

The Operating Budget Process

Fiscal Issue Brief

November 2016

The State's Operating Budget Process begins during an even-numbered year, and ends during an odd-numbered year

AGENCY PHASE

March - October

Commonly referred to as "Agency Budget Requests", RSA 9:4 requires State agencies to prepare a budget for the upcoming biennium based on expenditure targets provided by the Governor. These targets are based on revenue and economic forecasts, and the forecasted financial condition of the State.



GOVERNOR PHASE

November - February

In November, the Governor conducts public hearings for State agencies to explain their Agency Budget Request. The Governor is required to submit a recommended budget to the Legislature for their consideration by February 15th. Historically, this budget is introduced as House Bills 1 and 2.



HOUSE PHASE

February - April

The budget bills, HB1 (operating budget) and HB2 ("trailer bill"), are referred to the House Finance Committee. The Committee splits into three "divisions", each with assigned budget categories, to ultimately craft amendments to HB1 and HB2 for the full Committee and the House to consider and act upon.



SENATE PHASE

April - June

Once the House has acted upon HB1 and HB2, the bills are referred to the Senate Finance Committee. The Committee considers changes to the House passed versions of HB1 and HB2 and proposes its final recommendation on the two bills to the full Senate for action.



COMMITTEE OF CONFERENCE AND SUBMISSION TO THE GOVERNOR

June

Typically, the House will request and the Senate will accede to a Committee of Conference on HB1 and HB2. These Committees, usually comprised of members of House and Senate Ways and Means and Finance Committees, will ultimately negotiate the final versions of HB1 and HB2 (including revenue estimates). If the House and Senate adopt the recommendations from the Committees of Conference on HB1 and HB2, the bill is then submitted to the Governor for action.