Wilton-Lyndeborough Cooperative School District

Public Forum – HB 1300: School District Tax Cap Legislation Overview & Impact

October 26, 2026

Abbreviations Used in this Presentation

- **HB** – House Bill
- **RSA** – Revised Statutes Annotated (RSA)
- **SAU** – School Administrative Unit
- **FY** – Fiscal Year (our Budget Year)
- **CBA** – Collective Bargaining Unit
  - **WLCTA** – Teacher's Union
  - **WLCSSA** – Support Staff Union
  - **ABA/RBT** – Behavior Support Personnel Union
- **DRA** – Department of Revenue Administration
- **CPI** – Consumer Price Index

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

Goals of this Presentation

- Explain HB 1300
- Explain how our School Budget is currently developed
- Identify concerns with Warrant Article and Bill language
- Discuss how a tax cap could affect future school budgets
- Share potential local impacts
- Answer qestions

How Does our School Budget Work Today?

1

Drafting

Budget Committee & School Board build a draft budget

2

Meetings

Series of public meetings for open discussion

3

Hearing

Public Hearing held in February

4

Meeting

Annual District Meeting and budget vote in March

Voter Decision – Local voters already determine the annual School Budget by approving or rejecting the Budget at District Meeting in March

What HB 1300 Does



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



60% Approval Required

Must receive a 3/5 (60%) affirmative vote across the *votes cast on this Warrant Article* in Wilton and Lyndeborough. If approved, this will take effect July 1, 2027



Tax Growth Cap

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



Expenditure Limit

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

If HB 1300 is Approved:

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). Growth is not based on prior year approved expenditures

ALL Appropriations

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

Administrative Cap

Also restricts and limits central office administrative expenditures to ensure financial resources are targeted for students

November 2028 Ballot

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

Tax Cap Warrant Article Language

Warrant Article 2 on General Election Ballot reads:

"Shall the Town of X limit property tax growth for the Wilton-Lyndeborough Cooperative School District 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"

Concerns About HB1300 and Warrant Article Language

- **BILL language** states "DRA shall certify annually the net new taxable property growth"
  - To date there is **NO METHODOLOGY** to calculate and certify net new taxable property growth as defined in HB 1300 (which excludes the increase in property value attributed to market appreciation, revaluation or reassessment, or changes in assessment methodology)
- **BILL language** states "…net new taxable property growth means the percentage increase in assessed valuation from the prior year…" (attributable to qualifying changes as defined in the law)
  - **"Net"** means overall result after you combine all additions and subtractions
  - The specificity of "percentage *increase* in assessed value" creates a town-by-town/district-by-district argument that any property-specific decreases in value are not to be taken into consideration for the net calculation

Concerns About HB1300 and Warrant Article Language (continued)

- **BILL language** states "inflation means the one-year (12 month) percentage in the CPI…using the amount published for March in the prior fiscal year
  - For the FY28 Budget, **Prior Fiscal** Year is 2027
  - State Law requires us to finalize our budgets in early February for our March District Meeting
  - The **inflation value won't be known until after** voters have taken action at the March District Meeting
- **WARRANT ARTICLE language** states "These caps only apply to administrative operations of the SAU central office and do not affect classroom instruction, school-based services, or other municipal expenditures"
  - The cap on property tax growth applies to ALL district expenditures and may impact classroom instruction, school-based services, and other District expenditures

Tax Cap Calculation

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 the School Tax Calculated?

FY 2027 Approved Appropriations

Minus FY26 Revenues

Minus FY26 Unspent Funds/Excess Revenue

Minus FY27 Adequacy Aid & State Ed Tax

= Property Tax Levy

Estimate of 2026 Property Tax Bill

NOTE: this is an estimate; this is NOT certified by DRA

$16,835,295 Appropriations

Minus $875,000 FY26 Revenues

Minus $239,510 FY26 Unspent Funds/Excess Revenue

Minus $2,796,807 FY27 Adequacy Aid & State Ed Tax

= $12,923,978 estimated 2026 Property Tax Levy

Tax Cap Calculation (continued)

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) *minus* bonded capital costs (removed from 2026 tax levy and 2028 Budget) x (1 + inflation in March 2027 + new net taxable property growth)

Estimate for our 2028 Budget: 2026 Tax Levy $12,923,978 (estimated) - $604,970 FY27 bonded capital costs = $12,319,008 x 3.6 % rate of inflation = $443,485 (plus bonded capital costs)

If the Budget Cap passes, our total allowable budget increase on the **FY28 Budget** could be capped at ~$443,485 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)

$443,485 estimated cap = **2.63% increase** from our total FY27 Approved Appropriations

How Would a ~$443,485 Tax Cap Impact Our District?

