



# State of New Hampshire

HOUSE OF REPRESENTATIVES

CONCORD

March 30, 2023

House Republican Leader Jason Osborne  
State House Room 313  
Concord, NH 03301

Leader Osborne,

Thank you for your letter. I share your desire to emphasize the importance of bipartisanship and working for the common good of New Hampshire.

I believe the meetings held this week with the Speaker and our respective leadership teams were conducted in that same spirit of bipartisanship, and though they did not result in a broad agreement on policy, I found them productive and appreciated the respectful dialogue between all members. Yesterday afternoon, when I met with the Speaker to acknowledge that we were at an impasse on our negotiations, he smiled and told me that he wasn't surprised, but agreed that meeting to discuss our differences was worthwhile. I hope you feel the same.

The Finance Committee is unique this term, as it is the only policy committee with a difference in membership between the two parties. While partisan issues referred to other committees have been reported out with no recommendation, with Republicans holding a 13-12 majority on Finance, the interests of the Republican caucus hold a disproportionate influence on the budget.

I appreciate you putting your thoughts in writing now, as repeated requests for a written proposal from your team during our negotiations never materialized. While I do not wish to further arbitrate this discussion by letter, I will respond briefly to the points you provided in your communication for the benefit of being on record.

As we have both acknowledged throughout this process, there are key policy areas in which the two parties have philosophical disagreements.

- **Medicaid Expansion** - When the budget was first introduced to the Finance Committee, reauthorization of Medicaid Expansion was not included. Language establishing an arbitrary two-year sunset was not even added until after the public hearing, negating the ability of the public to weigh in on the issue. As you know, bipartisan legislation permanently re-authorizing Medicaid Expansion has already passed unanimously in the Senate and will be heard in the House next Tuesday. The appropriate, transparent way to debate Medicaid Expansion, a healthcare program serving nearly 100,000 Granite Staters, is through SB 263, which is working its way through the legislative process -- not through an amendment added to the state budget on partisan lines.





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- **Education Freedom Accounts** - Without the important guardrail of HB 430, which limits future EFA applicants to public school or first-year students, the voucher program remains likely to grow very rapidly. Because the voucher program is an “open warrant,” reducing the budget line will not result in any protections for taxpayers unless coupled with policy changes limiting growth to budgeted amounts -- just like any other government program.
- **Interest & Dividends Tax** - Under current law, the Interest & Dividends (I&D) Tax is scheduled to be phased out in 2027. In HB 2, the phase-out has been accelerated to 2025, resulting in significant revenue loss over the next three years. The I&D Tax phase out will give the top 1% of NH earners an average tax break of \$11,900, leaving the bottom 99% with increased property taxes. This accelerated reduction in revenue is of significant concern to Democrats. In the spirit of compromise, I asked the Speaker if he would consider moving the phase-out to 2026, which would retain a tax cut important to Republicans. That compromise offer was rejected. I would also like to note that Democratic leadership has not advocated for the increase of any taxes throughout this process.

I remain open and willing to engage in direct dialogue to reach bipartisan consensus and pass a budget that works for all Granite Staters when we meet on April 6th in Representatives Hall.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matt Wilhelm".

Rep. Matt Wilhelm (D- Manchester)  
House Democratic Leader

Rep. Alexis Simpson (D-Exeter)  
Deputy House Democratic Leader

Rep. Mary Jane Wallner (D-Concord)  
Ranking Member, House Finance  
Senior House Democratic Advisor

Rep. Mary Heath (D-Manchester)  
Deputy Ranking Member, House Finance

Rep. Laura Telerski (D-Nashua)  
Member, House Finance  
House Democratic Advisor

Rep. Brian Sullivan (D-Grantham)  
House Democratic Advisor