

COMMUNITY INFORMATIONAL SESSION



# Welcome:

## Public Hearing on HB 1300 & RSA 32:5-i

Understanding New Hampshire's upcoming local ballot tax cap mandate and its direct implications for Northwood School District.



### Mandatory Ballot Questions

Automatic placement on general election ballots.



### School Levy Constraints

Restricts property tax adjustments to CPI + construction.



### Local Operations Impact

Balancing administrative caps with classroom realities.

Dr. Nate Byrne, Superintendent

Cassandra Micucci, Business Administrator

Jill La Vallee, Director of Student Services

STATUTORY BREAKDOWN

## HB 1300 (RSA 32:5-i): Allowable Actions

 Public Hearing

STATUTORY TEXT

*“III. Nothing in this section shall prohibit a municipality, school board, or school administrative unit board from holding a public hearing on the question for the local tax cap and for the school administrative fixed cap on central office administrative budgets.”*

 Bates v. Scanlan

COURT FINDINGS

*“In the Court’s view, Plaintiffs and others can also address this alleged issue via appropriate publications, radio addresses, and public hearing commentary.”*

## STATUTORY FRAMEWORK

# Outline of HB 1300 (RSA 32:5-i)



### General Election Mandate

**Automatic Question:** Places an educational cap warrant article on Nov 2026 & 2028 state general election ballots.

**Approval Threshold:** Requires a 60% (3/5) supermajority vote to pass.

### Property Tax Levy Cap

**Formula Bound:** Limits annual tax revenue growth to prior year plus inflation (CPI-U) and new construction.

**Exclusions:** Bonded debt obligations are excluded from calculating the cap limit.

### Administrative & DRA Rules

**SAU Office Limit:** Restricts central office admin spending to 6% of total school appropriations.

**DRA Enforcement:** Department of Revenue Administration must withhold tax rates for non-compliance.

### Explanatory Disconnect

While ballot text claims caps apply only to SAU central admin, cap restrictions legally constrain overall property tax levy growth for school operations.

 Statutory Reference: NH RSA 32:5-i (Chapter 324, Laws of 2026)

Effective Nov 1, 2026

# Ballot Question #2: Statutory Language

☒ Official Ballot Question #2

STATUTORY TEXT

*“Shall the [name of municipality] limit property tax growth for [name(s) of school district(s)] 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.”*

 Requires a 3/5 (60%) Supermajority Vote for Approval

Local Override Mechanism

Once adopted, future overrides or rescissions require separate supermajority votes under RSA 32:5-i statutory provisions.

Mandatory Placement

Appears automatically by operation of law on 2026/2028 state general election ballots without warrant article or citizen petition.

Reference: NH HB 1300 / Chapter 324, Laws of 2026 (NH RSA 32:5-i statutory ballot question format).

## FINANCIAL MECHANICS

# Tax Levy Cap Formula & Exclusions



### Inflation Adjustment

Tied to Northeast Region Consumer Price Index (CPI-U). This number will not be established until March of 2027.



### New Construction

Allows growth allowance for new taxable property creation. It does not include property reevaluations.



