MEETING OF THE
BOARD OF SCHOOL COMMITTEE
MANCHESTER SCHOOL DISTRICT SAU #37

February 18, 2026 **6:30 p.m.**

1. Mayor Ruais called the meeting to order at 6:58 p.m.

2. Mayor Ruais called for the Pledge of Allegiance and asked Committee Member Want to lead us.

3. A moment of silence was observed.

4. The Clerk called the roll.

Present: Committee Members Turner, Parr, Want, Taylor, Stewart, O'Connell, Potter, St. John, Garrity, Hamer, O'Neil-Wong, Smith, and Mayor Ruais.

Absent: Committee Members Georges and Bergeron.

PUBLIC FORUM

5. The purpose of the public forum is to give the residents of Manchester the opportunity to address the board. All people wishing to speak will have up to three (3) minutes to do so, and any comments must be directed to the chair. Any resident wishing to speak will come forward to the nearest microphone, clearly state their name and address when recognized and give their comments.

The clerk was asked to read the following:

Just a reminder per section 2.04 the board rules speakers may offer comments on school operations and programs that concern them in public session. However, the Board shall not hear personal complaints of school district personnel or complaints against any person connected with the district. Other channels are provided for board consideration and disposition of legit. Complaints involving school district employees which should be referred to the superintendent. Speakers are requested to refrain from providing confidential information during this comment period. Any comments that are given regarding personnel matters will not be responded to by the board or administration during the public meeting, and these items should be discussed in non public session.

Erin Kerwin, Ray Street, Manchester, stated:

I'm the State Representative covering wards 1, 3, 10, 11 and 12 here in Manchester. I'm extremely concerned about the $16 million that must be cut from the Manchester School District budget in order to comply with the tax cap. That is a very real and urgent issue. But what I want to talk about this evening is what is happening at the state level. Tomorrow, the house will vote on HB 1831. If this bill does not pass, Manchester, the only city in the state currently affected, stands to lose at least $10 million every single year in state education funding. At the very moment, our district is already facing $16 million in cuts. The state is supposed to take away another $10 million this brings us to a potential loss of $26 million a $26 million loss is not a budget adjustment. It is a structural shock to our schools. And Mayor, I'm looking at you. I was deeply disappointed that you were not present at the State House hearing to advocate for Manchester. School board members were there, the aldermen were there, the superintendent was there. People who understand what this loss would mean for our students showed up and made their voices heard. Your City is on the verge of losing $10 million in desperately needed funding, and your voice was missing right now, there are nine state representatives from Manchester posed to vote on this bill. Have you spoken to them? Have you asked them to reconsider? Have you reached out to representatives from Nashua, Concord or Portsmouth, because if this policy stands, their cities could be next. Serving at the State House has given me a clearer understanding of what is happening. The state has steadily been stepping back from its responsibilities to fund public education. Over the last eight years, it has cut taxes that over overwhelmingly benefit the wealthiest and reduce business taxes, resulting in between $800,000,000 and a billion lost to the state revenue. And at the same time, it has created new spending programs like education freedom accounts. These programs take public education dollars, dollars meant to be supportive of our neighborhood schools and redirect them to private individuals for private education expenses, public money for private use, in many cases, for families who are already able to afford private schooling. This is publicly funded subsidies welfare for families who are already well resourced, while our public schools are asked to do more with less, is not the result of scarcity. This is the result of choices, and when the state makes these choices, the burden doesn't disappear. It's down shifted to the municipalities and local property taxes. It lands here at our city, our taxpayers and our schools. This isn't just a school issue. When schools are destabilized, neighborhoods are destabilized, property values are affected, workforce pipelines are weakened, and public safety outcomes are impacted. Years down the road, yes, it's a problem created at the State House, but your responsibility is to advocate for Manchester. Advocacy is not optional at a moment like this, and silence is a choice our schools need stable. Thank you.

a. If there is no one else present wishing to speak, a motion is in order to take all comments under advisement and further to receive and file any written documentation presented and to table the remaining minutes for public comment to the end of the meeting for those that have not already spoken.

*On motion of **Committee Member Turner,** duly seconded by **Committee Member Parr,** it was moved to take all comments under advisement and further to receive and file any written documentation presented and to table the remaining minutes for public comment to the end of the meeting for those that have not already spoken. All were in favor and the motion passed.*

Response to public comment:

Committee Member Potter thanked everyone for coming out this evening. It's truly inspiring to see you take action to support our students, and you know some who are students, I have to ask you to do it again, though, because we expect that this board will pass the required tax cap compliant budget, as well as send on the baseline budget and the fully funded budget, but really it's the Board of Mayor and Aldermen that will make the appropriation, and they need to know that the cost increases are from inflation and from legally required services that we spend $4,500 per pupil less than the state average. The city's contribution to the school district went down last year, and the baseline budget is really only equal to the tax cap if we had received the tax cap in the last two years. They also need to know what the consequences are of failing to override the tax cap, that we're going to be laying off scores and scores of teachers, and if we want to keep that number down, that it's going to involve other sacrifices, like to transit and athletics. And if we don't want to do those, then it means even more people are going to be laid off. The members of this board know all those things, but we are not sure that the aldermen do, and so he asked the public to please go again and share your inspiring thoughts at the Board of Mayor and Aldermen.

