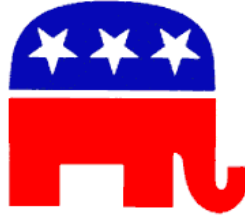


Republican Report

"If you don't think there is going to be a problem with this budget wait until you see what happens to property taxes, I don't think you want to be responsible for that, it's their problem. They caused it; they've got to fix it."

—Gov. John Sununu



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A message from the Republican Leader....

As we anticipated coming into this session, House Democrats have begun the assault on our way of life here in New Hampshire. From mandatory seat belts to an increase in taxes and fees to smoking in cars. It was never more evident this week with the passage of **HB 436**, which legalizes same-sex marriage. I was very disappointed by the outcome of this vote not only because there are still many questions to be answered when it comes to this very divisive issue, but because of the way it was achieved.

It was pretty clear after the first count, when we held a one vote margin, that it was only a matter of some parliamentary maneuvering before the results would be overturned. A one vote victory on any issue that is one of the cornerstones to the Democrats' agenda, is no victory at all. It is a shame that the legislative process, in this case, included arm twisting by the majority to change what should have been a conscience vote by their members. I am convinced that the views in this bill absolutely go against the beliefs of the majority of our citizens.

I know that there was much confusion on the floor of the House following the first vote, but we knew it was just a delaying tactic while House Democrats first found someone who was willing to call for *reconsideration* while forcing certain members to change their vote of conscience.

It was interesting to see that Gov. Lynch, who has publicly stated on several occasions that, "marriage is between a man and a woman," has yet to announce that he would veto **HB 436** should it arrive at his desk. But he was quick to wave the veto flag earlier this week should legislation repealing the death penalty reach his desk.

It is time to turn our attention to the budget and the fiscal damage that is already being done by House Demo-

crats. This coming week the Finance committee will be voting on HB 1 & 2, the state budget. Finance Republicans have been working hard to ensure an open and fair budget process, but they face an uphill battle with threats of the death tax and a capital gains tax being shoved in during the executive session. We will stand with our Finance Republicans as they strive to offer a real balanced budget to the House. I encourage you and your constituents to let Democrats on Finance know that they will not support new taxes and fees or increases in existing ones.

By taking money from the doctors in this state, along with onetime monies from the federal government, the Democrats are looking to arrive at a balanced budget that will be devastating to deal with for future legislatures. For example, by raiding the Malpractice Fund, the governor is putting \$110M of onetime money in the General Fund. The NH Joint Underwriters Association (JUA) is an insurance company that was created in 1975 (RSA 404-C) because there was no affordable malpractice insurance available to NH health care providers. It is a nonprofit and does not pay the state premium tax. However, under state law, if the JUA has a surplus it "shall use it against and to reduce future assessments" or "distribute the excess to such health care providers covered by the association as is just and equitable."

Over the next few weeks we will be carry the fight to the Democrats over excessive spending and the many increases in taxes and fees that they are attempting to pass along to the people of New Hampshire. It will be more important that ever that we stand together as Republicans in this fight over fiscal sanity in our state.

Our next House Session will be held on April 8th and 9th. As a result, we will not be having a caucus this week.

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—Message

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However, if you have any concerns about legislation that is still in the House or with bills coming over from the Senate, please let a member of our leadership team be aware of the problem.

I would like to thank Governor Sununu for taking time out to address our caucus. He has been an invaluable resource thus far and we look forward to drawing upon his knowledge and experience over the next two years. For those of you who could not make it to the caucus, we have, with his permission, reprinted the text of his speech in this newsletter.

You are on the firing line; you are the folks who have to vote. I am sitting on the sidelines as a coach and a critic. I'll give you my perspective but I recognize that you have to take the lead from your Republican leader.

The biggest issue before you is obviously the budget and the finances of the State. When I travel around the state to talk about the issues, there is one line that resonates, whether the Democrats admit it or not, "they are absolutely ruining the State of New Hampshire."

They have the authority because they have the governor and the leadership in both the House and the Senate, and therefore the responsibility to fix a problem they caused. Don't let them shove it over to you. The easiest thing for them to ask is, "Well what would you do?" The answer is simple, "We wouldn't have gotten us into this mess in the first place; and secondly, this year's budget should be exactly the same as 2008, the second year budget should be exactly the same as 2009. I had to do it in my home and you've had to do it in your home, and we ought to do it in the state!

Secondly, the finances are much worse than the Democrats are making them out to be. They are worse for two reasons. First, they can't solve this year's problem even with the finagling that they are doing because they are creating a crisis for the future. We need to let them hang on their own. Stand with Sherm Packard and your leadership and let them hang on their own on every tax and let them hang on their own on the budget.

There is no way they are going to come out of this without a disaster, because they would not sit down and let the Republicans on the Ways and Means Committee be active participants in solving the problem. They have not gone into any of your committees to really seek serious cutting of the budget. I've been through this in the past. When I was elected, I inherited a huge deficit. But we went through and figured out how to deal with it in terms of revenues that were coming in at the time. They are not doing that. They've got all these onetime fixes from the federal government and they are stealing the joint underwriters; money from the doctors. Stealing is exactly the right term for it and the doctors in this state are finally waking up.

I have been told that there are one hundred and ten million dollars of this money that the Democrats are trying to take. There are about 4300 doctors in the state. If they are all involved, and I don't believe they all are, that's twenty five thousand dollars a person they are stealing. That's an unbelievable number!

The most important single thing to do at this point is to stand as a party. Whatever you decide to do, stand as a party so that we can define the difference between the two parities in the state of New Hampshire. Let me tell you how bad the data gathering process is. When the governor gave his budget address, he said he would reduce spending by forty million. Like a fool, I went out and complemented him for showing some fiscal discipline. Well I found out I was wrong—they raised the budget by about 12 percent! But I am just not sure if its 12% relative to the 17 1/2% increase when they signed the budget or the 12% increase after they cut spending. I can't even get the data from them because I don't think they know. I don't think they know they have changed the budgeting of counting numbers so they can't cross reference very easily— this is their mess. They created it and I suspect there is a little agenda involved in saying we are going to make it so bad that next time around—even if somebody takes the *pledge*—they will be forced to pass a sales tax or income tax.

Party unity is crucial I've been going around and I know there are many little splinter groups. I have the feeling that everyone is beginning to understand that at least on your House votes we have to stand together. I am going to do what I can to deal with all the little side problems over the next few months but I think we've gotten some very nice results.

I learned a long time ago when it looks like there are philosophical differences there is really a personality clash being hidden behind philosophical differences and that's what I've got to go and fix. I accept the responsibility and I will go do it. But you've got good strong leadership here: the Republican agenda of low taxes, cutting spending when you have to, and local control. The Democrats are nailing the cities and towns. If you don't think there is going to be a problem with this budget wait until you see what happens to property taxes, I don't think you want to be responsible for that, it's their problem. They caused it; they've got to fix it. —Gov. John Sununu to the House Republican Caucus, Tuesday, March 24, 2009