

HB 1288 - AS INTRODUCED

2026 SESSION

26-2813
07/08

HOUSE BILL **1288**

AN ACT relative to enabling school administrative units to adopt budget caps.

SPONSORS: Rep. Vose, Rock. 5; Rep. Barbour, Hills. 35; Rep. Drye, Sull. 7; Rep. Hill, Merr. 2;
Rep. Pauer, Hills. 36; Sen. Lang, Dist 2; Sen. Sullivan, Dist 18

COMMITTEE: Education Funding

ANALYSIS

This bill enables school administrative units to adopt budget caps.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT relative to enabling school administrative units to adopt budget caps.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Sections; Education; School Administrative Units; Budget Caps. Amend RSA 194-C by
2 inserting after section 9-b the following new sections:

3 194-C:9-c School Administrative Unit Budget Cap.

4 I. In a school administrative unit that has adopted this section, each year, the school
5 administrative unit budget cap shall be the current overhead cost per student, as defined herein,
6 multiplied by the average daily membership in residence (ADMR), as defined in RSA 198:38, of all
7 member school districts as of October 1 of the year immediately preceding the proposed budget year,
8 as reported to the department of education, times (1+ IF), where IF is an amount equivalent to an
9 annual increase for inflation. The first year after a budget cap is adopted, the current overhead cost
10 per student shall be the overhead cost per student adopted in the warrant article under RSA 194-
11 C:9-d, IV. In subsequent years, the current overhead cost per student shall be the previous year's
12 current overhead cost per student times (1+IFP), where IFP is the previous year's IF.

13 II. The following subparagraphs shall apply only if the school administrative budget adopted
14 by the school administrative unit board pursuant to RSA 194-C:9 exceeds the school administrative
15 unit budget cap for that year:

16 (a) If the school administrative unit has not adopted RSA 194-C:9-b, the warrant for
17 each school district shall include a warrant article with the wording:

18 "Shall the voters of the [name of school district] adopt a school administrative budget of \$____
19 for the forthcoming fiscal year, which exceeds the school administrative budget cap of \$____, and for
20 which \$____ is assigned to the school budget of this school district? This year's budget cap budget of
21 \$____, with \$____ assigned to the school budget of this school district, shall be adopted if the
22 article does not receive a 3/5 majority vote of all the school district voters voting in this school
23 administrative unit."

24 (b) If the school administrative unit has adopted RSA 194-C:9-b, the warrant for each
25 school district shall include a warrant article with the wording:

26 "Shall the voters of the [name of school district] adopt a school administrative budget of \$____
27 for the forthcoming fiscal year, in which \$____ is assigned to the school budget of this school
28 district, which exceeds the school administrative budget cap of \$____? This year's budget-cap-
29 adjusted budget of \$____, with \$____ assigned to the school budget of this school district, shall be
30 adopted if the article does not receive a 3/5 majority vote of all the school district voters voting in this
31 school administrative unit."

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1 This question shall be used on the member school district warrants instead of the warrant article
2 question posed under RSA 194-C:9-b, I. The budget-cap-adjusted budget shall be the minimum of
3 the adjusted budget pursuant to 194-C:9-b, I, or this year's school administrative unit budget cap.

4 (c)(1) Each school district moderator shall cause a vote by paper ballot to be taken,
5 record the number of yeas and nays, and announce the result of the vote at the annual meeting. The
6 ballots shall be delivered to the moderator of the school district with the latest chronological annual
7 meeting. The moderator of the latest chronological annual meeting shall record the total number of
8 yeas and nays, announce the results of the final vote on the question of adopting the school
9 administrative unit budget, and deliver the ballots to the secretary of the school administrative unit.
10 The secretary of the school administrative unit board shall certify the results to the department of
11 revenue administration. A 3/5 majority of voters voting in favor shall result in adoption of the
12 budget proposed by the school administrative unit board, otherwise the budget cap budget or budget
13 cap adjusted budget, as applicable, is adopted. If the school administrative unit has adopted RSA
14 194-C:9-b, this procedure shall replace the procedure in RSA 194-C:9-b, I.

15 (2) After a vote on the school administrative unit budget, the secretary of the school
16 administrative unit shall place the ballots and all envelopes or wrapping which had previously
17 contained them in a suitable container showing the contents and the date of the vote. The ballots
18 shall be retained for 60 days from the date of the vote or any recount, unless further preservation is
19 necessary or unless disposal is enjoined by the superior court.

20 (3) Any registered voter who resides in a school district within the school
21 administrative unit may, in writing, petition the secretary of the school administrative unit for a
22 recount of the vote no later than the Friday following the latest chronological annual meeting of
23 school districts in the school administrative unit. The secretary shall schedule a recount, to be
24 conducted by the school administrative unit, not earlier than 5 days nor later than 10 days after the
25 date the secretary receives the petition.

26 III. The annual increase for inflation (IF) shall be either a fixed percentage, annual
27 percentage change of an inflation index published by the U.S. Bureau of Labor Statistics as of July 1,
28 preceding the date of the budget hearing held pursuant to RSA 32:5, I, or annual percentage change
29 of the Municipal Cost Index (MCI) published by American City and County as of July 1, preceding
30 the date of the budget hearing held pursuant to RSA 32:5, I.

31 194-C:9-d Adoption of School Administrative Unit Budget Cap.

32 I. The provisions of RSA 194-C:9-c may be adopted by the member school districts in a
33 school administrative unit whose legislative bodies raise and appropriate funds through an annual
34 meeting and who adopt a budget pursuant to RSA 194-C:9.