Vice Chair O'Connell stated that he wanted to echo his gratitude for those of you who have come forward to speak. Your passion and commitment to your city is admirable, and we are grateful to hear your voices. Sometimes we think our voices sound a little jaded, and people view us as perhaps sounding like repeating the same thing, and that's because the need in Manchester has continued to be we didn't get to where we are in a short amount of time. It's taken us years and years of willfully underfunding the school district below the cost of living increase as a result in where we are today. It shouldn't be lost on anybody that the $16 million

that it requires for us to keep the services we currently have is almost exactly a million dollars less than the amount of money we would have had in our budget this year had we been funded by the Board of Mayor and Aldermen at the cost of living increase. If this district, over the last two years had simply gotten the inflation rate increase, the real cost of things going up, we wouldn't be talking about any cuts or any programs being cut. He stated that he is very grateful to the public and particularly grateful to the younger people who came before us tonight and our student members, we are so proud of you and your community is proud of you. People who doubt, the strength, the will, the ability, the intellect of our current students and what Manchester young people are capable of doing, you're a credit to the school district and the teachers who teach you and the parents regardless of what you have at home. Thank you all for being here tonight, and we're going to fight like heck over the coming couple of months and try to convince our Aldermen and our mayor and our community to do the right thing and to support the Manchester public school system in the way that it needs to be supported.

Committee Member Stewart stated that she wanted to thank her colleagues for your support, and also, thank you to this chamber full of deeply caring and committed citizens of our wonderful community. Thank you to all of you who are watching at home tonight. As a new school board member, she is in a learning curve and there are many things that she has learned through this process over the last six weeks. As we talk about the school budget, we all are on the same page with a commitment and an understanding of what it truly means to invest in public education for the City of Manchester. But the two things that she has learned the most, one is very pragmatic, the tax cap that this city has imposed upon itself is nothing more than a cost of living adjustment amount. So, by intentionally going under that amount year after year, and in particular the last two years, we handicap ourselves by automatically putting us behind an amount that should be ours by what the taxpayers expect through inflation adjustments. That's the most important pragmatic thing she has learned. She stated that the second thing comes more from her heart. Part. Committee Member O'Connell mentioned it, but for those naysayers out there that have nothing positive to say about the students or the teachers of the Manchester School District, go back and listen to the three students that spoke publicly and passionately, eloquently, intelligently, and tell me that is a problem, because they made us very proud, and you reflect the best of Manchester School District. You're not just the only three. We have 12,000 kids guided by over 2000 educators with that potential, that heart and that vision, and we deserve to support them and the opportunities afforded to them.

Committee Member Want also gave kudos to our students. They spoke very eloquently. She stated that she hopes that the city listens to you. She also want to address Representative Kerwin's concerns tonight about House Bill 1831 which will be voted on tomorrow she asked the mayor to respond.

Mayor Ruais stated that as a matter of fact, he was going to take an opportunity to respond to that. He stated if anybody remembers, as he is sure many in this room do, because we had these conversations last year. He fought right alongside the governor and the executive councilor John Steven and called state senators, called state representatives from Manchester, called committee chairs on the relevant committees, and said that this would be devastating for Manchester. His commitment in opposition to those cuts to Manchester remained the same today, and he has been reaching out to the Manchester delegation. He has spoken with the governor's office about what the cuts or what those proposed cuts would do. That's not happening this year. It's next year during the budget, if it is not to be rectified this year. To answer the question, he stated he has been very clear, matter of fact, for those that were at my inauguration, as he did include this in his inaugural address with the governor in the front row. He stated that he adamantly does not support it. He added that as matter of fact, he was interviewed on Monday by WMUR over at JFK, where we were doing some skating, which he stated that he did not partake in, but he did state to Adam Sexton in that interview, he spoke to ensure that Manchester gets its fair share, which was in reference to HB 1831.

Based on this discussion on HB1831, Committee Member Parr asked the Board to suspend their rules and allow them to bring forward something that is not on the agenda tonight, which is a letter in response to House Bill 1831, and this was discussed this evening at the Education Legislation meeting and moved to the full board for review and approval. This item is being voted on tomorrow and thus it is time sensitive. He explained that this piece of legislation was passed that only affects Manchester and reduces Manchester's funding by $10 million that is allocated to children across the State of New Hampshire for additional adequacy money, and that money is for students who are in poverty, measured in this case by free and reduced lunch, children who have IEPs, and children with disabilities. These are the most vulnerable children in our state. Our legislature passed a law that said that the City of Manchester will have its funding but that they were going to cap Manchester at 5000 kids. We don't care how many kids you have with all those difficulties, we're going to cap it right there. We're taking $10 million away from you, and that passed, and it was signed by the governor and it affects nobody but the people in here in this room and the people of this city. It was a

vindictive action. It makes no sense. Frankly, it's immoral to attack the most needy children in the State of New Hampshire, the sixth richest state in the union.

