



Frequently Asked Questions on HB 1300: School Tax Cap

On November 3, voters in Greenville and New Ipswich will decide whether to adopt the restrictions proposed under HB 1300 for Mascenic Regional School District.

We recognize that this legislation raises important questions about local control, school funding, property taxes, and the future of educational opportunities in our community.

The questions and answers that follow are designed to clarify what the proposal would do, what it would mean for Mascenic, and why the details of the calculation matter. For more information, please use the QR code or go to our website www.mascenic.org.



1. Is HB 1300 a state vote or a town vote? Does my voice matter?

HB 1300 was signed into law by Governor Ayotte in July 2026 and takes effect November 1, 2026. The law establishes a ballot question regarding a school district tax levy limit and restrictions on central office administrative expenses.

The question will appear on the November ballot in each town, with voters deciding whether these restrictions will apply to their individual school district. For Mascenic Regional School District, the decision rests with voters in Greenville and New Ipswich.

For the measure to pass, three-fifths (60%) of participating voters in each town must vote YES.

Your voice matters! The outcome of this vote could have significant implications for Mascenic, our students, our staff, and our community. We encourage all eligible voters to learn about the proposal, understand its potential impact, and make their voices heard on November 3.



2. What is the bond? Why is the bond impacting the district in a negative way? Wouldn't paying off the bond be a positive thing?

The bond is essentially our mortgage payment (principal and interest) on Highbridge Hill Elementary School.

Under normal circumstances, paying off our bond would be positive! However, the formula that is in the law does not account for districts that are paying off their bond in FY 27. Using the state's formula, we lower our base levy by removing the bond and then, when budgeting for FY 28, we cannot account for the bond or any revenue from the state associated with the bond, as it has been paid.

Formula:

$$[\text{Prior Fiscal Year's Tax Levy} - \text{Bonded Capital Costs}] \times (1 + \text{Inflation Rate} + \text{Property Growth}) = \text{Max Allowable Levy}$$

Mascenic Actuals:

$$[\$12,582,479.00 - \$1,514,752.0] \times (1.036 + ? [\text{assume } 0^*]) = \$11,466,165$$

In a district where the bond is not being paid off in FY 27, the bond would be added back into the district's budget for FY 28 because the law states that "bonded capital costs are excluded".

3. Why isn't the district spending time and energy talking about the 6% SAU administrative budget cap?

Mascenic operates with a very lean SAU staff, and when we reviewed the proposed restrictions on SAU administrative expenses, we examined our current-year budget and identified the line items that appear to fall within the law's definitions. Based on that initial review, we were not overly alarmed by the potential impact of the administrative expense restriction. However, the much greater concern emerged when we began examining how the proposed school tax levy limit could affect the district's overall budget and its ability to maintain current programs and services.

4. What is the returned fund balance? How does it impact the tax cap limit?

Historically, at the end of each fiscal year, the district has returned unspent funds to the towns to help offset the following year's property tax bills (levy). These funds may



result from unfilled positions, additional revenue, or other circumstances that cause actual expenditures to be lower than anticipated.

Our auditors recommend maintaining an end-of-year fund balance within a range of approximately 5% to 13% to support sound financial management and help ensure the district has sufficient cash flow to meet its obligations throughout the year. When a fund balance is available, the district identifies a limited number of projects or purchases that would be beneficial to our schools and students. These requests are brought to the School Board for review and consideration before any funds are allocated.

Under the proposed school tax levy limit, this history of returning funds to the towns creates an unintended disadvantage for Mascenic. Because the funds returned to the towns reduce the amount of the school tax levy, they also reduce the starting point used to calculate the future levy limit. Had those funds remained within the district's tax levy, the starting point for the levy limit would have been higher. In other words, the district's efforts to practice responsible fiscal stewardship and reduce the tax burden on residents may now result in a lower allowable levy in future years, regardless of the district's actual operating needs.

[Prior Fiscal Year's Tax Levy – Bonded Capital Costs] × (1 + Inflation Rate + Property Growth) = Max Allowable Levy

5. Why is the district talking about a budget CUT? Isn't this just limiting the tax cap? Wouldn't the district be able to increase the budget?

The proposed tax cap would limit how much the district can raise through local property taxes, regardless of the actual cost of operating the schools. The district builds its budget around anticipated revenue from multiple sources, including local property taxes, state aid, and other revenues. Unfortunately, some of these revenue sources are decreasing while the cost of operating a school district continues to rise.

If the tax cap is adopted, the district may not be able to generate enough revenue to cover its anticipated operating costs, even if those costs reflect existing programs, staffing, contractual obligations, and student needs. In that situation, the district would need to consider significant budget reductions to bring expenditures in line with the revenue available under the cap.

6. Why has the district put out different numbers?

This is new legislation, and understanding its complexities has required considerable time and effort. As our understanding of the law's definitions becomes clearer and we work through the budgeting process for next year, we continue to refine our estimates of



its potential impact. While the numbers remain estimates and some questions are still being worked through, we believe we are developing a more accurate understanding of how the proposed tax levy limit, if adopted, could affect Mascenic Regional School District.

7. Have any decisions been made yet?

No decisions have been made regarding next year's budget, as the district is waiting for the outcome of the November vote. However, we believe it is important for voters to understand the potential implications of the proposed school tax cap. To do that, we must examine different budget scenarios and begin planning for possible contingencies should the cap be adopted. While the figures remain estimates and our understanding continues to evolve as we work through the details, this preliminary planning is essential to understanding how the tax cap could affect Mascenic Regional School District, our students, and our community.

