

The Budget Committee



Next step: official or advisory budget committee (towns)



Informal meetings/formal hearings



Consider your budget committee and plan accordingly

What sways them?
What worries them?
Who will offer the presentation, departments or the governing body?

The parties are set forth in RSA 32:15

- 3-12 members at large, 3 year terms
- Ex officio members of governing bodies
- No full time employees

The mission is in RSA 32:16

- Prepare the budget for submission to the voters
- Confer with governing bodies and departments
- Conduct the public hearings
- Forward budget documents for inclusion in the warrant

The Statutory Scheme

The Potential Benefits



Members are a source of innovation and creativity to improve efficiency and services



If convinced a proposal is meritorious, an additional advocate for a project or purchase



A place where hard questions may be asked and proposals modified to become most credible



Where members are trained to accomplish tasks as future elected officials, such as selectmen



A check and balance upon either governing body or legislative body excesses



Can the budget committee change the amount of an appropriation requested by a department?

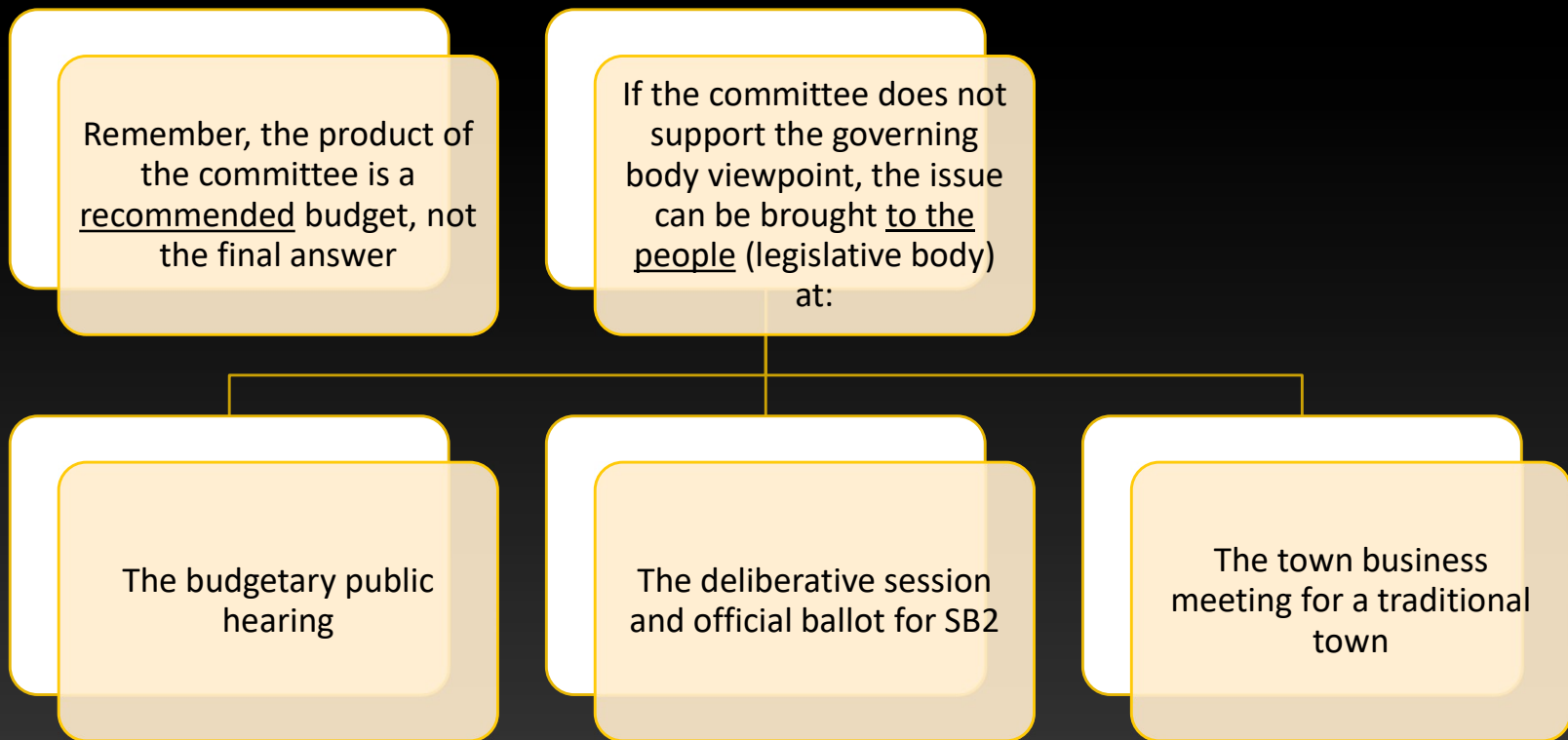
Common Questions

- ❑ Can the budget committee impose percentages upon departments that limit increases?
- ❑ Can the budget committee cut a departmental proposed budget?