*On motion of **Committee Member O'Connell,** duly seconded by **Committee Member Stewart,** it was moved to suspend our rules, section 2.12, to allow the board to consider the letter moved to the Board from the Education Legislation committee and to allow an vote on an item that is not on our agenda. All were in favor and the motion passed.*

*On motion of **Committee Member O'Connell,** duly seconded by **Committee Member Turner,** it was moved to send the letter to the house effectively supporting House Bill 1831, which is scheduled to be heard tomorrow, which removes the cap on targeted aid that affects Manchester. Committee Member O'Connell asked for a roll call on the vote.*

Roll Call: Committee Members Turner, Parr, Want, Taylor, Stewart, O'Connell, Potter, St. John, Hamer, O'Neil-Wong, Smith, and Mayor Ruais voted yes. Committee Members Georges and Bergeron were absent. Motion passed.

6. ACTION AGENDA

a. Fiscal Year 2027 Budget Approval

i. Fiscal Year 2027 General Fund Tax Cap Compliant Budget ($235,507,700.00)
ii. Fiscal Year 2027 General Fund Baseline Budget ($251,405,787.00)
iii. Fiscal Year 2027 General Fund Fully Funded Budget ($265,290,706.00)
iv. Fiscal Year 2027 School Food and Nutrition Budget ($6,300,000.00)
v. Fiscal Year 2027 Capital Improvements Projects (CIP) Priority Listing ($7,850,000.00)

Budget Backup Documentation:

1. Budget Presentation
2. Budget Memo from Dr. Chmiel
3. Tax Cap Impact Report from Vice Chair O'Connell
4. **For a copy of the budget book, please visit:** *https://www.mansd.org/o/msd/page/finance-budgets*

Dr. Chmiel stated that they are before the Board again with our proposed budgets for the 2027 school year. Last week, we presented a series of budgets that sit before you again this evening, our baseline

budget is essentially a level funded budget keeping the same staff and programs in place, at just north of $251.4 million. Our tax cap compliant budget by charter, that we have to submit is $235.5 million and represents a gap of $15,898,087, just shy of $16 million and this gap results in staff and programming reductions. None of this is in the best interest of our students, our district or our community. Our fully funded budget of $265.3 million, reflects getting our district more aligned with the state average for per pupil funding and meeting the needs of our district. As a reminder, we are the largest and most diverse, and most complex district in the state. Over the years, we have seen low rates of funding from the state. Let's remember the Conval case which found the state is under funding public education. In addition, we have followed the RAND case which determined the state is not sufficiently funding special education. These cases highlight and demand improvements at the state level for public education funding. Now let's think about local funding. While taxes have increased in the city, it needs to be known that the tax rate has been cut for the school district. If you look at page 29 of our budget presentation, you will see those red numbers in the bottom left corner. Last year, we saw 2.4% reduction in tax revenue for the district. Further, we have seen a steady decline in tax funding since 2024, which was 5.1%, 2.0% in 2025 and a reduction of 2.4% in 2026. If you combine these factors, we see Manchester sits fourth from the bottom in per pupil funding in our state. We are close to being the least well-funded district statewide. Keep in mind two of the districts that sit under us, Auburn is a K-6 system, while Hooksett is a K-8 system. When we hear people say, cut the budget, Manchester has too much money, we grow frustrated and concerned because continued cuts will land us well below the bottom of the per pupil funding list for the state. This is nothing to be proud of. This is a clear message that investing in public education is not our priority. We grow frustrated because while we know we have built a strong foundation, we also know it takes years to climb up from where we started. Last week, they dove deeper into the cuts which will foster the erosion to our work. We have gotten to a better place over the past few years, and because of our investment in our foundation, we are seeing positive results. She stated that if we do not invest in public education, how do you stay high on that sought after list for desired cities to live in. How do you attract people to live and work in our community? How do you demand higher results from students when you take away the measures to lift student learning and yes, we know there are targeted actions to reduce our funding at the state level, because, again, it is said we have too much funding. She asked, how is this even possible when we sit at the very, very, very bottom of the list for per pupil funding, it's time to match facts with reality, not narratives that conflate and confuse facts. While the tax rate increased in the city last year, the district did not account for that. In fact we saw 2.4% reduction, landing us for the first time in many of our recollections, in a negative funding space.

Our need to use one time funding to continue our work lands us in a precarious position of having a balance in our reserve or rainy day funds of 5% our drive to reduce class sizes provide vertically aligned curriculum with associate associated professional development, create competitive salaries so we can recruit and retain the best teachers for our students and investments in our very long overdue facilities, so we have students and staff in 21/21 century learning environments. All of this has been done with one clear and consistent focus our students, our ability to improve their outcomes. In closing, we are asking this evening that you approve all of the budgets before you, the baseline, the tax cap, the fully funded, as well as the food services and CIP.

On motion of ***Committee Member O'Connell,*** *duly seconded by* ***Committee Member Turner,*** *it was moved that the Board of School Committee moves to approve the Fiscal Year 2027 (FY27) General Fund Tax Cap compliant budget in the amount of $$235,507,700.00, Fiscal Year 2027 General Fund Baseline Budget in the amount of $251,405,787.00, Fiscal Year 2027 General Fund Fully Funded Budget in the amount of $265,290,706.00, as well as the FY27 School Food and Nutrition Budget of $6,300,000.00 and the FY27 Capital Improvements Projects (CIP) Priority Listing of $7,850,000.00, and forward this item to the Mayor and the Board of Mayor and Aldermen for consideration.*

