

Mascenic Regional School District

Understanding the impact of HB 1300

School Board Meeting 10.19.26

What will voters decide this November 3rd?

Statewide ballot framework — local decision rests with Greenville & New Ipswich voters



Scope & Applicability

The question is on the **November 3rd** ballot across the state but adoption for Mascenic depends entirely on **Greenville and New Ipswich voters**.

Modifies statutory limits under **RSA 32**, directly governing local educational appropriations.



Future Fiscal Impact

This question is on the ballot in 2026 and will be in effect for two years. In 2028 it will be on the ballot again.

Proposed Ballot Question Text

“Shall the town of **Greenville/New Ipswich** limit property tax growth for the **Mascenic Regional 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.”

Understanding "The 6% SAU Cap" Terms

Statutory definition & calculation rules for central office administrative budgets

Statutory Limit: $\text{SAU Central Office Budget} \leq 6\% \times [\text{Total School District Appropriations} - \text{Bonded Capital Costs}]$

A. 6% Budget Ceiling Cap

Maximum Expenditure Limit

The fixed cap for SAU central office administrative budgets is strictly capped at 6% of the combined net school district appropriations (excluding bonded capital projects).

B. Core Scope & Target

Central Administrative Operations

Applies to expenditures for general management and administrative functions of the SAU, regardless of physical location, building assignment, or reporting structure.

C. Detailed Budget Categorization (Included vs. Excluded)

INCLUDED UNDER 6% CAP (Central Office)

Superintendent & Deputies

Business Admin & Finance

Human Resources & Payroll

District IT Administration

Legal & Public Relations

Purchasing & Non-School Admin

EXCLUDED FROM 6% CAP (School-Level / Services)

School-Based Admin Staff

Classroom Instruction

Instructional Support

Special Education Services

Student Transportation

Food Services

Facilities Operations & Maintenance

Applying the Fixed SAU Cap

Evaluating SAU 87 Central Office Budget against statutory 6% limit

Step 1: Determine 6% Limit

Total District Appropriations

\$23,833,429

Minus Bonded Capital

Principal and Interest

-\$1,514,752

Net Base = 22,318,677

Statutory 6% Cap Applied

\$1,339,130

Step 2: Actual SAU Budget using FY 27

2026-27 Budget

Base SAU Central Office

\$1,247,100

Step 3: Final Comparison

Statutory Allowable Limit

\$1,339,130

Calculated Actual SAU Spend

\$1,247,100

Amount Under Allowable Cap

\$92,030

UNDER CAP

SAU 87 Operating Efficiency

SAU expenses as defined by HB 1300

5.23% (Limit: 6.00%)

*Not to be confused with HB 564 which requires the SAU budget to be voted on separately from the rest of the district's budget. HB 64 has different definitions than HB 1300 as to what should be included in the "SAU" budget.

Understanding "The Tax Cap" Terms

Key terms & statutory tax cap formula

Statutory Formula: Max Allowable Levy = [Prior FY Property Tax Levy – Bonded Capital Costs] × (1 + Inflation + Net New Property Growth)

A. Prior FY Property Tax Levy

The total amount of local property tax dollars levied for school operations in the preceding fiscal year. Calculated using the actual tax bill, not overall approved appropriations.

B. Bonded Capital Costs

Principal and interest payments on long-term bonds or notes (defined under paragraph XVI). These capital obligations are explicitly subtracted from the base levy before calculating allowable growth.

C. Rate of Inflation

"Inflation" means the one year (12 month) percentage change in the Consumer Price Index for All Urban Consumers, Northeast Region, as published by the Bureau of Labor Statistics, United States Department of Labor, using the amount published for the month of March in the prior fiscal year.

(3.6%)

D. Net New Taxable Property Growth

"The percentage increase in assessed valuation from the prior year attributable to: (A) New construction; (B) Physical expansion or improvement of structures; (C) Subdivision or redevelopment of land; (D) Conversion from exempt to taxable status; or (E) Any physical change that increases taxable market value. (2) "Net new taxable property growth" shall not include: (A) Market appreciation; (B) Revaluation or reassessment; or (C) Changes in assessment methodology. (d) The department of revenue administration shall certify annually the net new taxable property growth for each taxing jurisdiction.

*The methodology for taxable property growth has not yet been determined

Understanding the Tax Cap Calculation

Calculated based on most recent Tax Levy (Tax Bill), NOT prior year approved appropriations

$$\text{Max Allowable Levy} = [\text{Prior FY Property Tax Levy} - \text{Bonded Capital Costs}] \times (1 + \text{Inflation} + \text{Net New Property Growth}^*)$$

FY28 Tax Cap Step-by-Step Breakdown

\$12,582,479

Prior FY Tax Levy
Estimated 2026 School Tax Bill

—

\$1,514,752

Bonded Capital Costs
FY27 Bonded Costs Removed

=

\$11,067,727

Adjusted Base Levy
Net Taxable Base

×

1.036 + 0*

Rate of Inflation + Property
Growth
Allowable Growth Factor

FY28 Maximum Tax Levy

\$11,466,165

***We have been advised by legal counsel that this should be 0. The DRA has also advised it should be 0.**

How much can the FY28 Budget be?

We worked “backwards” into FY28

Estimated Revenues Breakdown

FY28 Estimated Tax Levy Max

Based on tax cap calculation formula

\$11,466,165

FY27 Fund Balance

Estimated retained balance

\$1,000,000

MS-24 Revenues*

Local revenue sources

\$1,341,778

Adequacy Aid / SWEPT**

State education grant & local education tax (reduced aid due to bond paid off and state aid decreasing)

\$6,776,831

ESTIMATED FY 28 MAX BUDGET*

\$20,584,774

*Includes all warrant articles

What do we estimate the FY 28 Budget to be?

