REGULAR CALENDAR

October 18, 2023

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Majority of the Committee on Municipal and County Government to which was referred HB 313,

AN ACT relative to the reductions from the default budget for official ballot town meetings. Having considered the same, report the same with the following resolution: RESOLVED, that it is INEXPEDIENT TO LEGISLATE.

Rep. Jim Maggiore

FOR THE MAJORITY OF THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

MAJORITY
COMMITTEE REPORT

Committee:	**Municipal and County Government**
Bill Number:	**HB 313**
Title:	**relative to the reductions from the default budget for official ballot town meetings.**
Date:	**October 18, 2023**
Consent Calendar:	**REGULAR**
Recommendation:	**INEXPEDIENT TO LEGISLATE**

STATEMENT OF INTENT

The majority of the committee opposes this bill as it would place new parameters around the calculation of the default budget based on a desire to have the default budget reflect spending, rather than base the default calculation on appropriations voters approve at the prior annual meeting. The default budget basically freezes the voter approved budget with adjustments made for voter approved bond issues, legal requirements, removing one-time appropriations and retaining contractual obligations, including salaries for current and posted positions. The proposed budget takes into account actual salary amounts needed in the ensuing budget. This is a self-correcting action that takes place when the new budget is created. Salaries and benefits for employee positions that are eliminated are no longer incurred and must be excluded from calculation of default. Any delta in unused salaries can lapse into fund balance to reduce taxes or to be spent at a future town meeting.

Vote 11-9.

Rep. Jim Maggiore
FOR THE MAJORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Municipal and County Government

HB 313, relative to the reductions from the default budget for official ballot town meetings. **MAJORITY: INEXPEDIENT TO LEGISLATE. MINORITY: OUGHT TO PASS WITH AMENDMENT.**

Rep. Jim Maggiore for the **Majority** of Municipal and County Government. The majority of the committee opposes this bill as it would place new parameters around the calculation of the default budget based on a desire to have the default budget reflect spending, rather than base the default calculation on appropriations voters approve at the prior annual meeting. The default budget basically freezes the voter approved budget with adjustments made for voter approved bond issues, legal requirements, removing one-time appropriations and retaining contractual obligations, including salaries for current and posted positions. The proposed budget takes into account actual salary amounts needed in the ensuing budget. This is a self-correcting action that takes place when the new budget is created. Salaries and benefits for employee positions that are eliminated are no longer incurred and must be excluded from calculation of default. Any delta in unused salaries can lapse into fund balance to reduce taxes or to be spent at a future town meeting. **Vote 11-9.**

Original: House Clerk
Cc: Committee Bill File

Rep. Yokela, Rock. 32
October 10, 2023
2023-2315h
02/10

Amendment to HB 313

Amend the bill by replacing all after the enacting clause with the following:

1 Official Ballot; Default Budget. Amend RSA 40:13, IX(b) to read as follows:

(b) "Default budget" as used in this subdivision means the amount of the same appropriations as contained in the operating budget authorized for the previous year, reduced and increased, as the case may be, by debt service, contracts, and other obligations previously incurred ***by law*** or mandated by law, and reduced by one-time expenditures contained in the operating budget and by salaries***,*** [~~and~~] benefits of positions that have been eliminated in the proposed budget***, and reflecting the actual salary and benefits of filled positions as of the public hearing for the proposed budget excluding any increases subsequent to the authorization of the previous year's operating budget***. For the purposes of this paragraph, one-time expenditures shall be appropriations not likely to recur in the succeeding budget, and eliminated positions shall not include vacant positions under recruitment or positions redefined in the proposed operating budget, as determined by the governing body, unless the provisions of RSA 40:14-b are adopted, of the local political subdivision. In calculating the default budget amount, the governing body shall follow the statutory formula which may result in a higher or lower amount than the proposed operating budget.

