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Friday, January 9, 2009

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## Capitol Insight - Sponsor's Analysis

Welcome to another year of Capitol Insight, the on-line communication of the Greater Manchester Chamber of Commerce that is intended to keep members informed of what is going on in Concord during the legislative session. Sheehan Phinney Bass + Green and Sheehan Phinney Capitol Group are pleased to sponsor Capitol Insights again in 2009 as we have since its inception.

On Thursday, January 8, Governor John H. Lynch was inaugurated for his third two- year term. In a relatively brief ceremony, the oath of office was administered by Supreme Court Chief Justice John Broderick in the House of Representatives chamber, bringing together all three branches of state government. Lynch then swore in the members of the Executive Council, Councilors Burton, Shea, Pignatelli, Wieczorek and Hollingworth. Again this term, Democrats hold the governorship, 3/5ths of the Executive Council and majorities in the Senate and House. Republicans are getting used to being in the minority, a new position for them after so many years of dominance.

In his address, Governor Lynch noted the economic challenges facing the state government and state and national economies. However, noting that we live in the "greatest state in the greatest nation on earth," he

expressed confidence that New Hampshire will be able to overcome the challenges currently faced. Prime among those challenges is the \$100 million deficit facing the state budget, and the need to overcome that, and to write a budget for the next biennium that will be balanced. Lynch pointed out that new spending programs will have to be avoided or deferred, and that some things we want to do, and even some we *need* to do, will prove impossible if the budget problem is to be solved.

The Governor stressed the need to provide quality education, noted that public kindergarten is now a reality throughout the state, and repeated his belief that a constitutional amendment allowing targeted aid to schools is the best solution to the school funding dilemma that has faced recent legislative sessions.

Newly filed legislative proposals are being finalized and sent out daily, and they cover many topics, as is normal. However, those that come with funding requests will find opposition because of the budget, if the predictions of legislative leaders are to be credited. Also, any requests for new taxes or increases in existing taxes will be opposed by the business community that will point out that if jobs are to be preserved in a recession, business needs to keep whatever income it can generate, or the economic times will get worse. Also, the business community will watch carefully any proposals for mandated benefits, new regulations or other expense items.

Budget analysts predict that the state will not be able to solve the budget problems merely by cutting current spending, so new revenue will be needed. If not from taxes, then where will it be found? Two sources that have been mentioned are federal economic incentive funds from President-elect Obama's economic stimulus proposal, yet to be clarified and passed, and expanded gambling in the form of video poker machines at the racetracks and perhaps other locations. The former has yet to be defined, and the latter promises to face great debate and opposition from many quarters, while being pushed by a massive and well-funded lobbying effort.

Look for all of this in the coming weeks and months, as the

New Hampshire legislature's 400 Representatives and 24 Senators consider approximately 1000 proposals, formulate the budget for the next two years, and deal with the economy.

It should be interesting.

**Brad Cook**

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CHAMBER INSIGHT: 

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Happy New Year and welcome to another year of *Capitol Insight!* The Chamber would like to once again extend its thanks to Sheehan Phinney Bass + Green and the Sheehan Phinney Capitol Group for its sponsorship and support of this program.

In case you are not familiar with this publication, Capitol Insight is all about keeping you abreast of the critical issues happening in the state legislature that impact your business. Each week the government relations professionals from the Sheehan Phinney Capitol Group will provide a comprehensive recap of the previous week's critical legislative activities. In addition, the Chamber will provide an update on its legislative activities and priorities in this section.

As the 2009 session commences, lawmakers are considerably more somber than past years. As mentioned above, the current state of economy had led to very significant shortfalls within the state budget. The current budget is projected to fall short by upwards of \$100 million, while the deficit for next biennium may be three to four times that. Clearly, lawmakers have their work cut out for them in 2009.

What does this mean for the Chamber and the business community at large? With lawmakers scrambling to find new revenue sources, increased participation in the legislative process by the business community will be necessary to ensure that lawmakers understand the dire

effect raising business taxes will have in down economy.

The Chamber desperately needs your help in this effort. Please consider volunteering with the Chamber's Government Affairs Committee and lending your voice and resources to protecting the business community. If you are interested in getting involved, please email [michaels@manchester-chamber.org](mailto:michaels@manchester-chamber.org) and join us at our upcoming meeting on Friday January 16th. Also, be sure to stay tuned over the next few weeks as we unveil key pieces of legislation the Chamber will be active on in 2009.

**Michael Skelton**

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NH State Legislature [www.state.nh.us](http://www.state.nh.us)

The Union Leader [www.theunionleader.com/](http://www.theunionleader.com/)

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