We are still in the process of building draft 1

FY27 Default Budget Baseline*

Approved baseline operating expenditures for FY27 (includes warrants)

\$23,833,429

Bond Payment Reduction Offset

Expired debt service reduces immediate required spending cut

-\$1,514,752

Estimated FY28 Cost Increases & District Needs

Health Insurance Rate Increase (+\$526,519)

Middle School Extracurricular Programming back (+\$ 98,818)

Teacher and paraprofessional existing contract obligations (+ \$129,313)

Increased Special Education Costs (+\$595,474)

Paraprofessional new contract costs + ? (still being negotiated)

Additions to Capital Reserve +? (the school board has not yet discussed)

~\$23,688,801

**ESTIMATED BUDGET REDUCTION TO MEET
TAX CAP**

-\$3,084,027

*Note: Final reduction target will be finalized once all contractual and operational FY28 needs are fully calculated.

The Impact of HB 1300

Why does Mascenic seem to be impacted more than others by HB 1300?

$$\text{Max Allowable Levy} = [\text{Prior FY Property Tax Levy} - \text{Bonded Capital Costs}] \times (1 + \text{Inflation} + \text{Net New Property Growth})$$

Why Are We in This Position?

Large Fund Balance Returned

At the end of the year, money that is not used is returned to the towns to offset the tax bill for the upcoming year. Our balance is within our auditor's recommendation. This lowers the starting point for the levy. The starting point is currently \$12,582,479, but had we not returned the 1.9 fund balance, the starting point would have been closer to 14.4 million.

Being good stewards is not rewarded in this formula. Returning funds to the town has a direct impact; the more that is returned, the lower the tax levy limit.

Paying Off the HHES Bond

The statutory formula does not take into account districts that will have paid off a bond in FY 27. Bonds are uncapped expenses but since MRSD paid it off, we cannot account for it (add it back into) in the levy.

Reduced Revenue

Significant decreases from key state aid funding streams:

- Reductions in hold harmless grant
- Removal of Building Aid due to the bond being paid

The less money we receive, the more we have to rely on taxpayers to make up the difference.

3 Default Budgets

For 3 straight years we have cut positions from the district. We are no longer in a position where the cuts do not directly impact students. We have trimmed and trimmed; added more responsibility onto teachers, administration, and support staff.

Costs Are Rising

Running a school district is expensive.

There are many ongoing contractual obligations that year over year have an increase associated with it;

- Transportation
- Healthcare
- Previously approved Collective Bargaining Agreements for the teaching and paraprofessional staff

Whether you have a classroom of 15 or a classroom of 30, you still need an educator in the classroom. You still need electricity, heat, and internet and curriculum resources.

Common Misconceptions

A few areas where we have seen major confusion and misinformation

It is a tax cap, why is the district presenting a cut?

- The district builds its budget around anticipated revenue from multiple sources, including local property taxes, state aid, and other revenues.
- In theory, we could have the same operating budget year over year but the tax levy would vary depending on the amount of revenue.
- If the tax cap is adopted, our starting point for any tax levy has a low starting point because of the removal of the bond. Additionally, the district may not be able to generate enough revenue to cover its anticipated operating costs due to contractual obligations.
- So to meet the tax cap levy limit, the district would need to consider significant budget reductions to bring expenditures in line with the revenue available under the cap.

The district is going to dissolve.

Not at this moment. While it may look completely different from what it is now, we do not believe that the district will dissolve.

The tax cap will lower my taxes.

Not necessarily. The school district does not set the final property tax rate, and school district taxes are only one component of your total property tax bill. While the cap would limit the amount the district could raise through its school tax levy, it does not guarantee that your individual property tax bill will decrease. The impact will depend on several factors, including changes in other tax rates and the assessed value of your property.

Why are costs increasing if enrollment is steady or declining?

Many of our expenses continue to increase regardless of whether the number of students changes. These include employee salaries and benefits, health insurance, special education services, transportation, utilities, technology, supplies, and contracted services. Many of these costs are influenced by inflation, contractual obligations, and changes in student needs.

Override Process

If this passes on November 3rd, there is an option for an override in March

Applies To: Adopted Local Tax Cap & Fixed Cap on Central Office Administrative Budget

REQUIREMENT 1

3/5

Supermajority Vote Required

Must secure at least a 3/5 majority vote

REQUIREMENT 2

Ballot Vote Format

Traditional Annual Meetings

Voting must be conducted strictly by official ballot vote during traditional Annual Meeting sessions.

Override Governance Threshold

Strict statutory compliance for district meeting overrides

60% Threshold (3/5 Vote)

What is the impact on Mascenic ?

Understanding the intended and unintended consequences of HB 1300

What Does a 3+ Million Dollar Cut Potentially Mean?

20+ Positions cut, Larger Class Sizes

Closing/consolidating buildings. Significant reduction of positions across the school district, eliminating non-statutory roles and reverting to the bare minimum graduation requirements. Larger class sizes.

Tuitioning Students Out of District

Further investigating tuitioning high school students or a combination of middle and high school students out of district- is there a cost savings that allows us to hit a 3 million dollar reduction.

Fewer Opportunities for Students

In addition to the reduction of academic programming, students would also see a reduction/elimination of extracurricular and co-curricular options available to them.

Teacher and Student Retention

With reductions in opportunities for students and resources (both tangible and intangible) for teaching staff, we expect to see an increase in attrition.

Vote on November 3rd

Polling locations and times for Mascenic School District residents

POLLING INFORMATION FOR FAMILIES

New Ipswich

Location:

MRHS Auditorium

Polling Hours:

7:00 AM – 7:00 PM

Greenville

Location:

Lower level of the SAU building

Polling Hours:

8:00 AM – 7:00 PM

Make Your Voice Heard!