2 Effective Date. This act shall take effect upon its passage.

2023-2315h

AMENDED ANALYSIS

This bill alters the definition of default budget in official ballot town meetings to include the actual salary and benefits of filled positions as of the public hearing for the proposed budget excluding any increases subsequent to the authorization of the previous year's operating budget

REGULAR CALENDAR

October 18, 2023

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Minority of the Committee on Municipal and County Government to which was referred HB 313,

AN ACT relative to the reductions from the default budget for official ballot town meetings. Having considered the same, and being unable to agree with the Majority, report with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Josh Yokela

FOR THE MINORITY OF THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

MINORITY
COMMITTEE REPORT

Committee:	**Municipal and County Government**
Bill Number:	**HB 313**
Title:	**relative to the reductions from the default budget for official ballot town meetings.**
Date:	**October 18, 2023**
Consent Calendar:	**REGULAR**
Recommendation:	**OUGHT TO PASS WITH AMENDMENT 2023-2315h**

STATEMENT OF INTENT

Currently, a default budget can be higher if a new staff member accepts less pay than the placeholder or outgoing staff member cost, causing an artificially high default budget to keep the town running at the current staffing. The minority of the committee believes that default budgets should reflect the current municipal employee's pay at the time the budget is finalized. This is what voters who choose to vote down a proposed budget expect. As amended, HB 313 would close this loophole which pads default budgets, along with removing any confusion that mid-year raises could be a "commitment" requiring the raise to be part of a default budget.

Rep. Josh Yokela
FOR THE MINORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Municipal and County Government

HB 313, relative to the reductions from the default budget for official ballot town meetings. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Josh Yokela for the **Minority** of Municipal and County Government. Currently, a default budget can be higher if a new staff member accepts less pay than the placeholder or outgoing staff member cost, causing an artificially high default budget to keep the town running at the current staffing. The minority of the committee believes that default budgets should reflect the current municipal employee's pay at the time the budget is finalized. This is what voters who choose to vote down a proposed budget expect. As amended, HB 313 would close this loophole which pads default budgets, along with removing any confusion that mid-year raises could be a "commitment" requiring the raise to be part of a default budget.

Original: House Clerk
Cc: Committee Bill File

MOTIONS: OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Yokela | Seconded by Rep. J. MacDonald | AM Vote: 9-11

Amendment # 2023-2315h

Moved by Rep. Yokela | Seconded by Rep. J. MacDonald | Vote: 9-11

MOTIONS: INEXPEDIENT TO LEGISLATE

Moved by Rep. Maggiore | Seconded by Rep. Stavis | Vote: 11-9

CONSENT CALENDAR: NO

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep John MacDonald, Clerk

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

10/9/2023 3:33:19 PM
Roll Call Committee Registers Report

2023 SESSION

Municipal and County Government

Bill #: HB313 **Motion:** Adopt Amend **AM #:** 2023-2315h **Exec Session Date:** 10/18/23

Members	YEAS	Nays	NV
Turcotte, Len P. Chairman	9		
Pauer, Diane Vice Chairman	1		
Guthrie, Joseph A.	-	1	
MacDonald, John T. Clerk	2		
Lascelles, Richard W.	3		
Yokela, Josh S.	4		
Kelley, Diane E.	5		
Aylward, Deborah	6		
Brown, Richard R	7		
Cahill, Tim P	8		
Stavis, Laurel		2	
Tatro, Bruce L.		3	
Treleaven, Susan GS		4	
Gilman, Julie D.		5	
Maggiore, Jim V.		6	
Gallager, Eric B.		7	
~~Hicks, Matthew S~~ Hakiv-Phillips		8	
Howland, Allan		9	
Preece, David John		10	
Fracht, David		11	
TOTAL VOTE:	9	11	

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

10/9/2023 3:33:19 PM
Roll Call Committee Registers Report

2023 SESSION

Municipal and County Government

Bill #: HB313 **Motion:** ITL **AM #:** _____ **Exec Session Date:** 10/18/23

Members	YEAS	Nays	NV
Turcotte, Len P. Chairman		9	
Pauer, Diane Vice Chairman		1	
Guthrie, Joseph A.	1		
MacDonald, John T. Clerk		2	
Lascelles, Richard W.		3	
Yokela, Josh S.		4	
Kelley, Diane E.		5	
Aylward, Deborah		6	
Brown, Richard R		7	
Cahill, Tim P		8	
Stavis, Laurel	2		
Tatro, Bruce L.	3		
Treleaven, Susan GS	4		
Gilman, Julie D.	5		
Maggiore, Jim V.	6		
Gallager, Eric B.	7		
~~Hicks, Matthew~~ S HAKin - Phillips	8		
Howland, Allan	9		
Preece, David John	10		
Fracht, David	11		
TOTAL VOTE:	11	9	

