



Common Cents

New Hampshire Fiscal Policy Institute Blog

Services Funded at Lower Levels than Proposed After Governor Vetoes Budget

July 1, 2019

New Hampshire began State Fiscal Year 2020 without a new State Budget after the Governor vetoed the [Legislature's approved State Budget](#) last week. In the absence of a State Budget, services are funded through [House Joint Resolution 3](#), which both the House and the Senate passed last week. Services provided by the State will be funded at last State fiscal year's levels, without additional proposed funding for developmental disability services, Medicaid reimbursement rates, or local public education.

HJR 3 authorizes funding through October 1, or the first three months of SFY 2020, at SFY 2019 levels. Specifically, the [SFY 2019 Adjusted Authorized amounts](#) in the State agency budget requests were incorporated into the resolution, meaning services approved since [the previous State Budget](#) was passed will still be funded. Funding is set to be one quarter of the amounts identified in the SFY 2019 Authorized Adjusted budget lines, essentially limiting funding to three months of State services.

Emergency funding can be authorized by the Governor with the consent of the [Executive Council](#) and prior approval by the [Joint Legislative Fiscal Committee](#), and the provisions of the prior State Budget's Trailer Bill are also applied during the new State fiscal year.

The most recent prior instance in which a Governor vetoed a State Budget was 2015, and the Legislature also passed a continuing resolution at that time. [House Joint Resolution 2 in the 2015 Session](#) authorized State expenditures at the prior year's levels (although not explicitly the Adjusted Authorized levels) for a six-month period, stretching to January 1, 2016. To establish a [final State Budget](#), in mid-September 2015 the Legislature [overrode the Governor's budget veto](#) and introduced and passed a separate bill, [Senate Bill 9](#), which modified various provisions and expenditures and was then signed by the Governor.

The [most recent calendar](#) for the House of Representatives indicates that no legislative business, outside of statutory committees and special circumstances, will occur before

August 16. The Legislature may meet before then to reach approval, but State services will likely continue to be funded at last year's levels throughout July and into August, and may continue at this level until late September. If budget negotiations extend beyond late September, the Legislature would need to pass another continuing resolution or some other form of expenditure legislation to authorize funding for public services.

While any item in the State Budget could change during subsequent budget negotiations, planned increases in funding that might otherwise be noncontroversial may be delayed. Prior proposals for the State Budget from the [Governor](#), [House](#), and [Senate](#) all included significantly higher levels of funding for developmental disability services with the aim of eliminating the wait list for services, with the final version including \$127.8 million more over the biennium. The Legislature's budget included a 3.1 percent reimbursement rate increase for nearly all Medicaid providers in SFY 2020 (and another in SFY 2021), significant funding for efforts to construct or provide additional space for individuals in need of behavioral health care, and a specific \$750,000 appropriation to fund due process for patients in hospital emergency rooms following involuntary admissions. It also included \$20 million for SFY 2020 in unrestricted aid to cities and towns and \$34.8 million more in local public education funding in SFY 2020 than under current law.

For more information about funding State services and previous budget proposals, see NHFPI's [NH State Budget](#) web page.