



# THE NEW HAMPSHIRE STATE BUDGET: THE BASICS AND CURRENT STATUS

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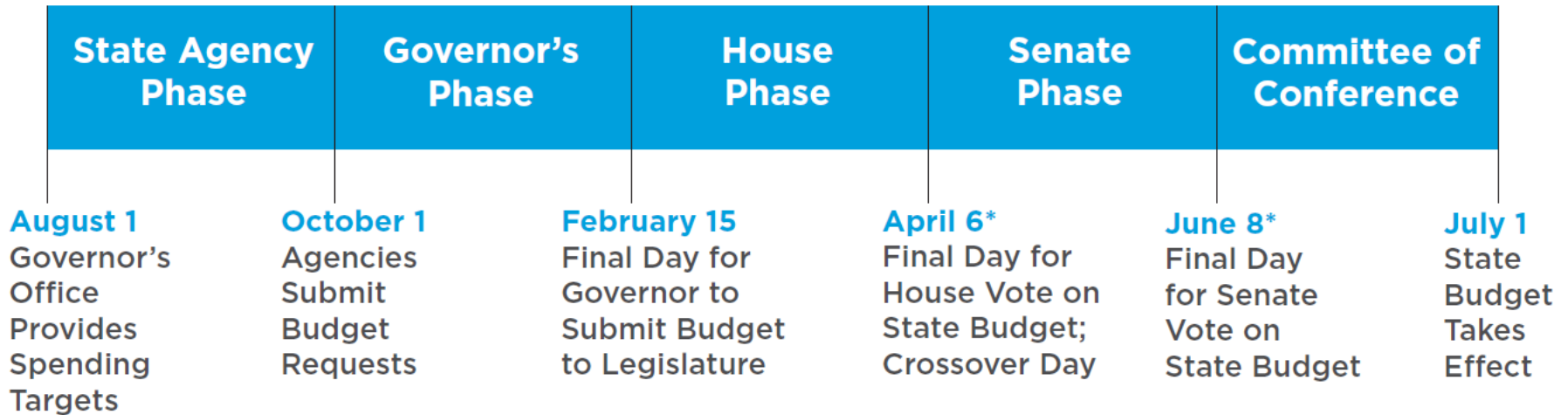
FEBRUARY 9, 2023

# BASICS OF THE STATE BUDGET

- Two-year, or biennial, operating budget
  - Funds *most* State operations for two State Fiscal Years (SFYs)
  - Current State Budget provides funding for SFYs 2022-2023 (July 1, 2021 to June 30, 2023), more than \$13 billion in appropriations
- Comprised of two separate pieces of legislation
  - Operating Budget Bill, typically House Bill 1 or “HB 1,” holds the line-item appropriations, amount of money in each component of State programs
  - Trailer Bill, typically House Bill 2 or “HB 2,” is the companion omnibus bill with policy changes and appropriations separate from HB 1
- Not all State expenditures, spending plans are in State Budget
  - Capital Budget (HB 25), covers six years with changes every two years
  - Ten Year Transportation Improvement Plan, altered every two years
  - Separately authorized expenditures, such as bills that appropriate funds, spending requests granted by the Joint Legislative Fiscal Committee, or separate off-budget funds; Medicaid Expansion under the Patient Protection and Affordable Care Act enacted outside of the State Budget

