100 Businesses in 100 Days

New Hampshire is Open for Business

Office of Governor Christopher T. Sununu

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While our economy continues to show signs of strength, we still have fundamental challenges that have prevented us from tapping our full potential. Whether the issue is energy costs, overregulation, or workforce needs; our economic challenges come back to one idea: New Hampshire has been too focused on the revenues we can squeeze from businesses rather than what can be done to help them thrive.

We made clear to New Hampshire that within our first 100 days in office, our administration would network with 100 out-of-state businesses and ask them to consider locating in New Hampshire. We exceeded that goal, by connecting with 127 businesses from across the nation and the world. We met with companies with as few as five employees to those with over a thousand. We spoke with manufacturers, medical rehabilitation facilities, high-tech companies, to name only a few. We took time to listen to the concerns of business leaders and helped them understand the opportunities awaiting them in New Hampshire.

**Why 100 Businesses In 100 Days?**

The first goal of the initiative was to meet with 100 out-of-state businesses. It is not a magic number that will single-handedly turn around New Hampshire. However, it is symbolic of this administration’s commitment to economic development. It is important to help start the process of telling the business community that New Hampshire is open for business. These companies, even if they don’t move today, know that New Hampshire is planning for the future and welcomes them.

Our New Hampshire businesses have important perspectives that will continue to play a major role in our economic development decision-making. But it is crucial to hear the unfiltered, unrestricted views of businesses with no connection to New Hampshire to understand what drives them in choosing where to locate. We strive to be the best and want to be their first choice.

Secondly, we were interested in hearing what people on the ground--those actually affected by policy decisions--have to say. Washington politicians design systems based
on their personal political philosophy, then apply those systems without consideration for real world application and without evolution. Washington politicians tend to take a one-size-fits-all approach to the detriment of the states and the proven model that innovation is spurred by government that is closest to the people.

The best systems are nimble and responsive to the needs of the end user. Our state agencies must be able to diagnose deficiencies and respond rapidly and effectively. They must be able to emphasize their strengths and limit their weaknesses. And the only way to accomplish that is with information. The chief goal of 100 businesses in 100 days was to sit down and listen to what businesses actually want and need, rather than what politicians think they need.

A Note On Confidentiality

This report does not include company names or specific identifying information. This is intentional and imperative. Most businesses are hesitant to signal the potential of moving or expanding their operations. Any hint signaling a company is considering a move is very likely to be a detriment to employee relations and engagement. Therefore, the Governor’s Office assured the businesses that we met with that our discussions would remain confidential until they are comfortable releasing their status.

Businesses We Connected With

In the first 100 days in office, we connected with 127 businesses from outside New Hampshire, exceeding our previously set goal. Some are actively in the process of moving and expanding their operations; others were simply happy to make a connection for their future considerations.
Where Are They From?

We met with business leaders from seven countries and 23 States. We focused on companies looking to expand their footprints – a majority of which came from the northeastern states and Quebec. The top 5 states and provinces represented are Quebec, Massachusetts, California, Vermont, and Texas.

Who Are They?

We connected with a diverse group of industries, all of which face unique challenges and considerations. However, there were trends that allow us to target sectors that could benefit New Hampshire in disparate ways.

Companies in the first group include those in the aerospace, high-tech, and manufacturing domains. They share some common traits -- they are looking for stable energy rates and a well-educated workforce including both management and skilled employees.

Companies in the second group are those whose costs are driven mostly by payroll and customers including law firms, call centers, retail stores, and financial services firms. These businesses face concerns with the individual tax rates, the cost of living, and quality of life in the states in which they operate.

The third group of companies are those that develop and sell real estate, as well as those that work to preserve and find balance with the environment. These companies often face challenges with red tape and overregulation.

The fourth group of employers seeks to create physical infrastructure. These include energy, telecommunication, and transportation companies. These businesses are interested in accessible government and long-term partnerships with the state and with communities.

Finally, we met with businesses that help provide the social services that our state can benefit from. These include healthcare companies, schools and education organizations, and non-profits.
How Did We Connect?

We connected with these companies in a variety of ways. We traveled out-state, often with representatives of the Department of Resources and Economic Development (DRED) to make direct pitches, face-to-face with decision-makers. We also hosted a webinar for Canadian companies in partnership with DRED.

Often, companies chose to meet us in New Hampshire, either at the state house, or at sites that they are considering in New Hampshire. We were contacted by many out-of-state companies that simply wanted a phone or skype call to help them make their decisions.

What Did We Learn?

Regulations

New Hampshire has become one of the most overregulated states in the nation; we have nearly 50 licensing boards, over 120,000 professionals that we license, and we have a rules structure that can stifle the growth of our businesses. According to the Pacific Research Institute, New Hampshire ranked 37\textsuperscript{th} out of 50 states in the impact of state regulations on small business. We are taking steps to remedy this. One of the first actions taken was to ask our state agencies to freeze their new rules and regulations for 90 days, and to review those rules to look for unnecessary burdens they are placing on the state.

Our office has received completed reports from most agencies detailing their existing regulations and identifying which regulations each agency feels could be eliminated or improved. These reports were a first but important step in a comprehensive regulatory review designed to identify ways in which the State can ease the regulatory burden on businesses. The reports are currently under review, and each agency will be contacted with follow up instructions and for discussion of next steps over the next few weeks.

Education

Education is an important workforce driver in more ways than one. Our students will one day become the heart of our economy, and it is crucial that they are well prepared. We all want the best possible education for our children and it is a major factor in business’ decision-making process when it comes to choosing a place to live. We heard from businesses who stressed how important issues like full-day kindergarten and school choice are to the parents that they employ.

