invaluable professional boards -- but it is time to begin to consolidate their staff and administrative functions. By doing so, we can preserve their independence, and also make them more efficient and user-friendly.

As a first step, I am proposing that all licensing boards and commissions be consolidated by subject matter within four major departments -- health and human services, safety, environmental services, and the secretary of state.

From there, commissioners will work with the boards to strengthen their operations, and we will implement a plan to achieve a full consolidation of all of the State's licensing functions by 2012.

Under our current personnel rules, there are real barriers to improving state government functions. In addition to protecting employees based on seniority, current law also provides for a practice known as "bumping."

A laid-off employee can "bump" another employee in a different job, in some cases anywhere in

the agency. It creates a rippling effect that can take months to resolve and prevents commissioners from effectively managing necessary layoffs.

Laying off an employee in one part of an agency may mean bumping another employee, with critical skills and knowledge, in a different part of the agency. We recommend eliminating bumping, while retaining protections for employees based on their seniority within their specific unit and job classification.

I also ask that you work with us to find ways to reduce administrative burdens on state agencies so they can focus on their core missions.

For example, state laws over the years have created a number of complex formulas to distribute revenues from dedicated funds and fees. We need to relook at these formulas, and consider how much they cost to administer. We should also look at other requirements we place on state agencies, such as producing reports that few people read.

And we must look at how we are using state employee time.

For example, the staff of the Department of Resources and Economic Development is required to serve on 94 committees, commissions and task forces. The numbers are equally large for other state agencies.

While I believe strongly in bringing agencies together to cooperate, I think we have to take a new look at what is really necessary. That is why I propose sunseting all commissions, committees and non-regulatory boards by the end of fiscal year 2011. We should then only re-enact those that are essential.

In addition, there are several other possible efficiencies that we identified during this budget process that we believe merit further consideration and study for 2012-2013.

First, we should consider whether we could reduce costs and strengthen services by merging the Department of Resources and Economic Development and the Department of Employment Security.

Second, we should consider creating a Department of Natural and Cultural Resources by merging Agriculture, Fish and Game, Forest and Lands, Parks and Cultural Resources.

Third, we should determine whether it is practical to merge all law enforcement functions -- from Fish and Game, Liquor and Racing and Charitable Gaming -- within the Department of Safety.

Finally, the Department of Transportation is developing a pilot program for serving as a fleet manager for several state agencies.

As I close, I want to take a moment to thank our commissioners and agency heads for their dedicated work on this budget. They and their staffs have spent thousands of hours reviewing budgets, considering ways to reduce costs and make state government better while protecting their core services.

This is a difficult budget filled with hard choices. But it is a budget that meets state government's core responsibilities. No cut was easy to make. But we strived to make cuts responsibly and strategically, to ensure state government is stronger and better able to fulfill its priorities in the future.

These extraordinary times demand that all of us come to the table together to serve our families. If you disagree with something in this proposal, I respect that.

But it is not enough to simply say no or to criticize. We all have a responsibility to come to the table with solutions. The legislature will now begin its important work on this budget. And I look forward to the knowledge, ideas and innovation that you will bring to this budget.

As I said in the beginning, this is just one roadmap. I am open to other directions, as long as we arrive at the same destination -- a balanced, responsible budget.

Together, we will guide New Hampshire through these challenging times and make our state stronger for the future.

Thank you.