Mayor Ruais added that we have talked about the next step with his budget address coming in March, when he has to present his budget. The step that we'll take before that is what he has spoken with the Vice Chair about, and has mentioned to the board is that we would look to do that joint meeting, as well to make sure that we all are operating off of the same basic level of knowledge. He wanted to add one piece to this, as he will state it in his budget address, as well as in conversation a few times between now and April, May, June, when the budget is ultimately passed but there's a balance to everything that we do in this city. In the position of mayor, not just by him but any mayor, and he spoke with Mayor Baines about this over the last two years as well, that there's a balance to everything that we do. The one perspective we haven't heard yet is we've talked about those that fall below the poverty line, or the families that are struggling in the City of Manchester, that's also added over burdens when we are increasing the taxes by too much. When we talk about the cost of living, the COLA that comes every year, there are people that cannot pay an increased COLA because they weren't seeing tax pay increases on their end. Cost of living increases at the gas station, cost of living increases at Market Basket or Hannaford's. There's an awful lot to take into account. We talked about last year the $7 million that we did for the compensation study, every city employee finally got a raise to get market competitive rates. If we had combined that 7 million with the entirety of the request

from the school district, we would have far exceeded the tax cap. But just for some perspective sake as well, the first budget in FY 25 was a million dollar increase. The second budget in FY 26 was a three and a half million dollar increase. The fall of 2024, the district got six and a half million dollars in increased adequacy aid, as we'll all remember, that had to be voted on by the board of Mayor and Alderman. He stated that he could have vetoed that. There weren't votes to override that, and he felt it was in the best interest of the school district to get that six and a half million. So, in the last two years, there's been an $11 million increase in funding to the school district. Where the reduction has come is on the requests. What we've tried to do is find that balance. He stated that if the board is going forward with all three requests, then he would respectfully state his opposition to the second and third one here, the level funded at $251 million and the fully funded at $265 million. He stated that he has asked his finance director do the numbers on this. The middle budget here of the $251 million would be a 8.89% tax increase. The second one would be a 14.04% tax increase. He recognized that we need to invest in our schools, and he has talked about the investments that were made in his first two years; however, he stated that he cannot support increases of that nature.

Further questions and comments included:

1. The numbers quoted by the Mayor, of 8.89% would not be this amount if over the past three years the Mayor had given the District the allotted tax cap compliant budget increase. We are advocating for the money that was reduced when the district was not given the tax cap budget over the years.
2. Our Schools are important. Our district is important. Our Children are important. Our schools need to be funded.
3. During voting, the city changed a lot of the people on the Board of Mayor and Aldermen and it was the hope of the Board of School Committee that this makes the difference this year and that the BMA will vote to invest in our schools.

Roll Call: Committee Members Turner, Parr, Want, Taylor, Stewart, O'Connell, Potter, St. John, Hamer, O'Neil-Wong, and Smith voted yes. Mayor Ruais staed that he would like to be recorded as opposed to the General Fund Baseline budget and the Fully funded budget. Committee Members Georges and Bergeron were absent. Motion passed.

7. CONSENT AGENDA

No items were removed from the consent agenda.

*On motion of **Committee Member Turner**, duly seconded by **Committee Member O'Connell**, it was moved to approve the consent agenda. All were in favor and the motion passed.*

The consent agenda was as follows:

a. Report(s) of the Committee of Finance and Facilities.

1. Treasurer's Report
2. Grants, Gifts and Donations Report ($2,099,731.01)
3. Tax Increment Financing (TIF) District
4. Financial Reports
5. City Services Invoices ($552,112.28)
   Manifest of Authorized Expenditures (January 2026) ($20,363,876.85)
   Endowment Fund Spending Request for Annual Scholarships ($223,000.00)

b. Report(s) from the Committee on Teaching and Learning.

1. Barbara Sinatra Foundation-Fightchildabuse.org
2. Dual Language Immersion Report Card

6. ADJOURNMENT

This being a special meeting of the board, no further business can be presented unless by 2/3 majority and a motion is in order to adjourn.

On motion of Committee Member Turner, duly seconded by Committee Member Taylor, it was moved to adjourn. All were in favor, meeting adjourned at 7:38 p.m.

True Copy. Attest.

Respectfully Submitted,

Angela M Carey

Clerk of Committee

MANCHESTER BOARD OF SCHOOL COMMITTEE
MANCHESTER SCHOOL DISTRICT ~ SAU 37
20 HECKER STREET, MANCHESTER, NH 03102

February 18, 2026

Re: HB1831

To: The New Hampshire State House of Representatives

Dear State Representatives,

We, the Manchester Board of School Committee, are writing to ask that you pass HB1831. This bill removes a cap on targeted aid for larger school districts ("For municipalities with a total ADMR of 5,000 or more, subtract the amount necessary to limit the total additional targeted aid to $3,750 per pupil in the municipality's ADMR"). In current law, this cap takes effect in FY28 and would effectively cut Manchester's adequacy aid by approximately $10M. Manchester is the only municipality in New Hampshire that stands to lose money because of this cap on targeted aid. Such a loss would put at risk our ability to best serve the educational needs of our students. We deeply appreciate your work to support the funding needs of the great State of New Hampshire. We know that state governance involves difficult decisions, and we recognize the weight of balancing fiscal responsibility with the needs of our residents. However, we are writing today to formally express our hope that you vote to approve HB1831 and remove the cap on targeted aid. This funding is critical. Our district remains at the bottom of the state in per pupil spending, even though we are the largest district in the state, with over 53% of our students qualifying for Free and Reduced Meals, 20% Multilingual Learners, and 23% Special Education students. The reductions would therefore have devastating consequences for our students, our educators, and ultimately, the future of our city. Our schools are the heart of our community and the foundation of our city's future growth and prosperity. We as a Board are united in our commitment to strengthening and supporting our schools and our students. Because we know that a strong, well-supported school system helps everyone in our city.