- ❑ Can the governing body cut the library budget, or can the budget committee cut this budget?
- ❑ Can the budget committee force a department to cease providing a service?
- ❑ Can the budget committee force a change in employee benefits?



The Budget Committee

Open Question: Are there options if agreement is not reached?



Duty of Cooperation



Required by RSA 32:16 and 17, but no definition beyond “pertinent information”

At least as broad as a Right to Know Law request

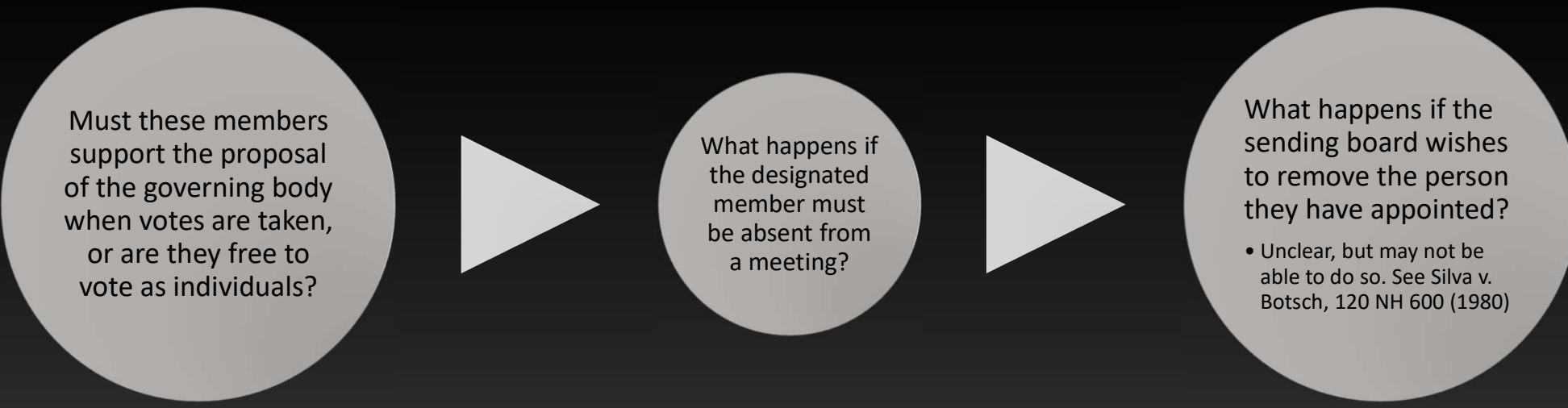


Does not appear to require a department or board to perform multiple “what if” analyses



Does not appear to allow a department or board to keep formulae or computations in a spreadsheet hidden or confidential.

Ex Officio Members



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graph LR; A((Must these members support the proposal of the governing body when votes are taken, or are they free to vote as individuals?)) --> B((What happens if the designated member must be absent from a meeting?)); B --> C((What happens if the sending board wishes to remove the person they have appointed?));
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Must these members support the proposal of the governing body when votes are taken, or are they free to vote as individuals?

What happens if the designated member must be absent from a meeting?

What happens if the sending board wishes to remove the person they have appointed?