8. In the law, and in the question on the ballot, it says that “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”? Will this impact classroom instruction?

Yes. It will absolutely impact classroom instruction and school based services. While the law includes language stating that the restrictions on SAU administrative expenses do not affect classroom instruction or school-based services, the potential impact of the separate school tax levy limit is a different matter. We are still working to understand the full implications of the law and how these provisions are intended to work together.

However, the school district operates as an interconnected system. The SAU central office supports the day-to-day operations of our schools, including budgeting, payroll, accounts payable, human resources, curriculum coordination, technology, and other essential functions. Limiting the revenue available to operate a school district can have consequences that reach far beyond the central office.

9. How much of an impact will this have on the district?

Based on several factors—including the impact of the retiring bond payment, the return of fund balances to the towns, and three consecutive years of operating under default budgets—we believe the proposed tax cap could have a significant impact on Mascenic Regional School District. Our most recent estimate is that we would need to cut roughly 3 million dollars in order to meet the tax cap levy.



At this point, no decisions have been made about next year's budget. We are examining a range of possible scenarios to understand the financial implications and identify what options, if any, would allow us to meet the potential reductions required if the cap is adopted. These scenarios include exploring the feasibility of tuitioning some students to other districts, closing school buildings, reducing staffing by more than 25 positions, eliminating extracurricular activities, and reducing the academic programming available to students.

10. Why do the costs of running the district continue to increase when enrollment is stable?

Enrollment is one factor in determining the cost of operating a school district, but it is not the only one. 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 rather than overall enrollment.

Additionally, stable enrollment does not necessarily mean stable staffing needs. Students may require different levels of support (as evidenced through special education services), class sizes may vary by grade, and the district must continue to meet its legal obligations to provide appropriate services and maintain safe, functional school buildings.

Mascenic has worked to manage costs while maintaining educational opportunities for students. However, when expenses increase and revenue is limited, the district has fewer resources available to sustain existing programs and services. This is an important distinction when considering the proposed tax levy limit: the cost of providing education does not remain constant simply because enrollment does.

11. Is tuitioning our students to another district a possibility?

Tuitioning students to other districts remains a possibility we are exploring as part of our contingency planning. However, we have not entered into any formal negotiations and have only developed preliminary estimates to better understand the potential financial implications. As shared with the School Board, while this option has not been ruled out, our initial estimates suggest that it is unlikely to generate the level of savings needed to meet the potential budget reductions required under the proposed tax cap. We are continuing to examine possible scenarios so that voters can better understand the potential consequences if the cap is adopted.



12. Will this tax cap limit how much my property taxes increase?

The proposed school tax levy limit would restrict how much Mascenic Regional School District could raise through local property taxes each year. However, it would not guarantee that your individual property tax bill will increase by no more than a certain percentage.

The limit applies to the district's total school tax levy, not directly to each property owner's tax bill. Individual tax bills can still change based on factors such as property assessments, changes in the town's overall tax base, and other municipal tax rates.

13. Will voting "yes" lower my property taxes?

Not necessarily. Voting yes would adopt a limit on how much MRSD could raise through the local property tax levy, but it does not guarantee that your individual property tax bill will decrease.

14. Why has the SAU said this ballot question is complex?

HB 1300 introduces new restrictions and calculations that are, in some areas, open to interpretation. While the law establishes the general framework, understanding how its definitions, exclusions, and formulas apply to a district's actual finances is not straightforward. Some terms did not align neatly with the way school districts traditionally organize their budgets, and it is not yet clear how every provision will be interpreted or applied in practice. Mascenic, like other districts, is working towards a clear and common understanding of HB 1300.

We recognize that this uncertainty can be frustrating, particularly when voters are being asked to make a decision with significant consequences. We are committed to sharing accurate information, acknowledging what we know and what we are still working to understand, and updating our community as we learn more. When we do not yet have a definitive answer, we would rather be transparent about that than provide information that may later prove inaccurate.



Two Questions from the 10.28.31 Public Forum;

1. What are the amount of the tax bills each town is paying monthly?

Payments from July 2026 through December 2026 (which were the estimates before revenues were finalized in Fall 2026) were \$179,118.51 for Greenville and \$1,087,548.24 for New Ipswich.

Payments from January 2027 through June 2027 (which are the finalized payments after other revenues finalized) will be: Greenville \$174,807.66 and New Ipswich \$851,661.76. The estimated and finalized payments include both the local education tax and the statewide property tax (SWEPT).

2. One question that I have is has there been a financial impact evaluation done on doing a combination of both tuitioned out students (not forced, but willing) In the scenario that keeps Mascenic open?

We looked into a variety of “tuitioning out” scenarios; sending the entire high school to another district or sending grades 7-12 to another district. In both of these scenarios, Mascenic did not save enough money by tuitioning students to another district to come close to the estimated 3 million dollar cut. In the circumstances noted above, paying for some students to go elsewhere willingly while remaining open, our district would most likely end up paying more. We would still have all the costs associated here in Mascenic with operating a school/district and the added expense of paying tuition for other students to go out of district. We have not discussed this at the board level as I do not believe it is a viable option. Should the tax cap levy limit pass, we would begin connecting with surrounding districts to see if there was a negotiated rate that could be agreed upon that would save our district money.

For more information, please use the QR code or go to our website www.mascenic.org.

