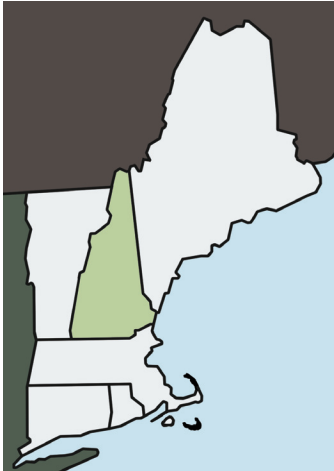


NEW HAMPSHIRE Budget Report Card



NEW HAMPSHIRE POSTED a D-minus average for budget forecasting for fiscal 2017 through 2019—joining Alabama, Missouri, and North Dakota as the four states to receive the lowest possible mark in the category. New Hampshire failed to provide a rationale to support revenue growth projections at the time of the initial budget for 2018 or 2019. It also eschewed consensus revenue forecasts, and it did not furnish multiyear revenue and expenditure projections.

The state also ranked near the bottom in legacy costs, averaging a D, the second-lowest grade possible. Its public worker pension has 65 percent of the assets needed to meet liabilities, 5 percentage points below the total for all states. Adding to New Hampshire’s poor showing in the category was its \$2 billion in liabilities for other postemployment benefits (OPEB), principally health care, as of 2018. That compares with the state’s estimated general fund revenues of \$1.57 billion in 2019.

New Hampshire averaged an A in budget maneuvers by largely avoiding one-time revenue measures. Vermont is the only other New England state to rank at the top of this category. The state posted B averages for reserve funds and transparency. The latter score was held down by New Hampshire’s absence of budgetary reporting of deferred infrastructure maintenance costs.

NEW ENGLAND STATES SIDE BY SIDE: Three-Year Average Grades, 2017–19


	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
Connecticut	A	C	D	A	B
Maine	B	B	A	B	B
Massachusetts	C	C	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	B	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: The Balancing Act* at VolckerAlliance.org.


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NEW HAMPSHIRE Budget Report Card

BUDGET FORECASTING				
	2017	2018	2019	
	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	X
3-YEAR AVERAGE D		3-YEAR TREND ↘		

BUDGET MANEUVERS				
	2017	2018	2019	
	CATEGORY GRADE	A	B	A
	Deferring Recurring Expenditures	✓	✓	✓
	Revenue and Cost Shifting	✓	X	✓
	Funding Recurring Expenditures with Debt	✓	✓	✓
	Using Asset Sales and Upfront Revenues	✓	✓	✓
3-YEAR AVERAGE A		3-YEAR TREND —		

LEGACY COSTS				
	2017	2018	2019	
	CATEGORY GRADE	D	D	D
	Public Employee OPEB Funding	X	X	X
	Public Employee Pension Funding	✓	✓	✓
	Public Employee Pension Funded Ratio*	63%	65%	65%
3-YEAR AVERAGE D		3-YEAR TREND —		

RESERVE FUNDS				
	2017	2018	2019	
	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				
	2017	2018	2019	
	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; 2018 data also used for 2019.

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