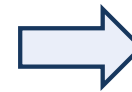
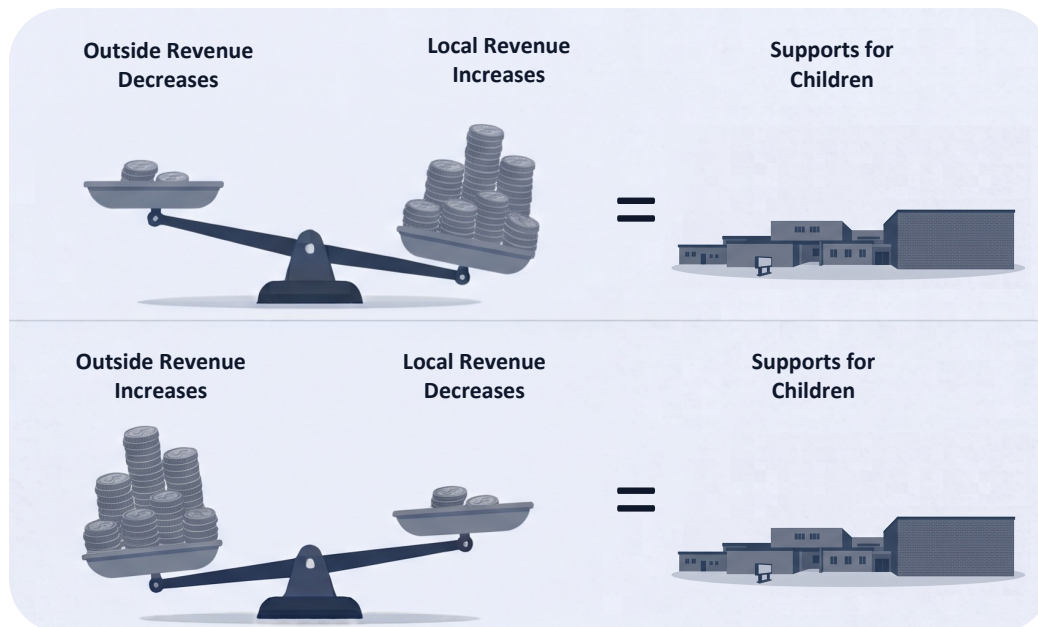
### Bonded Capital Debt

Excludes debt service for capital improvements from limits.

## REVENUE IMPACT

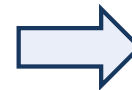
# Two Sides of School Budgeting: Revenues and Expenditures

State Aid is the largest source of outside revenue (often referred to as State Adequacy)



### Reduction of Outside Revenue

A reduction in state revenue places more burden on local taxpayers, resulting in increased taxes at the local level to provide continuity of services for children.

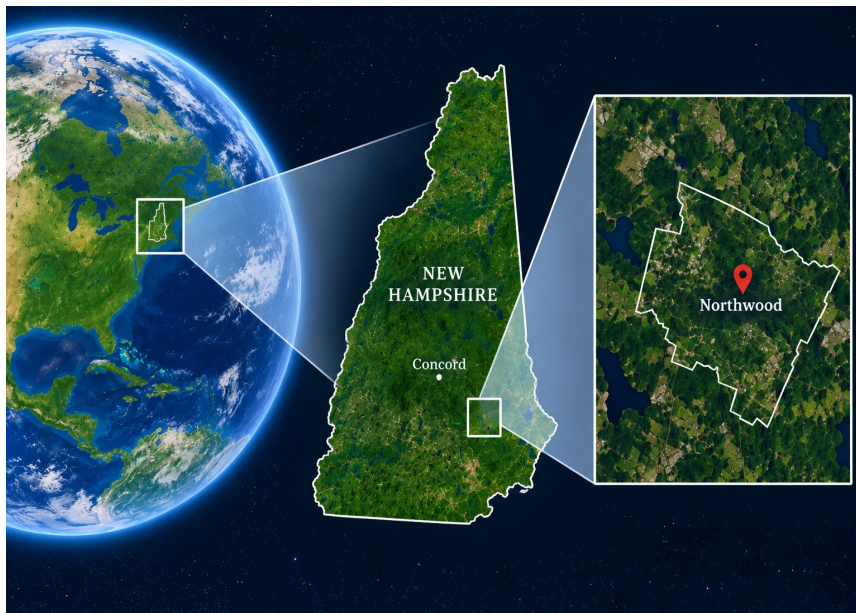


### Increase of Outside Revenue

An increase in state revenue places less burden on local taxpayers, resulting in decreased taxes at the local level to provide continuity of services for children.

## LOCAL IMPACT ANALYSIS

# High Scope Perspective vs. School-Level Reality



### Sky's View: Perceived Tax Relief

From high altitude, HB 1300 appears as a simple tax break mechanism—promising property tax caps tied neatly to general inflation and growth metrics.