- Unclear, but may not be able to do so. See *Silva v. Botsch*, 120 NH 600 (1980)

Budget Preparation

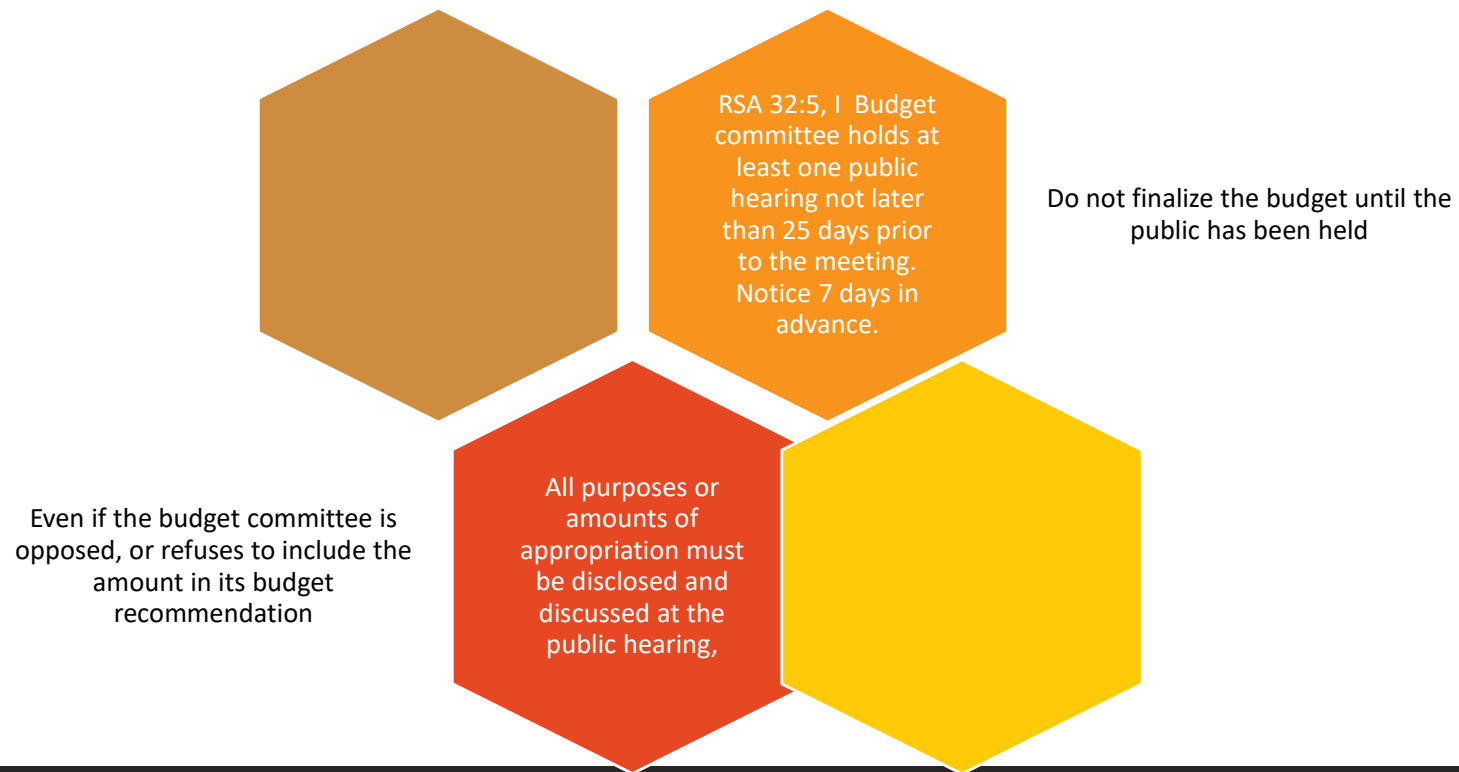
Whose numbers
go on the
warrant?

- The Budget Committee, operating budget only. see RSA 32:16
- The DRA form MS737 which clearly shows both the selectmen's proposal and the budget committee proposal

When are the
numbers
finalized?

- After the budgetary public hearing (RSA 32:5)
- After the budget committee determines its final recommendations on the numbers to be presented

Public Hearing



All questions are fair at the budgetary public hearing

Before the meeting:

Handouts from budget committee sessions with simplified messages

Post on website

Press releases

Discuss at other public meetings/hearings

Permissible
Forms of
Advocacy



Does the Budget Committee make a recommendation on a proposed warrant article that does not involve an appropriation?

