

Floor Amendment to HB 675-FN-A-LOCAL

1 Amend the bill by inserting after section 1 the following and renumbering the original section 2 to
2 read as 3:

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4 2 New Section; Education; Miscellaneous Provisions; Limitation on Central Office
5 Administrative Expenditures. Amend RSA 198 by inserting after section 20-d the following new
6 section:

7 198:20-e Limitation on Central Office Administrative Expenditures.

8 I. Notwithstanding any other provision of law to the contrary, beginning July 1, 2026, no
9 school district shall expend more than 6 percent of its total annual operating expenditures on central
10 office administrative functions.

11 II. For purposes of this section, “central office administrative functions” shall include, but
12 not be limited to, expenditures associated with:

13 (a) District-wide administration and governance;

14 (b) Superintendent and assistant superintendent offices;

15 (c) Central office personnel, human resources, finance, accounting, legal,
16 communications, and information technology services not directly assigned to an individual school;
17 and

18 (d) Other district-level overhead costs as defined by the department of education
19 through rules.

20 III. Total annual operating expenditures shall include all general fund operating
21 expenditures of the school district, excluding capital expenditures, debt service, and federally
22 restricted grant funds.

23 IV. A school district exceeding the limitation in paragraph I shall be ineligible to receive any
24 additional state aid increases in the subsequent fiscal year until the district demonstrates
25 compliance with this section.

26 V. The department of education shall adopt rules pursuant to RSA 541-A to implement this
27 section, including uniform reporting standards to ensure transparency and consistency across school
28 districts.

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- Page 2 -

2026-0033h

AMENDED ANALYSIS

This bill establishes a tax cap for local school districts and limits school district expenditures on central office administrative functions.