Merrimack Tax Cap Discussion

Merrimack School District

The ballot question, the budget, and local decisions



Ballot Language November 3rd

Shall the town of Merrimack limit property tax growth for Merrimack School District (SAU #26) under RSA 32:5-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 capital 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 (3/5) majority vote.

Question 2
on your ballot
will impact
2027-2028 and
2028-2029 Budgets

The 2026-27 (FY27) budget totals $98.4M, and $73.2M falls to local taxpayers

$98.4M

Total appropriations

$98,436,871

$73.2M

Local levy before inflation factor

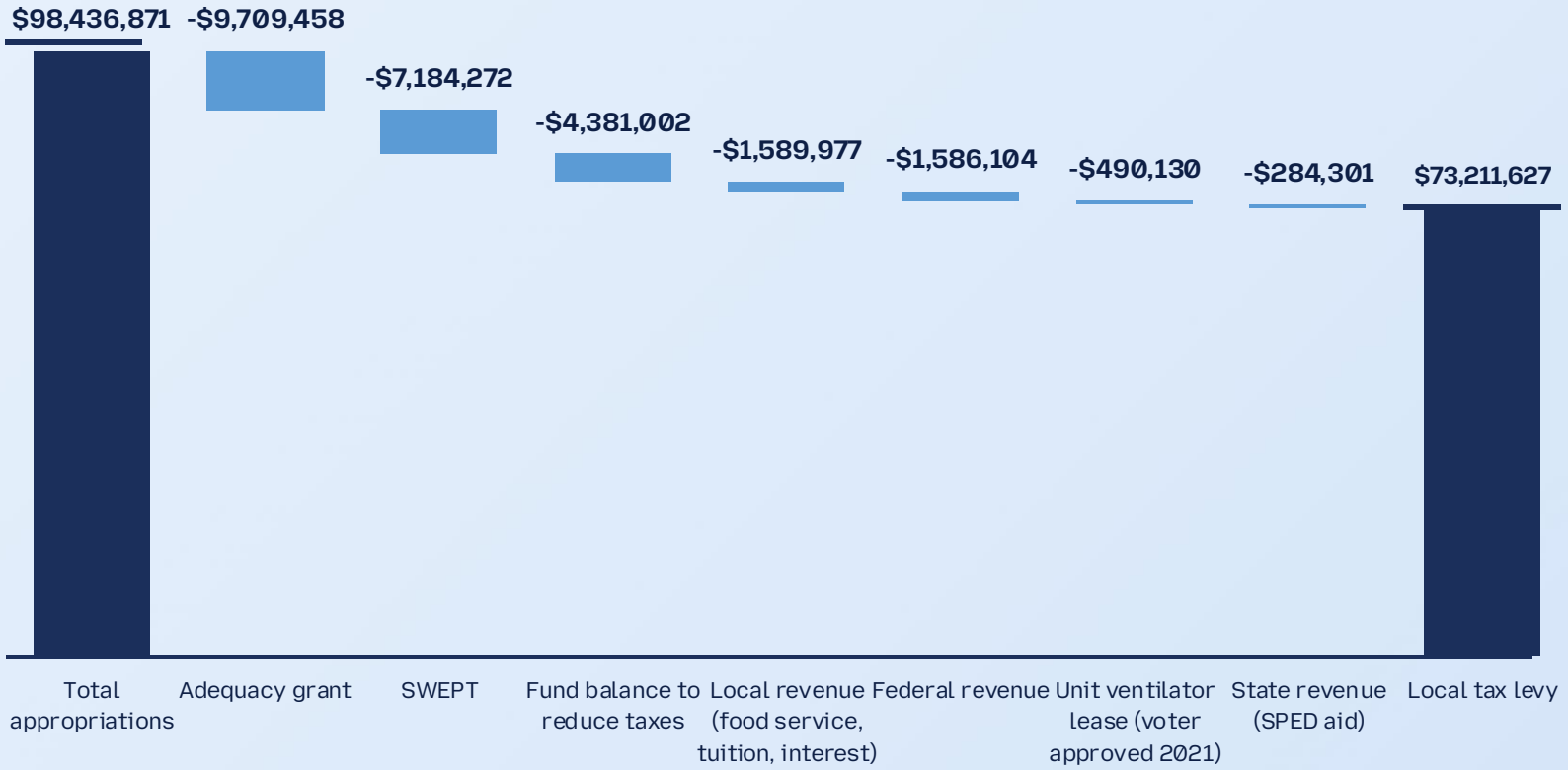
$73,211,627

Operating budget proposed at **$96,917,871**, 0.22% below last year and $46,453 under default.