# BUDGET CREATED IN A YEARLONG PROCESS WITH FIVE PHASES

## STATE BUDGET PROCESS TIMELINE

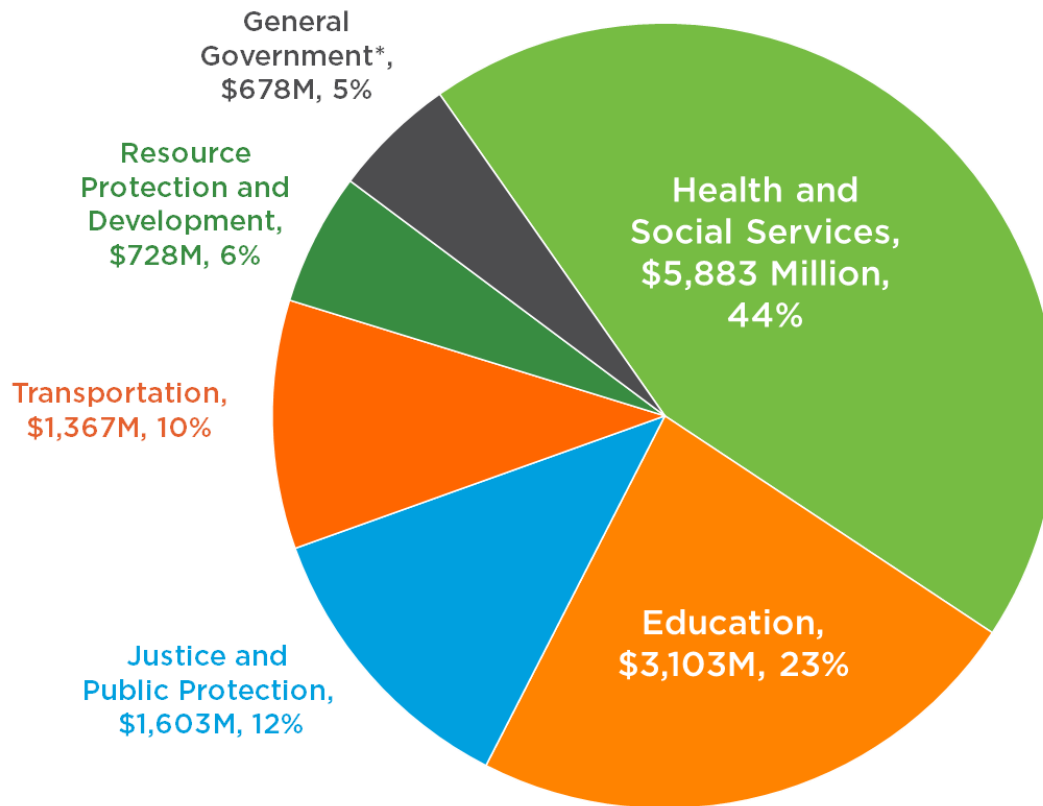


\*Dates set by legislative leadership for the 2023 session; all other dates specified in statute.

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# TWO-THIRDS OF BUDGET: HEALTH, SOCIAL SERVICES, AND EDUCATION

STATE BUDGET LEGISLATION APPROPRIATIONS  
*State Fiscal Years 2022-23 and Trailer Bill SFY 2021 Appropriations*