If the cap remains in place, it could necessitate many harmful cuts and reductions to student services, including:

- Cutting teachers and support positions, forcing increases in class sizes across the district.
- Reducing individual student support and differentiated learning.
- Undermining special education services, disproportionately affecting our most vulnerable learners.
- Undoing the progress we have seen over the last several years.

We remain hopeful that, together, we can find a path forward that upholds our shared commitment to the children and families we all serve. We welcome the opportunity to engage in continued dialogue, and we hope that you will collaborate in funding education in a manner that reflects the values, priorities, and long-term vision of a thriving state with excellent public schools.

We urge you to **vote yes on HB1831** and reinstate the adequacy funding that Manchester needs to serve our nearly 12,000 students. Please let us know if you would like additional information. Thank you very much for your consideration.

Respectfully,

Jay Ruais, Chair
Mayor of Manchester

James O'Connell, Vice Chair
Committee Member, At-Large

Cindy Stewart
Committee Member, At-Large

Julie Turner
Committee Member, Ward 1

Sean Parr
Committee Member, Ward 2

Sarah Georges
Committee Member, Ward 3

Leslie Want
Committee Member, Ward 4

Jeff Taylor
Committee Member, Ward 5

Dan Bergeron
Committee Member, Ward 6

Chris Potter
Committee Member, Ward 7

Nicholas St. John
Committee Member, Ward 8

Stan Garrity
Committee Member, Ward 9

Gary Hamer
Committee Member, Ward 10

Elizabeth O'Neil-Wong
Committee Member, Ward 11

Julie Smith
Committee Member, Ward 12

February 11, 2026 Finance & Facilities Meeting Recap

February 18, 2026

The Manchester School District's budget process for FY27 reflects a collaborative approach between district and building leaders, focused on maximizing resources to improve student outcomes. Enrollment currently stands at 11,712 students, in addition to 235 tuition-paying CTE students enrolled at Manchester School of Technology.

The district faces a nearly $16 million budget gap, primarily due to increased costs (notably health insurance) and reduced revenues. Three potential budget reduction scenarios—requiring between 42 and 113 staff cuts—were outlined, all of which would negatively impact class sizes, programs, and student support services.

Despite these fiscal challenges, the district has achieved gains in graduation rates, college/career readiness, and narrowed achievement gaps. Investments in staff professional development, technology upgrades that generated substantial savings, expanded student supports, and facility modernization have contributed to these improvements.

Manchester is a unique city, and with that comes unique, significant needs for our district: 23.8% special education, 20.6% English learners, and 53.5% economically disadvantaged.

Manchester's per pupil spending combined (meaning all grade levels averaged) remains significantly below the state average at $18,020.90. That's up from $17,733 per student last year, compared to the state average of $22,699.85. That's a difference of $4,678.95 less per student in our district compared to the state average.

- The 2023 -2024 difference between the state and Manchester per pupil showed Manchester was $3,809
- In 2022 - 2023, the difference was less by $3,686
- 2021 - 2022 the difference was less by $4,356
- In comparison, Bedford spends $19,650.63, Goffstown at $17,811.49, Nashua at $18,376.45 per pupil
- It is a fact that Manchester has been trailing the state per pupil spending for some time

Teacher pay is now slightly above average at $71,241, compared to the state average of $69,531. We understand the huge role salary has in recruiting and retaining quality staff members. The state average is $69,531.

On February 11th, The District presented three budget options for FY27:

- Baseline budget - essentially a level funded budget (keeping the same staff and programs)- $251,405,787

- Tax Cap Compliant budget - by charter we have to submit this budget - this budget at $235,507,700 comes in with a gap of $15,898,087 which results in substantial needs for staff and programming reductions. None of this is in the best interest of our students, district or community.
- Fully Funded Budget - $265,290,706. This budget reflects getting our district more aligned with the state average for per pupil funding and meeting the needs of our district
- We are as a reminder the largest, most diverse and I would argue most complex.

As required by the city's charter, the district must submit a tax cap compliant budget, even if it means sizable service reductions. The District cautioned that any cuts would undermine recent successes. Ongoing monitoring of funding, advocacy for additional revenue, and contingency planning are recommended.

State and Local Funding Challenges

- Manchester's per pupil cost is the 4th lowest among K-12 systems in the state and below the state average.
- The state mandates (e.g., 306 rules) require compliance but do not provide additional funding.
- The Extraordinary Needs Grant, a component of state adequacy aid, has been reduced by $2.5 million due to a rise in local property valuations, even though student need indicators remained stable.
- The district covers transportation for students attending private, parochial, and charter schools. We do not receive reimbursement for this.
- Chronic underfunding at local, state, and federal levels, especially for special education, has led to a persistent budget squeeze.
- The city's property tax increases have not translated into more money for schools; recent years actually show a decline in school tax revenue.