Merrimack School District · Tax cap worksheet

Distilling the FY27 Budget to the Local Tax Levy

Revenue offsets bring $98.4M in gross appropriations down to a $73.2M local tax levy.



FY27 Total Appropriations

$98,436,871

Estimated FY27 Local Tax Levy

$73,211,627

Negative values are offsets. Source: Merrimack School District tax cap worksheet.

Tax cap calculation for 2027-2028 budget: 3.6% CPI allows only $2.64M of growth

Local tax levy before inflation

$73,211,627

March 2026 CPI

3.6%

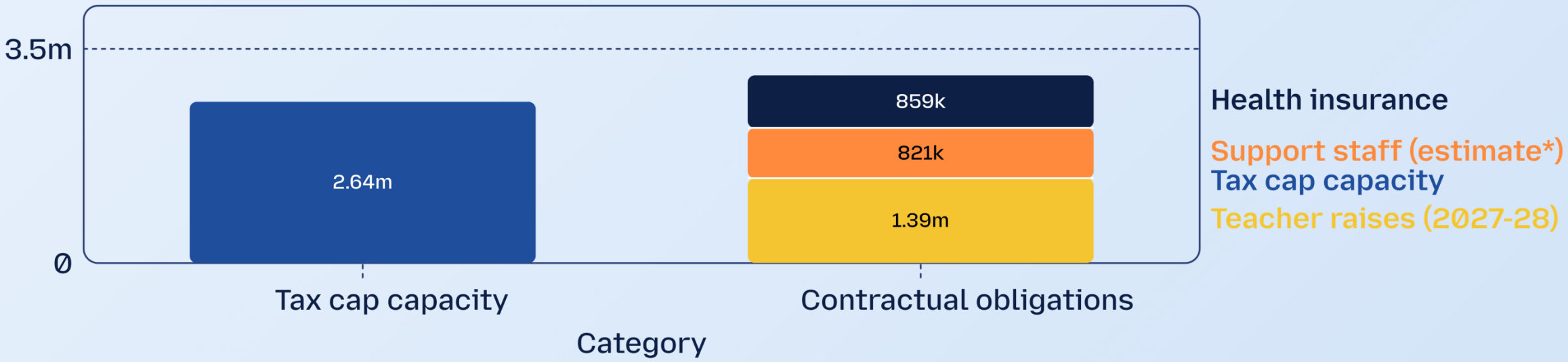
$2.64M

Allowed growth above the base

Tax cap capacity: $2,635,619

Merrimack School District · Tax cap worksheet · Capacity is the growth allowance, not the total levy.

2027-2028 Contractual obligations exceed the cap by $432K before special education



Total obligations $3,067,405 vs. capacity $2,635,619: over by $431,786

Teacher raises: voter-approved 4/14/26, year 2 (2027-28). Support staff increase: estimate. Health insurance: 5% increase. Source: Merrimack School District tax cap worksheet. Not included are special education and transportation costs that are contractually obligated.

Year 1 of the contract ($1,319,000, Article 3) is already included in the 2026-27 budget.

