

CHAPTER 153  
HB 564 - FINAL VERSION

04/23/2026 1468s

2026 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

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ANALYSIS

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

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty-Six*

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:*

1 153:1 Municipal Budget Law; Preparation of Budgets; School District Budget Cap. Amend RSA 32:5-  
2 e, IV (c)(1) to read as follows:

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

6 153:2 School Boards, Superintendents, Teachers, and Truant Officers; School Census; Mandatory  
7 Reports to Voters; Reference Removed. Amend RSA 189:76, I to read as follows:

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

13 153:3 Single District School Administrative Units; Exemption. Amend RSA 194-C:3 to read as  
14 follows:

15 194-C:3 Single District School Administrative Units; Exemption. Single district school administrative  
16 units shall be considered the same as a single school district and shall be exempt from meeting the  
17 requirements of this chapter, except that they shall provide superintendent services pursuant to RSA 194-  
18 C:4[.], ***adopt a budget, conduct budget voting pursuant to RSA 194-C:9, and conduct public hearings***  
19 ***under RSA 194-C:10.***

20 153:4 School Administration Units; Budget Adoption. Amend RSA 194-C:9 to read as follows:

21 194-C:9 Budget.

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

31 ***II. The provisions of this paragraph shall apply to school administrative units with 2 or more***  
32 ***districts.*** The school administrative unit board shall apportion the total amount of the budget among the

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

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

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

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

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

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

28 ***"Shall the voters of \_\_\_\_\_ (name of school district) \_\_\_\_\_ adopt a school administrative unit***  
29 ***budget of \$\_\_\_\_\_ for the forthcoming fiscal year in which \$\_\_\_\_\_ is assigned to the school budget of this***  
30 ***school district? This year's adjusted budget of \$\_\_\_\_\_, with \$\_\_\_\_\_ assigned to the school budget of this***  
31 ***school district, will be adopted if the article does not receive a majority vote of all the school district voters***  
32 ***voting in this school administrative unit."***

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

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

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

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

20           153:5 New Section; School Administrative Units; Unassigned Funds. Amend RSA 194-C by inserting  
21 after section 9-b the following new section:

22           194-C:9-c Unassigned Funds. At the end of the fiscal year, any unassigned general fund balance  
23 shall be apportioned and returned to the constituent school districts. The apportionment shall be on the  
24 same basis used by the school administrative unit and certified to the constituent districts for the purpose  
25 of raising the funds at the preceding annual district meetings.

26           153:6 Repeal. RSA 194-C:9-a and RSA 194-C:9-b, relative to SAU alternative budget adoption  
27 procedure, are repealed.

28           153:7 Applicability. RSA 32:5-e, IV (c)(1), as amended by section 1 of this act, shall apply to school  
29 district budget caps adopted prior to the effective date of this act and shall not require local amendment or  
30 re-adoption by a school district.

          153:8 Effective Date. This act shall take effect 60 days after its passage.

Approved: June 19, 2026  
Effective Date: August 18, 2026