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB 313

BILL TITLE: **relative to the reductions from the default budget for official ballot town meetings.**

DATE: **January 26, 2023**

LOB ROOM: **301-303** **Time Public Hearing Called to Order:** **12:40 p.m.**

Time Adjourned: **1:15 p.m.**

Committee Members: Reps. L. Turcotte, Pauer, J. MacDonald, Guthrie, Lascelles, Yokela, D. Kelley, Aylward, R. Brown, T. Cahill, Stavis, Tatro, Treleaven, Gilman, Maggiore, Mangipudi, Gallager, Hicks, Howland and Preece

Bill Sponsors:
Rep. Yokela **Rep. Alexander Jr.** **Rep. A. Lekas**

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

- Rep. Yokela - default budget under the proposed budget. That $100,000 stays in the current budget. No way to remove $50,000 from the open position. Any salary on benefit reduction that occurred before the budget meeting. You have already hired. It's in the new budget at $50,000. Trying to clarify what is needed for the town.
- Rep. Pauer - line 13 - municipal - advisory budget committee. What is recent by a budget committee.
- Rep. Yokela - that is not my amendment. The member is here to testify to it. Wanted a vehicle to amend the statute.
- Rep. Maggiore - salaries and benefits eliminated.
- Yokela - eliminated struck from the budget. Manager left and you are hiring another budget manager.
- Rep. Pauer - apologize for the confusion
- Rep. Maggiore - position unfilled/posted, We are still good to leave it.
- Rep. Yokela - the turnover has to occur prior to the public hearing.
- Rep. Sellers - clarity - town and schools budget. Allow budget committee to determine one time expense - last year or next year - help clean up this RSA - bring it forward -one time expenditures
- Scott Gross - oppose - SAU19 Business Administration. I prepare Goffstown Default Budget. The premises and the rationale, snapshot in time is September. Default is contentious. Its so hard to do these budgets. 90 days prior to public hearing for snapshot. Should be positive. The time lines, we are under the gun
- Maggiore - select board sets default, does the school board set the default
- Scott Gross - there was an article to have the budget set the default budget, it was defeated
- Rep. Stavis - level of professionalism. State legislature policing that process. How different professionals carry out their job
- Gross - everyone has opinions on different things. We take this very seriously
- Rep. Gallagher - oppose bill as written. Seller amendment makes it better or worse
- Gross - trying to clarify it, consider a time line 90 days 120 days - changes
- Natch Greyes - opposes the bill - complex area of law. Amendment - perpetuated struggle. Reductions - should be changed
- Rep. Pauer - line 13 municipal budget committee
- Natch Greyes - study committee to clarify

Respectfully submitted,
Representative MacDonald, Clerk

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 313 Date 1/26/23

Committee Municipal + County Gov.

** Please Print All Information **

Name	Address	Phone	Representing	(check one) Pro	Con
Eric Pyner	12 Westview Rd Brookline	673-7247	SDGA-NH	✓	
Barrett M. Christina			NH School Boards Assocat		✓

House Remote Testify

Municipal and County Government Committee Testify List for Bill HB313 on 2023-01-26