2027-2028 Obligations & Tax Cap

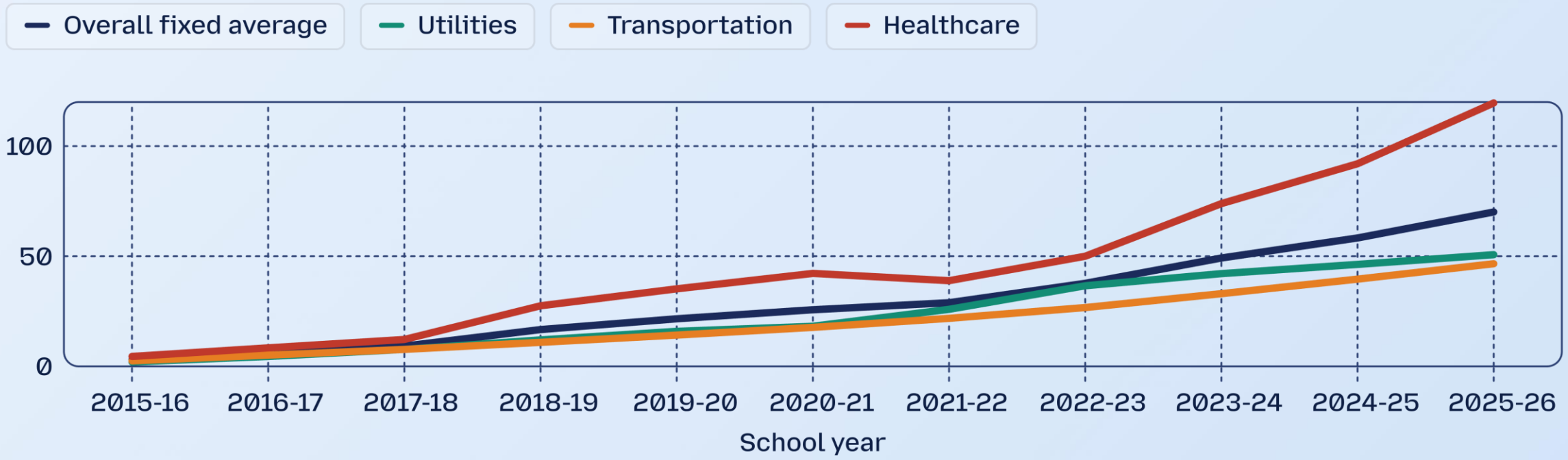
Contractual obligation	Amount
Teacher Raises (MTA) *Approved by voters 4/7/25, year 2 of the contract (2027-28)*	$1,387,000
Support Staff Increase* *Estimate, contract under negotiation*	$821,000
Health Insurance (5% increase)	$859,405
Total Contractual Obligations	$3,067,405
Tax Cap Capacity (3.6% March 2026 CPI)	$2,635,619
Tax Cap Capacity MINUS Total Obligations =	$431,786 OVER TAX CAP

Before any potential special education cost increases.

*Support staff amount is an estimate based on the last year of the current contract. The district is currently in negotiations for the next contract, so the actual cost is not yet known.

Why a cap on revenue is not a cap on costs

Healthcare costs have more than doubled in ten years (+119.6%)



Cumulative compound growth in fixed costs, FY2015-16 to FY2025-26; overall fixed costs up 70.1%.

Source: Merrimack School District · 10-year fixed cost information

Not all school costs are flexible — 2026-2027

Special education, healthcare, utilities, and transportation rise regardless of a cap. Special education services are legally protected under IEP and 504 plans.

Default budget additions

$1.44M
Health and benefits

$561K
SPED

$202K
Utilities

$182K
Transportation

Merrimack has already been bridging gaps with one-time funds

$4.38M

of FY 26 fund balance applied to reduce taxes

Capital reserves from the surplus

$150,000 roof and $50,000 pavement capital reserve deposits from surplus (Articles 5 and 6).

Net district assessment up 1.81%; local plus state tax assessment up 2.43%.

If fixed costs outrun the cap, the cuts land on students

When obligations consume the available growth, these areas face pressure.

People in our schools

Teaching staff and administrative support.

Student support

Behavioral and student supports.

Opportunities beyond class

Extracurriculars including sports.

School facilities

Capital work not paid by bond, like roof, paving, and critical maintenance.

Local control matters

Merrimack voters and locally elected leaders know our schools and community best.

Question 2 eliminates the chance to edit based on local needs.

Voters already have layers of input: board, budget committee, public reviews, deliberative session, and town vote.



Our schools are local.
Our needs are local.
Our decisions should be local.



Thank you for being part of the conversation

Thank you for your continued interest in the Merrimack School District and our students.