

HB 564 - VERSION ADOPTED BY BOTH BODIES

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2025 SESSION

25-0248

07/02

HOUSE BILL

564

AN ACT relative to the adoption of school administrative unit budgets.

SPONSORS: Rep. Vose, Rock. 5; Rep. Andrus, Merr. 5; Rep. Harvey-Bolia, Belk. 3; Rep. Pauer, Hills. 36; Rep. Sellers, Graf. 18; Rep. Sheehan, Hills. 43; Rep. Creighton, Hills. 30; Sen. Avard, Dist 12; Sen. Ward, Dist 8

COMMITTEE: Education Policy and Administration

ANALYSIS

This bill revises the annual budget adoption procedure for school administrative units and repeals the alternative procedure

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Five

AN ACT relative to the adoption of school administrative unit budgets.

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

1 1 Municipal Budget Law; Preparation of Budgets; School District Budget Cap. Amend RSA
2 32:5-e, IV (c)(1) to read as follows:

3 (c)(1) School districts ~~[that have adopted the school administrative unit (SAU)~~
4 ~~alternative budget procedure under RSA 194-C:9-b]~~ shall place the warrant article for the SAU
5 budget at the beginning of school district warrant, immediately after any warrant articles proposing
6 bonds or notes.

7 2 School Boards, Superintendents, Teachers, and Truant Officers; School Census; Mandatory
8 Reports to Voters; Reference Removed. Amend RSA 189:76, I to read as follows:

9 I. Before any meeting at which any school district adopts a school budget, ~~[whether or not~~
10 ~~the district has adopted the provisions of RSA 194-C:9-b]~~, a mandatory report to voters must be
11 posted in at least 3 appropriate places, 2 of which must be places of business or other public
12 locations, and one of which shall be the local newspaper or, if a local newspaper is not available, the
13 district's website. The report must be posted at least 7 days, excluding Sundays and legal holidays,
14 prior to the meeting.

15 3 Single District School Administrative Units; Exemption. Amend RSA 194-C:3 to read as
16 follows:

17 194-C:3 Single District School Administrative Units; Exemption. Single district school
18 administrative units shall be considered the same as a single school district and shall be exempt
19 from meeting the requirements of this chapter, except that they shall provide superintendent
20 services pursuant to RSA 194-C:4[-], **adopt a budget, conduct budget voting pursuant to RSA**
21 **194-C:9, and conduct public hearings under RSA 194-C:10.**

22 4 School Administration Units; Budget Adoption. Amend RSA 194-C:9 to read as follows:

23 194-C:9 Budget.

24 I. At a meeting held before January 1, the school administrative unit board, **or school**
25 **board for single-district school administrative units**, shall adopt a budget required for the
26 expenses of the school administrative unit for the next fiscal year, which budget may include the
27 salary and expenses of supervisors of health, physical education, music, art, and guidance, and any
28 other employees, and shall include the expenses necessary for the operation of the school
29 administrative unit. Superintendents, assistant superintendents, business administrators, teacher
30 consultants, and the regularly employed office personnel of the school administrative unit office shall
31 be deemed employees of the school administrative unit for the purposes of payment of salaries and

contributions to the employee's retirement system of the state of New Hampshire and workers' compensation.

II. The provisions of this paragraph shall apply to school administrative units with 2 or more districts. The school administrative unit board shall apportion the total amount of the budget among the constituent school districts in the following manner: the apportionment shall be based 1/2 on the average membership in attendance for the previous school year and 1/2 on the most recently available equalized valuation of each district as of June 30 of the preceding school year. Prior to January 15 in each year, the board shall certify to the chairperson of the school board of each constituent school district the amount so apportioned. Each district within a school administrative unit shall raise at the next annual district meeting the sum of money apportioned to it by the school administrative unit board for the expenses of services which each district received in connection with the school administrative unit office. The school administrative unit board in adopting the budget shall not add any new service to the school administrative unit budget unless a majority of the school districts in the school administrative unit representing not less than 60 percent of the total pupils in the school administrative unit have voted favorably upon the establishment of the service. A vote to accept a new service shall not be construed as a vote to raise and appropriate money within the meaning of RSA 197:3.