FY28 Known or Anticipated Increases:

- ~$26,600 year 2 of WLCSSA contract
- ~$315,000 estimated health care increase of 15% (last year it was ~34%)
- ~$365,500 estimated increase in student-specific Special Education Costs
- ~$30,750 minimum cost of living increase for non-affiliated staff
- $??? Year 1 of ABA/RBT contract
- $??? Year 1 of Teacher's contract
- $??? Heating costs
- $??? Replenish Special Education Capital Reserve Fund (if needed)

What Costs Continue to Rise or Are Difficult to Control?

- Insurances – Health, Dental, Property & Liability
- Heating fuel
- Transportation (beyond current contract)
- Special Education
- Employee salaries (for employee retention)
- 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 $443,485, there is a mechanism for voters to vote to exceed the cap at District Meeting (March 6, 2027). This would require at least 60% 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 (Administration, Teachers, Support Staff)
- Increasing class sizes
- Postponing maintenance
- Reducing programs – Academic, Athletic, Co-Curricular
- Limited new initiatives
- Deferring curriculum adoption

Potential Benefits of a Tax Cap

Supporters generally argue that HB 1300 could:

- Provide predictability in local property taxes
- Encourage Districts to prioritize spending
- Promote long-term fiscal discipline
- Provide taxpayers with additional protection against budget growth

Concerns About a Tax Cap

Opponents of a tax cap generally argue that HB 1300:

- Would limit local flexibility
- Is a one-size fits all for every district
- Will make it difficult to respond to unexpected costs
- Increase pressure on staffing and deferred maintenance
- Affect educational programming
- Is redundant; voters are already able to cut or increase school budgets at the annual School District meeting

Concerns About a Tax Cap (continued)

The language concerns in HB 1300 have not been vetted

- There is no clear *STATEWIDE* consensus from School Attorneys, School Boards, or School Administrators on metrics, implementation, and allowable costs in the SAU administrative budget
- The Department of Education, Department of Revenue, and Attorney General's Office have stated they will provide implementation guidance *after* the November 3rd election
- There are currently no established metrics or software systems to measure a major piece of the calculation (property growth)
- Definition of "SAU Central Office" does not match State Laws defining SAUs (RSA 194-C)

Questions for our Community 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?
- Is the language of the law clear and understandable for implementation July 1, 2027, without extensive legal expenses to correct and/or budget reductions from DRA if we do not interpret this correctly?
- Reminder – the community already has local control mechanisms to implement a budget cap

What Will Your Vote Mean?

"YES" note

- A tax cap will go into effect for the FY28 and FY 29 Budgets (2027-2028 and 2028-2029 school years)
- Risk of fewer teachers/paras/behavior support personnel, larger class sizes, less opportunity for students
- SAU costs will be capped at 6% of Total Appropriations
- Question will be on the Ballot again in November 2028

"NO" vote

- A tax cap will *NOT* go into effect for the FY28 and FY29 Budgets (2027-2028 and 2028-2029 school years)
- Maintains current local control and allows the Community to make informed decisions about local education
- There will be no statutory cap on SAU costs
- Question will be on the Ballot again in November 2028

November 3rd Voting Times & Locations

Wilton Residents

Vote at **Town Hall** (in the Courtroom)
42 Main Street

8:00 a.m. to 7:00 p.m.

Questions?
Town Clerk's Office – 603-654-9451 x 1

Lyndeborough Residents

Vote at **Citizen's Hall**
9 Citizens' Hall Road

8:00 a.m. to 7:00 p.m.

Questions?
Town Clerk's Office – 603-654-5955 x 1