

Finance Committee

Deb Martone 271-4980

SB 488, enabling the governor to declare a state of emergency due to the failure of the legislature to pass a budget or continuing resolution to fund the New Hampshire state government by July 1 of the first year of a biennium.

Hearing Date: January 27, 2026

Time Opened: 1:37 p.m.

Time Closed: 1:47 p.m.

Members of the Committee Present: Senators Gray, Innis, Pearl, Lang, Rosenwald and Watters

Members of the Committee Absent: Senators Carson and Birdsell

Bill Analysis: This bill enables the governor to declare a state of emergency due to the failure of the legislature to pass a budget or continuing resolution to fund the New Hampshire state government by July 1 of the first year of a biennium.

Sponsor:
Sen. Carson

Who supports the bill: Senator Carson

Who opposes the bill: Daniel Richardson

Summary of testimony presented in support:

Grant Bosse, Deputy Chief of Staff, in lieu of Senator Carson, Prime Sponsor:

- Thinking back to last year, it was a difficult budget negotiation. There was a possibility that the Legislature and the Governor might not be able to pass either a budget or a Continuing Resolution before the state's budget authority ran out on June 30th. We prepared for that contingency to ensure that vital state government operations would continue, but found there was no legal authority for essential services to continue, nor even a definition of what essential services were.
- Should there be a budget impasse in the future, SB 488 would empower the Governor to declare a 60-day emergency to keep the essential functions of state government authorized and funded at the same level as the prior fiscal year. It would basically be a 100 percent Continuing Resolution.
- The Legislature could extend that for an additional 60 days up to three times, with a vote of both the House and Senate. Senator Carson believes we should provide assurance to the people of New Hampshire that even when our government cannot reach agreement on the state budget, the courts will stay

open, roads will stay safe, and our hospitals, nursing homes, and prisons will keep operating

- Senator Watters inquired as to why we would want to accede this authority to the Executive Branch when we could pass various Continuing Resolutions with provisions, which we've done before. Even when we voted on the budget in June, we passed those provisions. Why should the Legislative Branch give to the Executive Branch part of its authority as an equal branch of government? Mr. Bosse indicated the Senator's question was a policy question. You could structure it different ways. The intent was to mirror the balance in the current system whereby you either need the Executive Branch to agree with the Legislature or for the Legislature to have a two-thirds majority in both houses to override the will of the Executive Branch. The Executive Branch has a role in the current process, and would have a role in the contingency process. You could do it any other number of ways. Senator Watters added given the long list in the bill we could pick this apart as to what is covered and what is not. What is an essential service and what is not? Why not just say everything? It's a good list but there is so much left out that others might think is absolutely essential for life, safety and health. Senate Gray agreed. When we pass a Continuing Resolution that certainly can modify even this proposal. He thinks having some list to start with is advantageous.
- Senator Rosenwald has lived through a number of Continuing Resolutions and essentially they generally fund at the previous fiscal year levels, which it looks like this list does. But why was the Department of Education completely eliminated? All education funding would not be included? Senator Gray stated much of the funding for the Department of Education...if we're doing a budget in July, we've got until September before any of the grants come out. Federal government grants usually come out months ahead of time. And again, we can modify the list when we do the Continuing Resolution to include whatever is needed.
- Mr. Bosse believes Jack Mullen of the LBAO actually helped him with the research when they were looking into how to structure a Continuing Resolution. There were three instances since the turn of the century, and they were all done slightly different. They were all done on different time frames. They were all on a different basis. Some were on the prior year. One was a percentage of the prior year. One was on the Governor's proposed budget for the current year. The basis you use, the time frame you use, those are all policy questions. Which parts of state government should continue? You could have a debate on whether liquor stores are essential. Opinions would vary on that.
- Senator Rosenwald inquired if that would accede the Legislature's authority to the Executive Branch, on what it thought should be the basis for a Continuing Resolution. Mr. Bosse explained this is in place of a Continuing Resolution. This would occur if you can't get a Continuing Resolution passed. We were looking at the beaches closing down on July 1st, the liquor stores closing down, the Veterans Home closing down, and the prisons opening their doors. There was literally no authority for any state government to continue. Normally, you have a budget or you have a Continuing Resolution. This is what would happen if you

can't agree on a Continuing Resolution. Senator Rosenwald indicated according to the language of the bill, the Commissioner of Health and Human Services would determine which services and positions are necessary to maintain. Does that mean that the Commissioner could decide we don't need public health for the next 60 days or we don't need Medicaid for the next 60 days? Mr. Bosse replied it would be a policy question. The Legislature is free to change that, defer to the agencies or not defer to the agencies. You could alter that list and alter the conditions in any fashion you deem appropriate.

- Senator Lang sought confirmation this is if we can't pass a budget, nor pass a Continuing Resolution. This proposal would go into effect. And in that window of time the Legislature would still meet, attempting to get agreement on a budget, or a Continuing Resolution. Mr. Bosse agreed. The Legislature would be working during this 60-day window. Senator Lang wondered what would happen if come July 1 we don't pass a budget. We can't pass a Continuing Resolution, the Governor declares a state of emergency, and for 60 days we're operating under the provisions of this proposal. What happens if during that 60 days we pass a Continuing Resolution? What takes priority? Mr. Bosse stated the Continuing Resolution takes precedence and obviates the need for the emergency. Once the effective date of the resolution hits, which presumably would be upon passage, the state of emergency would no longer exist because the terms under which it was declared no longer apply.

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Date Hearing Report completed: January 30, 2026