Trust Funds and Budget Gap

Trust funds are used for unexpected or emergency expenditures.

- Trust funds once used as "rainy day" reserves have been heavily tapped in recent years to balance budgets, with approximately $11.3 million expected to remain across all trusts by fiscal year-end.
- The largest trust is the Teaching and Learning Trust (~$9.2 million), but most others are nearly depleted or earmarked for specific purposes (e.g., healthcare, special education, repairs, athletics).
- The auditor recommends at least a 10% reserve, but the district will have less than 5% in reserves compared to the total budget.

- Current trust fund balances are insufficient to close the projected $16 million budget gap for the coming fiscal year.
- Fiscal Year 25 budget utilized $10,021,507 and FY26 utilized $10,097,334 in one time funds to support the budget.

Budget Scenarios, Program Cuts and Staffing Reduction

- Multiple draft budget scenarios were considered, all requiring significant reductions even if the tax cap limit is met.
- These are our starting points for discussions. No final reductions will be made until we know the budget following approval from the Board of Mayor & Aldermen.
- All scenarios plan for:
    - Modified school bell schedule (earlier for elementary, followed by high school, then middle school) to optimize transportation and developmental needs.
    - Use of $1.5 million from the Teaching and Learning Trust for curriculum/technology.
    - Reduction of a third of current vacancies.
- Other options include increasing the student walking radius, charging high schoolers to ride the bus, and introducing "pay to play" for athletics, though these are unpopular and seen as last resorts.
- Drawing from bond down payments for facility projects is viewed as a short-term fix that will create higher long-term debt obligations.
- Past workforce reductions have mostly occurred through attrition, but further staff cuts will likely require layoffs due to certification constraints and lack of additional retirements/vacancies.
- Increasing class sizes, reducing athletics and extracurriculars, and revising bus service are among the likely program cuts, with concerns about safety and negative impacts on attendance, engagement, and student outcomes.
- The BOSC has asked the district to investigate the idea of a four day school week.

Legal, Structural, and Long-Term Considerations

- By charter, the district must submit a tax cap compliant budget, even if it means sizable service reductions; other budgets (e.g., needs-based, fully funded) can be submitted for advocacy but not as the official budget.

- Chronic underfunding has been compounded by years of not receiving full tax cap increases, leading to a $15,898,087 million structural shortfall.
- The city spends less on schools than on other municipal services, and Manchester is one of the lowest-funded districts in the state, which itself is among the lowest nationally.
- Underfunding has eroded reserves, hurt recruitment, damaged district reputation, and risks long-term negative effects on student progress, especially for vulnerable or high-needs populations.
- Board members emphasized that the needs-based budget is pragmatic, not excessive, and that current requests are for basic, nationally recommended services (e.g., adequate social workers).
- Suggestions from the Board of School Committee were made to consider even more drastic options, like a four-day school week, rather than spreading resources too thin.
- The District will be seeking family and community input as changes are proposed and finalized.

Since February 11, 2026:

- Confirm whether the district receives any transportation reimbursement for students attending private, parochial, or charter schools.
    - Response - No transportation reimbursement - no reimbursement for CTE. CTE only out of district sending schools.
- Collect family and community input on the proposed modified bell schedule and increases in walking distances for students.
    - Response - The team is drafting surveys and opportunities to speak with varied groups to obtain feedback.
- Prepare detailed information for the public about how school funding is affected by property tax revenue and state aid reductions.
    - Response - See the tables below.

City and School

Fiscal Year	City	School Local	School State	County	Total	$ Increase	% Increase	Tax Cap
2026	10.04	7.33	1.51	1.36	20.24	0.66	3.37%	4.27%
2025	9.36	7.59	1.52	1.11	19.58	0.72	3.82%	5.63%
2024	8.89	7.39	1.52	1.06	18.86	0.62	3.40%	4.96%
2023	8.81	7.31	1.20	0.92	18.24	0.56	3.17%	3.57%
2022	8.26	6.83	1.63	0.96	17.68			

School Only

2026		7.33	1.51		8.84	(0.27)	-2.96%	4.27%
2025		7.59	1.52		9.11	0.20	2.24%	5.63%
2024		7.39	1.52		8.91	0.40	4.70%	4.96%
2023		7.31	1.20		8.51	0.05	0.59%	3.57%
2022		6.83	1.63		8.46			

City Only

2026	10.04				10.04	0.68	7.26%	4.27%
2025	9.36				9.36	0.47	5.29%	5.63%
2024	8.89				8.89	0.08	0.91%	4.96%
2023	8.81				8.81	0.55	6.66%	3.57%
2022	8.26				8.26			

- Explore and present alternative cost-saving proposals, including the possibility of a four-day school week for further discussion.
    - Response - The team is reviewing this request and will be prepared to discuss in late March.
- Monitor health insurance and special education expenses closely; prepare for possible trust fund transfers if overruns continue.
    - Response - The team is meeting with our vendor and will be sharing updates as we have more information to share.

Questions raised:

1. Is the district reimbursed for providing transportation for students attending parochial, private, and charter schools?

- No.