Recommendations

RSA 32:5, V, V-a, V-b

Made by budget committee and governing body, also applies to advisory budget committees

Only on “special warrant articles”, see definition in RSA 32:3, VI


Tally is printed in the warrant by the article, without names of who is for or against

Body takes a vote in a public meeting and records a numerical tally of result


Same concept for estimated tax impact of an article

Disagreements

Do not expect the governing body and budget committee to achieve 100% agreement. However, over 95% agreement is likely



Disagreement should not be the focus of the recommendations, public hearings, or town meeting



Disagreement should serve to highlight and inform the choices the voters are asked to make

Tax & Spending Caps and 10% Limitation

- ▶ Tax & Spending Caps, RSA 32:5-b; 32:5-c.
 - ▶ Limitation on annual increase
 - ▶ Adopted by voters
 - ▶ Fixed percentage or fixed dollar amount
 - ▶ Proposed amount to be raised by taxes can't exceed prior year by more than cap
 - ▶ Voters can exceed cap through amendments at town meeting
- ▶ 10% Limitation in Official Budget Committee towns
 - ▶ Can't appropriate more than 10% more than budget committee's total recommended appropriations
 - ▶ Certain exclusions from total

The 10% Rule

RSA 32:18 limits the appropriation voted to no more than 10% above budget committee recommendation

A significant check and balance on spending by governing body, or legislative body or both

Forces governing body to improve the quality of its presentation and justification for spending

Prevents tyranny by the budget committee by allowing legislative body freedom to change

Exceptions

Fixed charges not counted, RSA 32:18

- Bonds and Notes, interest and principal
- Charges imposed by other governments

Bond requests recommended by governing body, RSA 32:18-a

- Prevents non-recommendation by budget committee from keeping issue from the voters

Collective bargaining agreements, RSA 32:19

- As with bonds, assures the voters consider the matter



New Hampshire
Department of
Revenue Administration

2022
MS-737

Supplemental Schedule

1. Total Recommended by Budget Committee	\$0
Less Exclusions:	
2. Principal: Long-Term Bonds & Notes	\$0
3. Interest: Long-Term Bonds & Notes	\$0
4. Capital outlays funded from Long-Term Bonds & Notes	\$0
5. Mandatory Assessments	\$0
6. Total Exclusions (<i>Sum of Lines 2 through 5 above</i>)	\$0
7. Amount Recommended, Less Exclusions (<i>Line 1 less Line 6</i>)	\$0
8. 10% of Amount Recommended, Less Exclusions (<i>Line 7 x 10%</i>)	\$0
Collective Bargaining Cost Items:	
9. Recommended Cost Items (Prior to Meeting)	\$0
10. Voted Cost Items (Voted at Meeting)	\$0
11. Amount voted over recommended amount (Difference of Lines 9 and 10)	\$0
12. Bond Override (RSA 32:18-a), Amount Voted	\$0
Maximum Allowable Appropriations Voted at Meeting: (<i>Line 1 + Line 8 + Line 11 + Line 12</i>)	\$0

Shepherding the Budget

Open Question- What are the Final Steps?

Final step:

- Town Meeting

The tasks:

- Pre-meeting education and advocacy
- Presentation, discussion and questions at deliberative session or town meeting

SB2:

- Additional challenge is to get voters out to both deliberative session and election day to hear and consider the proposals.

The Voters Make the Decisions

This audience (voters) is different

Will have less time consider the details

- Diverse levels of experience
- Diverse interests and priorities
- Some are already with you, some already against
 - Your target is the third group – the ones you can educate
- In the end, it is their collective will that must be determined and implemented

Voters' Guides – Tricky Area

Who should prepare such a guide?

Must the selectmen use the town's bulk mailing permit to allow budget committee to communicate by mail?

Where is the line where taxpayer's dollars are used to advocate for one group against the interests of another group?

What if the material is simply inaccurate, or intentionally misleading?

Shepherding the Budget



At the meeting/deliberative session:

- Variety of tools (narrative, charts, pictures, etc.) to capture interest
- If using non-tax money, highlight that!
- How will spending money now save money later?
- Estimated tax impact
- Bring your best attitude and use it!

SB 2 towns – between deliberative session and election day

- Be available to answer questions
- Post clarifying information on website
- Talk with people in town
- Remind that if they don't cast an official ballot, their viewpoint will not be counted



The Aftermath

Then....time to start again!

Lessons learned for next year:

- Do you need to emphasize different things?
- Present differently?
- Did you anticipate the important questions and have persuasive and complete answers?

How to keep the budget committee informed during the remainder of the year, without suggesting they may veto an action

Questions?



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