35 II. The question shall be placed on the warrants of the annual meeting for all school districts
36 in a school administrative unit when proposed by a school board of a member district or by petition
37 in a member district under the procedures set out in RSA 197:6.

1 III. A public hearing shall be held by the school board on the question at least 15 days, but
2 not more than 30 days, before the question is to be voted on. In multi-town school districts, a public
3 hearing shall be held in each town embraced by the district, none of which shall be held on the same
4 day. Notice of the hearing shall be posted in at least 2 public places in the district and at least 2
5 public places in each town of multi-town districts, and published in a newspaper of general
6 circulation at least 7 days prior to the date of the hearing.

7 IV. If a fixed percentage inflation factor is to be used for the school administrative unit
8 budget cap, the wording of the question shall be:

9 "Shall we adopt the provisions of RSA 194-C:9-c and implement a school administrative unit
10 budget cap, which is \$_____ overhead cost per student times the total average daily membership of
11 the member school districts as of October 1 of the year immediately preceding the proposed budget
12 year plus a _____ percent annual increase for inflation? Each year, a school administrative unit
13 budget above the budget cap is adopted only if the budget is approved by a 3/5ths majority vote in
14 the school districts comprising the school administrative unit. Adoption of this provision requires a
15 3/5ths majority vote in the school districts comprising the school administrative unit."

16 Alternatively, if an inflation index is to be used for the school administrative unit budget cap, the
17 wording of the question shall be:

18 "Shall we adopt the provisions of RSA 194-C:9-c, and implement a school administrative unit
19 budget cap, which is \$_____ dollars overhead cost per student times the total average daily
20 membership of the member school districts as of October 1 of the year immediately preceding the
21 proposed budget year plus an annual increase for inflation using [the index] published by [the U.S.
22 Bureau of Labor Statistics or American City and County] as of July 1? Each year, a school
23 administrative unit budget above the budget cap is adopted only if the budget is approved by a
24 3/5ths majority vote in the school districts comprising the school administrative unit. Adoption of
25 this provision requires a 3/5ths majority vote in the school districts comprising the school
26 administrative unit."

27 The question shall not be subject to amendment by the legislative body.

28 V. The question shall be voted on in accordance with the ballot and voting procedures in
29 effect in that school district. Each school district moderator shall cause a vote by secret ballot to be
30 taken, record the number of yeas and nays, and announce the result of the vote at the annual
31 meeting. The ballots shall be delivered to the moderator of the school district with the latest
32 chronological annual meeting. The moderator of the latest chronological annual meeting shall record
33 the total number of yeas and nays, announce the results of the final vote on the adoption of the
34 school administrative unit budget cap, and deliver the ballots to the secretary of the school
35 administrative unit. If a 3/5th majority of the voters voting in the school districts within the school
36 administrative unit approve the question, then RSA 194-C:9-c shall apply starting with the next
37 annual school district meeting of the school districts within that school administrative unit, and

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1 shall continue until rescinded. Only votes in the affirmative or negative shall be included in the
2 calculation of the 3/5 majority. The secretary of the school administrative unit board shall certify
3 the results to the department of revenue administration. Preservation of ballots and recounts shall
4 be pursuant to RSA 194-C:9-c, I(c).

5 VI. Any school district in a school administrative unit which has adopted RSA 194-C:9-c may
6 consider rescinding its action in the manner described in paragraphs II through V. The wording of
7 the question shall be:

8 "Shall we rescind the provisions of RSA 194-C:9-c, known as the school administrative unit
9 budget cap, as adopted by the [local subdivision] on [date of adoption], so that there will no longer be
10 a limit on increases to the recommended the school administrative unit budget to be raised by local
11 taxes? 3/5ths majority vote in the school districts comprising the school administrative unit required
12 to rescind."

13 2 Education; School Administrative Units; Alternative Budget Procedures. Amend RSA 194-
14 C:9-b, I to read as follows:

15 I. In a school administrative unit composed of 2 or more school districts which has adopted
16 the provisions of RSA 194-C:9-a, the school administrative unit budget adopted according to RSA
17 194-C:9, I shall be placed before the voters of each school district of that school administrative unit
18 in a separate warrant article at the annual school district meeting. Notwithstanding RSA 32 and
19 RSA 40:13, the budget adopted by the school administrative unit board shall not be amended or
20 changed in any way prior to the vote, ***except as provided in RSA 194-C:9-c***. Each school district
21 moderator shall cause a vote by paper ballot to be taken, record the number of yeas and nays, and
22 announce the result of the vote at the annual meeting. The ballots shall be delivered to the
23 moderator of the school district with the latest chronological annual meeting. The moderator of the
24 latest chronological annual meeting shall record the total number of yeas and nays, announce the
25 results of the final vote on the question of adopting the school administrative unit budget, and
26 deliver the ballots to the secretary of the school administrative unit. The secretary of the school
27 administrative unit board shall certify the results to the department of revenue administration. A
28 majority of voters voting in favor shall result in adoption of the budget proposed by the school
29 administrative unit board. If the article receives less than a majority vote, the budget amount
30 accepted shall be that of the previous year adjusted for continuing contracts. Wording of the
31 warrant article shall be as follows:

32 "Shall the voters of _____ (name of school district) _____ adopt a school administrative
33 unit budget of \$ ____ for the forthcoming fiscal year in which \$ ____ is assigned to the school
34 budget of this school district?

35 This year's adjusted budget of \$ _____, with \$ _____ assigned to the school budget of this school
36 district, will be adopted if the article does not receive a majority vote of all the school district voters
37 voting in this school administrative unit."

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1 3 Effective Date. This act shall take effect 60 days after its passage.