2. Who provides the Extraordinary Needs Grant, and how does it affect the district's funding?

- The Extraordinary Needs Grant is an additional grant for municipalities based on the equalized property value over the number of F&R eligible students (EVFRP). The municipality's equalized valuation includes utilities, railroad properties, and payments in

lieu of taxes. Manchester's grant has been reduced by $2.5 million due to a rise in local property valuations, even though student need indicators remained stable.

3. Why is the district receiving a decrease in state funding despite student need indicators remaining stable?

- If approved, HB 1831 would repeal a cap on targeted aid that specifically limits funding for districts with 5,000+ students. As it stands, Manchester would lose approximately $10 million in additional funds by capping targeted aid at $3,750 per pupil based on the average daily membership in residence (ADM-R) of a district with 5,000 or more students. Manchester is currently the only school district in the state that would be impacted.
- Manchester School District joined the ConVal education funding lawsuit in 2021 as a co-plantiff, arguing the state has failed its constitutional duty to fund an adequate education, shifting the cost to local taxpayers. The NH Supreme Court affirmed a Superior Court's ruling that the state must increase base adequacy aid by more than $500 million per year.
- Similar to the ConVal case, Rand v. NH challenges the state's school funding system as unconstitutional, arguing the state fails to fully and adequately fund public education. A judge ruled in 2023 and in 2025 that current state adequacy funding is constitutionally insufficient.
- Property tax increases in the City of Manchester have not translated into more money for schools, with a recent decline in school tax revenue. Manchester spends less on schools than on other municipal services. Our district is one of the lowest-cost per-pupil (K-12) in the state.
- Unpaid student meal debt in the city is expected to reach $400,000 this year, which is up from $250,000 last year. The money is written off to the district's general fund. In 43 states, families who receive Medicaid are automatically enrolled in free and reduced lunch programs, but NH does not participate.

4. Can the workforce change (such as reduction through attrition) continue, or will layoffs become necessary?

- Past reductions have mostly happened through attrition, but further cuts will likely require at least layoffs due to certification constraints and a lack of additional retirements and vacancies.

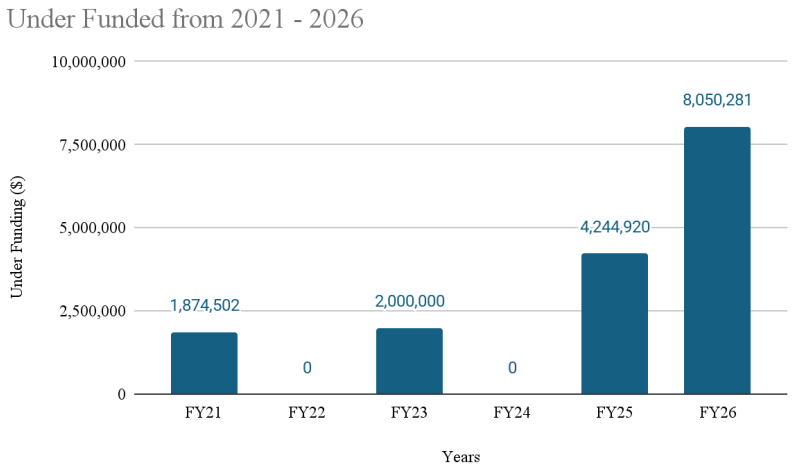
5. What are the implications of taking money out of trust funds and reserves, and what does the auditor recommend?

- The trusts served as "rainy day" reserves but have been heavily tapped in recent years to help balance past budget shortfalls. The largest trust is the Teaching & Learning Trust at approximately $9.3 million, but others are nearly depleted or earmarked for specific purposes. Approximately $11.3 million is expected to remain across all trusts by the end of the fiscal year.

- The auditor recommends at least a 10% reserve, but the district will have less than 5% in reserves.

6. What are the main factors behind the current $16 million budget gap, and how would the district's finances look if it had consistently received the maximum tax cap increases in prior years?

- Making up $10 million in one-time funds utilized in FY26, CBA increases in salaries, Health Insurance increase 13%, and a reduction in the extraordinary needs grants.
- If we received the Tax Cap increase annually from FY 2021 our tax revenue would be $133 Million vs. the $117 Million we are receiving in FY 2026. The cumulative impact over the last 5 years is $35.8 million.



7. What specific actions or program cuts are included in each of the proposed budget scenarios?

DRAFT SCENARIOS to Reach the Tax Cap Reduction of $15,898,087

Considerations	*Scenario One*	*Scenario Two*	*Scenario Three*	*Scenario Four*	*Scenario Five*
Open the Retirement Window	TBD	TBD	TBD	TBD	TBD
Explore Health Care Cost Options	TBD	TBD	TBD	TBD	TBD
Supplies	$80,754	$110,632	$134,874	$77,374	$110,874
Transportation - Modify Bell Schedule	$600,000	$600,000	$600,000	$600,000	$600,000
Transportation - Walk Out	NA	$1,417,500	NA	$1,417,500	NA
Transportation - Walk Out (2 mile) +HS Pay	$2,794,500	NA	NA	NA	NA
*Increase Class Sizes	$5,092,000 - (67)	$4,104,000 - (54)	$2,356,000 - (31)	$2,736,000 - (36)	$1,520,000 - (20)
*Reduction in Force - Schools	$2,021,766 - (24)	$1,800,000 - (19)	$1,140,000 - (15)	$1,800,000 - (19)	NA
*Reduction In Force - District	$267,213 - (2.5)	$267,213 - (2.5)	$267,213 - (2.5)	$267,213 - (2.5)	$267,213 - (2.5)
Reduction of ⅓ of Our Vacancies	$1,100,000 - (19.5)	$1,100,000 - (19.5)	$1,100,000 - (19.5)	$1,100,000 - (19.5)	$1,100,000 - (19.5)
Athletics	$2,441,854	$598,742 (all but HS)	NA	NA	NA
Teaching and Learning Trust	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Bonding Phase One	NA	$4,400,000	$8,800,000	$4,400,000	$8,800,000
City Revenue Soft Override	NA	NA	NA	$2,000,000	$2,000,000
Total	**$15,898,087 - (113)**	**$15,898,087 - (95)**	**$15,898,087 - (68)**	**$15,898,087 - (77)**	**$15,898,087 - (42)**