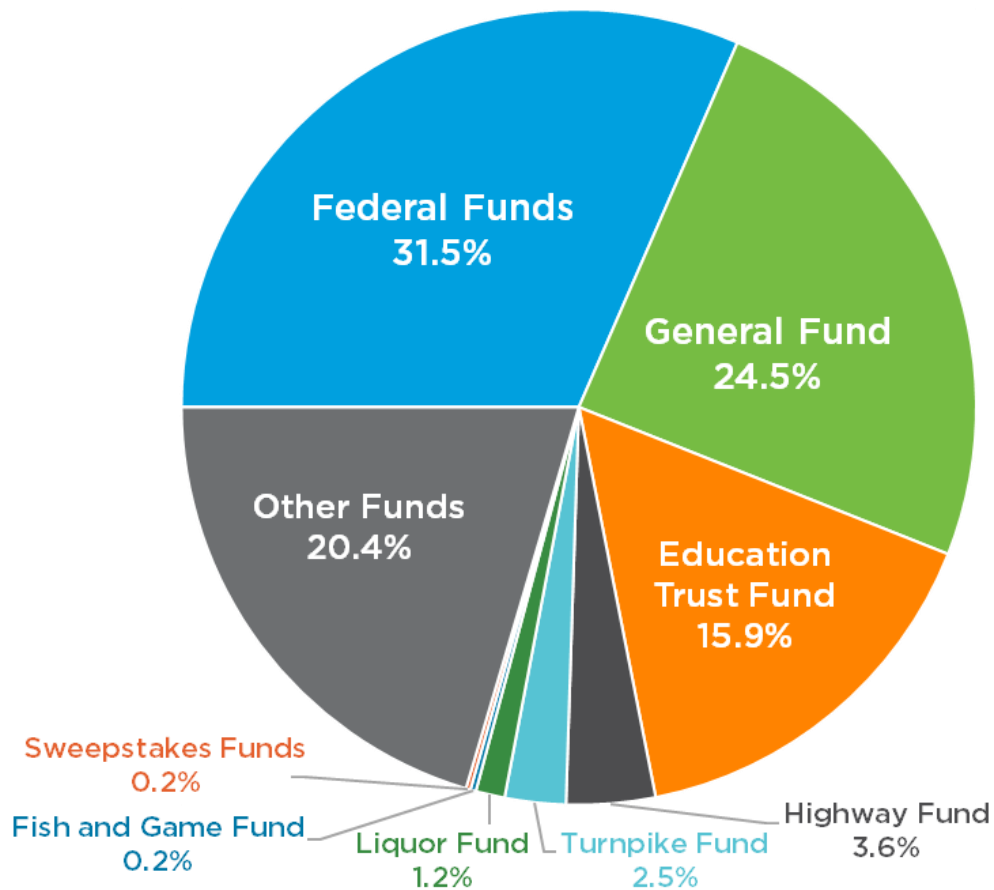


Note: General Government includes HB 2 appropriations for the Affordable Housing Fund, FRM Victim's Fund, and State employee pay raises.  
Source: HB 1 and HB 2 as Approved, 2021 Session; New Hampshire Office of Legislative Budget Assistant, Surplus Statements, June 2021