~~II. The provisions of paragraph I shall not apply to school administrative units comprising only one district. The budget for these units shall be a part of the school district budget and subject to the vote of the annual school district meeting or, for those districts without an annual meeting, by the legislative body.~~

~~III. Paragraph I of this section shall not apply to school districts which have adopted the provisions of RSA 194-C:9-a.~~

~~IV]~~ **III.** In addition to the method of apportionment set forth in paragraph I, the school administrative unit board may consider other methods. Any method of apportionment to be used shall have been approved by the constituent school districts pursuant to RSA 194-C:9 [or RSA 194-C:9-a], except that the proposed method of apportionment shall be adopted only if there is a majority affirmative vote in each school district within the school administrative unit.

IV. The provisions of this paragraph apply to districts with an annual meeting.

(a) The school administrative unit budget adopted according to RSA 194-C:9, I and II, shall be placed before the voters of each school district of that school administrative unit in a separate warrant article at the annual school district meeting. Wording of the warrant article shall be as follows:

"Shall the voters of _____ (name of school district) _____ adopt a school administrative unit budget of \$_____ for the forthcoming fiscal year in which \$_____ is assigned to the school budget of this school district? This year's adjusted budget of \$_____, with \$_____ assigned to the school budget of this school district, will be adopted if the

article does not receive a majority vote of all the school district voters voting in this school administrative unit."

(b) The adjusted budget in the warrant article shall be that of the previous year, adjusted for continuing contracts, but shall not include any pay increases, any benefits cost increases associated with pay increases, any new positions, or any new services that were not in the previous year's approved budget. Notwithstanding RSA 32 and RSA 40:13, the budget adopted by the school administrative unit board, or the school board for single-district school administrative units, shall not be amended or changed in any way prior to the vote. The school district moderator shall conduct a vote by paper ballot, record the number of yeas and nays, and announce the result at the annual meeting.

(1) For single-district school administrative units, the moderator shall deliver the ballots to the secretary of the school administrative unit.

(2) For school administrative units comprising 2 or more districts, the ballots shall be delivered to the moderator of the school district with the latest chronological annual meeting. The moderator of the latest annual meeting shall record the total number of yeas and nays, announce the results of the final vote on adopting the school administrative unit budget, and deliver the ballots to the secretary of the school administrative unit.

(c) A majority of voters voting in favor shall result in the adoption of the budget proposed by the school administrative unit board. If the article receives less than a majority vote, the accepted budget amount shall be that of the previous year, adjusted for continuing contracts (adjusted budget). After a vote on the school administrative unit budget, the secretary of the school administrative unit shall place the ballots and all envelopes or wrappings that previously contained them in a suitable container, showing the contents and the date of the vote. The ballots shall be retained for 60 days from the date of the vote or any recount unless further preservation is necessary or unless disposal is enjoined by the superior court. Any registered voter who resides in a school district within the school administrative unit may, in writing, petition the secretary of the school administrative unit for a recount of the vote no later than the Friday following the latest annual meeting of school districts in the school administrative unit. The secretary shall schedule a recount, to be conducted by the school administrative unit, not earlier than 5 days nor later than 10 days after receiving the petition.

5 New Section; School Administrative Units; Unassigned Funds. Amend RSA 194-C by inserting after section 9-b the following new section:

194-C:9-c Unassigned Funds. At the end of the fiscal year, any unassigned general fund balance shall be apportioned and returned to the constituent school districts. The apportionment shall be on

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1 the same basis used by the school administrative unit and certified to the constituent districts for
2 the purpose of raising the funds at the preceding annual district meetings.

3 6 Repeal. RSAs 194-C:9-a, 194-C:9-b, relative to SAU alternative budget adoption procedure,
4 are repealed.

5 7 Applicability. RSA 32:5-e, IV (c)(1), as amended by section 1 of this act, shall apply to school
6 district budget caps adopted prior to the effective date of this act and shall not require local
7 amendment or re-adoption by a school district.

8 8 Effective Date. This act shall take effect 60 days after its passage.