### Ground Reality: School Budget Erosion

- **Fixed (uncontrolled) Costs:** Special education, health insurance (+24.5%), regular education transportation (+5%), and utilities far outpace general inflation.
- **Revenue Loss:** Capping funds at the local level forces direct cuts to classroom instruction and extracurricular programs.
- **Continuity Of Service Threat:** Will require reductions to services and programs across the district.

*Analysis tailored for local school district financial planning and public awareness.*

## What HB 1300 Means for Northwood School District

### High School Tuition

Northwood pays high school tuition to Coe-Brown Northwood Academy. These tuition payments are legally binding and outside local cap calculations.

### Uncontrollable Fixed Costs

- **Special Education:** Federally mandated IEP services must be funded regardless of local cap limits.
- **Transportation:** Bus contracts face steep fuel and driver wage inflation.
- **Food Services:** Rising food supply costs squeeze non-profit school meal programs.

### 6% SAU Admin Cap

SAU 44 services (superintendent, business/human resources, and IT) are capped at 6% of appropriations, straining already shared administrative support .



### Budget Crowding-Out Effect on Northwood Elementary Due to Uncontrolled Costs

Because special education, high school tuition, and transportation costs cannot be cut, any shortfall directly related to the tax cap forces reductions in Northwood School classroom teachers, support staff, academic electives, and school facility maintenance.

## What If Northwood Had Passed HB 1300 Last Year?

### 1. SY27 ADOPTED BUDGET

**\$16,502,333**

Voter-approved budget needed to maintain current educational services.

### 2. SY26 BASELINE TAX LEVY

**\$12,019,284**

SY26 Budget (\$15.25M) minus Adequacy (\$3.08M), SpEd (\$125K) & Medicaid (\$30K).

### 3. HB 1300 CAP (+3.6% CPI)

**\$12,451,975**

Maximum allowed local tax levy under RSA 32:5-i tax cap (+\$432,694 growth cap).

### 4. CAP BUDGET CAPACITY (SY27)

**\$15,686,651**

Cap Tax Levy (\$12.45M) + Estimated SY27 Revenues (\$3.23M).

### ⚠ The ~\$815,682 Budget Deficit Impact

If HB 1300 were law, Northwood would have had to slash **\$815,682** from its SY2027 budget. Because high school tuition, special education, and bus transportation contracts are fixed legal liabilities, these cuts would fall entirely on local elementary programs and staffing.

### ✂ What Would Have to Be Cut?

- **Extracurricular & Athletics:** Sports programs, clubs, and arts funding.
- **Building Maintenance & Tech:** Deferred repairs and frozen textbook/device updates.
- **Transportation**
- **5 to 7 Full-Time Positions:** Teachers, paraprofessionals, or specialists.

## Estimated SY2028 Tax Cap Math Breakdown

ADOPTED SY2027 BUDGET BASE

**\$16,502,333.00**

### 1. SY2028 Estimated Net Tax Levy Base **\$12,735,050.21**

SY2027 Adopted Budget (\$16,502,333) – Known Estimated Revenues (\$3,767,282.79)

• Adequacy: **\$2,987,282.79** • SpEd Aide: **\$180,000.00** • Medicaid: **\$20,000.00**  
• Pre-School: **\$30,000.00** • Food Service: **\$175,000.00** • Returned Fund Balance: **\$375,000.00**

### 2. Max Allowable Levy Growth **+\$407,521.60**

Formula:  $\$12,735,050.21 \times (1 + 0.032 \text{ CPI Inflation}) + \text{Property Growth}$

Net Revenue Surplus

**+\$407,521.60**

Max Allowable Cap Revenue (\$16.9M) covers the Adopted Budget (\$16.50M) with allowable growth.