# NEW HAMPSHIRE'S STATE BUDGET FUNDS

## NEW HAMPSHIRE STATE BUDGET, STATE FISCAL YEARS 2022-2023

Source: Chapter 90, Laws of 2021, Section 1.07



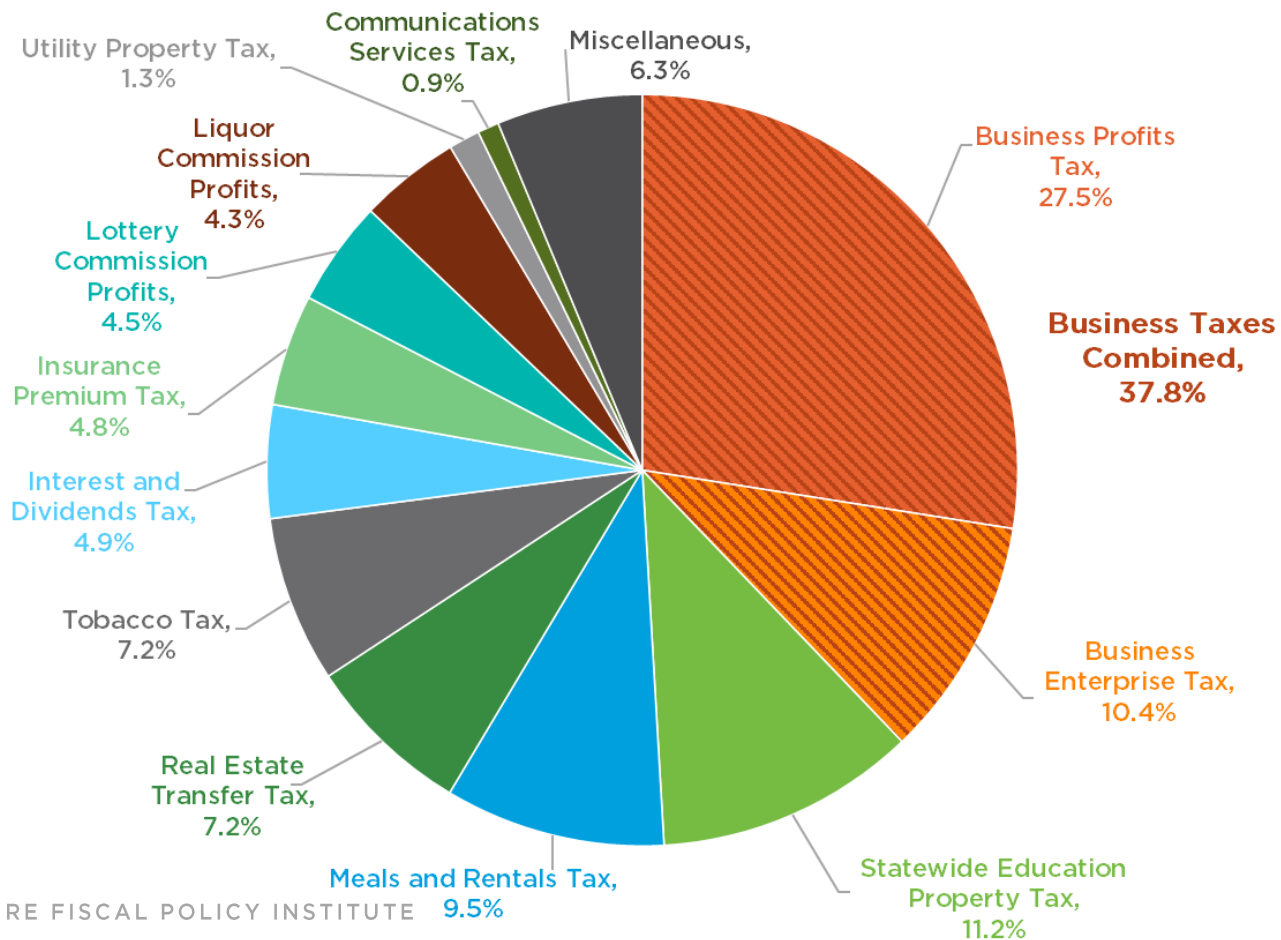
- Funds act like accounts
- Interact with one another
- General Fund most flexible
- General Fund fills any Education Trust Fund shortfall
- Lottery revenues, gasoline and motor-vehicle revenues directed by the State Constitution
- Other funds directed by statute
- Federal Funds support about a third of the State Budget

Sources: New Hampshire State Constitution, Part 2, Articles 6-a and 6-b; NHFPI, *Building the Budget*, February 2017.

