

UNDERSTANDING NH HB 1300

WHAT WILL VOTERS DECIDE THIS NOVEMBER 3rd?

- STATEWIDE BALLOT QUESTION THAT WOULD CHANGE HOW THE NH MUNICIPAL BUDGET LAW (RSA 32) AFFECTS SCHOOL DISTRICTS
- APPLIES TO EVERY NEW HAMPSHIRE SCHOOL DISTRICT
- POTENTIAL LONG-TERM IMPACT ON SCHOOL BUDGETING

OUR GOALS ARE TO:

- EXPLAIN HB 1300
- EXPLAIN HOW OUR SCHOOL BUDGET IS CURRENTLY DEVELOPED
- DISCUSS HOW A TAX CAP COULD AFFECT FUTURE SCHOOL BUDGETS
- SHARE POSSIBLE LOCAL IMPACT
- ANSWER QUESTIONS

HOW DOES OUR SCHOOL BUDGET WORK TODAY?

01

Drafting

Budget Committee & School Board build a draft budget

02

Meetings

Series of public meetings for open discussion

03

Hearing

Public Hearing held in February

04

Meeting

Annual District Meeting held in March

Voter Decision LOCAL VOTERS ALREADY DETERMINE THE ANNUAL SCHOOL BUDGET BY APPROVING OR REJECTING THE BUDGET

WHAT HB 1300 DOES

01

Statewide Vote

Requires all communities in NH to vote on November 3rd on a question specific to adopting a tax cap for their School District Budgets and related limitations on central office administrative expenses.

02

60% Approval

Must receive a 3/5 (60%) affirmative vote across the votes cast in the Towns of Wilton and Lyndeborough that day to take effect for the budget that will go in to place July 1, 2027.

03

Tax Growth Cap

Would cap annual Tax Bill growth by the rate of inflation and net increase in taxable property growth.

04

Expenditure Limit

Would limit the SAU/Central Office expenditures to 6% of the total operating budget.

IF HB 1300 IS APPROVED:

01

Expenditure Growth

Limited by inflation and net new taxable property growth using the prior year's municipal tax bill as a basis (excluding bonded capital costs). Not based on prior approved expenditures.

02

All Appropriations

Applies to ALL appropriations and Warrant Articles—including the Operating Budget, negotiated CBAs, Capital Reserve, and one-time Special Warrant Articles.

03

Administrative Cap

Also restricts and limits central office administrative expenditures to ensure resources are focused appropriately.

04

November 2028 Ballot

Regardless of whether it passes in November 2026 or not, the question must also be placed on the General Election ballot in November 2028.

TAX CAP WARRANT ARTICLE LANGUAGE

- “SHALL THE TOWN OF X LIMIT PROPERTY TAX GROWTH FOR THE WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT UNDER RSA 31:5-I? IF ADOPTED FOR A TWO-YEAR PERIOD: (1) THE LOCAL PROPERTY TAX LEVY MAY NOT GROW BEYOND THE PRIOR YEAR’S AMOUNT, ADJUSTED FOR INFLATION AND NEW CONSTRUCTION; (2) SAU CENTRAL OFFICE SPENDING MAY NOT EXCEED 6 PERCENT OF TOTAL SCHOOL DISTRICT APPROPRIATIONS; AND (3) BONDED COSTS ARE EXCLUDED FROM BOTH LIMITS. THESE CAPS APPLY ONLY TO ADMINISTRATIVE OPERATIONS OF THE SAU CENTRAL OFFICE AND DO NOT AFFECT CLASSROOM INSTRUCTION, SCHOOL-BASED SERVICES, OR OTHER MUNICIPAL EXPENDITURES. THESE LIMITS MAY BE OVERRIDDEN AS PROVIDED IN RSA 32:5-I. ADOPTION REQUIRES A THREE-FIFTHS ($\frac{3}{5}$) MAJORITY VOTE.”

Important Calculation Note

The Tax Cap is calculated based on the most recent **Tax Levy** (Tax Bill). It is *not* calculated based on the prior year's approved appropriations.

How is School Property Tax calculated?

FY 2027 Approved Appropriations

(Amount approved by voters in March 2026)

- FY26 Revenues
- FY26 Unspent Funds
- FY27 Adequacy Aid & State Education Tax

= **Property Tax Levy**

Estimate of 2026 Property Tax Bill

\$16,835,295 Appropriations

- **\$800,000** Estimated FY26 Revenues
- **\$600,000** FY26 Unspent Budget
- **\$1,189,515** State Education Tax
- **\$1,672,932** Adequacy Grant

\$12,572,848 Property Tax Levy

IT IS IMPORTANT TO NOTE - THE TAX CAP IS CALCULATED BASED ON THE MOST RECENT TAX LEVY (TAX BILL); IT IS NOT CALCULATED BASED ON THE PRIOR YEAR APPROVED APPROPRIATIONS

MAXIMUM ALLOWABLE LEVY = PRIOR FISCAL YEAR TAX LEVY (2026 PROPERTY TAX BILL FOR SCHOOLS) - BONDED CAPITAL COSTS (REMOVED FROM 2026 TAX LEVY AND 2028 BUDGET) X (1 + INFLATION + NEW NET TAXABLE PROPERTY GROWTH)

FOR OUR 2028 BUDGET:

~\$12,572,848 - \$604,970 FY27 BONDED CAPITAL COSTS = \$11,967,878 X 3.6% RATE OF INFLATION = \$430,843.61

IF THE BUDGET CAP PASSES, OUR TOTAL ALLOWABLE INCREASES WOULD BE CAPPED AT ~ \$430,844 FOR OUR FY28 OPERATING BUDGET, YEAR 1 OF COLLECTIVE BARGAINING AGREEMENTS (WLCTA, ABA/RBT), YEAR 2 OF COLLECTIVE BARGAINING AGREEMENT (WLCSSA) AND CAPITAL RESERVE FUNDING REQUESTS (BUILDINGS & ROADWAYS, SPECIAL EDUCATION)

\$430,844 ESTIMATED CAP EQUALS A 2.57% INCREASE FROM OUR TOTAL FY27 APPROVED APPROPRIATIONS

HOW WOULD A ~\$430,844 BUDGET CAP IMPACT OUR DISTRICT?

FY28 KNOWN OR ANTICIPATED INCREASES:

- ~ \$26,600 YEAR 2 OF SUPPORT STAFF CONTRACT
- ~ \$23,000 YEAR 2 OF OUR TRANSPORTATION CONTRACT
- ~ \$336,430 ESTIMATE HEALTH CARE INCREASE OF 15% (LAST YEAR IT WAS >34%)
- ~ \$???? MINIMUM COST OF LIVING INCREASE FOR NON-AFFILIATED STAFF
- ~ \$???? YEAR 1 OF ABA/RBT CONTRACT
- ~ \$???? YEAR 1 OF TEACHER'S CONTRACT
- ~ \$???? SPECIAL EDUCATION COSTS
- ~ \$???? UTILITY COSTS (HEAT, ELECTRIC)
- ~ \$???? REPLENISH SPECIAL EDUCATION CAPITAL RESERVE FUND (IF NEEDED)

WHAT COSTS CONTINUE TO RISE OR ARE DIFFICULT TO CONTROL?

- HEALTH INSURANCE
- NH RETIREMENT COSTS
- ELECTRICITY & FUEL
- TRANSPORTATION
- SPECIAL EDUCATION
- EMPLOYEE SALARIES
- BUILDING MAINTENANCE
- TECHNOLOGY
- SOFTWARE LICENSE FEES

MANY EDUCATIONAL COSTS INCREASE FASTER THAN INFLATION

WHAT HAPPENS IF COSTS EXCEED THE CAP?

IN THE EVENT OUR FY28 NET APPROPRIATION INCREASES EXCEED \$430,844, THERE IS A MECHANISM FOR VOTERS TO VOTE TO EXCEED THE CAP AT DISTRICT MEETING (MARCH 2027). THIS WOULD REQUIRE AT LEAST 66% OF VOTERS IN ATTENDANCE TO APPROVE THIS MEASURE

IF VOTERS DO NOT VOTE AT DISTRICT MEETING TO EXCEED THE CAP, THE SCHOOL DISTRICT WILL NEED TO CONSIDER (IF NECESSARY) OPTIONS SUCH AS:

- DELAYING PURCHASES
- REDUCING STAFFING
- INCREASING CLASS SIZES
- POSTPONING MAINTENANCE
- REDUCING PROGRAMS
- LIMITING NEW INITIATIVES
- DEFERRING CURRICULUM ADOPTION
- CLOSURE OF LCS

POTENTIAL BENEFITS OF A TAX CAP?

SUPPORTERS GENERALLY ARGUE THAT HB 1300 COULD:

- INCREASE PREDICTABILITY IN LOCAL PROPERTY TAXES
- ENCOURAGE DISTRICTS TO PRIORITIZE SPENDING
- PROMOTE LONG-TERM FISCAL DISCIPLINE
- PROVIDE TAXPAYERS WITH ADDITIONAL PROTECTION AGAINST BUDGET GROWTH

CONCERNS RAISED THAT OPPOSE A TAX CAP

OPPONENTS OF A TAX CAP GENERALLY ARGUE THAT HB 1300 COULD:

- LIMIT LOCAL FLEXIBILITY
- IT IS A ONE-SIZE FITS ALL IN EVERY DISTRICT
- WILL MAKE IT DIFFICULT TO RESPOND TO UNEXPECTED COSTS
- INCREASE PRESSURE ON STAFFING AND DEFERRED MAINTENANCE
- AFFECT EDUCATIONAL PROGRAMMING
- VOTERS ARE ALREADY ABLE TO CUT OR INCREASE SCHOOL BUDGETS AT THE ANNUAL SCHOOL DISTRICT MEETING

QUESTIONS FOR OUR COMMUNITY TO CONSIDER

- WHAT EDUCATIONAL OPPORTUNITIES ARE MOST IMPORTANT?
- HOW SHOULD THE DISTRICT BALANCE AFFORDABILITY WITH EDUCATION?
- WHICH SCHOOL SERVICES ARE ESSENTIAL?
- WHAT LEVEL OF FLEXIBILITY SHOULD LOCAL VOTERS HAVE IN FUTURE BUDGETS?
- REMINDER - COMMUNITY ALREADY HAS LOCAL CONTROL MECHANISM TO IMPLEMENT BUDGET CAP