*Reduction - (staff reduction count)

8. What are the details and implications of expanding student walking radius, charging for high school transportation, and introducing "pay to play" athletics?

- We expect to see negative impacts to attendance due to the longer distance (example, if sidewalks and intersections are impacted by snow) or having to pay for transportation. Families who are struggling as it is are not going to have the extra money to pay for a bus for their students.
- "Pay to play" athletics would present a similar issue, families who are already struggling will not be able to afford athletics. For some students, sports may be their motivator for coming to school, but if they can't afford it, the motivation is gone.

9. Would drawing from bond down payments for facilities create long-term problems?

- This would be viewed as a short term solution but would ultimately just be kicking the can down the road, creating higher long-term debt obligations by increasing the bondable amount.

10. What impact would changes such as increased class sizes and reduced staffing have on student outcomes, particularly for vulnerable populations?

- There would be lower student to teacher contact due to increased class sizes. The current class size policy sits at 20 students in K-4, 25 in grades 5-12 and 24 in labs. Our average is 19.6 students in grades 1 & 2 while the state average is 15.2. We have 19.5 students in grades 3 & 4 while the state sits at 16.6. We have 20.5 students in middle school while the state sits at 12.8.
- When class sizes grow beyond our guidelines, it becomes harder to meet students' needs. Teachers have less time to differentiate instruction, behavior becomes more challenging to manage, and students may not get the individual attention they need. Over time, this can lead to wider achievement gaps, increased interventions, and additional strain on staff and resources.
- Our focus on class size is really about creating the right conditions for learning. Smaller classes support strong relationships, personalized instruction, and inclusive classrooms. They help ensure that all students, especially our youngest learners and those who need extra support, have access to meaningful learning experiences.
- Reducing class sizes increases the number of classrooms and teachers needed.

11. Why are three different budget proposals being forwarded, and which one should be officially submitted?

- By charter, the district must submit a tax cap-compliant budget, even if it means sizable service reductions.
- More than one budget can be submitted for advocacy, but tax cap compliant must be one of those budgets.
- A Fully Funded Budget proposal was requested by the BOSC.

12. Can the board submit a needs-based or fully funded budget instead of the tax cap compliant budget?

- By charter the district must submit a tax cap compliant budget, even if it means sizable service reductions.
- The BOSC can submit additional budgets.
- The superintendent recommended submitting all 3 budgets presented on 2/11/26.

13. Have families been consulted on the proposed changes to the bell schedule and walking distances?

- Multiple opportunities for public comment will happen in the coming weeks as the budget process plays out.
- Teaching & Learning team will seek family feedback
- Union feedback - We are actively working with our bargaining units.
- Transportation will gather feedback on the walk out

14. How does chronic underfunding and the use of emergency reserves affect the district's future finances and reputation?

- Chronic underfunding and the repeated use of emergency reserves have created ongoing financial instability for the district. Reserves that should be available for true emergencies are instead being used to cover structural budget gaps, leaving the district with limited flexibility and greater financial risk in the future.
- This pattern has also harmed the district's reputation. The Manchester School District is widely viewed in the region as an unstable place to work. Budget uncertainty and frequent cuts make it difficult to attract and retain qualified staff, as candidates are concerned about inadequate resources and the possibility of positions being eliminated
- The impact reaches students. Frequent turnover and low morale disrupt consistency in classrooms and weaken long-term planning and relationships. When educators feel uncertain or disengaged, it affects instruction and students' social-emotional well-being, with the greatest impact on vulnerable and high-needs students who depend on stable, supportive learning environments.

15. Is the district required to provide services like transportation and special education for private and charter school students, and are those services reimbursed?

- The district supports transportation and special education for parochial and charter schools (65 parochial, 154 charter special ed, 399 private and 959 charter students).
- We receive differentiated aid for special education services for charter school students. However, it does not cover the full cost for these services and does not include transportation.
- There is no transportation reimbursement for Manchester CTE students.

16. Would more drastic measures, like moving to a four-day school week, be advisable for cost savings?

- The team is investigating this item to include our 990 hours requirement, union contracts, number of hours in the school day, impact on after school activities (sports, drama, music programming, etc.), costs of breakfast, lunch and potentially dinner, transportation, OOD placements, Units in IEP's, etc.
- School Calendar: Ed 306.15 School Year: In order to meet the number of instructional hours required and not exceeding 6 hours of instructional time per day, we would need to start school on August 1st - June 30. This includes the two vacation weeks and holiday break.