# GENERAL AND EDUCATION TRUST FUNDS SHARE MANY REVENUE SOURCES

## GENERAL AND EDUCATION TRUST FUNDS COMBINED REVENUE IN STATE FISCAL YEAR 2022

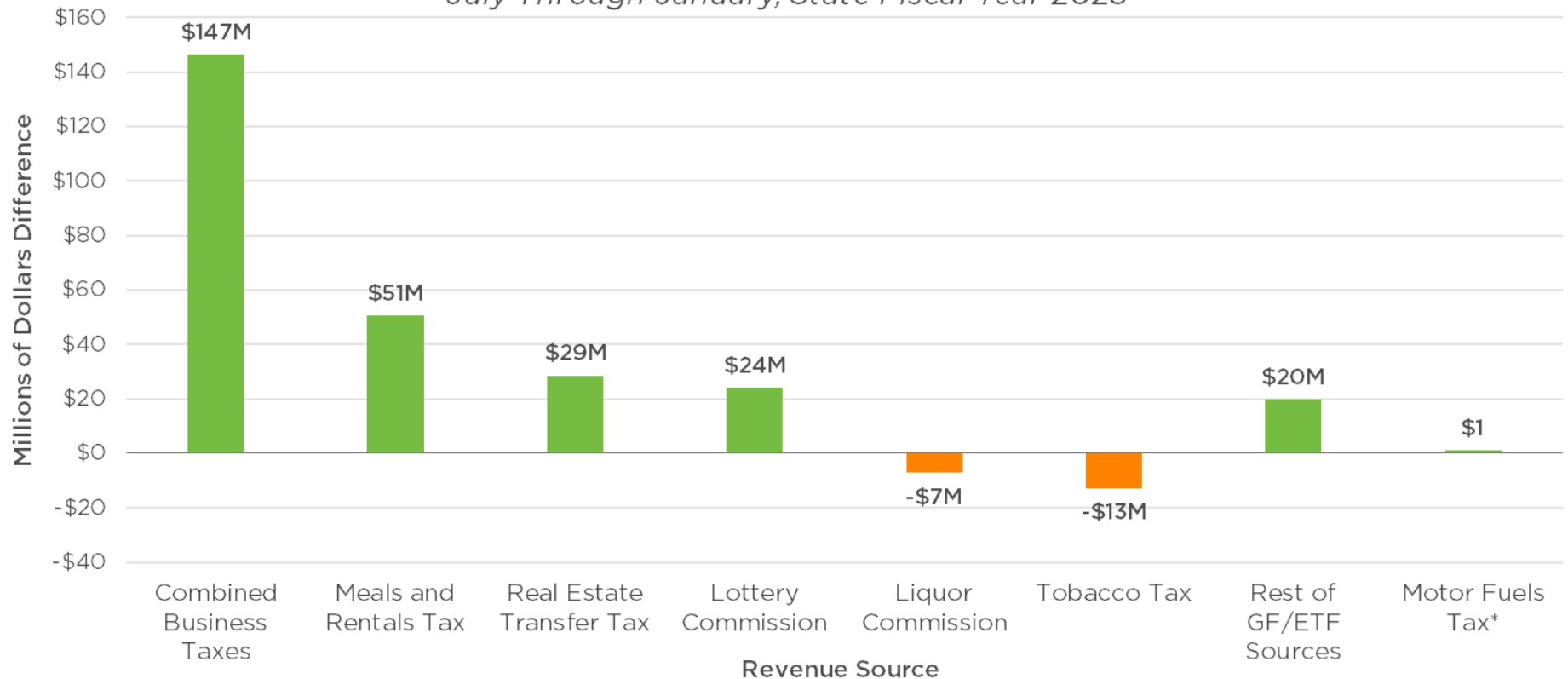
Source: New Hampshire Annual Comprehensive Financial Report, State Fiscal Year 2022



# BUSINESS TAXES, MEALS AND RENTALS TAX CONTINUE TO DRIVE REVENUE SURPLUS

## DIFFERENCES FROM STATE REVENUE PLAN BY SOURCE

*General and Education Trust Funds Revenues,  
July Through January, State Fiscal Year 2023*



Sources: New Hampshire Department of Administrative Services, Monthly Revenue Focus, January FY 2023

# KEY CONSIDERATIONS FOR THE NEXT STATE BUDGET

- What happens with the economy over the next two years?
- How are State revenues impacted by changes in the economy and in the tax base?
- How do service needs change with the economy?
- How might the end of significant federal stimulus and support programs impact the economy, State and local services, and the well-being of Granite Staters?
- Ongoing considerations, including key workforce supports:
  - Housing
  - Child care
  - Care for older adults and individuals with disabilities
  - Education funding



# ADDITIONAL RESOURCES

- Blog: Ten Facts About the New Hampshire State Budget – February 1, 2023  
<https://nhfpi.org/blog/ten-facts-about-the-new-hampshire-state-budget/>
- Issue Brief: The State Budget for Fiscal Years 2022 and 2023 – August 17, 2021  
<https://nhfpi.org/resource/the-state-budget-for-fiscal-years-2022-and-2023/>
- Publication: Building the Budget: New Hampshire’s State Budget Process and Recent Funding Trends – February 9, 2017  
<https://nhfpi.org/resource/building-the-budget-new-hampshires-state-budget-process-and-recent-funding-trends/>
- Resource Pages: Budget, Revenue & Tax, Health  
<https://nhfpi.org/topic/budget/>  
<https://nhfpi.org/topic/revenue-tax/>  
<https://nhfpi.org/topic/health/>



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