We have proposed a scholarship program that will help students attending traditional universities, community colleges, or training programs in the state. We proposed
increases to the budget of the community college system and proposed significant capital investments. These investments in our education system will pay significant dividends in our future workforce. And most importantly, we were able to assure businesses that they would have direct access to our university system and to our career training programs so that they can count on integrated opportunities with education.

**Opiate Crisis**

Many out-of-state employers are already faced with the opiate crisis. They want to know what New Hampshire has to offer to be sure that their business will be properly supported to best help their employees with substance use disorders.

Tackling this crisis one of his top priorities of this administration. We recognize that the opiate crisis is the most critical public health and safety issue in New Hampshire. Our comprehensive strategy includes supporting investments in law enforcement, treatment, recovery, and prevention. Additionally, we have dedicated more resources directly within this office focused directly on addressing this crisis.

It is our priority to support employers to more effectively address and assess alcohol and drug misuse in the workplace. We will promote the work of and join with employers that become “recovery friendly workplaces.” Moreover, we will assist employers in identifying the lived experience of people in recovery as a resource for occupational health in the workplace.

**Taxes**

Many employers looking at New Hampshire see our business tax rates and are not aware of our relatively low overall tax burden. New Hampshire ranks 7th in the nation in the Tax Foundation’s 2017 State Business Tax Climate Index. Perception is not reality. We need to make businesses aware that New Hampshire is a friendly place to business, and we are taking steps to be even better.

This administration is dedicated to improving New Hampshire’s tax status. We support further reductions in business taxes, and are committed to holding the line new taxes and fees.

**Infrastructure**

Businesses talk often about how important quality infrastructure is to them. If a state fails to maintain its roads and bridges, it can be an added burden to the companies that rely on them. Our Administration proposed significant investments in New Hampshire’s roads and bridges.
Quality of Life

Employers who want to move their businesses are concerned with the quality of life for their employees. The US News and World Report’s Best States Ranking rated New Hampshire the #2 best state in the nation. That same report ranked New Hampshire #1 in Opportunity, #3 in Education, and #4 in Health Care.

Businesses understand the dynamics that their employees care about. As Millennials begin to decide where they want to broaden their careers, we want to make sure New Hampshire is a place they want to be. Promoting the incredible quality of life benefits in New Hampshire such as our access to outdoor recreation and our embracing the arts community is imperative. Employers want to know that state government is focused on supporting areas that their workforce cares about.

Access to Government

Businesses want to know that they have partners in government. Employers from other states often express frustration with government bureaucracy that seems unapproachable and out-of-touch. Our administration has emphasized how different that is in New Hampshire. Our government is open and accessible; anyone can knock on the door or pick up the phone. New Hampshire is leading by example in expressing the willingness to help employers make the connections they need to in order to thrive here.

Energy rates

Almost every manufacturer we met with at one point mentioned energy costs and volatility. Currently, energy rates in the state are approximately 60% higher than the national average. New Hampshire needs to create the energy infrastructure to ensure access to affordable, stable energy. Whether its hydro energy from Quebec, natural gas from the Midwest, or a smarter renewable portfolio, New Hampshire needs to take action to both lower electricity costs and remove the volatile price spikes in our wholesale rates if we want to attract manufacturers.

Right-to-work

Right-to-work was an issue raised several times over the first 100 days. Many large employers refuse to even consider moving to a non-right-to-work state like New Hampshire. These are companies with hundreds and thousands of employees that could single-handedly turn around a town’s economic situation. They recognize many of the benefits that New Hampshire would provide, but they simply will not move until the state opens up freedom for workers. Right to work remains a key piece of our economic puzzle.
Next Steps

The first and most important step in this process is to signal a newfound commitment to economic development. Our work is not done. It is all of our responsibility to constantly be searching for new ways to grow our economy and to spur job growth.

We are breaking down the regulations that stifle the ability of businesses to grow and thrive. We recognize how important it is to tackle our state’s opiate crisis. We are dedicated to education, and have promoted school choice and full-day kindergarten, and proposed significant investments in our students and graduates. We want to invest in our states and roads and bridges and in our infrastructure as a whole. And we want to make sure our government is built to best serve New Hampshire’s economy.

The Division of Economic Development continues to do a great job for New Hampshire, and they were an important partner during this initiative. Going forward, we want to allow them to concentrate where they excel. We have proposed splitting the Division of Economic Development and the Division of Travel and Tourism away from DRED, and refocusing them into a new Department of Business and Economic Affairs. This will allow the department to remain nimble and responsive to an ever-changing economic environment while allowing for better integration with other departments such as the Business Finance Authority, Community Development Finance Authority, Small Business Administration, and others.

We can transform New Hampshire into a premier destination for businesses and employees alike. The fundamentals are there: no income or sales tax, great schools, incredible natural beauty, and ease of access to urban centers like Boston and New York without the hassle. There really is no better place to live than New Hampshire.

Workforce, jobs, and quality of life are all interconnected. By attracting many great companies, with good, high-paying jobs, we can reach that critical mass of opportunities for new workers. By combining those opportunities with our unparalleled quality of life, we can ensure a vibrant and dynamic new workforce, and unleash the untapped potential of New Hampshire’s economy.

Our first hundred days in office are over, but our commitment to economic and workforce development is only at its beginning. Our office has spoken to more than 127 businesses but we are far from done. We will continue to listen and to learn. We will continue to promote and to develop. And we will never stop emphasizing that New Hampshire is open for business, open for workers, and open for opportunity.