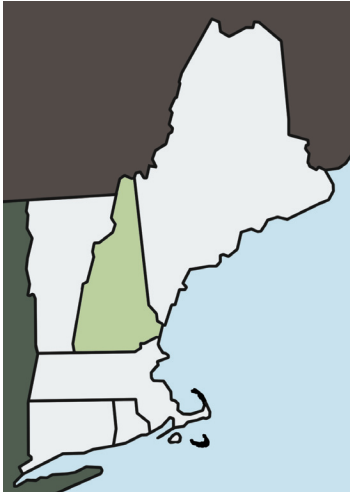


NEW HAMPSHIRE Budget Report Card



NEW HAMPSHIRE WAS one of sixteen states to earn an A average in budget maneuvers for fiscal 2016 through 2018. In doing so, it showed no evidence of deferring recurring expenditures or accelerating revenues, or using other one-time techniques to achieve budgetary balance.

That mark contrasts with the state's low averages in the budget forecasting and legacy cost categories. In budget forecasting for 2018, New Hampshire received the lowest grade possible, a D-minus, along with Alabama, Missouri, and North Dakota. New Hampshire's poor showing reflected a lack of information on how it derived its short-term projections of revenue growth. It also failed to employ other fundamental practices, including consensus revenue estimates and multiyear revenue and expenditure forecasts.

New Hampshire's insufficient funding of other postemployment benefit costs for public workers, principally health care, contributed to its D average in legacy costs. The accrued liability for these benefits is \$2.1 billion, equivalent to almost half of the state's general fund budget in fiscal 2017. Although New Hampshire has fully funded its actuarially determined pension contributions in recent years, it often fell short in the past. Its pension funded ratio was only 62.6 percent as of 2017, almost six percentage points below the total for all states.


NEW ENGLAND STATES SIDE BY SIDE: Three-Year Average Grades, 2016-18


	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
Connecticut	A	C	D	B	B
Maine	B	B	B	B	B
Massachusetts	C	D	D-	A	B
New Hampshire	D	A	D	B	B
Rhode Island	A	C	B	B	B
Vermont	B	A	D	B	B
US AVERAGE	C	B	C	B	B


NOTE States are grouped by US Census Bureau divisions.


Average grades are based on annual numerical scores. For more information, download *Truth and Integrity in State Budgeting: Preventing the Next Fiscal Crisis* at VolckerAlliance.org.


NEW HAMPSHIRE Budget Report Card

BUDGET FORECASTING				
	2016	2017	2018	
	CATEGORY GRADE	D	D	D
	Consensus Revenue Forecasts	X	X	X
	Multiyear Expenditure Forecasts	X	X	X
	Multiyear Revenue Forecasts	X	X	X
	Revenue Growth Projections	✓	✓	X
3-YEAR AVERAGE		D	3-YEAR TREND ↘	

BUDGET MANEUVERS				
	2016	2017	2018	
	CATEGORY GRADE	A	A	A
	Deferring Recurring Expenditures	✓	✓	✓
	Revenue and Cost Shifting	✓	✓	✓
	Funding Recurring Expenditures with Debt	✓	✓	✓
	Using Asset Sales and Up-Front Revenues	✓	✓	✓
3-YEAR AVERAGE		A	3-YEAR TREND —	

LEGACY COSTS				
	2016	2017	2018	
	CATEGORY GRADE	D	D	D
	Public Employee OPEB Funding	X	X	X
	Public Employee Pension Funding	✓	✓	✓
	Public Employee Pension Funded Ratio*	58%	63%	63%
3-YEAR AVERAGE		D	3-YEAR TREND —	

RESERVE FUNDS				
	2016	2017	2018	
	CATEGORY GRADE	B	B	B
	Positive Reserve or General Fund Balance	✓	✓	✓
	Reserve Funds Disbursement Policy	✓	✓	✓
	Reserve Funds Replenishment Policy	✓	✓	✓
	Reserves Tied to Revenue Volatility	X	X	X
3-YEAR AVERAGE		B	3-YEAR TREND —	

TRANSPARENCY				
	2016	2017	2018	
	CATEGORY GRADE	B	B	B
	Consolidated Budget Website	✓	✓	✓
	Provides Debt Tables	✓	✓	✓
	Discloses Deferred Infrastructure Replacement Costs	X	X	X
	Discloses Tax Expenditures	✓	✓	✓
3-YEAR AVERAGE		B	3-YEAR TREND —	

KEY

✓	Followed best practice
X	Did not follow best practice

BUDGET FORECASTING evaluates whether and how states estimated long-term revenue and expenditure trends. **BUDGET MANEUVERS** evaluates whether states used one-time revenues, borrowings, asset sales, and other measures to achieve short-term budgetary balance. **LEGACY COSTS** evaluates whether states provided adequate funding, as defined by retirement system actuaries, for pensions and other promised retirement benefits for public workers. **RESERVE FUNDS** evaluates states' rainy day funds and other fiscal reserves, as well as any policies governing their use and replenishment. **TRANSPARENCY** evaluates the accessibility to the public of states' budget practices.

* SOURCE Bloomberg; 2017 data also used for 2018.