ESTIMATED NET DEFICIT VS. MANDATORY DRIVERS

**-\$903,134.43**

Fixed Increases (\$1,310,656.03) – Max Levy Growth (\$407,521.60)

\* Does not yet include pending Utilities costs

# Mandatory Fixed Increase Drivers

Detailed breakdown of required contractual, medical, and operational baseline increases

ESTIMATED TOTAL:  
\$1,310,656.03

|                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div> <b>Health Insurance</b></div> <div><div><b>+\$452,920.19</b></div></div> <div><div><b>+24.5% Premium Rate Jump</b> (Fixed Rate)</div><div>Employee Total: <b>\$55,433.87</b>   Employer Total: <b>\$397,486.32</b></div></div> | <div> <b>Dental Insurance</b></div> <div><div><b>+\$2,002.84</b></div></div> <div><div><b>+1.9% Premium Rate Jump</b> (Fixed Rate)</div><div>Employee Total: <b>\$213.11</b>   Employer Total: <b>\$1,789.72</b></div></div>                                             |
| <div><div> <b>Special Education</b></div></div> <div><div><b>+\$335,814.00</b></div></div> <div><div>Status as of 10.19.26: Mandatory Out-of-District / Placements</div></div>                                                       | <div><div> <b>Teachers NTA</b></div></div> <div><div><b>+\$272,158.00</b></div></div> <div><div>Voted On: <b>\$272,158</b>   Estimated Net Increase: <b>\$245,650</b></div><div>(Includes FICA and Retirement adjustments) <b>Voted in March of 2026</b></div></div>     |
| <div><div> <b>CBNA Contract</b></div></div> <div><div><b>+\$133,569.00</b></div></div> <div><div>Six Additional Students with a 3% Estimated Increase for All Students</div></div>                                                   | <div><div> <b>Support Staff NESPA</b></div></div> <div><div><b>+\$78,887.00</b></div></div> <div><div>Voted On: <b>\$78,887</b>   Estimated Net Increase: <b>\$77,245</b></div><div>(Includes FICA and Retirement adjustments) <b>Voted in March of 2024</b></div></div> |
| <div><div> <b>Bus Transportation</b></div></div> <div><div><b>+\$24,430.00</b></div></div> <div><div>Multi-Year Fixed Contract (5% Increase)</div></div>                                                                           | <div><div> <b>Software Subscriptions</b></div></div> <div><div><b>+\$10,875.00</b></div></div> <div><div>8% Annual Subscription Increase</div></div>                                                                                                                   |
| <div><div> <b>Utilities (As of 10.20.2026)</b></div></div> <div><div><b>TBD / Pending Final Amount</b></div></div> <div><div>Energy and heating fuel adjustments currently being finalized for SY2028 baseline.</div></div>        |                                                                                                                                                                                                                                                                                                                                                             |

ESTIMATED DEFICIT: -\$903,134.43

Potential Reductions: HB 1300 (RSA 32:5-i)

If HB 1300 / RSA 32:5-i passes, non-mandated operational items will be eliminated first before necessary reductions to instructional staffing.

1 First Line Operational Items to Cut

|                                                             |                  |
|-------------------------------------------------------------|------------------|
| High School Transportation                                  | \$32,550         |
| Sports Programs                                             | \$45,194.00      |
| Co-Curriculars                                              | \$39,384.00      |
| School Funded Field Trips                                   | Full Elimination |
| TOTAL SECTION 1 REDUCTIONS<br>Sum of non-staff program cuts | \$115,578.00     |

Total non-staff programmatic savings do not fully cover the revenue deficit, forcing staff reductions.

2 Remaining Deficit & Staff Impact

Required Action

REMAINING DEFICIT AFTER SECTION 1 CUTS

**-\$787,556.43**

Current Deficit (\$903,134.43) – Section 1 Total (\$115,578.00)  
Even after eliminating all items in Section 1, a severe deficit remains.

|                                                                                                  |              |
|--------------------------------------------------------------------------------------------------|--------------|
| Avg. Teacher Compensation Package                                                                | \$121,952.43 |
| Includes Salary, FICA, Retirement, Unemployment, Workers' Comp, Health, Dental & Life Insurance. |              |
| Avg. Support Staff Compensation Package                                                          | \$67,272.06  |
| Includes Salary, FICA, Retirement, Unemployment, Workers' Comp, Health, Dental & Life Insurance. |              |

Staff reductions directly impact classroom ratios and student support services.



# Questions & Discussion

Public Hearing on HB 1300 & RSA 32:5-i

Thank You For Coming Out !