Support: 4 Oppose: 12 Neutral: 0 Total to Testify: 0

Export to Excel

Name	City, State Email Address	Title	Representing	Position	Testifying	Non-Germane	Signed Up
Creem, Jeffrey	Nashua, NH jeff@thecreems.com	A Member of the Public	Myself	Support	No	No	1/22/2023 10:44 PM
Medeiros, Jesse	Plainfield, NH bgtrck458@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 11:49 AM
Karney, Stephen	Amherst, NH stephenakarney@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 1:31 PM
Benham, Linda	Greenland, NH benhamblab@outlook.com	A Member of the Public	Myself	Oppose	No	No	1/24/2023 9:28 AM
BALDWIN, HEATHER	Thornton, NH hpbaldwin48@gmail.com	An Elected Official	Myself	Oppose	No	No	1/24/2023 2:42 PM
Spier, Carry	Nashua, NH carry.spier@leg.state.nh.us	An Elected Official	Myself	Oppose	No	No	1/24/2023 3:57 PM
Almy, Susan	Lebanon, NH susan.almy@comcast.net	An Elected Official	Myself	Oppose	No	No	1/24/2023 7:55 PM
michaud, jim	Hudson, NH jmichaud@hudsonnh.gov	A Member of the Public	Myself	Oppose	No	No	1/25/2023 10:48 AM
Basora, Danielle	Goffstown, NH danielle.basora@goffstownnh.gov	A Member of the Public	Myself	Oppose	No	No	1/25/2023 10:49 AM
LeClerc, Dan	Amherst, NH djl91862@gmail.com	An Elected Official	Myself	Oppose	No	No	1/25/2023 12:43 PM
Schuett, Rep. Dianne	Pembroke, NH schuettforrep@yahoo.com	An Elected Official	Myself	Oppose	No	No	1/25/2023 8:49 PM
Kaw-uh, Bryce	Manchester, NH bryce.kawuh@gmail.com	A Member of the Public	Myself	Oppose	No	No	1/25/2023 10:10 PM
Muns, Chris	Hampton, NH chris.muns@leg.state.nh.us	An Elected Official	Myself	Oppose	No	No	1/26/2023 11:34 AM

Alleman, Bill	Weare, NH gencourt@allemanse.com	A Member of the Public	Myself	Support	No	No	1/26/2023 12:57 PM
Lane, Connie	Concord, NH connie.lane@leg.state.nh.us	An Elected Official	Constituents	Oppose	No	No	1/26/2023 5:30 PM
Martinez, Shannon	Town of Sunapee, NH manager@town.sunapee.nh.us	State Agency Staff	Town of Sunapee	Oppose	No	No	1/26/2023 8:00 PM

Danielle Basora

The budget and the default budget are a snap shot in time, making wage related changes which impact multiple calculations up to the moment of the hearing leaves room for error. Further more it does not capture other changes or information that may have come to light since the budget was developed. Prices may have increased, should the proposed budget also be recalculated to reflect that new information up to the time of the hearing?

Shannon Martinez

The default budget is extremely prohibitive. Voters view the default budget as a way to lower taxes rather than a way to keep government running in the absence of a budget that allows for the provision of services at the level our citizens expect. When forced into a default budget scenario, department heads are forced to cut services and often times, let go of staff. Department heads, on a good day, are running on a shoe-string. The default budget compounds problems and leads to less efficient systems and further delays critical infrastructure repairs.

HB 313 - AS INTRODUCED

2023 SESSION

23-0450
02/10

HOUSE BILL ***313***

AN ACT relative to the reductions from the default budget for official ballot town meetings.

SPONSORS: Rep. Yokela, Rock. 32; Rep. Alexander Jr., Hills. 29; Rep. A. Lekas, Hills. 38

COMMITTEE: Municipal and County Government

ANALYSIS

This bill alters the definition of default budget to include salary and benefit reductions which occur as a result of position turnover.

- -

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 313 - AS INTRODUCED

23-0450
02/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to the reductions from the default budget for official ballot town meetings.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Use of Official Ballot; Definition of Default Budget. Amend RSA 40:13, IX(b) to read as follows:

(b) "Default budget" as used in this subdivision means the amount of the same appropriations as contained in the operating budget authorized for the previous year, reduced and increased, as the case may be, by debt service, contracts, and other obligations previously incurred or mandated by law, and reduced by one-time expenditures contained in the operating budget***,*** [~~and~~] by salaries and benefits of positions that have been eliminated in the proposed budget***, and by any salary and benefits reductions as a part of position turnover which occur before the public hearing for the proposed budget***. For the purposes of this paragraph, one-time expenditures shall be appropriations not likely to recur in the succeeding budget, and eliminated positions shall not include vacant positions under recruitment or positions redefined in the proposed operating budget, as determined by the governing body, unless the provisions of RSA 40:14-b are adopted, of the local political subdivision. In calculating the default budget amount, the governing body shall follow the statutory formula which may result in a higher or lower amount than the proposed operating budget.

2 Effective Date. This act shall take effect January 1, 2024.